



Rochester  
Area Foundation

Better Communities for **All** since 1944



# Why Rochester Area Foundation?

- Formal Authority to Compel Action?
- Financial Where-with-all to provide incentives for action?
- The ability and commitment to convene, coordinate and lead!  
To create a voluntary, collaborative & long-term sustainable organization that assembles government, business - employers, non-profits agencies, housing producers & financiers and citizens to facilitate the creation of housing that meets the needs of our community for dependable, accessible, safe and secure housing.

# Do we have a housing availability concern?

## Snapshot of Today

May 6, 2016

**Rental:** Apartments - Source(s): Matik, Jakobson, IRET & RentersWarehouse websites and Paramark via phone

2 bdrm < \$950/month = 18

1 bdrm < \$80/month = 12

## For Sale – Single Family:

Single Family Active = 279

Average Sold Price: \$222,296 = + \$12,419 since 2015 ytd

= + \$35,083 since 2014 ytd

# Who Are We Talking About?

- Area Median Income (2014 data)

- Olmsted:           \$67,000

- 80% =     \$53,600/yr gross           \$4,467/mo. gross           \$3,252/mo. net

- 60% =     \$40,200/yr gross           \$3,350/mo. gross           \$2,438/mo. net

- Rochester:       \$63,500

**Olmsted County 2016  
Home Ownership Affordability  
The Story in Numbers**

<b>% A.M.I.</b> \$67,000/yr	<b>Gross Annual Income *</b>	<b>Gross Monthly Income</b>	<b>Net Monthly Income</b>	<b>Hourly Rate</b>	<b>Lvng Expenses /month **</b>	<b>Available for housing</b>	<b>Allowable mortgage PITI (30% gross) ***</b>	<b>Actual affordable mortgage</b>
80%	<b>53,600</b>	4,467	3,252	<b>25.77</b>	<b>2,400</b>	<b>\$852</b>	<b>\$1,340/mo PITI</b> <b>\$217,000 house cost</b> Assume \$300/mo TI	<b>\$852 PITI</b> <b>\$136,000 house cost</b> Assume \$200/mo TI
75%	<b>50,250</b>	4,188	3,049	<b>24.16</b>	<b>2,400</b>	<b>\$649</b>	<b>\$1,256/mo PITI</b> <b>\$210,000 house cost</b> Assume 250/mo TI	<b>\$648 PITI</b> <b>\$93,500 house cost</b> Assume \$200/mo TI
70%	<b>46,900</b>	3,908	2,845	<b>22.55</b>	<b>2,400</b>	<b>\$445</b>	<b>1,172/mo PITI</b> <b>\$192,500 house cost</b> Assume 250/mo TI	<b>&lt; \$70,000 house cost</b>

- \* Household income total: If two earners combine for this amount, Lvng Expense data will increase.
- \*\* Assume one parent / one elementary school age child
  - If additional persons are included both income and Lvng Expense data will change
- \*\*\* What the mortgage company will allow: Up to 30% of gross monthly income providing total indebtedness obligation does not exceed 42%.
- "PITI" refers to Principle, Interest, Taxes & Insurance: P.I. = Principle & Interest: T.I. = Taxes & Insurance

## How Many of These Folks Do We Have in Olmsted County?

• Total Households:	61,766	
• HH Under \$35,000/yr	24%	14,824 HH
• HH \$35,000 - \$50,000/yr	12.5%	7,721 HH
• Total HH Under \$50,000/yr	36.5%	22,545 HH

(2.54 persons/household)

## What Kinds of Jobs Are These Folks Employed In?

- Olmsted County Employee Examples;

- Detention Deputy: 41% at 80% AMI or less
- Licensed Peace Officer Deputy Sheriff: 26% at 80% AMI or less
- Social Worker: 13% at 80% AMI or less

- Trades:

- Carpenter (Union) Apprentice 1 thru 3 yrs. 47% - 80% AMI  
(\$31,500 - \$53,600)
- Plumber (Union) Apprentice 1 thru 3 yrs. 56% - 80% AMI  
(\$37,300 - \$53,000)

