

January  
2014

# HomeWorks

*putting together the pieces  
of community development*

A PUBLICATION OF THE SOUTHWEST MINNESOTA HOUSING PARTNERSHIP

2401 Broadway Avenue, Slayton, MN 56172

## Redevelopment brings new life to two communities

### Meeting need for workforce housing through redevelopment

The job growth in southwestern and south central Minnesota has not gone unnoticed. Media from the Worthington Daily Globe to the Minneapolis Star Tribune and Minnesota Public Radio have noted the strength of local industry and the resulting demand for workforce housing.

According to the Minnesota Department of Employment and Economic Development's Regional Employment Outlook, 10 of 11 employment sectors are projected to experience job growth in southwest Minnesota between 2010 and 2020. As workers attempt to relocate near their jobs, many have felt the pinch of tightening housing markets in regional employment centers. Communities like Jackson and Worthington have rental vacancy rates at or near 0%.

Mankato and St. Peter are also among the cities seeking workforce housing solutions. A 2012 St. Peter housing study found that 50-60 new market rate rental units were needed in the community, as well as moderate income rentals and housing with services, e.g. memory care units. Mankato's rapid growth in health care, agribusiness, and manufacturing leads to an estimated demand of over 1,000 rental units over five years, approximately half of which are affordable to low-to-moderate income households.

In approaching its workforce housing demands, Mankato saw an opportunity to provide needed housing while spurring further redevelopment of its riverfront and promoting more pedestrian-friendly neighborhood development. Mankato's

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### Sibley Park Apartments Mankato

Sibley Park Apartments opened in late 2012 on a reclaimed former brownfield site in Mankato. With 60 units for households of all income levels, the property meets Minnesota Green Communities standards for efficiency and healthy living.

A former industrial site, the City of Mankato's investment in reclaiming the site set the stage for invigorating a small isolated neighborhood and providing residents with healthy, affordable housing. Mankato needed affordable residential development, and Sibley Park's location was ideal for connecting people to downtown, parks and trails, and to the neighborhood around it.

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"Southwest Minnesota  
Housing Partnership"



Our Mission: Create thriving places to live, grow, and work  
through partnerships with communities.

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CHARTERED MEMBER



## Redevelopment, continued

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riverfront was once dominated by large manufacturing plants like foundries, flourmills, and farm equipment plants. Now part of the City Center Renaissance Plan area, the riverfront is gaining green space, multi-modal transportation improvements, and commercial property restoration, as well as housing. Sibley Park Apartments is part of that transformation, adding critical workforce housing with access to downtown. Southwest Minnesota Housing Partnership developed the property with 60 units as a mixed income property.

St. Peter took a similar approach by encouraging redevelopment of a former hospital site near downtown for workforce housing. The Park Row Crossing project, with 40 units for families, provides housing at several rent levels in an area convenient for residents. City Administrator Todd Prafke believes the Park Row Crossing development keeps the community on the path to meeting workforce housing needs. He says, "It's unreasonable to expect any one development to meet everyone's needs. This is one step in the right direction. There are other important housing needs in St. Peter, and we looking to proactively addressing those going forward."

For St. Peter and the other economic growth centers of Southwest Minnesota, workforce housing is a critical building block in their economic development strategies and long-term community development plans. By integrating redevelopment with workforce housing projects, cities get more bang for their buck through rejuvenation of older neighborhoods. ♦

*A version of this article was originally published in the September 2013 newsletter of the Minnesota Chapter of the American Planning Association.*

### Park Row Crossing ▲ St. Peter

Construction of the new Park Row Crossing townhomes began in late 2013. The former hospital site in St. Peter is an ideal location for housing, with a community center and library, park, and downtown businesses within easy walking distance for Park Row Crossing tenants.

The 40-unit property incorporates green space and meets Minnesota Green Communities standards for efficiency and healthy living. It also meets a key need for affordable rental housing in the growing community.

## HomeWorks

*HomeWorks* is a biannual newsletter of the Southwest Minnesota Housing Partnership. To request a copy of this publication, update your mailing address, or submit a question or comment, please contact Jennifer Prins at the address below.

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# Redevelopment in Context

## Sustainable Choices for Developers & Communities

SWMHP believes that people deserve good affordable homes that they and their neighbors can be proud of. Redevelopment is one way to make smart use of resources to achieve that goal.

In fact, redevelopment is part of SWMHP's larger commitment to sustainable practices and thriving communities. As a designated NeighborWorks® Green Organization, SWMHP integrates green standards and principles into all of its activities. Maybe you've noticed that in your interactions with us in 2013. We hope so! Here's just a taste:



### Home Remedy

Students from Westbrook-Walnut Grove High School shared energy and water saving tips at home shows and at SWMHP properties in Windom, Westbrook, Luverne, and Pipestone. Coordinated by SWMHP's AmeriCorps VISTA volunteer, the students gained presentation and job skills while providing great conservation tips. The project was supported by the SW Clean Energy Resource Team.



