

HOUSING

The purpose of this Chapter is to summarize housing issues within the City of Alexandria and establish goals and recommendations to promote a healthy residential infrastructure and furthering a variety of life-cycle housing options. The issues have been identified through:

1. An analysis of City demographics;
2. The Douglas County Housing Study Update completed in 2005, by Community Partners Research;
3. An evaluation of historical building trends gathered from building permit information on file at City offices;
4. An evaluation of existing housing conditions gathered through a windshield survey of the City;
5. A review of land use options for housing growth;
6. The comprehensive plan survey and public meetings; and
7. Housing Objectives, Policies and Recommendations.

Suitable housing is a basic need and a key to quality of life. A wide choice of housing styles and price ranges is a major community asset. This section of the Comprehensive Plan includes descriptive data about Alexandria's housing stock plus a review of local, regional and national housing assistance programs/resources. It is noted the City HRA (jurisdiction within City's corporate limits) and the County HRA (jurisdiction unincorporated areas adjacent to the City) are important factors in the success of implementing area housing plans.

I. HOUSING ISSUES

A. Life Cycle Housing Variety

The housing stock within a community must be responsive to the needs of its residents. Housing needs are not static but change over time as people move through different stages of their lives. Housing needs tend to evolve from: (1) affordable basic units for young people just beginning to enter the workforce to (2) affordable single family units (owner-occupied and rental) for first time home buyers and young families to (3) move up housing for people with growing families and/or incomes to (4) empty-nester dwellings for persons whose children have grown and left home (5) to low maintenance housing options for aging persons as their ability to maintain their property decreases; and finally to (6) assisted living environments to provide health and medical care to the elderly.

To address the life-cycle needs of residents, it is critical that a community provide a wide range of housing:

- **Types** (i.e. apartment/townhome/condominium rental, townhome/condo/single-family owner occupied, assisted living);
- **Sizes** (i.e. one, two, three bedroom rentals; starter homes; move-up homes; and,
- **Values:** (i.e. efficiency – luxury rental units; starter homes – executive homes).

The development of life-cycle housing works to sustain the community by preventing a polarization of residents in one age or income group. As one generation of residents moves through its life cycle it can move into the housing provided by the previous generation, just as the next generation will move into the housing being vacated.

B. Population Age Characteristics and Available Housing Choices

Population age characteristics and available housing options are essentially interrelated and can be analyzed in terms of correlative trends over time. National demographic trends affecting the housing market at this time are the general aging of the population (increased need for retirement housing/assisted living facilities) and the presence of grandparents in caregiver roles for grandchildren (an increasingly popular alternative to day care) leading to a delay in the movement from larger move-up homes to empty-nester type housing options.

Alexandria’s existing population as described in the Demographic Trends & Assumptions (Chapter 3) reports a median age of 39.7 years. The median age in Douglas County is 36.8 years of age and the State median age is 35.4 years.

The State Demographer’s Office projects future population by age group at county levels between 2000 and 2030. Projections suggest the fastest growing age groups in Douglas County are anticipated to be those 65 to 74 years (52.09% increase); 74 to 84 years (49.06% increase) and 85+ years (45.58% increase). Within Alexandria the same age groups can be anticipated to be the fastest growing. This will have an impact on the type of housing required in the future. It is also noted that within Douglas County the following age groups are anticipated to decline in population: 15 to 19 years (-2.88%).

Table 6-1 illustrates Census data that reflects nearly 56.9% of households occupying housing units within the community moved in between 1995 and 2000.

