MANKATO AND BLUE EARTH COUNTY AFFORDABLE HOUSING ACTION PLAN

December 2022

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HOUSING PLAN DEFINED

The goal of the Mankato and Blue Earth County Affordable Housing Plan is to provide a roadmap for the community, service providers, and developers. In 2020, Community Partners Research completed a housing study which analyzed past and projected demographics, housing trends, and other important data to define the housing needs for Mankato and Blue Earth County. This plan builds on the 2020 Housing Study to:

- *Identify gaps in the housing market and barriers in meeting the affordable housing needs.*
- *Provide potential tools to assist with housing and redevelopment efforts that meet the needs of the community.*
- *Identify resources and develop collaborations to meet unmet needs.*
- *Support economic growth and assist with attracting and retaining workforce.*

The key difference between a housing study and a housing plan, is a plan takes the data found within the study to create a roadmap for how the community hopes to achieve the needs identified within the study. The housing plan process also captures a community engagement component to allow key partners and the general community the opportunity to identify priority areas based on their experience in developing and implementing local housing initiatives and also the lived experience of residents. Lastly, the housing plan creates action steps with timelines to guide the implementation process.

CONTINUUM OF HOUSING

As part of this housing plan, it is critical to explore the entire continuum of housing. This graph highlights the continuum of housing available and typical Area Median Income (AMI) levels served by this housing. It is important to note that subpopulations of these categories such as senior housing are addressed in more detail in later sections of the report.



HOUSING COST AND INCOME STANDARDS

A common question posed during community engagement is "What is affordable housing?" Affordable housing is defined as housing that costs no more than 30% of a household's income. More specifically, most affordable housing programs and resources target households below 80% AMI. The City of Mankato posts income limits on the following web page: https://www.mankatomn.gov/residents/housing. The following chart highlights income limits effective April 1, 2022, by household size based on the Department of Housing and Urban Development (HUD).

	Household Size							
	1	2	3	4	5	6	7	8
30% Income	$18,900	$21,600	$24,300	$27,750	$32,470	$37,190	$41,910	$46,630
50% Income	$31,500	$36,000	$40,500	$45,000	$48,600	$52,200	$55,800	$59,400
60% Income	$37,800	$43,200	$48,600	$54,000	$58,320	$62,640	$66,960	$71,280
80% Income	$50,400	$57,600	$64,800	$72,000	$77,800	$83,550	$89,300	$95,050

Some homeownership programs carry slightly different income guidelines than the HUD AMI by household size. The following chart highlights some common affordable homeownership resources and their respective income guidelines. It should be noted that applicants to the Community Homeownership Impact Fund through Minnesota Housing can establish lower income limits based on the greater of state or area Median income with a maximum of 115% which is shown in the chart. Lastly, home cost limits are not identified in most homeownership programs.

	Household Size						
	1	2	3	4	5	6	7
Start-Up Program	$104,000	$104,000	$119,600	$119,600	$119,600	$119,600	$119,600
Step-Up Program	$155,500	$155,500	$155,500	$155,500	$155,500	$155,500	$155,500
Deferred Payment Loan	$75,000	$75,000	$84,000	$94,000	$101,000	$109,000	$116,000
Homeownership Impact Fund	$119,600	$119,600	$119,600	$119,600	$119,600	$119,600	$119,600

In addition to income standards, many housing programs also incorporate rent standards as well. The following chart highlights some of the common rent standards. Payment standards are used for the Section 8 Voucher Program. The 60% rent standards are used by the Low-Income Housing Tax Credit Program (LIHTC) which is the program predominately used today to create affordable housing.

	Unit Size						
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Payment Standard	$823	$870	$1,130	$1,507	$1,924	$2,172	$2,455
60% Rent Standards	$945	$1,012	$1,215	$1,404	$1,566	$1,728	$1,890

It is important to note that these represent limits for specific programs. As noted in the housing study, the following are the extrapolated median gross rents by bedroom size based on 2018 data.

Extrapolated Median Gross Rents 2020 Housing Study, Community Partners Research			
0 Bedroom	1 Bedroom	2 Bedroom	3+ Bedrooms
$653	$649	$892	$1,262

The following chart highlights the changes in median rent for Mankato and Blue Earth County between 2018 and 2021, based on the most recent data available through the American Community Survey.

Median Gross Rents 2018 to 2021, American Community Survey		
	City of Mankato	Blue Earth County
2018	$879	$856
2019	$883	$887
2020	$927	$913
2021	$921	$954

EQUITY AND ACCESS

In addressing affordable housing needs in Mankato and Blue Earth County, it is critical to acknowledge structural inequities and gaps in the housing industry and broader society. Housing disparities are stark for BIPOC community members on a statewide and local level. Homeownership disparities are above 65% in every county in Minnesota with most over 90%. In Blue Earth County, only 3% of homeowners are BIPOC compared to 97% white households. Data from the Minnesota Housing Partnership highlights disparities in housing cost burdens for households by race in Greater Minnesota with BIPOC households facing greater housing burdens than White households. In developing responses to local housing needs, the goal is to create responses in which everyone thrives. Responses will work to create an inclusive and equitable housing system through:

- Making programs and housing more inclusive and equitable.
- Addressing barriers.
- Co-creating solutions with communities and those with lived experience.

HOUSING TERMS DEFINED

The housing industry uses a variety of terms and acronyms to define housing and sometimes these terms are used interchangeably. As part of the community engagement process, the following terms and definitions were used and will be used in this report.

Affordable Housing. When the amount of federal funds creating new subsidized units was eliminated or greatly reduced, new programs such as the Low-Income Housing Tax Credit Program became the predominate method of creating new affordable housing. Rents are set at affordable levels, but do not fluctuate to 30% of a household's income unless the project or household obtains some form of rental assistance. Affordable housing does not typically have the same deep subsidies as subsidized housing, but does require a substantial financial participation from federal, state, and local resources.

Assisted Living. Assisted living facilities serve one or more adults who need one or more of the services listed in the definition of assisted living services, and who may also need supportive services. These facilities are licensed by the Minnesota Department of Health as assisted living facility or assisted living facility with dementia care (Minnesota Statute 114G.08 to 144G.9999 and Minnesota Rules parts 4659.0010 to 4659.0210).

Community Land Trust (CLT). A CLT is a structure that allows land to be held "in trust," outside of market pressures to maintain the affordability of the home. An independent entity owns the land which is typically structured as a 99-year renewable, inheritable lease on the land. The CLT can separate the ownership of the land from the ownership of the building which allows homeowners to have control and security as owners, while ensuring when the land changes hands it stays affordable to the next buyer.

Coordinated Entry System. Coordinated Entry System is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on needs.

Entry Level Homeownership. Entry-level homeownership are homes priced below $300,000. This number is based on current market conditions for materials and labor costs for a starter home and is higher than numbers outlined in the housing study. Materials experienced sharp increases during and after the pandemic. To reach price points below this number, reduced lot costs or public financial assistance is likely needed.

Higher End Homeownership. Higher end homeownership are homes priced over $400,000. Homebuyers in this price range would not need any forms of down payment, closing cost assistance, or affordable mortgage options.

Housing Problem Solving (HPS). A person-centered, housing-focused approach to explore creative, safe, and cost-effective solutions to quickly resolve a housing crisis and support the effective implementation of homeless prevention, diversion, and rapid exit

strategies. HPS is typically initiated through an exploratory conversation that occurs during a Street Outreach, an Emergency Shelter intake, or at a CE access point. There are three primary outcomes:

1. Conversation results in a housing option identified and secured with limited case management and connection to mainstream services. No financial assistance is required.
2. Conversation results in a housing option identified and secured with case management and a connection to mainstream services and financial assistance. The conversation serves as the assessment and can be followed by a direct referral to homelessness prevention or rapid rehousing funds designated for housing problem solving.
3. Conversation does not result in a housing option identified. Proceed with Coordinated Entry but also continued HPS approach wherever the household is still engaged. Explore new options until housing is identified and secured or household is prioritized for and receives permanent housing assistance.

Market Rate Housing. Market rate housing is rental housing that is developed without any income or rent restrictions or public financing.

Memory Care. Memory Care provides intensive, specialized care for people with memory issues. These can be stand-along memory care facilities or areas that are incorporated into assisted living or nursing home facilities.

Moderate Level Homeownership. These are homes priced between $300,000 and $400,000. This is the cost of a home that could be built in the current market with basic features and without the use of public assistance.

Naturally Occurring Affordable Housing (NOAH). NOAH rental units are affordable without government assistance or subsidies and are typically older properties. These properties are considered an important part of the housing continuum because these properties can lose their affordability after being sold and rehabilitated.

Permanent Supportive Housing (PSH). Permanent Supportive Housing is permanent housing in which housing assistance (e.g., long-term leasing or rental assistance) and supportive services are provided to assist households with at least one member (adult or child) with a disability in achieving housing stability. It is community-based housing without a designated length of stay in which formerly homeless individuals and families live as independently as possible.

Rapid Rehousing. Rapid re-housing is an intervention, informed by a Housing First approach that is a critical part of a community's effective homeless crisis response system. Rapid re-housing rapidly connects families and individuals experiencing homelessness to permanent housing through a tailored package of assistance that may include the use of time-limited financial assistance and targeted supportive services. Rapid rehousing programs help families and individuals living on the streets or in emergency shelters solve the practical and immediate challenges to obtaining permanent

housing while reducing the amount of time they experience homelessness, avoiding a near-term return to homelessness, and linking to community resources that enable them to achieve housing stability in the long-term. Rapid re-housing is an important component of a community's response to homelessness. A fundamental goal of rapid rehousing is to reduce the amount of time a person is homeless.

Street Outreach. Street outreach involves moving outside the walls of an agency to engage with people experiencing homelessness who may be disconnected from mainstream services and supports. The work is focused on establishing relationships and working to enhance the possibility that they will access necessary services and supports.

Subsidized Housing. Subsidized housing is often defined as rental housing whereby the tenant pays no more than 30% of their income towards housing. Rental assistance or other government subsidies are available for all or a portion of the units. Some examples of subsidized housing include public housing, Section 8 properties, or Rural Development 515 properties. Housing Choice Vouchers provide a similar type of assistance to keep rents at 30% of income, but households can use the voucher in a rental units of their choice provided the landlord accepts vouchers, it meets rent limits, and passes a housing quality inspection. Typically, subsidized housing serves households under 80% of the area median income based on household size.

Supportive Services. Supportive services include a variety of services that are provided to individuals and families experiencing homelessness to help obtain and maintain housing. These can include, but are not limited to case management, education services, employment assistance and job training, food, moving costs, childcare, life skills training, mental health services, substance abuse treatment services, housing search and counseling services, legal services, outpatient health services, outreach services, transportation, and utility deposits.

Sweat Equity Housing. Sweat equity housing creates affordable housing opportunities with the participation of the eventual homeowner and/or community volunteers. Sweat equity housing can include both new construction and the renovation of existing housing units. A variety of sweat equity models exist through organizations such as Habitat for Humanity and Rebuilding Together. Rural Development has a Mutual Self-Help Program that also funds organizations.

Transitional Housing (TH). Transitional housing is designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing. Transitional housing may be used to cover the costs of up to 24 months of housing with accompanying supportive services.

Workforce Housing. Workforce housing and affordable housing are often use synonymously with each other as both are attempting to meet a similar need of providing housing for the local workforce. Workforce housing will typically not have any income or rent limits unless imposed by a public finance source. For example, use of tax

increment financing (TIF) for a housing district requires either 40% of units affordable at 60% income limits or 20% of units at 50% income limits.

A complete list of acronyms can be found on page 30.

COMMUNITY DEMOGRAPHICS

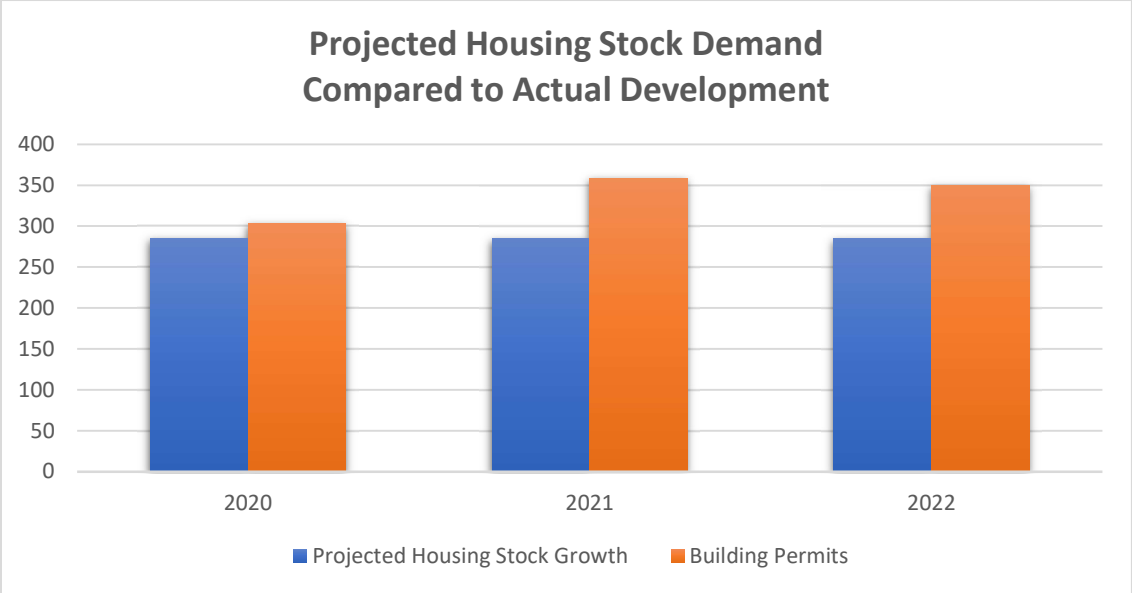
The 2020 Housing Study highlights some key community demographics. The following summarizes some of the primary data by community. It should be noted that the Housing Study highlighted some demographic data solely for the City of Mankato, and other data represents the Greater Mankato Area. The Greater Mankato Area is defined as the Cities of Mankato, North Mankato, Eagle Lake, and Skyline and the Townships of Mankato, Lime, South Bend, and Belgrade.

