

HOUSING

Key Issues in Housing

- Poor Quality in Low Income Housing Market (pages 2 –3)
- Need for Housing Rehabilitation of Older Homes (pages 2 –3)
- Lack of Housing for the Elderly (page 3)

Countywide Goals

- Increase the quality and availability of affordable housing.
- Continue to sustain and preserve the existing housing stock.
- Continue to support the development of new housing within all appropriate urban areas throughout the County.

Introduction

The Housing Section takes inventory of the current housing situation within Nobles County. Information included in this section will range from population and household growth and forecasts, to housing unit conditions and availability. Residents' opinions were gathered at community meetings and their feelings and vocal contributions reflect their beliefs on the current housing situation throughout the County.

Overall, data is presented to show the general condition of the County's housing stock. However, numerical data from the 1990 Census, as well as citizen input from community meetings, is presented reflecting specific information for the County's communities. The housing information should demonstrate requirements for construction, demolition, and/or the rehabilitation of housing (where need is justified throughout the County's communities).

Issues Summary

The main concern at the housing issue meeting was the lack of new rental housing and the poor quality of the existing rental housing stock. In addition, another issue that generated a lot of discussion at many meetings was the topic of the increasing senior population and the housing requirements that would be needed to accommodate this age group. Many wanted to ensure that the adequate housing availability for seniors would continue to remain a priority. There were also those who were concerned with the condition of rural housing that tends to decline when they are senior owned and the owner passes away. Proponents of increasing housing availability stated that there could be more single-family housing construction, in addition to the rehabilitation of existing vacated elderly housing units, in order for the city to avoid costs for homes that decay to an irreparable point.

Many throughout the County felt that there is a need to rehabilitate the existing housing stock and develop a variety of housing types. Some participants throughout the meeting process noted a preference in seeing new construction begin that is needed for multi-family affordable housing and middle-income condos. They feel there is also a need for an increase in the availability of starter homes throughout the County, as it would benefit the County to encourage forms of

growth. As such, the availability of starter homes for new families moving into the area is of importance to the sustainability of the area.

Some residents report a consistent lack of rental and owner-occupied housing in their respective city. This remains a problem because residents living within these smaller communities feel that they are not large enough to support, or even develop these kinds of projects on their own. Residents from other cities stated that their former housing program allowed many rural residents interested in funding for housing rehabilitation be able to acquire it. They felt that maybe a program such as this should be brought back into action. In addition, other residents stressed a need within their community for single-family housing.

Housing Strengths

There were many strengths in the Housing category that Nobles County residents reported. Many felt that most of the rural housing within the County was in good condition and that acreages throughout the area are still selling at respectable levels. In addition, residents feel that local bankers are working well with prospective buyers and providing all necessary consideration in making desired loans.

A few noted that they felt there was a visible increase in the amount of young people buying homes within the County as housing remains affordable within the smaller communities. The majority agreed that this is a trend that is to be encouraged.

Some residents throughout various communities reported that they have seen an overall increase in the amount of improvement done to the existing housing stock. In addition, the help of increased grant money has made this process even easier. Others have seen its subsidized housing units remain occupied while they also view their retirement housing availability as a strength. Many expressed belief that these two events have helped to open single-family homes and allowed people desiring to stay in the area the ability to do so.

Housing Weaknesses

One of the weaknesses expressed at community meetings was an overall lack of available single-family homes and the overall lack of affordable housing units within the area. The incorporated areas do not have enough affordable rental units or starter homes that are required to attract potential newcomers to the area. In addition, citizens feel the condition of the existing housing stock in many areas is very poor.

These problems are contributing to overall concerns that abandoned and run-down housing is more of a problem than many choose to admit. There are certain areas throughout the County where a need for rehabilitation of many aging housing units exist. Many feel that there is a potentially serious problem in that the addition of new housing will be expensive to the city due to acquisition costs that the city would have to incur.

Some residents stated a need for more apartment units. Current buildings located within various communities only have minimal handicapped accessible apartments and many residents feel an appropriate amount of elevators are needed in areas that require them.

The Future of Housing

Residents would like to see efforts increased in attempting to meet the housing needs of the ever-increasing amount of senior citizens in the area. In addition, housing rehabilitation and new single-family housing construction should take place where required. Locating any additional funding sources for a housing rehabilitation program should be encouraged.

Housing Analysis

Nobles County shows a decrease in population in the years spanning 1990 through 1999. The population in Nobles County in 1990, based on the 1990 Census was 20,098 people and it has decreased to an estimated 19,920 people in 1999. This is a decrease of .89 percent. During this time, the number of households has actually decreased by a smaller percentage. This follows a national trend toward smaller families and more single person households, which means that even though there is not currently a large increase in population, there will still be a demand for new and adequate housing.

Housing studies completed in Nobles County over the past five years have found very low vacancy rates between one and five percent. A five percent vacancy rate is considered normal in a healthy market to allow for adequate consumer choice and turnover. These studies also outlined specific recommendations regarding new development, of which, only a moderate amount has occurred. Nobles County should continue to encourage the development and preservation of affordable and life cycle housing. Affordable housing units are those that are available for purchase, decent, safe, sanitary, and that do not cost more than 30 percent of a family's annual income. Life cycle housing is defined as housing of a variety of types and costs which meet resident's needs and preferences as incomes and circumstances change throughout their lives. The area is at a point where reassessments need to be conducted in the areas and development plans implemented to further the amount of housing that is available and to meet these needs. The City of Worthington has recently undertaken an assessment.