**Table 6-1
Alexandria Householder by Year Moved In**

| Year Household Moved In | Number of Owner-Occupied Units | Percent of Owner-Occupied Units | Number of Renter-Occupied Units | Percent of Renter-Occupied Units | Total Number of Occupied Units | Total Percent of Occupied Units |
|--------------------------------|---------------------------------------|--|--|---|---------------------------------------|--|
| 1999-March 2000 | 193 | 9.3 | 828 | 41.5 | 1,021 | 25.0 |
| 1995-1998 | 599 | 28.7 | 704 | 35.3 | 1,303 | 31.9 |
| 1990-1994 | 433 | 20.8 | 243 | 12.2 | 676 | 16.6 |
| 1980-1989 | 374 | 17.9 | 159 | 8.0 | 533 | 13.1 |
| 1970-1979 | 246 | 11.8 | 18 | 0.9 | 264 | 6.5 |
| 1969 or earlier | 241 | 11.6 | 45 | 2.3 | 286 | 7.0 |
| Total | 2,086 | 100.0 | 1,997 | 100.0 | 4,083 | 100.0 |

Source: U.S. Census Bureau (2000 Statistics)

C. Housing Affordability – Defined

“Affordable Housing” is defined differently by various organizations. The United States Department of Housing and Urban Development generally defines housing as affordable if it costs less than thirty (30) percent of a household’s income. However, HUD’s Section 8 Income Guidelines are the basis for most affordable housing programs. Section 8 guidelines define low and moderate incomes on a sliding scale, depending on the number of persons in the family. For example, a four person household is considered ‘moderate income’ if their family income is 80 percent of the area’s median family income. The 2000 Census reports that the median household income in 1999 that Alexandria households spent on mortgages was \$725.00.

The U.S. Census Bureau classifies household and family income differently. Household income is defined as total money received in a calendar year by all household members 15 years old and over. Family income is the total income received in a calendar year by family members related by birth, marriage or adoption. Many households are not families, for example single people living alone or with non-related roommates are considered a non-family household. Median household income is often lower than median family income, however, most housing data references family income rather than household income.

'Median' income differs from 'average' income. 'Median' is created by dividing income distribution data into two groups, one having incomes greater than the median and the other having incomes below the median. 'Average' income is calculated by adding all incomes together and dividing the total by the number of responses.

The following Tables will compare the City of Alexandria and Douglas County housing affordability data in terms of median household income (Table 6-2) and Alexandria and Douglas County in terms of median family income (Table 6-3).

**Table 6-2
Affordable Housing – General Definition
30 Percent of Median Household Income**

| Area | Median Household Income | "Affordable" Monthly Mortgage Payment* | "Affordable" Home Value at 6% interest/30 year term | "Affordable" Monthly Rent Payment |
|--------------------|-------------------------|--|---|-----------------------------------|
| City of Alexandria | \$26,851 | \$671 | \$111,750 | \$671 |
| Douglas County | \$37,703 | \$943 | \$157,000 | \$943 |
| State of Minnesota | \$47,111 | \$1,178 | \$160,542 | \$1,178 |

Source: U.S. Census (2000 Statistics) *Does not include down payment or taxes and insurance which may be reflected in monthly mortgage payment

**Table 6-3
Affordable Housing – Section 8 Definition**

| Area | City of Alexandria | | | Douglas County | | |
|--|--------------------|---|-----------------------------------|----------------|---|-----------------------------------|
| | | | Rental | | | Rental |
| | Annual Income | "Affordable" Home Value at 6% interest/30 year term | "Affordable" Monthly Rent Payment | Annual Income | "Affordable" Home Value at 6% interest/30 year term | "Affordable" Monthly Rent Payment |
| Median Family Income | \$ 38,245 | \$ 159,250 | \$ 956 | \$ 46,250 | \$ 192,750 | \$ 1,156 |
| Low income - one person household | \$ 21,417 | \$ 89,250 | \$ 535 | \$ 25,900 | \$ 108,000 | \$ 648 |
| Low income - two person household | \$ 24,477 | \$ 102,000 | \$ 612 | \$ 29,600 | \$ 123,250 | \$ 740 |
| Low income - four person household | \$ 30,596 | \$ 127,500 | \$ 765 | \$ 37,000 | \$ 154,250 | \$ 925 |
| Very low income - one person household | \$ 13,386 | \$ 55,750 | \$ 335 | \$ 16,188 | \$ 67,500 | \$ 405 |

| | | | | | | |
|---|-----------|-----------|--------|-----------|-----------|--------|
| Very low income - two person household | \$ 15,298 | \$ 63,750 | \$ 382 | \$ 18,500 | \$ 77,000 | \$ 463 |
| Very low income - four person household | \$ 19,123 | \$ 79,750 | \$ 478 | \$ 23,125 | \$ 96,250 | \$ 578 |