HOUSEHOLD AND HOUSING STOCK GROWTH

Household growth is a key factor in analyzing housing needs within a community. The following chart highlights the annual projected household growth and annual housing stock growth.

	Annual Household Growth	Annual Housing Stock Growth
Mankato	280-300	285 units
Greater Mankato	335-350	360 units
Amboy	1-2	Limited
Good Thunder	1-2	Limited
Lake Crystal	Up to 10	4-5 units
Madison Lake	10-12	10+ units
Mapleton	5	3 units
Minnesota Lake	2	Limited
Pemberton	1	Limited
St. Clair	3-4	Limited
Vernon Center	1	Limited

Building permit data was collected from the City of Mankato from 2020 through November 2022. The following chart illustrates the projected housing unit growth identified in the 2020 Housing Study with actual development activity. The Housing Study predicted an annual housing stock growth of 285 new units each year. Building permit data shows actual development has exceed the projections in the Housing Study. Over 300 new units have been permitted per year since 2000, with 2021 having the highest number of permits issued at 359. Page 15 highlights additional details on future demand for various types of housing compared to building permit data.



INCOME DATA

Household income is also an important factor when analyzing local housing needs to ensure housing is being created that is affordable to the local workforce. The following chart highlights the median household income and median income of renter households in 2018. The chart also highlights median home values at the time of the study. Estimates from the 2021 American Community Survey have been included to show trends since the completion of the housing study.

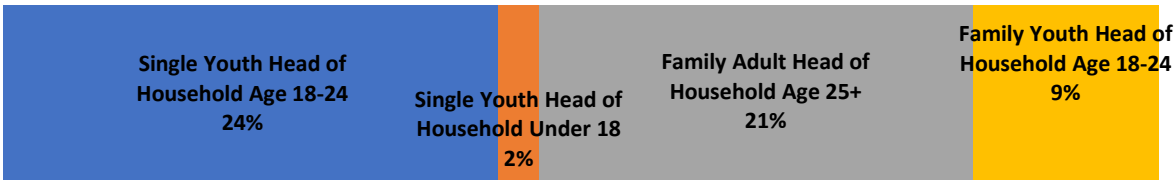
	Median Household Income (2018)	Median Household Income (2021)	Renter Median Income(2018)	Median Home Value (2018)	Median Home Value (2021)
Mankato Area	$75,600	$67,860	$31,000	>$210,000	$208,200
Amboy	$46,250	$57,955	$18,875	<$100,000	$94,400
Good Thunder	$60,625	$74,167	$36,875	<$115,000	$139,200
Lake Crystal	$57,348	$68,508	$32,232	>$150,000	$159,700
Madison Lake	$83,125	$96,563	$19,318	>$215,000	$219,400
Mapleton	$59,926	$73,036	$31,016	>$120,000	$150,200
Minnesota Lake	$58,750	$59,861	$22,813	<$110,000	$110,900
Pemberton	$60,500	$54,861	N/A	<$120,000	$131,600
St. Clair	$66,250	$89,000	$28,750	<$200,000	$163,500
Vernon Center	$66,750	$60,417	$45,625	<$110,000	$108,500
Blue Earth County	$55,861	$65,000	$32,763	>$210,000	$203,200

HOMELESS DATA

The 2020 Housing Study did not include data on homelessness for Blue Earth County, except to highlight housing developments which offer permanent supportive housing options and rental assistance resources. Data is available through the River Valleys Continuum of Care and is regularly used in developing a local response to addressing homelessness. Two extensive counts are conducted to capture local homeless data to better understand and strive towards ending homelessness. The Wilder Homeless Study is conducted every three years in October. The 2020 count was not conducted with the next count scheduled for October 26, 2023. A point in time count is conducted on an annual basis in January. This data captures those experiencing homelessness on one night in January and is considered a minimum count. The January 2022 count found 121 individuals experiencing homelessness in Blue Earth County.

The Continuum of Care develops needs summary reports to assist with the planning process. Data from HMIS is used to track the number of households experiencing or at-risk of homelessness in a 12-month period to then project overall needs for programs and services. This needs data summary for 2021 illustrates that Blue Earth County has 345 homeless households. The following chart illustrates the household type. Single adults and single youth comprise 69% of households experiencing or at risk of homelessness. A further analysis of subpopulations indicates that 35% are youth under age 25 followed by households fleeing domestic violence at 20%.

HOUSEHOLDS EXPERIENCING OR AT RISK OF HOMELESSNESS



The Continuum of Care tracks existing programs serving Blue Earth County. Data on the number of households experiencing homelessness and the existing inventory of shelter and housing options is used to develop an estimated need for programs and services. The data and planning process used by the Continuum of Care works to ensure that new services and housing options are developed to meet the critical gaps existing in the County and region. The following chart highlights the housing inventory from 2021 and the estimated total household needs for selected programs and services within one 12-month period from March 2020-March 2021.

It should be noted that the Blue Earth County EDA has 102 Mainstream Vouchers which are not reported in HMIS as of the 2021 inventory, but they are included in the chart below. In addition to these vouchers, the EDA received 15 Emergency Vouchers and has applied for housing stability vouchers from HUD in 2022. The Stability Voucher Program is designed to encourage a community-wide commitment to the goal of ending homelessness.

Program Type	2021 Inventory of Households Served	Estimated Total Household Needs
Prevention/Housing Problem Solving	61	138
Street Outreach	38	45
Institutional Outreach	0	32
Emergency Shelter	84	156
Rapid Rehousing/Transitional Housing	49	95
Voucher Programs with Light Support	102 Mainstream Vouchers (not reported in HMIS)	68
Housing Support/Other Non-HUD Permanent Supportive Housing (PSH)	29	88
HUD Permanent Supportive Housing	5	27 (Other Priority)
		34 (Chronic)

HOUSING STUDY RECOMENDATIONS

The 2020 Housing Study outlines several recommendations for each community based on demographic trends and projected future growth. The purpose of the 2020 Housing Study is to define the housing needs. The Housing Plan process seeks community engagement to identify priorities, challenges, and action steps for supporting the growth and preservation of housing. Information learned from the community engagement is covered in the Community Engagement section of the report. Some common recommendations found for each community include:

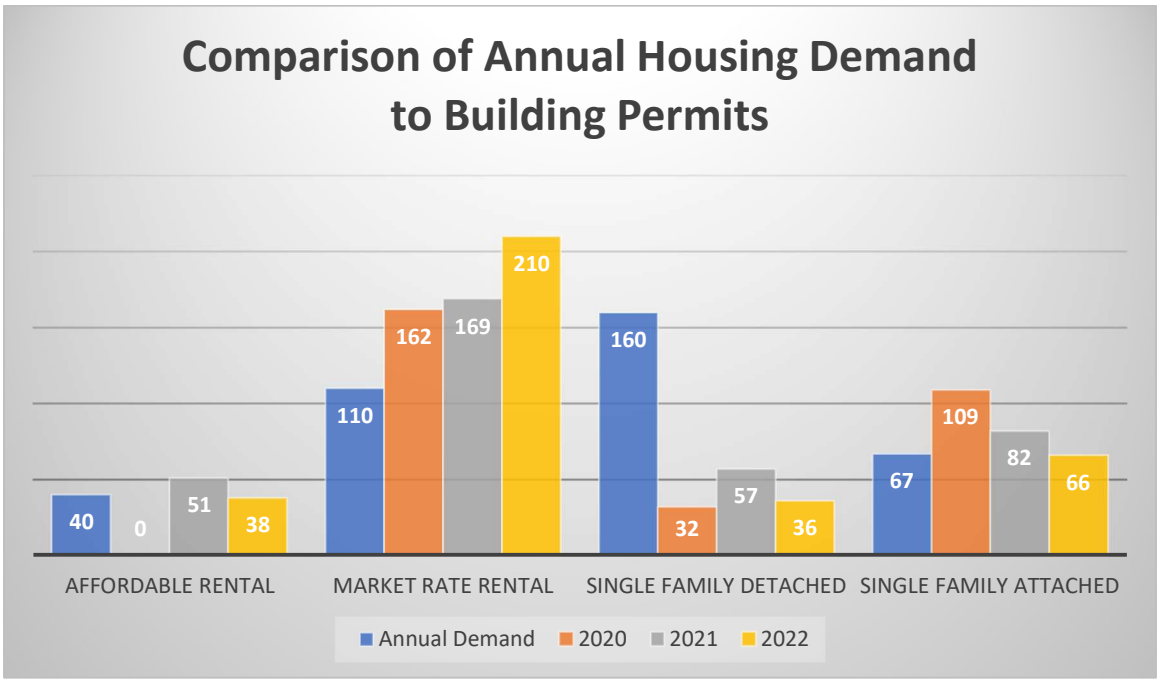
- *Monitor the supply and demand for subsidized rental housing. This was not highlighted for Pemberton as they have no existing subsidized housing.*
- *Consider homeownership incentives to help generate new construction and/or promote homeownership options in existing homes.*
- *Maintain and preserve the existing single family housing stock.*
- *Look for programs for rental rehabilitation.*
- *Encourage "spot" rehabilitation as needed of owner and rental units in Madison Lake.*
- *Demolish and clear substandard structures.*
- *Promote the purchase/rehabilitation of unoccupied units (Good Thunder).*
- *Monitor senior housing with services needs in Lake Crystal and Mapleton.*
- *Promote the affordable lot options and monitor future lot development needs in Mapleton and Minnesota Lake.*
- *Monitor future residential lot development needs and availability in Lake Crystal and Madison Lake.*
- *Promote small-scale residential lot development in St. Clair.*
- *Monitor future opportunities for small-scale rental development in Pemberton and Vernon Center.*
- *Promote townhouse/twin home development in Lake Crystal*
- *Consider programs to improve manufactured homes in Lake Crystal, Mapleton, St. Clair, and Madison Lake.*

In addition to general development recommendations, the 2020 Housing Study also outlines specific unit goals by type of housing for the communities. The following charts

illustrate the unit demand from the 2020 Housing Study. It should be noted the chart below does not include any specific recommendations for new subsidized units due to difficulty in securing financial resources for deep subsidy rental housing production, despite the need for this type of housing. Data from the housing study highlighted that 91.8% of households earning less than $20,000 are housing cost burdened, paying over 30% of their income for housing. The Mankato and Blue Earth County Economic Development Authority (EDA) along with private developers, should take every opportunity to access funding sources that meet this deep subsidy need in the community through vouchers, capital funding, or other resources.

Housing Demand Greater Mankato Area 2020 Housing Study	
Tax Credit Rental Units	44-50 units per year
General Occupancy Market Rate Rental	100-140 units per year
Entry Level Homeownership	18-29 units per year
Moderate Level Homeownership	70-95 units per year
Higher End Homeownership	70-80 units per year
Attached Single Family	70-85 units per year

To understand development trends after the completion of the housing study, the following chart compares the demand projections by housing type to building permit data for the City of Mankato. It should be noted that the previous chart highlights housing demand for the entire Greater Mankato Area. The Housing Study estimated that the City of Mankato would fulfill approximately 79% of the total demand and those numbers are used below to compare demand to development activity. Lastly, detached single family home data has been combined into one category.



The following chart highlights the housing demand for communities outside of the Greater Mankato Market Area (Cities of Mankato, North Mankato, Eagle Lake, and Skyline and the Townships of Mankato, Lime, South Bend, and Belgrade).

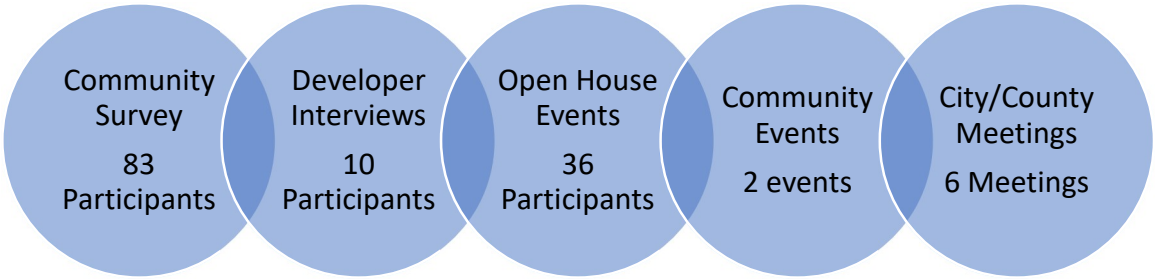
Housing Demand Remaining Communities 2020 Housing Study							
	Lake Crystal	Madison Lake	Mapleton	St. Clair	Minnesota Lake	Good Thunder	Amboy
Affordable Market Rate Units (conversion/ development)	8-10 units	8-10 units	4-6 units				
General Occupancy Market Rate Rental	20-24 units	15-20 units	8-12 units	6-8 units	4-6 units	4-6 units	4-6 units
Owner Occupied Units		8-10 units per year					

As noted in the Housing Study and chart, it is extremely challenging to create new affordable units in smaller markets. Most LIHTC projects are 24 units or more due a variety of factors including state scoring criteria, transaction costs, etc. These smaller communities may also lack access to jobs, transportation, and critical services for households. Small communities may have other opportunities however to create affordable rental units. This can be through conversion of vacant buildings such as schools, nursing homes, etc. or through rehabilitation efforts such as revitalizing second story commercial buildings back into rental units.