### Nobles Square Apartments


Renovation of Nobles Square Apartments in Worthington included installation of Energy Star windows and doors, durable new siding, and efficient plumbing fixtures. A new playground and picnic area encourages active, outdoor pastimes for residents. Restoring the property as safe and affordable housing in Worthington also keeps units available in a very tight housing market.

## About the NeighborWorks® Green Organization designation

The NeighborWorks Green Organization designation is recognition of SWMHP's comprehensive commitment to sustainable operations. NeighborWorks® America awards the designation to organizations that have met a set of green achievement criteria that covers an organization's overall management and office operations as well as the programs of the organization.

Southwest Minnesota Housing Partnership has met the green achievement criteria in the following areas: homeownership education and counseling, lending, new construction, multifamily rehabilitation, single-family rehabilitation, asset and property management, owner and resident awareness, and community building and organizing. SWMHP received its Green Organization designation in 2012. For more information on the NeighborWorks Green Organization Program, see [www.nw.org/green](http://www.nw.org/green).



You can see our full 2013 Green Impact Report at our website. Just click on "Partnership Goes Green" at [www.swmhp.org](http://www.swmhp.org). 

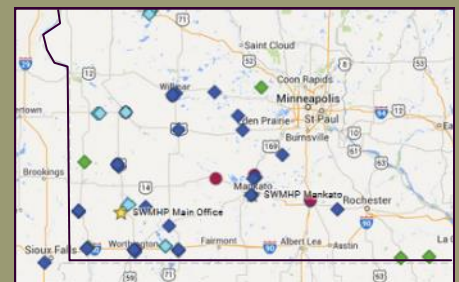
## In the News...

**State of Minnesota** establishes a public Propane Shortage hotline to help people who use propane to heat their homes. In Greater Minnesota, the number to call is 1-800-657-3504. For more information: <http://bit.ly/1npx11b>.

**Mankato: Lloyd Management**, one of SWMHP's property management partners, has been active in cultivating community at the properties it manages. The Tapestry Project aims to bridge cultural gaps in Mankato, and it's inspiring other communities to take action. Read the story from the Faribault Daily News at <http://bit.ly/1eeJ4io>.

**Minnesota Public Radio** covered southwest Minnesota's jobs and housing conundrum. The article features Jackson and includes a map of SWMHP's portfolio. ► <http://bit.ly/1lqtXq5>.

**Star Tribune** reports: Lots of jobs find a home on the prairie in southwestern Minnesota. <http://strib.mn/1dTcgWd>.





# HOMEOWNERSHIP CORNER

## CLTs increase affordability of homeownership

CLTs or Community Land Trusts are common in metropolitan areas, and they are often used to increase the buying power of homebuyers in tight markets. With growing demand for housing in southern Minnesota, SWMHP started the Partnership Community Land Trust, which now has homes for sale in Worthington and Willmar.

CLTs work by having a nonprofit trust retain ownership of the land under CLT homes while buyers own and maintain the house itself. This structure allows homeowners to both attain at a cost they can afford homeownership and begin building equity wealth. See description at right.

CLT homes have income limits because CLTs are designed to support lower-income buyers. In the Partnership Community Land Trust (PCLT), income limits are moderate:

<u>Household Size</u>	<u>Income Limit</u>	<u>Household Size</u>	<u>Income Limit</u>
1 person	\$41,400	5	\$63,900
2 people	\$47,300	6	\$68,600
3	\$53,300	7	\$73,400
4	\$59,200	8	\$78,100

For more information, call Brooke at 888-468-8010 x1604. 



### How the CLT Works for Buyers



You buy the house, not the land. Your cost is 20-30% less than a similar non-CLT house.



The land stays in a non-profit Trust. You pay a small land rent fee of \$25/month.



When you sell the house, the land stays in the CLT. This helps keep purchase costs affordable for the next buyer.



You receive profit from the sale based on a portion of your equity.

## Homes for Sale



**\$122,500**

**Willmar**



1609 23rd Avenue SW

**Two houses are now under construction in Worthington!**



1736 Pauline Ave.

**\$150,400**

**New Ulm**



613 Pfaender Drive



2243 Castlewood Dr.

## Homebuyer Education

### In Person

Get personal attention and answers to all your questions by signing up for an upcoming class near you. Classes scheduled for Jackson, Worthington, Willmar, Marshall, Montevideo and New Ulm.

Click on "Homebuyer Education Classes" at [www.swmhp.org](http://www.swmhp.org) to register.

### At your Desk

Get prepared for homeownership on your schedule by taking an online class. Click on the Framework logo at [www.swmhp.org](http://www.swmhp.org) to sign up.