Source: U.S. Census & Department of Housing and Urban Development for Income. MDG, Inc. calculations of affordable mortgage and rent rates, based on Section 8 definition of affordable. Affordable mortgage based on 6% interest and a 30-year term, with no money down.

Notes: Does not include down payment or taxes and insurance which may be reflected in monthly mortgage payment; "Moderate" income defined here as 80% of median family income for Counties; "Low" income defined here as 50% of median family income for the Counties.

D. Affordable Housing in Alexandria

By condensing data in the previous section, it is possible to develop a range of affordability for owner-occupied and rental units in the City of Alexandria. Table 6-4 depicts the range of affordability for housing Alexandria residents can afford.

**Table 6-4
Range of Housing Affordability – Family of Four Persons**

| Group | Owner – Occupied Home Value | Monthly Rental Cost |
|--|-----------------------------|---------------------|
| Affordable for Median Incomes | \$159,250 | \$956 |
| Affordable for Moderate Incomes (80% of Median) | \$127,500 | \$765 |
| Affordable for Low Incomes (50% of Median) | \$79,750 | \$478 |

Source: MDG, Inc. calculations of affordable mortgage and rent rates, based on Section 8 definition of affordable. Affordable mortgage based on 6% interest and a 30-year term, with no money down.

It is noted most housing affordability programs and data place emphasis on creating owner-occupied units at 80% of the median family income (moderate income) and, rental units at 50% of the median family income (low income). Since low-income persons are typically renters, the definition of 'low income' is tied to the number of persons in each unit. Therefore, the Comprehensive Plan as of February 2007 will identify "affordable owner-occupied units" as those affordable for moderate income families (80% of median income). Existing and new homes that are 'affordable' will be those between \$127,500 and \$159,250. Affordable rental units are based on 50% of the median income and will be in the range of \$478 per month.

It is important to note the definition of 'affordable' in terms of a dollar amount will change as the cost of living increases and interest rates change. Additionally, since the Census data is already six years old, the range of affordability would have likely increased slightly. Therefore, the City should periodically review income/housing statistics and update the definition as warranted. Factors such as interest rates will impact housing affordability.

The U.S. Census Bureau reports the actual income distribution in the City in terms of both median household and median family incomes. Income distributions can be compared to affordability standards to determine how many households and families in the City of Alexandria may require

affordable housing. In Table 6-5, households that may require affordable housing (based on family income) are depicted in the shaded areas.

**Table 6-5
Alexandria Family Income Affordability**

| Annual Family Income | Number of Families in Category | % of Total | Maximum Sustainable Monthly Rent - Efficiency Apt. | Maximum Sustainable Monthly Rent - One Bedroom | Maximum Sustainable Monthly Rent - Two Bedroom | Maximum Sustainable Home Value |
|---|--------------------------------|------------|--|--|--|--------------------------------|
| Less than \$10,000 | 109 | 5.5 | \$175 | \$225 | \$250 | \$42,000 |
| 10,000 – 14,999 | 117 | 5.9 | \$263 | \$338 | \$375 | \$52,250 |
| 15,000 – 24,999 | 367 | 18.4 | \$438 | \$563 | \$625 | \$83,500 |
| 25,000 – 34,999 | 334 | 16.7 | \$613 | \$788 | \$875 | \$125,000 |
| 35,000 – 49,999 | 391 | 19.6 | \$875 | \$1,125 | \$1,250 | \$177,000 |
| 50,000 – 74,999 | 472 | 23.7 | \$1,313 | \$1,688 | \$1,875 | \$260,250 |
| 75,000 – 99,999 | 107 | 5.4 | \$1,750 | \$2,250 | \$2,500 | \$364,250 |
| 100,000 - 149,999 | 82 | 4.1 | \$2,625 | \$3,375 | \$3,750 | \$520,500 |
| 150,000 - 199,999 | 0 | 0 | \$3,500 | \$4,500 | \$5,000 | \$728,508 |
| 200,000 or more | 16 | 0.8 | \$3,500+ | \$4,500+ | 5000+ | \$832,500 |
| Total | 1,995 | 100.0 | | | | |
| Median family income for Alexandria in 1999 = \$38,245 | | | | | | |