COMMUNITY ENGAGEMENT

Development Services Inc. in collaboration with the City of Mankato undertook significant community engagement as part of the plan development.

- Attendance at community events such as Alive After 5 and Day of the Dead.
- Each local unit of government was invited to participate in the process.
- Four open house events were held. Staff also facilitated discussion in multiple committee meetings on the subject including the Homeless Response Team, Shelter Groups, and meeting with persons with lived experience. Over 50 pages of comments were collected from these sessions. Due to the length of these documents, they are not included in the report but are available upon request.
- Developer interviews.
- An online community survey was developed and promoted. Results of the survey are found in the Appendix.
- The City of Mankato used the Every Voice Platform to provide residents the opportunity to learn more about the Affordable Housing Plan and to connect to open house events and the community survey. The site also has a feature to allow residents to ask a question or provide an idea.



COMMUNITY ENGAGEMENT SUMMARY

As previously noted, the various community engagement events provided over 50 pages of feedback on local housing needs, barriers, and ideas for addressing the local housing needs. The following summarizes the most frequently discussed development, preservation, and communication/education needs. It also highlights populations with the greatest housing needs. Community engagement highlighted that all types of housing are needed in the community, therefore the summary below highlights high priority areas.

Development Needs

- Affordable homeownership opportunities
- Affordable and workforce rental units
- Aging in place and senior transition housing options
- More rental assistance
- All types of housing for persons experiencing homelessness, especially shelter beds
- Housing close to services and transportation

Preservation Needs

- Preserve existing housing stock
- Rehabilitate manufactured housing
- Opportunities with naturally occurring affordable units
- Make housing more accessible

Communication and Education

- Education on existing housing resources
- Landlord and tenant education
- Education on Housing First Model
- Education to combat NIMBY
- Education to build empathy and understanding on housing needs
- Education on community barriers

Redevelopment and Reuse Opportunities

- Redevelopment of sites
- Reuse of vacant buildings
- Examine density and infill opportunities to avoid sprawl

Populations

- Individuals
- Large Family
- Seniors
- High Barrier Households

One topic that was discussed during the community engagement but is not included in the summary and recommendations is rent control. Rent control policies have just recently been implemented in St.Paul and Minneapolis is discussing the topic. Rent control is a highly controversial policy as it achieves the goal of maintaining affordable housing by limiting rent increases for tenants, but the broader community and long-term impacts of such policies can be detrimental. Some communities that have implemented rent control policies have seen sharp declines in new development which further tightens the housing market and does not create adequate supply to accommodate new household growth. As part of the community engagement interviews with developers, they clearly indicated policies which make development more difficult or jeopardize the financial feasibility to build or operate the development, will force them to work in other communities. Local developers can easily move their efforts into other nearby communities such as Rochester, the Twin Cities, and other nearby markets with high housing demand. Also, rent control policies can result in the eventual decline of housing conditions within a community. For example, if property owners are limited to a 3% rent increase but expenses such as utilities, property taxes, etc. exceed the 3%, the owners will not have the funds to invest in property repairs.

CITY/COUNTY MEETING SUMMARY

As part of the community engagement, the consultant reached out to each community in Blue Earth County and provided the opportunity to discuss the local needs that exist within the communities and ideas local leaders had to address the housing needs. Participation by communities was optional and the following information summarizes the discussions with local City Councils or Economic Development Authority Boards.

City of Mankato

The initial community engagement data and developer feedback was presented to the EDA on October 11, 2022. As a large community, it is important to meet housing needs across the entire continuum from unsheltered needs to market rate housing. The EDA discussed the successful development of affordable rental housing options in the community due to the collaboration between the City and Developers. The EDA would like to see more emphasis on affordable homeownership options and believes the Community Land Trust is an excellent step in providing new affordable homeownership opportunities.

The EDA also discussed that if the 25% rental density ordinance were modified, it could quickly add new rental units to the housing market. This rule was established to limit the percentage of rental units in a neighborhood to maintain a healthy balance of rental and homeownership opportunities in neighborhoods.

Blue Earth County

The City of Mankato staffs both the Mankato EDA and Blue Earth County EDA, creating synergy and collaboration in addressing housing challenges throughout Blue Earth

County. The Project Team presented some of the findings to the Board from the community engagement and City meetings. The Board acknowledged that development of infrastructure for new housing projects is critical to helping the small communities grow, but costs are often prohibitive. The Board discussed that starter homes and the Community Land Trust model are needed to provide more homeownership opportunities.

The County also discussed Housing First efforts and housing with supportive services collaboration that is occurring at the County and City level.

Amboy

The city of Amboy created the Vision 2026 Work Plan which outlines a number of community goals. Currently the City has a Small Cities Development Program (SCDP) grant that is rehabilitating commercial, mixed-use rental, and small rental properties in the community. The City has successfully operated SCDP grants for owner rehab and will continue to apply for these funds every 5-10 years. Other resources that could be promoted with this effort include Rural Development and Minnesota Housing products

The City has a great redevelopment opportunity with the former school site and had hoped to extend utilities to create new single family lots for development. Unfortunately, the cost to develop the site are extremely high for a community this size and the per lot costs are unfeasible. The cost of extending infrastructure for new single-family development was mentioned by a few of the communities. The EDA and cities should monitor resources that could assist with infrastructure development.

Meadowbloom Apartments is a USDA 515 property with 16 units. This property and other larger rental properties could be connected to resources available for rehabilitation of property. Opportunities include SCDP or the Rental Rehabilitation Deferred Loan Program (RRDL). The City noted this site does have bare land that could be used for future development of additional rental units.

Vernon Center

The City of Vernon Center is currently tasked with a major infrastructure project as their highest priority. The project received bonding funds, but due to cost overruns they are readjusting their project scope and seeking additional resources through the state. Completion of this project opens up development opportunities in the City, however like Amboy, the costs to extend sewer and water for new development is extremely costly.

The City has taken advantage of rehabilitation resources by partnering with Minnesota Valley Action Council (MVAC) on Small Cities funding. A gap that remains is for households just above 80% income limits as they do not have a lot of expendable funds for major rehabilitation. The Fix Up Fund could meet this need or a locally created rehabilitation pool through a Housing Trust Fund.

Eagle Lake

Housing is important for the community as they do not have a large commercial tax base. One gap that was discussed during the engagement process was the lack of senior

housing options being built in the community. The community does not have an assisted living facility and residents have also commented it would be great if more patio homes were developed. This would allow more residents to remain in Eagle Lake and free up some existing homes in the community.

The community would also like to see more emphasis on homeownership opportunities, especially starter-homes, as a lot of development emphasis has been on rental units.

Lastly, the community has taken advantage of SCDP funding for housing rehabilitation in the past. The community did attempt to survey residents for another effort, but there was not enough interest. The community could examine this effort again. There was also discussion on improvements to Regency Manufactured Home Park that will remove some dilapidated homes and provide opportunities for newer housing units.

Lake Crystal

The Lake Crystal EDA identified several housing priorities and is actively planning a new subdivision for the community. As noted in the housing study, the City had around 30 lots in 2020, but many of these lots were not available for purchase and development. Since the 2020 study, the number of lots has continued to decline and the EDA is now taking an active role in planning a new subdivision. The City Engineer is preparing design and preliminary cost estimates for a phased development that in total could add approximately 80 new single family and multifamily units. Multifamily units would be targeted to twin home designs. The EDA views their role as facilitating the development of a subdivision, but not the development of housing units.

The City has taken advantage of SCDP funding to assist with housing preservation efforts but has not completed a project recently. The EDA was interested in exploring opportunities to used SCDP funding for rental rehabilitation of larger properties.

Some of the key gaps that were discussed with the community include the lack of a site to accommodate a large multifamily development of 20-24 units as noted in the housing study. The new subdivision will only accommodate smaller multifamily units and another site in the community is not available.

Housing Gaps

A variety of gaps were identified as part of the engagement process. This process yielded significant community engagement which highlights the importance of the topic. This report will look to highlight the common themes or ideas from the engagement sessions and balance obtainable goals in respect to resources, time, and market conditions.

It should be noted that all types of housing along the continuum were identified as a need within the community. Creating a balanced approach to addressing a variety of housing needs is important.

Education was common theme in the community engagement process that impacts all types of affordable housing development. This includes education of resources available and also education that highlights the needs and barriers that members of their community face. It also encompasses education efforts such as financial literacy, homebuyer education, and tenant/landlord education.

HOUSING FOR PERSONS EXPERIENCING HOMELESSNESS

Mankato has a strong network of housing, service providers, faith-based organizations, and public entities that regularly convene to work on addressing housing needs for persons experiencing homelessness. These groups include the Homeless Response Team, Shelter Groups, and regional Continuum of Care (CoC). In addition to the work by local service organizations to address homelessness, several developers building LIHTC rental properties have also been working to create Permanent Supportive Housing (PSH) options. The development of PSH as part of LIHTC projects is largely the result of Minnesota Housing incorporating scoring criteria for targeting permanent supportive housing units within projects.

The River Valley Continuum of Care is a 20 County community-based coalition working to prevent and end homelessness in southern Minnesota. The CoC coordinates services and works to maximize resources and is the Housing and Urban Development (HUD) recognized organization. The group works with Coordinated Entry, a HUD-mandated system to equitably connect people to housing availability. The system uses a standardized intake and works to quickly connect people to housing. Lastly, housing and service providers accessing HUD or state funding to address homelessness provide participant data through the Homeless Management Information System (HMIS). The EDA is not currently participating in HMIS but will be in the future.

The community survey identified the need for shelter beds, transitional housing, and permanent supportive housing for people experiencing homelessness. The community engagement process was able to further explore some specific needs for the community. Housing First or harm reduction models were discussed as well as providing more shelter

beds for individuals. More shelter beds for individuals would address the largest gap and create safer family shelter options. The importance of services available with housing was also emphasized in discussions.

Low barrier housing was frequently discussed as a gap for both persons experiencing homelessness and households with credit or criminal backgrounds in need of rental units. Tight rental markets allow landlords to raise rents and to be more selective in the screening process. To alleviate this challenge, housing development will need to meet or exceed growth projections and/or special initiatives will need to be developed that provide incentives or security for landlords willing to work with their perception of a higher risk tenant.

As previously noted in the homeless data section, single adults and youth comprise the largest percentage of households at risk or experiencing homelessness. The estimated total need is for 156 emergency shelter beds, 95 transitional housing/rapid rehousing units, and 149 permanent supportive housing units.

A variety of housing initiatives for people experiencing homelessness are underway or in the planning stages with the EDA. The EDA recently submitted a registration of interest for additional vouchers through the Stability Voucher Program and the agency also received 15 Emergency vouchers. The EDA will also be accessing CoC funding for staffing housing stability and CES navigation for Region 9. This will be a 1.5 FTE through the EDA. Lastly, the organization will be examining the use of CDBG funding for rental assistance and security deposits and to add funding to the Community Living Initiative for Blue Earth County.

Local Homeless Prevention Aid was created by the 2021 Legislature to ensure no child is homeless within a local jurisdiction by keeping families from losing housing and helping those experiencing homelessness find housing. Blue Earth County will receive an allocation of $180,645 in 2023 and funding will target youth and youth families. Planning efforts between the EDA, MVAC, the REACH, and Mankato School District will start in the coming weeks.

Another key initiative that is working to fill one of the largest gaps in the housing continuum is a permanent supportive housing project in coordination with a client centered sheltering component. Blue Earth County is leveraging $2 million in American Rescue Plan funding for the project. The project is in the planning phases for sheltering with the first phase addressing the need of singles. As previously noted, single adults and youth aged 18 and over comprise 67% of those that are homeless or at risk of homelessness.

RENTAL HOUSING

Mankato has experienced strong development trends for new multi-family rental housing. During the period of 2016-2019, permits were issued for 643 new units that would

provide housing for a diversity of households. Approximately 51% of units were targeted for market rate, 23% for affordable, 15% for seniors, 8% for students, and 3% memory care. Developers working in Mankato have successfully secured financing through Low Income Housing Tax Credits (LIHTC). Due to growth projections and demand for housing, the City will need developers to continue taking an active role in securing LIHTC and other resources.

Community feedback indicated that the market lacks enough one-bedroom units for singles looking for affordable housing options and larger families needing four or five-bedroom units. Developers likely create more two-bedroom units over one-bedroom as it gives them a better market position when the demand shifts to families over singles. Creating larger bedroom sizes can be an economic challenge for developers as the extra square footage required for these units outweighs the additional rent collected. As these are likely economic challenges for developers, possible solutions could come in the form of density bonuses or additional public financial participation for projects willing to incorporate these housing needs.