In areas that have seen economic growth and the expansion or development of industries, housing will have to be added to support the people entering the area filling new jobs. Also, due to the increasing elderly population, Nobles County will need to have new and renovated housing to accommodate their life-style needs. Areas that have seen a decline in population will need to see housing rehab and renovations to current housing stock as opposed to building new homes. This is key to sustaining existing industry and providing for planned and future job growth in Nobles County.

According to the 1990 Census, Nobles County has approximately 8,094 housing units with 7,683 occupied and 411 vacant. Of the occupied units, 5,791 (approximately 75%) are owned and 1,892 (25%) are rented. The vacancy rate for all units was slightly over 5 percent in 1990. As mentioned earlier, a five percent vacancy rate is considered normal in a healthy market to allow for adequate consumer choice and turnover. This rate is estimated to be considerably lower at this time.

Table 16 illustrates monthly housing costs within Nobles County according to the 1990 Census. Due to increased housing costs, these figures will be somewhat lower than the current market. In 1990, the median monthly cost of mortgaged housing units was \$445, with an average of \$509. For non-mortgaged housing units the median monthly cost was \$155 with an average of \$168. For rental units the median gross rent was \$299 with an average gross rent of \$289.

Table 16
Monthly Housing Costs
Nobles County

Mortgage Housing Units

	Number	Percent
\$199 or less	40	2%
\$200 to \$299	219	11%
\$300 to \$399	534	27%
\$400 to \$499	420	21%
\$500 to \$599	230	12%
\$600 to \$699	198	10%
\$700 or more	326	17%
Total	1,967	100%

Non-Mortgaged Housing Units

	Number	Percent
\$99 or less	213	9%
\$100 to \$149	893	38%
\$150 to \$199	700	30%
\$200 to \$249	284	12%
\$250 or more	255	11%
Total	2,345	100%

Renter-Occupied Units

	Number	Percent
\$149 or less	117	7%
\$150 to \$199	167	10%
\$200 to \$249	214	13%
\$250 to \$299	290	18%
\$300 to \$399	491	30%
\$400 to \$499	230	14%
\$500 or more	61	4%
No Cash Rent	81	5%
Total	1,651	100%

Source: 1990 Census

Homes in Nobles County range in value from less than \$20,000 to more than \$150,000. According to the 1990 Census Data, the median value of a home in Nobles County was \$39,600.

According to the Minnesota Department of Revenue the 1995-1996 median sale price of existing homes in Nobles County was \$47,680. This is significantly lower than the state median price of \$87,500 but higher than the median price of \$42,000 for southwest Minnesota. The following table is a comparison of median sale prices for the southwest Region.

Table 17
Median Sale Prices
1995 - 1996

<u>County</u>	<u>Median Sale Price</u>
Nobles	\$47,680
Cottonwood	\$33,000
Jackson	\$33,750
Lincoln	\$21,000
Lyon	\$64,175
Murray	\$35,750
Pipestone	\$29,900
Redwood	\$40,600
Rock	\$52,000
Southwest Region	\$42,000

Source: MN Dept. of Revenue

The number of housing units built in Nobles County remained consistent from 1940 through the 1970's as the chart below demonstrates. In addition, the 1980's saw a major decline of total housing units built. The following table breaks down the number of housing units built from pre-1939 through March 1990.

Table 18
Housing Units Built
Pre 1939 – March 1990

Year	Total	Owner-Occupied	Renter-Occupied
1989 – March 1990	79	17	56
1980 – 1988	589	292	264
1970 – 1979	1,313	833	398
1960 – 1969	1,005	745	203
1950 – 1959	1,125	921	157
1940 – 1949	1,046	795	211
1939 or earlier	2,937	2,188	603
Total	8,094	5,791	1,892

GOAL 1: Increase the quality and availability of affordable housing.
(related goals/objectives: Demographics 1)

Objective: Provide all residents of Nobles County with homes that are decent, safe, and sanitary.

Policies

1. Support the HRA and other rural housing entities.
2. Promote initiatives that encourage first time homebuyers regardless of income.

Strategies

1. Continue to support housing initiatives in the County.
2. Identify funding sources that allow for affordable development of single- and multi-family units.

GOAL 2: Continue to sustain and preserve the existing housing stock.
(related goals/objectives: Demographics 1)

Objective: Avoid abandonment and deterioration of housing units and acreages within the County.

Policies

1. Support funding that rehabilitates the current housing stock.
2. Encourage improvements that eliminate health and safety issues and encourage energy efficiency.

Strategies

1. Identify any and all funding sources for the continuation of all housing rehabilitation projects.
2. Examine the potential for collaborations such as Habitat for Humanity to achieve this goal.
3. Encourage local units of government to identify and promote housing within their jurisdiction.
4. Increase awareness of the “This Old House” program for tax relief to people who improve/remodel older homes.

GOAL 3: Continue to support the development of new housing within all appropriate urban areas throughout the County.
(related goals/objectives: Demographics 2)

Objective: Permit all appropriate housing developments within the most cost efficient process.

Policies

1. Continue to make sure that all new housing developments occur within appropriate land use areas.
2. Consider adjacent land uses before zoning for further additions to the current housing supply.
3. Encourage communities to develop implementation tools to allow semi-rural housing development in their corporate limits, thus allowing a feasible connection to existing infrastructure.

Strategies

1. Continue to sufficiently supply the area with an appropriate number of attractive, affordable homes.
2. Encourage the future development of senior housing facilities, such as independent care, or those housing options with more services for the increasing elderly population, such as congregate care and assisted living.
3. Encourage communities to consider the development of small acreages with the infrastructure available within corporate limits.