Source: U.S. Census Bureau (2000 Statistics) and MDG Calculations of Approximate Maximum Sustainable Home Value based on 6% interest and 30 year term, at 30% of average family income range.

The U.S. Census data reveals 1,126 individuals in Alexandria are living in poverty (12.8% of the City's population). Within Douglas County, 2,746 people are living in poverty (8.5% of the county population).

The 2000 Census indicates the median monthly mortgage payment, with select monthly homeowner costs, in the City of Alexandria was \$235; the median gross rent per month was \$408. As indicated in Table 6-6, the median value of a home within the City was \$85,100.

**Table 6-6
Estimated Actual Housing Costs**

| Area | All Occupied Housing Units | Owner Occupied Median Value | Median Owner-Occupied Units With Mortgage | Median Owner-Occupied Units Without Mortgage | Median Gross Rent |
|--------------------|----------------------------|-----------------------------|---|--|-------------------|
| City of Alexandria | 4,083 | \$85,100 | \$725 | \$235 | \$408 |
| Douglas County | 13,276 | \$102,300 | \$825 | \$247 | \$411 |
| State of Minnesota | 1,117,489 | \$122,400 | -- | -- | -- |

Source: U.S. Census Bureau (2000 Statistics)

The median housing costs including rent and mortgage payments indicate a base of affordable units exist within the City, but fail to consider when owner-occupied units were purchased, average monthly rental payments and number of units available. The 2000 Census indicates 255 vacant housing units within the City; of those:

- 97 were single-family detached structures (38% of structures)
- 88 were 2 to 4 unit structures (34.5%)
- 24 were 10 to 50 unit structures (9.4%)
- 12 were 50 or more unit structures (4.7%)
- 17 (6.7%) units were in mobile homes

The majority of the vacant units were in buildings built in 1939 or earlier (62 vacant units) or those constructed between 1960 and 1969 (59 units vacant). Units most likely to be vacant contained two bedrooms (42.7% of all vacant units). The high vacancy appears to be related to the age and condition of the structures.

Many residents have expressed concerns about the rising costs of housing. Housing affordability will continue to be a growing concern. An increase in housing costs is a trend statewide with the metro areas seeing huge increases in the median housing price. Table 6-7 illustrates the increasing median sales price within Alexandria from 1996 to 2006, a 53% increase over the decade.

**Table 6-7
Median Sales Price of Existing Housing Units**

| Area | October 1995 to September 1996 | October 2005 to September 2006 | Dollar Change | Percent Change |
|------------|--------------------------------------|--------------------------------------|---------------|-------------------|
| Alexandria | \$64,205 | \$136,900 | \$72,695 | 53% |

Source: Alexandria and Douglas County Assessors

Note: Data from arms length sales, includes warranty deed and contract for deed sales.

According to data obtained from the City Assessor, within the reporting period from October of 2005 to September of 2006, there were 309 residential sale transactions within the City. The median selling price was \$136,900 with \$22,000 reported as the low and \$518,200 reported as the highest sale price. The median sales price has increased significantly over the past ten years, \$64,205 in 1996 to \$136,900 in 2006 (53%). More moderate increases have occurred since 2003-2004 at which time the median reported for the 12 month reporting period was \$120,000 with the highest value for \$472,000 and the lowest value sale at \$41,500. There were 197 residential sales occurring in the 2003-2004 reporting period.