While the housing study noted no demand for assisted living, memory care or other senior housing options with services, the engagement process did identify some gaps for seniors relative to independent housing options. These gaps would include affordable rental options for seniors and rental or homeownership transition housing options such as maintenance-free single level twin homes.

HOMEOWNERSHIP

Community feedback supported the continued development of homeownership options, especially entry-level housing. The 2010 Census highlighted the City had a 53.6% owner occupied housing unit rate and 46.4% renter occupied housing unit rate. Current data indicates the owner-occupied rate has dropped to 49.9% and rental rate has increased to 50.1%. This is due to a greater number of rental units developed over the past decade compared to homeownership options. Building permit data from 2016-2019 highlights that of the 1,138 new units, 57% were targeted to renter households. Some residents and community leaders have noticed this and want to ensure homeownership opportunities are a future priority.

The key gap that exists is the difference between what many view as entry level homeownership options, and the reality of construction costs today for a single-family home. Initiatives such as Community Land Trusts or self-help models like Habitat for Humanity are key for this entry level need based on current market conditions. A variety of other homeownership incentives are important for meeting homeownership gaps. Gap financing assists in bridging the gap between the cost of a home and a households qualified mortgage amount. Affordable mortgage products through state bonded financing options and Rural Development, as well as Housing Choice Vouchers also help to assist residents achieve homeownership.

Building permit trends also show that single family attached homes are being developed more than detached units. In 2017-2019, building permit data showed that single family attached units exceeded single family detached homes. The last time this occurred was in 2000. Single family attached units are another method by which more units can be created in a smaller space and potentially capture some cost savings.

The community engagement process and meetings with cities such as Eagle Lake, highlighted a gap in homeownership options tailored for seniors, such as patio homes. Developing homeownership opportunities for all stages of life helps to open up affordable housing opportunities in the existing housing stock. The community engagement process also highlighted ideas that allow seniors to age in place or with family members using accessory structures or shared housing models.

Resources/Recommendations

Based on data collected in the 2020 Housing Study and significant community engagement, the following are the 2022 Housing Plan priority focus areas:

- *Preserve the existing affordable housing stock*
- *Support the development of new affordable housing*
- *Prevent and end homelessness*
- *Expand communication and education efforts to create connections with affordable housing opportunities*

It should also be noted that in 2019, the City of Mankato created a Strategic Plan through 2023 as a road map to guide city services and incentives. As noted in the Strategic Plan, quality affordable housing is fundamental to a community's health and well-being. Also, as acknowledged in both the Strategic Plan and Housing Plan, some households are disproportionately impacted by systems and our efforts must work to provide equal access for all populations. Lastly, Mankato and Blue Earth County have a strong network of housing developers, services organizations, and government partners committed to this work. Collaboration will continue to be key in providing housing opportunities for all.

PRESERVE THE EXISTING AFFORDABLE HOUSING STOCK

The existing housing stock in communities provides some of the most affordable housing options as construction costs continue to rise. Housing preservation efforts are a key component of an affordable housing strategy for a community. A variety of housing rehabilitation programs exist and primarily focus on health and safety, energy efficiency, and accessibility improvements.

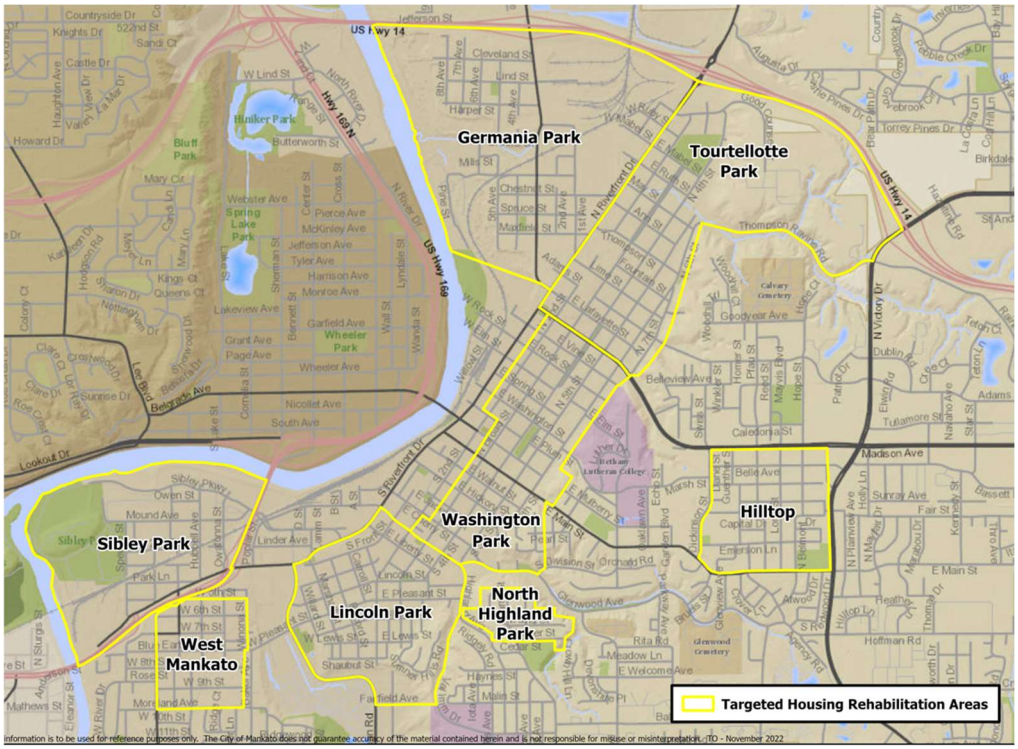
Owner-Occupied Rehabilitation

Maintaining the existing housing stock is a key strategy in affordable housing efforts. The City of Mankato receives a direct allocation of Community Development Block Grant (CDBG) funding that is primarily used for owner, rental, and commercial rehabilitation needs. The City has also used CDBG funding for site acquisition costs for new affordable multi-family housing development and has partnered with local services agencies to deliver critical services assisting low to moderate income households.

The following map highlights the neighborhoods currently targeted for rehabilitation efforts as part of the City's 2020-2024 consolidated plan submitted to the Department of Housing and Urban Development (HUD). This map also represents key neighborhoods that would be targeted for identifying and preserving Naturally Occurring Affordable Housing (NOAH) projects.

Mankato Target Areas for Housing Rehabilitation

(Target Areas for Naturally Occurring Affordable Housing)



The remaining communities in Blue Earth County access CDBG funding through the Small Cities Development Program administered by the Department of Employment and Economic Development. Minnesota Valley Action Council has assisted several of the communities in accessing and administering these funds for owner, rental and commercial rehabilitation efforts.

Additional resources are available for owner occupied housing rehabilitation including Minnesota Housing resources and Minnesota Valley Action Council (MVAC) housing rehabilitation programs. While most of these programs do carry income restrictions below 80% Area Median Income, the Fix Up Loan has higher income guidelines compared to the other programs. The current income limit is $155,500 but it also carries a higher interest rate comparable to current mortgage rates. Low-income households outside Mankato also have access to Rural Development's housing rehabilitation loan and grant programs.

If the community creates a Housing Trust Fund, it will likely come with a variety of demands for its use. One recommendation that was discussed during the City meetings was providing a low interest housing rehabilitation revolving loan fund for those just above income limits for SCDP and other resources.

Lastly, some resources are targeted specifically to energy efficient improvements. Households can be challenged in meeting housing repair needs due to cost of living expenses. A way to help reduce a households monthly utility expense and possibly free up resources for other home repairs, is to conduct energy improvements to the home. Xcel Energy and other utility companies offer incentives for energy improvements. Other energy related programs include Weatherization through MVAC or Property Assessed Clean Energy (PACE) for multifamily properties with more than four units.

Rental Rehabilitation

The Housing Study recommended that several communities either look for programs for rental rehabilitation or promote rental housing rehabilitation. Two key resources for these activities are the Rental Rehabilitation Deferred Loan (RRDL) Program through Minnesota Housing and the Small Cities Development Program through the Department of Employment and Economic Development. RRDL does not have any current funding available so the Mankato/Blue Earth County EDA should monitor new funding and program information to ensure the funding opportunity is promoted in Blue Earth County once funds become available. As noted later, this is a good resource for NOAH efforts.

Some Program Administrators of SCDP have been examining ways to expand the use of SCDP funding for rental rehabilitation activities, especially larger multifamily properties. This program is a good fit for properties under programs such as Rural Development 515 that need rehabilitation, but do not have adequate reserves to fund the entire project. SCDP can be used to fund 70% of the rehabilitation activities.

The City of Mankato has used CDBG funding for rental housing rehabilitation efforts and funds are currently available. Rental property owners using CDBG/SCDP funding must rent 51% of the units to low to moderate income households and charge rents below fair market rent payment standards for a five-year term. One of the challenges in deploying funds has been tenants' unwillingness to complete income verifications. The EDA has conducted some targeted mailings to landlords who accept Section 8 vouchers as it may be easier to qualify these properties. Funds are targeted to neighborhoods with higher populations of LMI households and older housing stock.

Manufactured Home Communities

Manufactured homes provide critical affordable housing in many communities, but there are several challenges with these communities as it relates to infrastructure, unit condition, and zoning. The infrastructure serving parks is often private infrastructure and when in poor condition, it jeopardizes the stability of the park. Older homes also face challenges with conditions and movability. Lastly, many parks were originally developed with small lot sizes and are grandfathered in, however if manufactured homes are removed from lots some communities have not allowed new units to be replaced on those non-conforming lots.

To exacerbate the challenge of manufactured home conditions, some housing rehabilitation programs such as the Small Cities Development Program (SCDP) funds do not allow manufactured homes to be rehabilitated with program funding. The City of

Mankato and MVAC have been proactive in efforts to preserve and improve manufactured housing conditions in Blue Earth County. The Mankato EDA has used CDBG funds for manufactured home replacement in collaboration with MVAC funding through Minnesota Housing. The effort targeted homes that were beyond repair or unsafe for the habitants. The substandard home was demolished, and a newer home was purchased. The CDBG policies allow for rehabilitation of owner-occupied manufactured homes as long as they are part of the permanent housing stock, i.e., have permanent foundations. The City's policies note only emergency repairs can be completed on manufactured homes so long as the home is permanently affixed to real property by means of a foundation or pier footings. The Rehabilitation Loan Program administered by MVAC can also assist with manufactured housing repairs. Based on the recommendations in the housing study, these resources will continue to be important to addressing the preservation of this affordable housing in Blue Earth County.

An organization that has provided valuable technical assistance to preserve Manufactured Home Parks is the Northcountry Cooperative Foundation. Northcountry is a Minnesota based 501c3 organization that provides technical assistance and cooperative education. They have assisted residents of manufactured housing communities organize cooperatives. These cooperatives have a shared purchase of land beneath the homes and Northcountry supports the governance and oversight of infrastructure and other special projects in these resident-owned communities.

Lastly, funds through Minnesota Housing's Manufactured Home Community Redevelopment Program have assisted in stabilizing and preserving Manufactured Home Communities. This fund provides grant resources for infrastructure improvements or acquisition of manufactured home parks. The program prioritizes projects based on health, safety, and critical need improvements as well as projects with local support and those converting to a cooperative ownership model. At their December 2022 Board Meeting, Minnesota Housing will be approving the recommendation to fund High Ciara Manufactured Home Park in Mankato. The $196,200 grant will assist with road improvements for the 81 lots in the park. This park provides housing for several low to moderate income households with an average resident income of $27,354.

Rental Housing Preservation

The State of Minnesota has made a strong effort to focus on preservation activities as some federally assisted properties predominately built in the 1970s and 1980s can exit their federal program. In exiting their respective program, these units would then convert to market rate. Developments in strong housing markets are especially at risk. Due to the deep subsidy that exists in many of these projects, the conversion of these units is detrimental to low-income renters and the community as there are not the resources to replace them. In addition, resources to create new affordable housing are limited and highly competitive. As a result, the preservation of existing rental units is also a critical affordable housing strategy for communities.

Mankato has supported previous efforts and continues to identify future preservation activities. Walnut Towers is an existing 86-unit project-based Section 8 development in

Mankato primarily serving seniors and disabled households. The City of Mankato and Blue Earth County both committed resources to the project as they sought LIHTC funding through Minnesota Housing. The project is being recommended for Minnesota Housing Board approval in December 2022.

In addition, Naturally Occurring Affordable Housing (NOAH) are rental units which do not receive federal or state subsides but are affordable. These can be older units in poor condition. To maintain these units, resources such as the NOAH Impact Fund through the Greater Minnesota Housing Fund (GMHF) have been created to assist in preserving these units. Connecting these properties to the NOAH Impact Fund or other rehabilitation resources such as the Rental Rehabilitation Deferred Loan Program (RRDL) can also assist in extending affordability requirements as a preservation strategy. The City will look to identify and monitor NOAH properties and connect owners and developers to resources that will preserve these naturally affordable units.

A number of other development opportunities are in the planning stage that will either preserve affordable housing or create new affordable housing opportunities through redevelopment. These include the Jefferson Quarry, Good Counsel, and City Square Apartments.