<b>ROCHESTER APARTMENTS PLANNED, APPROVED, UNDER CONSTRUCTION OR NOW LEASING</b>				<b>STU.</b>	<b>1BD</b>	<b>2BD</b>	<b>3BD</b>
<b>LOCATION</b>	<b>NAME</b>	<b>UNITS</b>	<b>STATUS</b>				
11TH AVE AND 20TH STREET SE	THE MEADOWS	54	NOW LEASING		\$ 650.00	\$ 765.00	\$ 880.00
BEHIND SHOPKO SOUTH	THE SPRINGS OF SOUTH BROADWAY	220	UNDER CONSTRUCTION				
BEHIND MOTELS NEAR SHOPPES ON MAINE	THE GARDENS NORTH APARTMENTS	211	UNDER CONSTRUCTION				
SOUTH OF THE GREENS BEHIND LOWES HOME CENTER	THE BOULDERS	224	NOW LEASING	NOT AVAILABLE ONLINE			
EAST OF FLEET FARM BEHIND THE NEW SUBARU DEALERSHIP	MAINE HEIGHTS	360	PLANNED PENDING APPROVAL				
EASTWOOD GOLF COURSE	EASTWOOD RIDGE	209	UNDER CONSTRUCTION				
EAST CENTER STREET AND 6TH AVENUE SW	THE NICOLOUS	85	NOW LEASING	\$ 950.00	\$ 1,200.00	\$ 1,650.00	
1ST STREET SW AND 7TH AVENUE SW	THE OLIVER	15	UNDER CONSTRUCTION				
1ST AVE NW AND CIVIC CENTER DRIVE NW	THE DOWNTOWNER	52	PLANNED AND APPROVED				
4TH STREET AND 8 1/2 AVE NW	THE PARK AT KUTZKY	90	NOW LEASING	\$ 1,100.00	\$ 1,350.00	\$ 1,700.00	
5TH STREET SW ANDS 1ST AVENUE SW	501 ON 1ST AVE SW	84	UNDER CONSTRUCTION				
4TH STREET AND 3RD AVE SE	BUCKEYE FLATS	92	UNDER CONSTRUCTION				
6717 GAILLARDIA DR NW, DIRECTLY EAST OF MENARDS NORTH	NUE 52	83	NOW LEASING		\$ 1,070.00	\$ 1,220.00	
16TH STREET NEAR THE WATERS AND APACHE MALL	THE COMMONS ON MAYOWOOD	159	UNDER CONSTRUCTION				
957 PENDANT LANE NW, NEAR COUNTRY CLUB MANOR	CASCADE APARTMENTS	44	NOW LEASING	\$ 750.00	\$ 1,000.00	\$ 1,300.00	
OFF 19TH STREET AND ASHLAND DRIVE NW	ASHLAND PLACE	49	NOW LEASING		\$ 690.00	\$ 815.00	\$ 950.00
NW NEAR NEW HY VEE ON WEST CIRCLE DRIVE, BADGER HILLS DR NW AND	THE PINES	192	UNDER CONSTRUCTION				
6520 CLARKIA DRIVE NW (OVERLAND DRIVE AND BANDEL RD NW, HWY 52 N)	KASCADE PLACE	96	UNDER CONSTRUCTION				
SW AT FORMER MEADOW LAKES GOLF COURSE	MEADOW LAKES	200	PLANNED				
NW AT 7TH STREET AND 4TH AVE NW	NORTHSIDE FLATS	18	PLANNED AND APPROVED				
6TH AVENUE AND 1ST STREET SE	THE LOFTS AT MAYO PARK	29	UNDER CONSTRUCTION				
42ND STREET AND 10 TH AVE N W	GAGE EAST (HOMELESS YOUTH)	55	UNDER CONSTRUCTION				
VALLEYHIGH ROAD AND KENOSHA DRIVE NW	VALLEYHIGH SENIOR LIVING	139	PLANNED AND APPROVED	NOT APPLICABLE			
SUPERIOR DRIVE NW AND BADGER HILLS DR NW, WEST OF HYVEE WEST	IRET - NOT NAMED ON APPLICATION	404	PLANNED AND APPROVED				
THE HOMESTEAD AT ROCHESTER 55TH STREET AND 18TH AVE NW	THE HOMESTEAD AT ROCHESTER	168	UNDER CONSTRUCTION	NOT APPLICABLE			
3RD AVE AND 6TH STREET SW TO 5TH STREET SW	THIRD AVENUE PROJECT	145	PLANNED				
VALLEYHIGH ROAD AND KENOSHA DRIVE NW	WEIS PROJECT, MULTI FAMILY	65	PLANNED				
1709-1717 3RD ST SW - BEHIND VACANT FIRE STATION ON 2ND STREET SW	THE UPTOWN	29	PLANNED				
<b>TOTAL UNITS</b>		<b>3571</b>	<b>28</b>	<i>All prices vary depending on sizes, baths, etc.</i>			
NEW RECENTLY APPROVED OR PLANNED				<i>PARKING MAY BE EXTRA, \$50.00 - \$75.00/MONTH</i>			



# What Can Our Community do Now?

- Wait for market forces to bring “wants” into line with costs?
- Are we OK with becoming a city with long commutes for service workers?
- Subsidize & Incent building to a work-force price-point?
  - Modify fees and policy to drive additional production?
  - Create robust incentives to drive additional production?
  - Support a local fund-raising effort to raise cash for subsidies?
- This is an opportunity to define the kind of community we want to be regarding housing and living conditions for those workers that provide essential services that we all rely on everyday.