While the sale price continues to escalate, the sales data shows that 24% of the sales occurred in a price range that would be considered affordable for moderate incomes (80% of the median) and 21% would be considered affordable for persons in the low income range (50% of the median) see Table 6-4. Table 6-8 below illustrates the ranges of affordability.

**Table 6-8
Home Sales by Price Range 2005 to 2006**

| Affordability | Sale Price | Number of Sales | Percent of Sales |
|--|------------------------------|------------------------|-------------------------|
| \$79,750 low income 50% of median | Less than \$50,000 | 11 | 3.6% |
| | \$50,000 - \$69,000 | 19 | 6.1% |
| | \$70,000 - \$89,999 | 35 | 11.3% |
| \$127,500 moderate income 80% of median | \$90,000 - \$109,000 | 27 | 8.7% |
| | \$110,000 - \$129,000 | 47 | 15.2% |
| \$159,250 median income | \$130,000 - \$149,000 | 58 | 18.8% |
| | \$150,000 - \$169,000 | 41 | 13.3% |
| | \$170,000 - \$189,000 | 19 | 6.1% |
| | \$190,000 plus | 52 | 16.8% |
| | TOTAL | 309 | 100.% |

E. Owner-Occupied Housing Supply

Census 2000 indicates that of the 4,047 occupied housing units, 2,062 (51%) were owner-occupied units. The majority of owner-occupied housing units are single detached units (80.2%). The owner-occupied segment of Alexandria's housing unit supply can be further described in terms of the value of the home (Table 6-9) and the monthly mortgage payment for those with mortgages (Table 6-10).

**Table 6-9
Alexandria Owner-Occupied Housing Values**

| <u>Value</u> | <u>Number of Units</u> | <u>Percent of Units</u> |
|---------------------|------------------------|-------------------------|
| Less than \$50,000 | 148 | 8.9% |
| \$50,000-\$99,999 | 966 | 58.0% |
| \$100,000-\$149,999 | 422 | 25.3% |
| \$150,000-\$199,999 | 86 | 5.2% |
| \$200,000-\$299,999 | 44 | 2.6% |
| \$300,000-\$499,999 | 0 | 0.0% |
| \$500,000-\$999,999 | 0 | 0.0% |
| \$1,000,000 or more | 0 | 0.0% |
| Median Value | \$85,100 | n/a |

Source: U.S. Census Bureau (2000 statistics)

**Table 6-10
Alexandria Households by Monthly Mortgage (if unit mortgaged)**

| Monthly Mortgage | Number of Units | Percent of Units |
|-------------------------|------------------------|-------------------------|
| Less than \$300 | 26 | 1.6 |
| \$300-\$499 | 188 | 11.3 |
| \$500-\$699 | 271 | 16.3 |
| \$700-\$999 | 342 | 20.5 |
| \$1,000-\$1,499 | 197 | 11.8 |
| \$1,500-\$1,999 | 35 | 2.1 |
| \$2,000 or more | 0 | 0.0 |
| Total | 1,059 | 100.0 |

Source: U.S. Census Bureau (2000 Statistics)

F. Rental Unit Supply

Of the total number of occupied housing units (4,047) in Alexandria enumerated in the 2000 Census, 1,985 (49%) were occupied by renters. 113 rental units were estimated to be vacant in 2000 for a total rental inventory of 2,098 rental units. Since the 2000 Census, it is estimated that 313 new units have been added to the rental housing inventory, for a total of 2,098 units as of 2007.

A summary of Alexandria's multiple-family rental unit supply is listed in Table 6-11. Alexandria has a number of various rental units, ranging from apartment complexes, to apartments above commercial stores to single family homes used for rental purposes. Table 6-11 includes apartment buildings with six or more units. According to a phone survey of apartment building managers/owners in February 2007, rent rates vary, with subsidized and Section 8 units based on tenant income. A detailed rental inventory can be found in the 2005 Douglas County Housing Study Update.