SUPPORT THE DEVELOPMENT OF NEW AFFORDABLE HOUSING

Local Housing Trust Fund

Recently, the Minnesota Legislature allocated $1 million to be granted as match for Local Housing Trust Funds (LHTF). A LHTF creates a dedicated and flexible fund to assist communities in meeting their housing needs. LHTF's create a flexible, local tool that can be used to meet a wide range of housing needs within a community. Communities can also engage with employers to assist in funding LHTF's. Communities determine the dedicated source of funding for the LHTF which can include levies, bond proceeds, TIF pooling, donations/private contributions, grants, and loans. Administration of the LHTF is done by a government entity or nonprofit organization. Communities can establish demographic and income targeting. LHTF's can be used to meet a variety of housing needs depending on the priorities of the community. Common examples of projects funded through LHTF's include increasing homeownership opportunities, rehabilitating the existing housing stock, creating new affordable rental housing, and developing housing responses to end homelessness. Funds can be structured as grants, loans, loan guarantees, matching funds, down payment assistance, and rental assistance.

Many LHTF's exist throughout Minnesota and provide a variety of examples as to how these funds can assist with local housing needs. For example, Red Wing established a LHTF in 2015 that invests $100,000 annually with an initial focus on providing homebuyer assistance loans to families. Goodhue County and the Southeastern Minnesota Multi-County Housing and Redevelopment Authority started a LHTF to provide down payment assistance, funding for multi-family housing projects, and a flexible fund to address other housing needs.

The Minnesota Housing Partnership created a guide to assist communities in the development of a LHTF: https://mhponline.org/local-housing-trust-fund-manual-for-minnesota/

An effort that could be coordinated in conjunction with a Local Housing Trust Fund or separately is employer assisted housing. The Greater Minnesota Housing Fund in partnership with many local partners, participated in several employer-assisted efforts and based on their success, created a resource guide for community leaders and employers as found on the link below. The resource guide highlights the diversity of initiatives and ways in which employers can engage in housing activities including donated land, cash contributions, financing, direct ownership and development, and other types of assistance such as down payment and closing cost assistance.
https://gmhf.com/about/programs/employer-assisted-housing/

Community Land Trusts (CLT)

As part of the community engagement, many participants noted the need to create new affordable homeownership opportunities. Rental development has outpaced demand projections from the Housing Study, while single family detached units are well below projections. Community Land Trusts is a model in which land is held "in trust," outside of market pressures to maintain the affordability of the home.

The City of Mankato is currently partnering with the Southwest Minnesota Housing Partnership (SWMHP) through their Partnership Community Land Trust to explore a Community Land Trust model in Mankato. The initiative is starting with three homes, with the hope that enough demand exists for funding support from Minnesota Housing. Funding for three CLT units from Minnesota Housing has been recommended for funding in December 2022. The goal for the effort is to complete three homes in 2022, ten homes in 2023 and ten homes in 2024.

In addition to CLT's, several programs exist to facilitate affordable homeownership opportunities in Mankato and surrounding communities. These programs can assist with homebuyer education and counseling, down payment and closing cost assistance, construction financing, and value and affordability gap financing. There are also opportunities to develop affordable homeownership through Habitat for Humanity, modular housing, and manufactured housing options. It is vital that organizations continue to seek funding for these efforts and promote local resources. These existing resources are further addressed under the education and communications recommendations.

Subdivision Development

Subdivision development was a need identified by some of the smaller communities outside of Mankato as part of the community engagement. High infrastructure costs have been a barrier for many of the communities in proceeding with projects that would create opportunities for growth and new housing development. The EDA should continue to monitor resources for new subdivision development. Tax Increment Financing is a

development tool that some communities have utilized in creating subdivisions if the goal is to provide some affordable homeownership opportunities.

Rental Housing Development

Local developers, the City of Mankato, and Blue Earth County have successfully collaborated on a variety of projects that have added new affordable rental units via the LIHTC program. LIHTC is a highly competitive program that typically requires local financial participation to be successful in obtaining project funding. Several LIHTC projects have also created permanent supportive housing units for homeless individuals and families.

The 2020 Housing Study acknowledged the construction of Dublin Heights in 2020, a 45-unit mixed income development with 36 affordable units. The project opened in 2020. Three additional affordable rental housing projects have begun construction or are preparing to start construction that were not identified in the 2020 Housing Study. Rosa Place II was permitted in 2021 and was open for move-ins in November 2022. The project offers 51 affordable rental units. Construction began Fall 2022 on Sinclair Flats, a 48-unit development that will provide 38 affordable units and 10 market rate units. Lastly, Lewis Lofts is expected to begin construction in 2023 and provide 64 affordable units for seniors. Lewis Lofts will meet the specific market demand of affordable senior housing that was identified in the community engagement process.

The City and County should continue to examine opportunities to collaborate with developers on projects that will add new affordable units to the housing stock to meet the demand for 220 new LIHTC units between 2020 to 2025.

Workforce Housing

Minnesota Housing administers the Workforce Housing Development Program. This program has successfully developed multifamily units in smaller markets. Eligible cities in Blue Earth County include Mankato, Lake Crystal, Eagle Lake, Minnesota Lake, St. Clair, Madison Lake, Amboy, Mapleton, and Good Thunder.

Cities should be aware that developments funded through the Workforce Housing Program require a local match of $1 of local funds for every $2 of Minnesota Housing Funds requested. Local funds could include tax abatement (only for public infrastructure), tax increment financing, or other funds. If a community will provide other funds, those funds must be structured as a grant or deferred loan that is forgiven within three years.

Tax Increment Financing

Tax Increment Financing (TIF) is often viewed as a critical resource in the development of affordable housing or in redevelopment efforts as it bridges financing gaps and illustrates local participation in projects. Not only does the use of TIF assist in the initial creation of affordable housing, but excess TIF increment beyond local policies could be a source for expanded affordable housing efforts. Minnesota Statutes enable “pooling” of tax increments, which is the use of a percentage of tax increments for activities located

outside of the boundaries of the TIF district in which they were collected. Rental projects qualifying for Low Income Housing Tax Credits are eligible and in 2021 the law was expanded to allow for new owner-occupied housing initially purchased by households earning 115% or less of area median income. Additional changes in 2021 to the tax increment laws also allowed the cities of Minnetonka, Richfield and St. Louis Park to transfer pooled increment to a housing trust fund. As the City explores a Housing Trust Fund, this would provide greater flexibility on the use of pooled increment if additional cities were granted this amendment.

Housing TIF Districts have income requirements, but Redevelopment Districts do not. As part of the community engagement, developers and community members were asked to provide feedback on whether housing projects as part of a Redevelopment TIF District should be required to dedicate a certain percentage of affordable units or provide a payment in lieu that could be used to create affordable housing. Affordable housing developers and advocates for affordable housing were overwhelmingly in support of this idea. Market rate developers highlighted a few concerns over the concept. First, they indicated that with a Redevelopment TIF District the developers are requesting the assistance due to large redevelopment costs of the site and those resources are needed to create a level playing field compared to bare site development. This requirement could create a development barrier as they are already struggling with rising interest rates and construction costs. Most developers indicated they would be more open to this idea if the City were willing to extend the term of the TIF to account for the payment in lieu.

EDA Authority and Assets

EDA's can take a significant role in housing development per the powers granted in state statute and they can generate resources through a local levy. The EDA will be exploring ways to use rental income to leverage improvements for affordable housing. The EDA has started the Rental Assistance Demonstration (RAD) conversion process for its public housing portfolio. RAD allows public housing agencies to leverage public and private debt and equity to reinvest in the public housing units. Units also move to a Section 8 platform with a long-term contract. Converting these units from public housing to a Section 8 platform providers greater flexibility for the EDA to explore opportunities for use of rental income and reserves to leverage improvements for affordable housing and opportunities to maximize returns on investments.

As previously noted, the Housing Study did not identify any new demand for senior housing options such as apartments with light services, assisted living or memory care. Lewis Lofts will assist in meeting the affordable independent housing needs for seniors. A senior housing product that remains in demand are owner and rental options typically designed as twin homes or other attached housing options. A financing tool that some EDA's have used are Essential Function Bonds or General Obligation Backed Revenue Bonds as these tools provide lower interest rates than conventional financing and Payment In Lieu of Taxes (PILOT). Some EDAs have also taken a direct role in development of both housing and subdivisions when the private market has been unable to meet the local housing needs. St. Peter is a local example of the EDA developing

subdivisions and then partnering with various entities to build a range of homeownership options.

Increase Housing Supply Through Accessory Dwellings

During the community engagement, a few participants discussed the idea of "mother-in-law" units or tiny houses being a solution to the housing needs. The terminology that will be used to describe this type of housing in this report is accessory dwellings. This type of housing was promoted by participants in the engagement process as it creates additional housing options utilizing existing land and infrastructure which is more cost effective than new subdivisions. Structures are also smaller than traditional new housing units resulting in a lower total development cost. The engagement discussion largely focused on seniors having housing options close to family members. Zoning regulations are a key component to ensuring these units are created in an orderly and feasible manner for existing neighborhoods.

Discussion on the 25% rental density ordinance

To balance the number of owner-occupied units versus rental units in predominately low-density residential neighborhoods (R-1 and R-2 Districts), the City has an ordinance limiting the number of rental licenses to not exceed 25% of the lots in a block.

Density provisions were established to encourage healthy and stable neighborhoods and to reduce negative impacts that can arise from increased noise, traffic, and inadequate property maintenance. The existing ordinance helps to maintain a balance of housing types in neighborhoods and avoid investment companies purchasing properties that can result in a negative transformation of the neighborhood. There are blocks that exceed the 25% rental density where rental licenses were issued prior to adoption of the rental density ordinance and can continue to renew their license. Proponents of modifications to this ordinance view it as a way to add additional rental options without new construction. Proponents of keeping the current ordinance language want to ensure neighborhoods have a variety of both rental and homeownership options. In some cities, that do not have density regulations, they have experienced purchases of homes by investment companies and short-term rentals in larger percentages that have precluded those seeking affordable home purchases. Neighborhood groups also feel this is key to preserving property values and neighborhood integrity by having adequate homeownership opportunities available.
https://library.municode.com/mn/mankato/codes/code_of_ordinances?nodeId=CH5BURELIGE_LIRE_S5.42DWUNRE

This ordinance was discussed during community engagement as it would have the opportunity to create more rental options without new development costs and support some shared housing models. The goal would be to not make significant changes to the ordinance that would jeopardize neighborhood integrity, but to determine if there are changes to the ordinance that could assist in meeting the housing needs if the property were owner occupied. For example, in situations where there are blocks exceeding the 25% rental density, the ordinance could be amended to allow issuance of a new rental

license if the property is owner occupied. If a property is owner occupied, accessory dwelling units may be allowed as a housing alternative to expand housing options.

Other flexibility that could be considered would be allowing for owners to seek shared housing options that provide support services to the homeowner. A model discussed during community engagement was a shared living model where programs pair seniors with young adults. An example of this would be housing units that provide several services to seniors such as chore assistance and trained adult volunteers to provide friendship support. Support organizations could be gaining insight on the feasibility of this model. The article below highlights some alternative ideas for senior housing in the future. https://www.theseniorlist.com/senior-housing/alternatives/. Other shared housing models exist to address critical housing needs. Another option would be to connect adult hosts with youth experiencing homelessness.

The affordability regarding this ordinance is not clear. If the ordinance were changed to allow additional rental it does not necessarily mean that the resulting new rental inventory would be affordable. There is also the chance that it could impact the availability of owner-occupied homes available for sale as in other cities without rental limitations homes have been purchased by rental investment companies or turned into short term rentals by investors. If the ordinance is to be amended, a wider engagement strategy will be needed to involve neighborhoods, landlords, realtors, tenants, and other stakeholders.

Occupancy Provisions

In addition to the density provisions within a neighborhood, another ordinance addresses occupancy provisions within the unit to address neighborhood population capacity and secondary impacts such as demands for parking. The occupancy of a unit in Mankato City Code is referred to as "Family". "Family" is defined in Mankato City Code as An individual or two (2) or more persons related by blood, marriage, or adoption, or a group of not more than five (5) unrelated persons, living together as a single housekeeping unit within a dwelling unit, as distinguished from individuals or a group occupying a hotel, motel, club, lodge, sorority, fraternity, or dormitory. There are two other types of "Family" defined in Mankato City Code that are used in low density areas for occupancy:

> Family – Traditional. A traditional family means one or more persons related by blood or marriage residing in a single dwelling unit.
>
> Family – Functional. A functional family means a collective group of unrelated persons residing in a single dwelling unit, limited to not more than two adult persons, together with their traditional family members of any age.

Occupancy restrictions are based on zoning of the property. Low density residential areas (R-1 and R-2 Zoning Districts) limit the occupancy to two unrelated individuals (Family

Functional) or a related family (Family-Traditional). High density areas (R-3, R-4, or OR) limit the occupancy to five unrelated individuals.

Changes or alterations, to the dwelling units with a grandfathered rental license in the R-1 and R-2 zoned area, are prohibited that would increase the potential occupancy of the dwelling from what was approved when the rental license was issued. Such prohibited changes to the dwelling unit include expanding or adding bedrooms or any other changes that under Chapter 13 of the Mankato City Code or Minnesota State Building Code would result in allowing additional occupants from what was approved at the time the rental license was issued. Modifications in the R-3, R-4, or zoning districts would be permitted provided that a Family-Functional does not exceed five unrelated individuals.