**Table 6-11
Alexandria Apartment Units (six or more units)**

| Unit Type | # of Units |
|----------------------------|-------------------|
| Market Rate | 692 |
| Subsidized | 445 |
| Tax Credit | 90 |
| Senior Housing w/ Services | 150 |
| Total | 1,377 |

According to the 2000 Census, most rental units within the City of Alexandria were constructed between 1970 and 1979 (33.2% of all rental units), with 14.5% of the units constructed prior to 1939. 273 new rental units have been constructed in the past 11 years.

II. EXISTING HOUSING STOCK

A. Type of Housing

Alexandria's housing stock is a diverse mix of owner-occupied and rental units with a variety of styles, conditions and values. The City's neighborhoods range from densely developed, urbanized streets near the downtown to the stately homes around the lakes and suburban-style, low density housing. Homeownership is a strong tradition in Alexandria and no large scale

conversion of single-family homes into apartments appears to be occurring. This helps maintain strength and stability in the City's housing stock.

The existing housing supply in Alexandria includes single family, duplex, townhomes, multiple-family and mobile home units. However, despite the range of housing types in the community, only about 51 percent of the total housing units are single-family dwellings the remaining 49 percent are rental units. The large percentage of rental units is likely attributed to the student population. Conversely, about 90 percent of all housing units in Alexandria and La Grande Townships are single-family dwellings. The difference in housing mix is skewed by the large number of residential units that existed just outside of the City's corporate boundaries.

The large percentage of rental units as compared to total units indicates consideration should be given to promoting the development of affordable owner occupied housing options. Those options may include affordable single-family homes, townhomes and owner occupied condominiums. Higher value housing located in the adjacent townships indicates larger single-family homes that are attractive to growing families, second time home buyers as move-up housing, or persons with moderate to high incomes are located outside of the City limits.

According to the 2000 Census the make-up of the existing housing stock is as follows:

**TABLE 6-12
Types of Housing Alexandria**

| Type | Total | Owner | | Renter | |
|------------------------|-------|-------|-------|--------|-------|
| | No. | No. | % | No. | % |
| Single-family detached | 1,993 | 1,674 | 80.2 | 222 | 11.1 |
| Single-family attached | 213 | 106 | 5.1 | 107 | 5.4 |
| Two-family units | 247 | 42 | 2.0 | 130 | 6.5 |
| Three or Four Units | 271 | 31 | 1.5 | 227 | 11.4 |
| 5 or more units | 1,363 | 51 | 2.4 | 1,259 | 63.1 |
| Mobile Home | 251 | 182 | 8.7 | 52 | 2.6 |
| Total | 4,338 | 2,086 | 100.0 | 1,997 | 100.0 |

Source: U.S. Census Bureau (2000 Statistics)

The average home in Alexandria in 2000 could be characterized as follows:

- Single family unit with three rooms
- Worth \$85,100 with a monthly mortgage of \$235 (includes selected owner costs such as sewer, water, and taxes)
- Less than 15 percent of household income goes to monthly mortgage and owner costs
- Built prior to 1969 and heated by utility gas
- One vehicle available

A community survey performed in conjunction with the updating of this Plan asked what type of housing respondents felt was most needed in Alexandria. The majority of those surveyed responded as follows:

| Type/Amount | 0-5% | 6-10% | 11-15% | 16-20% | 21-30% | 31-40% | 41-50% | 51-60% | 61-70% | 71-80% | 81-90 | 91-100 | Total |
|--------------------------|------|-------|--------|--------|--------|--------|--------|--------|--------|--------|-------|--------|-------|
| General occ. apartment | 10 | 25 | 8 | 3 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 48 |
| Condominiums/townhomes | 23 | 14 | 5 | 2 | 0 | 0 | | | | | | | 44 |
| Entry level sf houses | 16 | 15 | 13 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | | | 49 |
| Move up sf houses | 3 | 6 | 11 | 12 | 9 | 3 | 3 | 0 | 0 | 0 | | | 47 |
| Empty nester housing | 0 | 6 | 10 | 14 | 14 | 2 | | 1 | | 1 | | | 48 |
| Senior apartments | 8 | 21 | 7 | 6 | 2 | 1 | | | | | | | 45 |
| Assisted living facility | 28 | 20 | 0 | 1 | 0 | 0 | | | | | | | 49 |
| Total | 88 | 107 | 54 | 42 | 27 | 6 | 3 | 2 | 0 | 1 | 0 | 0 | 330 |

B. Density

As of 2007, the City's zoning ordinance includes eight residential zoning districts, including districts for urban and rural areas. Within these districts single family dwellings require a minimum lot area of 8,000 to 15,000 square feet in urban areas; the minimum land area per unit varies by housing type. The density of development per acre widely varies throughout the City.

Residential development within the City is driven by the availability of utilities. Currently, areas with utilities are almost completely developed. The type of housing which is most in demand – shoreland and family is in high demand within the City. Low-density residential development patterns consume large quantities of land, provide fewer homes, and increase infrastructure expenses for the City. The City should determine if current zoning ordinances adequately address higher density housing to meet the growing demand for housing in City limits. The City should also assess the demand for municipal water and sanitary sewer services in surrounding townships and encourage future development and expansion that meets the needs of the entire community.

C. Building Activity

Historical building permits from 1996 to 2006 were analyzed for new multiple and single-family construction permits.

Table 6-13 and Chart 6-1 illustrates new multiple family construction within the past 11 years. Within this timeframe, 273 units were constructed.

**Table 6-13
Multiple Family Construction**

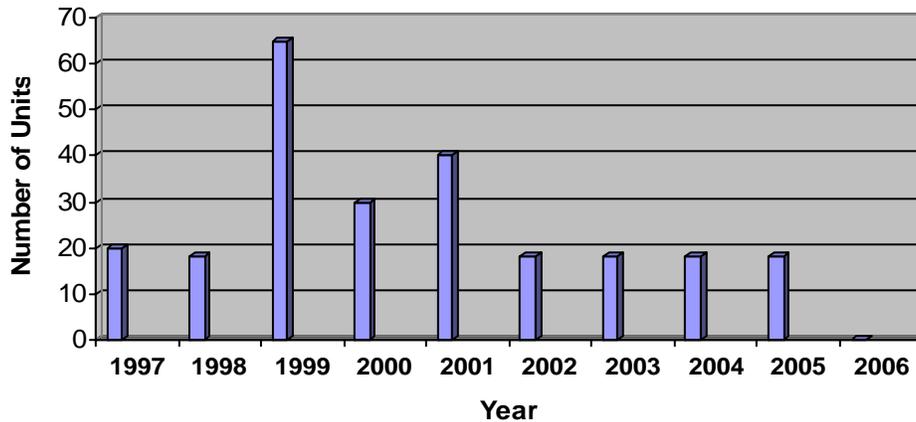
| Year | Multiple Family Construction in Dollars | # New Units | Average Value Per Unit |
|------|---|-------------|------------------------|
| 1996 | \$1,721,147 | 28 | \$61,469.54 |
| 1997 | \$2,770,833 | 20 | \$138,541.65 |
| 1998 | \$935,010 | 18 | \$51,945.00 |
| 1999 | \$3,308,000 | 65 | \$50,892.31 |

| | | | |
|----------------|----------------|-----|--------------|
| 2000 | \$2,79,5535 | 30 | \$93,184.50 |
| 2001 | \$4,914,993 | 40 | \$122,874.83 |
| 2002 | \$3,610,925 | 18 | \$200,606.94 |
| 2003 | \$2,027,615 | 18 | \$112,645.28 |
| 2004 | \$4,431,862 | 18 | \$246,214.56 |
| 2005 | \$2,071,633 | 18 | \$115,090.72 |
| 2006 | -- | 0 | -- |
| TOTAL | \$28,587,553 | 273 | \$1,193,465 |
| Average | \$2,598,868.45 | 25 | \$108,496.85 |