This ordinance was discussed during community engagement questioning if rental units are being used to their capacity. The City could analyze whether landlords believe rental properties are underutilized based on existing policy. Any changes to the occupancy restrictions would require an ordinance amendment. As part of the review of the ordinance, the proposed changes need to be balanced with other neighborhood impacts of parking, traffic, and property maintenance and a wider engagement would be needed specific to proposed ordinance amendments.

Collaborations

While no specific initiatives were identified, the community engagement process identified the assets that exist within the County, including the opportunity to form new collaborations. New and unique collaborations can play a valuable role in affordable housing preservation and development. These collaborations can include working with employers, educational institutions, and other partners vested in the community. Past examples include employer partnerships to deliver down payment and closing cost assistance. The community engagement process recognized the value that exists with Minnesota State University, Mankato and other post-secondary institutions. Some communities have collaborations with local educational institutions on the development and preservation of affordable housing. Discussions will be explored to identify potential partnerships with Minnesota State University, Mankato.

Redevelopment Opportunities

Vacant, underutilized, and dilapidated sites provide opportunities for development activity that often uses existing infrastructure and helps to revitalize the community. These sites can also provide better access to public transportation systems and services and avoid costly extension of infrastructure. As part of the community engagement process, participant encouraged reuse of vacant buildings and taking advantage of underutilized space such as commercial buildings, parking areas, etc.

The City of Mankato has been very active in securing funds through the Department of Employment and Economic Development (DEED) Redevelopment Grant Program for redevelopment projects. These are typically sites that are owned by private developers and the City may participate as the grant applicant and through a Redevelopment Tax

Increment Financing (TIF) District. The Redevelopment Grant Program works well when the end use of the property is known.

The City has also been successful in securing funds through DEED's Contamination Cleanup and Investigation Grant Program. Grants pay up to 75% of the costs to investigate and clean up polluted sites. Both publicly and privately owned sites with known or suspected soil or groundwater contamination qualify. The City also has an Environmental Protection Agency (EPA) Brownfield Assessment Grant that can be used for environmental investigation on scattered sites throughout the City: https://www.mankatomn.gov/about-mankato/business/programs-and-resources/brownfields

A program that the City has not taken advantage of is the Demolition Loan Program. The goal of the program is to facilitate demolition when the dilapidated condition of a site is hindering redevelopment opportunities. This program is a good fit if the City wants to control the redevelopment activities and prepare the site for development. This is a program communities may use if a site has remained vacant for a while with no interest by the private sector in redevelopment. The City must own the site and can seek a Demolition Loan at 2% interest for up to 15 years. The loan is interest free for the first two years which gives the City time to find a use for the site. If the site is developed, the City can request that DEED forgives 50% of the loan based on development benefits.

PREVENT AND END HOMELESSNESS

Mankato and Blue Earth County have been successful in collaborations to add long-term homeless (LTH) units to rental developments securing LIHTC funding. Opportunities could exist in the future to offset market rate units by including LTH/homeless resources in developments. This could occur by project basing rental assistance into existing buildings with rehabilitation initiatives for NOAH units. Also, continuing to strengthen Continuum of Care (CoC) partnerships with landlords as part of the Coordinated Entry System (CES). A variety of other housing and supportive service efforts are underway or in the planning stage that will work towards the goal of ending homelessness. These efforts include increasing voucher and rental assistance availability, permanent supportive housing options in coordination with client center sheltering options, CoC funding for staffing housing stability and CES navigation, homeless prevention aid for youth and youth families, and participation in HMIS.

The EDA also has the flexibility to sell public housing to reinvest into Project Based/LIHTC development similar to the Breckenridge project in Eagle Lake. Community engagement events highlighted the challenges that households with barriers face in securing affordable options. The Solace Project in St. Peter is a model that some communities are exploring to reach hard to house residents.

Eviction Prevention

A collaboration among multiple community partners began in 2021 through the PREP Program to tackle eviction prevention. During the pandemic, there was a moratorium on evictions which phased out in June 2022. This initiative is working help landlords and tenants find common ground to avoid evictions. Multiple agency resources are part of this effort including Neighborworks funding through Southwest Minnesota Housing Partnership (SWMHP), Family Homeless Prevention and Assistance Program (FHPAP) through Minnesota Valley Action Council (MVAC), CDBG funding, new local homeless prevention aid through Blue Earth County, and CoC funding.

As previously noted, the community engagement sessions highlighted the many barriers that some households face in securing housing. Beyond Backgrounds through HousingLink was mentioned as a successful model to overcoming credit, criminal and past rental history while searching for housing. The program provides financial assurance to the landlord that can be used to cover any damages or legal fees. This program covers the entire state.

Community Living Initiative

Over 20 years ago, the U.S. Supreme Court found the unjustified segregation of people with disability is a form of unlawful discrimination under the Americans with Disabilities Act. The *Olmstead* decision required that services be provided in the most community integrated setting appropriate to the person. Funding continues to be available at the County level to support community living efforts. Locally, funding has primarily been used for rental assistance and for community connectors to create community-based options with the necessary supports. This decision continues to be relevant in housing discussions and initiatives. Planning for housing initiatives need to ensure that services are provided in a community integrated setting that is appropriate to persons with disabilities.

EXPAND COMMUNICATION AND EDUCATION EFFORTS TO CREATE CONNECTIONS WITH AFFORDABLE HOUSING OPPORTUNITIES

Communication and education was common theme in the community engagement process and included ideas such as:

- *How do we better educate the public on resources available?*
- *How can we educate the general public on the needs for affordable housing?*
- *How can we better educate landlords and tenants to create better working relationships?*

The City and County EDA's have a number of existing initiatives that support housing. In addition, the execution of this Housing Plan will create additional opportunities to connect residents to resources. The EDA could develop a communication plan that

would highlight specific initiatives they want to promote and timing of these efforts. Nationally recognized months/days such as Fair Housing Month can be used to promote opportunities the City offers through Homebuyer Education, mortgage products, and down payment assistance.

Storytelling efforts are another effective education method. The broad community may be unaware of the housing needs and barriers that face members of their community or have biases of who needs affordable housing. Storytelling efforts have been an effective way to communicate the story of those in need of affordable housing. Not in My Backyard (NIMBY) was discussed in some of the community sessions as a barrier for affordable housing.

Homeownership Incentives

The Housing Study recommended homeownership incentives to help generate new construction and/or promote homeownership options in existing homes. In addition to new efforts such as the Community Land Trust, there are several existing tools that could be further promoted to assist in building homeownership opportunities throughout Blue Earth County. Mortgage products through United States Department of Agriculture (USDA) Rural Development and Minnesota City Participation Program (MCPP) can provide lower interest rates, and connections to other homeownership resources such as Homebuyer Education. These mortgage products are sometimes layered with gap financing and down payment/closing cost assistance. The EDA collaborates with SWMHP to provide gap financing for up to $20,000 for home purchases. This effort is funded through Impact Funding from Minnesota Housing. The Start Up Program through Minnesota Housing also offers down payment and closing cost loan options. In addition, the EDA administers a homeownership option through their Housing Choice Vouchers (HCV).

As we look to create a more inclusive and equitable community, efforts should be made to address the stark differences in homeownership between white households and the BIPOC community. In Blue Earth County, only 3% of homeowners are BIPOC compared to 97% white households. Achieve Homeownership is a collaborative effort that works to address barriers to homeownership faced by diverse households across southern Minnesota. The program is offered through Three Rivers Community Action and provides culturally tailored financial and homeowner education and counseling services. The program also offers down payment and closing cost assistance. In December 2022, Minnesota Housing will approve recommended funding for the program of $180,000 to assist 15 households in southern Minnesota, including Blue Earth County.

Housing Study Updates

The Housing Study was underway when the 2020 pandemic occurred. The authors of the study noted the challenges that this presented with certain market segments such as Senior and Student Housing. The study noted available inventory in all segments of senior housing including housing with light services, assisted living, and memory care.

Licensing changes also occurred in the senior housing market in August 2021. The housing with services category and requirements for the use of the term assisted living were repealed when licensure of assisted living facilities became effective.

Typically, a community updates their housing study every five years. The EDA may want to shorten that timeframe for their next update or conduct outreach with some larger property owners of senior and student housing to assess if the market has dramatically changed since 2000. Market study firms can conduct specific senior and/or student housing analysis if this market changes dramatically before the next Housing Study is updated around 2025.

Action Plan

The goal of the Housing Plan was to create a road map with action steps toward increased and improved housing affordability. The following chart is a working document with action steps that can be used to identify responsible parties, timelines, stakeholders, and resources. This document can serve as a guide to track progress towards meeting goals and to communicate progress with the public.

PRESERVE THE EXISTING AFFORDABLE HOUSING STOCK				
Action Step	**Responsible Party**	**Timeline**	**Stakeholders**	**Resources**
Create a housing resource guide that can be distributed to households with code-enforcement issues or households inquiring on housing rehabilitation programs.	Community Development Department, MVAC, Communications and Engagement Department	July 2023	Community Development Department, MVAC, Communications and Engagement Department, and Home Modification Coalition	MVAC- Weatherization, Rehabilitation Loan Program and SCDP. Mankato-Housing Rehabilitation Program. Rural Development-Single family housing Repair Loans and Grants. Minnesota Housing-Fix Up Fund.
Continue to use existing resources and leverage new funding to replace and rehabilitate manufactured housing units in Blue Earth County. Contact the Minnesota Construction Codes and License Division (CCLD) on manufactured home licensing. Promote availability of Manufactured Home Community Redevelopment Program through Minnesota Housing.	Mankato EDA, Community Development, and MVAC	Ongoing	Mankato EDA, Community Development, MVAC, Minnesota Housing, park owners, and CCLD	Minnesota Housing-Manufactured Home Community Redevelopment Program and CDBG.
Create an energy efficiency flyer (print and digital format) that can be used by Inspection and Public Safety staff to promote local resources and steps households can take to conserve energy.	Community Development, Public Safety, and Environmental Sustainability	July 2023	Community Development, Public Safety, Environmental Sustainability, and Building Better Communities-Orness	MVAC- Weatherization, Rehabilitation Loan Program and SCDP. Mankato-Housing Rehabilitation Program. Rural Development-Single family housing Repair Loans and Grants.

Monitor and promote availability of RRDL and SCDP to support rehabilitation of rental housing units throughout the County.	EDA, Community Development, Finance, and MVAC	2024	EDA, Community Development, Finance, MVAC, Cities and property owners	RRDL Program and SCDP Program
Identify and monitor NOAH properties. Connect resources through GMHF and Minnesota Housing to preservation opportunities.	EDA, GMHF, MN Housing, and SWMHP	March 2023 Develop NOAH property list	EDA, GMHF, MN Housing, SWMHP, Developers, and Realtors	NOAH Impact Fund, CDBG Rehabilitation, RRDL Program, and EDA Rehabilitation
Complete RAD Conversion of public housing units and develop new supportive housing.	EDA and PH	2020 -2023 RAD Conversion 2022 - 2025 Development of Supportive Housing	EDA, PH, and HUD	HUD RAD Conversion
Conduct a study to determine if rental property owners in low density neighborhoods believe units are underutilized based on existing policies and analyze to minimize the impact to neighborhoods.	Community Development and Public Safety	2023-2024	Community Development, Public Safety, landlords, neighborhood associations, and homeowners	
SUPPORT THE DEVELOPMENT OF NEW AFFORDABLE HOUSING				
Action Step	**Responsible Party**	**Timeline**	**Stakeholders**	**Resources**
Review existing accessory dwelling policies to determine feasibility of changes that would assist in adding new housing units.	Community Development and Planning and Zoning	2024	Community Development and Planning and Zoning	
Examine and determine feasibility in streamlining development timelines by allowing rental developments as permitted uses in certain districts.	Community Development	ongoing	Community Development and Local Developers	

Examine the impact by neighborhood of implementing a slight modification to the 25% rental density ordinance. Meet with organizations to explore a shared living model.	Community Development and Public Safety	2023-2024	Community Development, Public Safety, landlords, neighborhood associations, and homeowners	
Create a team to review the feasibility and structure of a Housing Trust Fund. Examine opportunities to engage employers as part of the efforts.	Mankato EDA, Blue Earth County EDA, and Finance Department	2024	Mankato EDA, Blue Earth County EDA, Finance, MN Housing, and Greater Mankato Growth	Local levy, Minnesota Housing Trust Fund Program, and employers
Monitor resources that would assist smaller communities develop infrastructure in support of new housing development.	EDA, BEC communities, and MNCOG	Fall 2023/ 2024	EDA, BEC Communities, Developers, and MN Housing	Monitor 2023 Legislative session for GO Bond funding and other resources.
Evaluate initial efforts of the CLT and determine if demand exists to seek Minnesota Housing funding in 2023.	EDA and SWMHP	July-September 2022 – SWMHP commitment and community engagement December 2022- up to 3 homes January 2023-MN Housing support December 2023- 10 homes December 2024- 20 homes	EDA, SWMHP, Lenders, Realtors, and Habitat for Humanity	Minnesota Housing Challenge Program, EDA Levy, and American Rescue Plan funding
Upon completion of the RAD Conversion, analyze opportunities to use rental income and portfolio of city assets to leverage improvements for affordable housing.	EDA and Community Development	Ongoing	EDA and Community Development	EDA

Examine opportunities for unique collaborations with MSU and other entities in addressing affordable housing development and preservation needs.	Community Development, EDA, Blue Earth County, HRT, Shelters, and MVAC	2024/2025	Community Development, EDA, Blue Earth County, HRT, Shelters, MVAC, MSU, and School District	
Continue to collaborate with developers to secure LIHTC and Workforce Housing Program funding in support of new affordable housing development in Blue Earth County.	EDA, Community Development, Blue Earth County, and SWMHP	Ongoing support for LIHTC projects annually. Monitor availability of Workforce funds in 2023	EDA, Community Development, County, Private Developers, and Service Providers	LIHTC, Workforce Housing Program, TIF or Tax Abatement, CDBG, HCV-Project Based Vouchers
Evaluate previous redevelopment efforts to highlight best practices and lessons learned. Continue to explore opportunities to use the Redevelopment Grant Program. Research the feasibility of creating a registry of abandoned or underutilized properties. Research financial incentives to encourage development in distressed, underutilized, and vacant areas of the community.	Community Development and EDA	2023	Community Development and EDA	Redevelopment Grant Program, Demolition Loan Program, and TIF
PREVENT AND END HOMELESSNESS				
Action Step	**Responsible Party**	**Timeline**	**Stakeholders**	**Resources**
Continue to engage with landlords on resources and initiatives which promote housing stability and create housing options for households with barriers.	EDA, HRT, BEC, MVAC, SWMHP, and CoC	March 2023 - Committee organized June 2023-Start Engagement	EDA, MVAC, County, SWMHP, HousingLink, HUD, HRT, and CoC	HCV Administration, CoC funding, and Foundations

Apply for additional vouchers through HUD's Housing Choice Voucher Program.	EDA, CoC, and HUD	Registration of Interest – 10/22	EDA, CoC, and HUD	HUD Stability Voucher Program, Mainstream Vouchers, Foster Youth to Independence, and Family Unification Vouchers
Continue to work with partners to identify housing and supportive service solutions for those who are homeless and high barrier residents.	Community Development, EDA, Blue Earth County, Public Safety, HRT, Shelters, MVAC, CoC, HMIS, and HUD	Weekly/biweekly meetings ongoing	Community Development, EDA, County, HRT, Shelters, MVAC, service providers, CoC, Public Safety, landlords, School District, LSS-The Reach	Specific resources will be identified as service and housing solutions are developed.
Monitor key factors in community response to homelessness including length of homelessness and returns to homelessness through participation in HMIS and access funding for supportive services and financial resources that address homelessness for chronic homeless and youth homelessness.	Community Development, EDA, Blue Earth County, Public Safety, HRT, Shelters, MVAC, CoC, HMIS, and HUD	2023 with annual monitoring	Community Development, EDA, County, HRT, Shelters, MVAC, service providers, CoC, Public Safety, landlords, School District, LSS-The Reach	CoC funding, CDBG, Community Living Initiative funding, and Local Homeless Prevention Aid
Develop a PSH project collaborating with client centered congregate shelter that uses a Housing First model into short- and long-term supportive housing and limits the time in homelessness and temporary shelter.	Community Development, EDA, Blue Earth County, Public Safety, HRT, Shelters, MVAC, CoC, HMIS, and HUD	2022-2025	Community Development, EDA, County, HRT, Shelters, MVAC, service providers, CoC, Public Safety, landlords, School District, LSS-The Reach	ARP funding, Minnesota Housing Low Income Housing Tax Credits, HCV Project Based Rental Assistance, CDBG, and Federal Home Loan Bank

EXPAND COMMUNICATION AND EDUCATION EFFORTS TO CREATE CONNECTIONS WITH AFFORDABLE HOUSING OPPORTUNITIES				
Action Step	**Responsible Party**	**Timeline**	**Stakeholders**	**Resources**
Create an education and communication plan that will connect the public to resources available through the EDA and help to build community understanding around affordable housing needs. Explore opportunities to expand tenant and landlord education efforts.	EDA, Community Development, Blue Earth County, SWMHP, HRT, MVAC, and REAP		EDA, Community Development, Blue Earth County, SWMHP, HRT, MVAC, REAP, landlords and tenants	CDBG, HCV and PH administration
Promote homeownership incentives available in Blue Earth County to help generate new construction and/or promote homeownership options in existing homes.	EDA, SWMHP, Rural Development and Minnesota Housing	ongoing	Cities, Realtors, SWMHP, MVAC, Three Rivers Community Action, State and Federal Agencies, Private Developers, and general public	Minnesota City Participation Program, Community Land Trust, Rural Development Single Family Direct Loans and Guaranteed Loans, Impact Fund, and HCV Homeownership
Conduct updated Housing Study to monitor changes in housing demand. Connect with organizations and property owners serving student and senior housing to determine if market has changed since 2000 study.	EDA and Community Development	Ongoing every 3-5 years	EDA, Community Development, MSU, and consultant	EDA Levy and EDA Reserves
Provide information to local communities on financing tools available through their EDA/HRA powers.	EDA	2025	EDAs, and City Financial Advisors or Bond Consultants	Levy and bond capacity

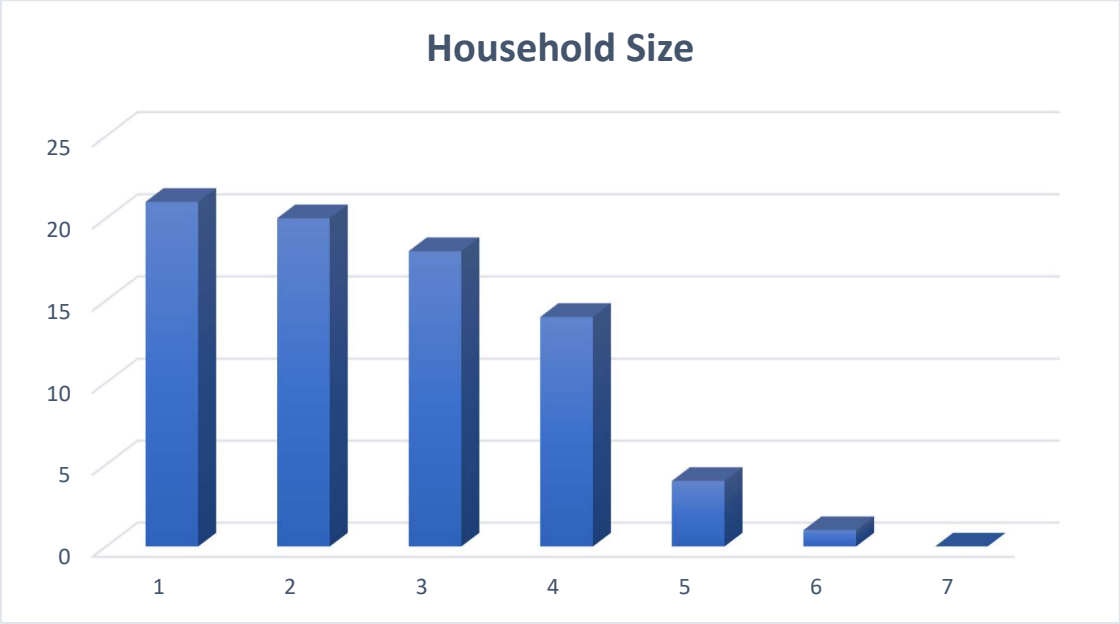
Acronyms

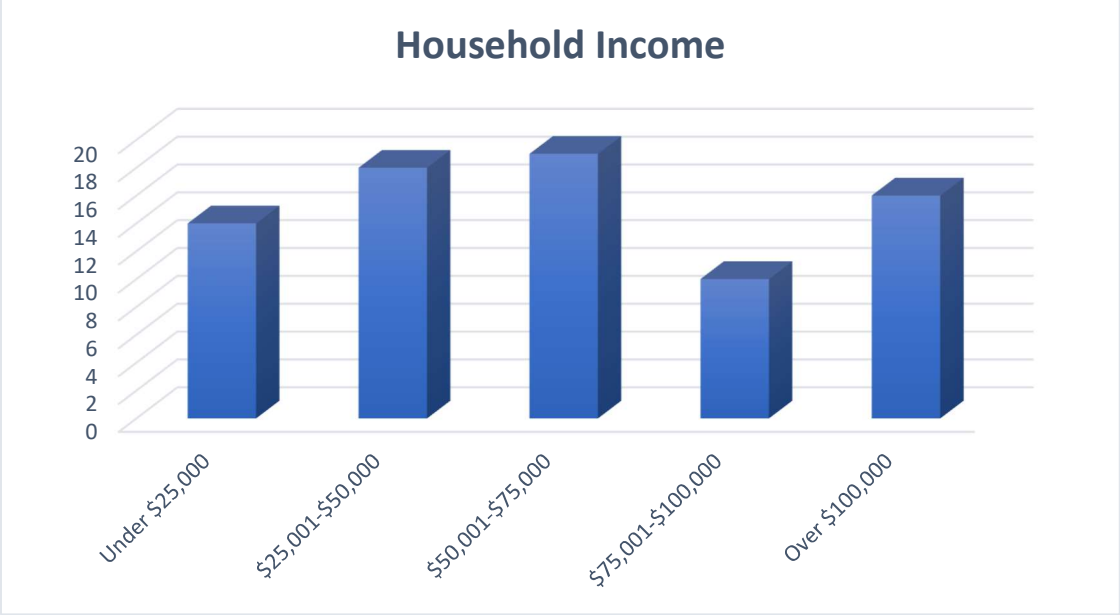
AMI	Area Median Income
ARP	American Rescue Plan
BIPOC	Black, Indigenous, and People of Color
CDBG	Community Development Block Grants
CES	Coordinated Entry System
CoC	Continuum of Care
DEED	Department of Employment and Economic Development
EDA	Economic Development Authority
EPA	Environmental Protection Agency
FHPAP	Family Homeless Prevention and Assistance Program
HCV	Housing Choice Vouchers
HMIS	Homeless Management Information System
HPS	Housing Problem Solving
HRT	Homeless Response Team
HUD	Department of Housing and Urban Development (federal agency)
LHTF	Local Housing Trust Fund
LIHTC	Low Income Housing Tax Credits
MCPP	Minnesota City Participation Program
MSU	Minnesota State University, Mankato
MVAC	Minnesota Valley Action Council
NOAH	Naturally Occurring Affordable Housing
PH	Public Housing
PSH	Permanent Supportive Housing
RAD	Rental Assistance Demonstration
SCDP	Small Cities Development Program (funded with CDBG)
SWMHP	Southwest Minnesota Housing Partnership
TH	Transitional Housing
USDA-RD	United States Department of Agriculture, Rural Development

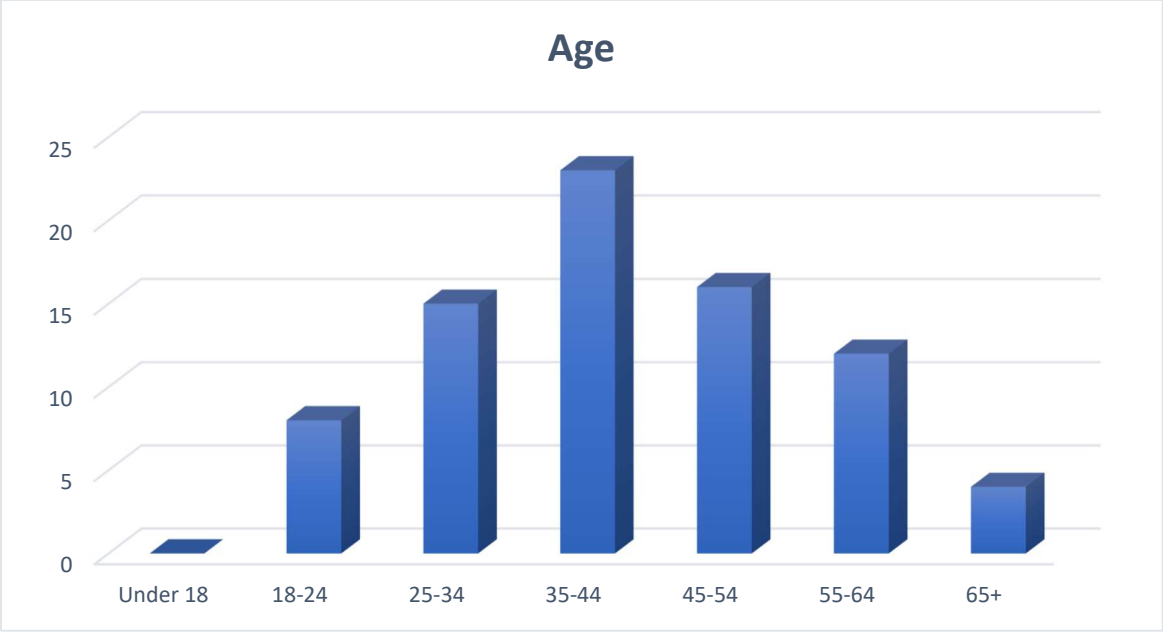
Appendix

COMMUNITY SURVEY RESULTS

An online survey was available from September 27th through October 17th. A total of 83 participants completed the survey, the following charts describe the responses to the housing questions.






Age
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20
15
10
5
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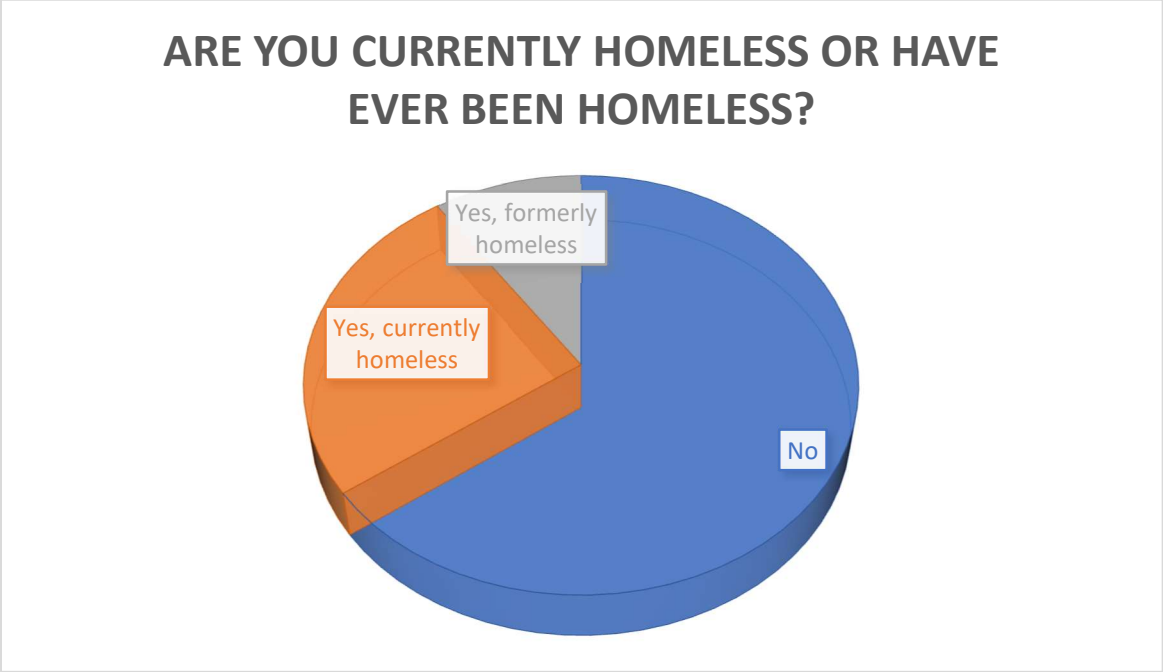
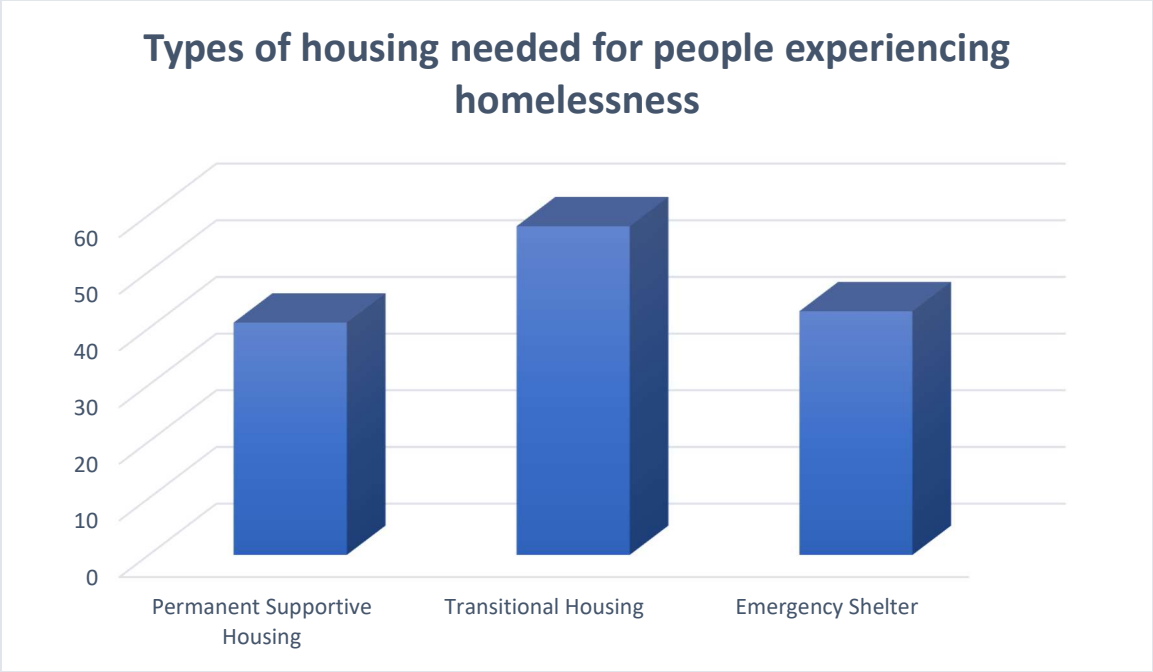
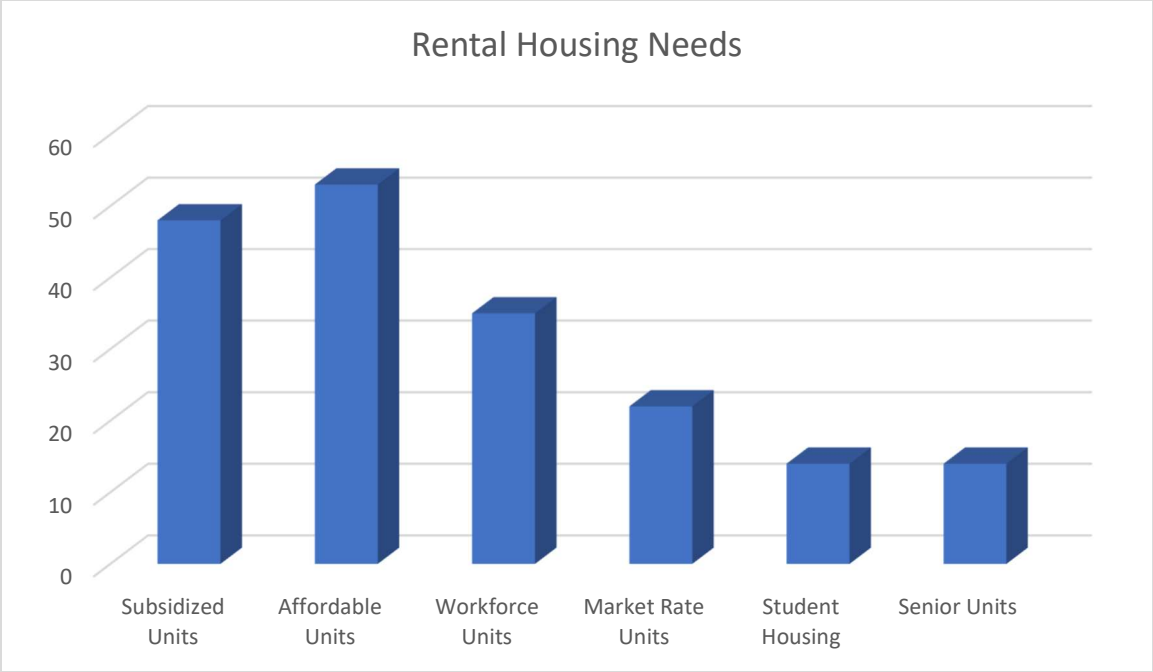
Under 18
18-24
25-34
35-44
45-54
55-64
65+


ARE YOU CURRENTLY HOMELESS OR HAVE EVER BEEN HOMELESS?
Yes, formerly homeless
Yes, currently homeless
No


Types of housing needed for people experiencing homelessness
60
50
40
30
20
10
0
Permanent Supportive Housing
Transitional Housing
Emergency Shelter


Senior Housing Needs
60
50
40
30
20
10
0
Homeownership Options
Cooperatives
Affordable Rental
Market Rate Rental
Assisted Living
Nursing Home Beds
Memory Care


Rental Housing Needs
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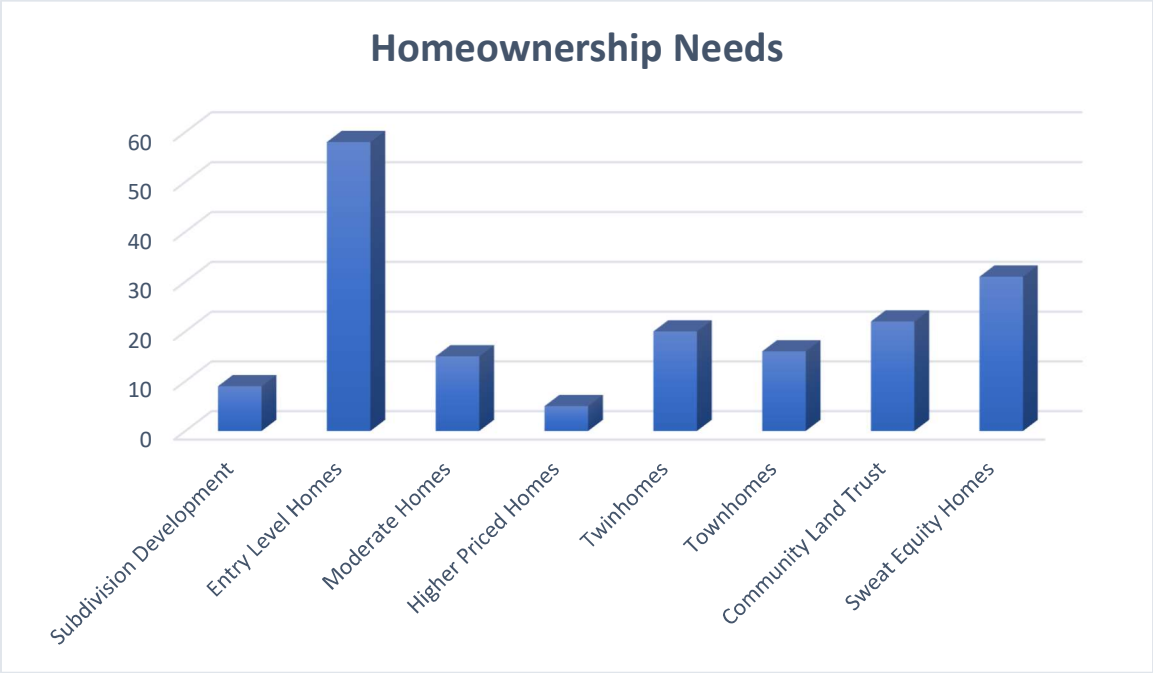
0
Subsidized Units
Affordable Units
Workforce Units
Market Rate Units
Student Housing
Senior Units


Homeownership Needs
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40
30
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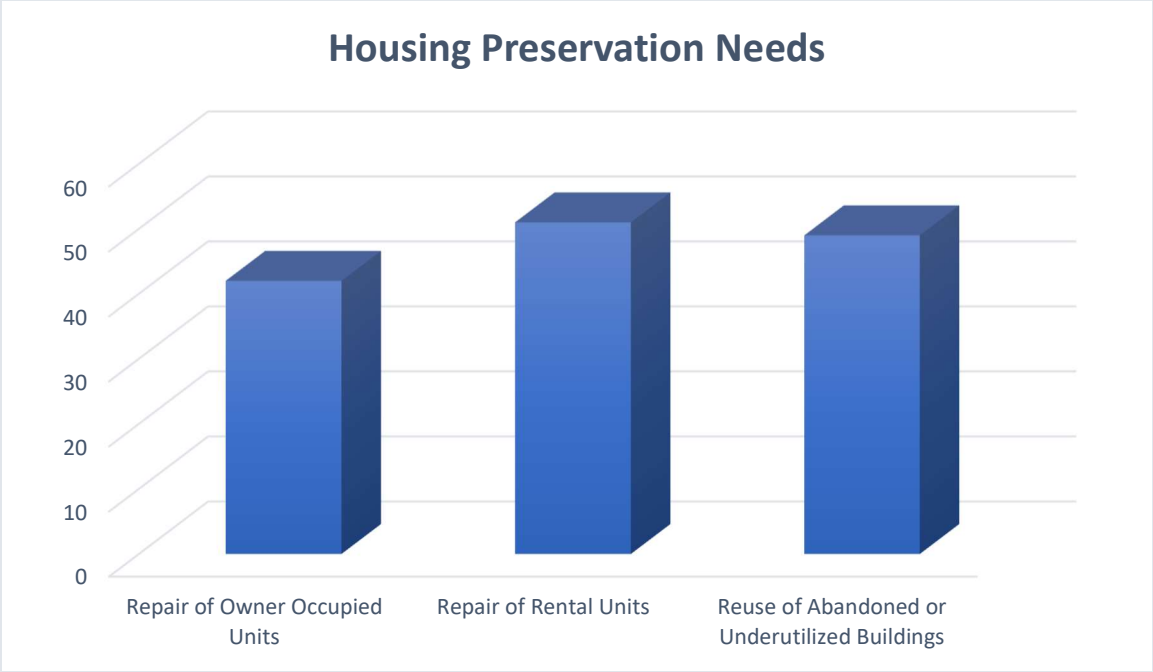
Subdivision Development
Entry Level Homes
Moderate Homes
Higher Priced Homes
Twinhomes
Townhomes
Community Land Trust
Sweat Equity Homes


Housing Preservation Needs
60
50
40
30
20
10
0
Repair of Owner Occupied Units
Repair of Rental Units
Reuse of Abandoned or Underutilized Buildings