Source: City of Alexandria Building Permits

Multiple-family housing construction has constituted 33% of the total new housing units constructed between 1996 and 2006. A 70/30 owner occupied to rental mix is a benchmark for a healthy housing inventory.

**Chart 6-1
Historical Multiple Family Construction**



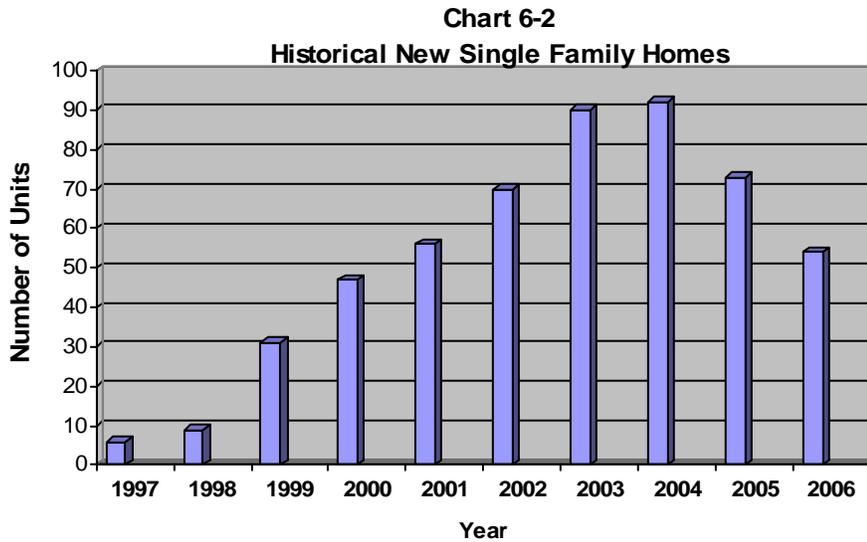
The following table and chart illustrate new single-family home construction trends since 2002.

**Table 6-14
Single-Family Housing Construction Summary**

| Year | Number | Total Value | Average \$ Value Per Home |
|------|--------|---------------|---------------------------|
| 1996 | 20 | \$ 1,721,147 | \$ 86,057 |
| 1997 | 6 | \$ 678,506 | \$113,084 |
| 1998 | 9 | \$ 3,510,786 | \$390,087 |
| 1999 | 31 | \$ 3,510,786 | \$113,251 |
| 2000 | 47 | \$ 4,948,359 | \$105,284 |
| 2001 | 56 | \$ 6,398,895 | \$114,266 |
| 2002 | 70 | \$ 8,867,742 | \$126,682 |
| 2003 | 90 | \$ 12,691,588 | \$141,018 |
| 2004 | 92 | \$ 11,750,861 | \$127,727 |

| | | | |
|----------------|-----------|----------------------|------------------|
| 2005 | 73 | \$ 11,124,933 | \$152,396 |
| 2006 | 54 | \$ 8,022,896 | \$148,572 |
| TOTAL | 548 | \$ 73,226,499 | \$1,618,424 |
| Average | 50 | \$ 10,491,604 | \$139,276 |

Source: City of Alexandria Building Permit Records



D. Condition of Existing Housing Stock

The condition of the existing housing stock in Alexandria has been documented to be in generally good condition. A windshield survey of various residential areas conducted in February 2007 reveals that most single family structures are well maintained. However, some evidence of deterioration was cited, particularly in older areas of the City (east of Nokomis). The most visible signs of housing investment in the City are Alexandria’s newer single-family homes.

While not necessarily a determining factor of condition, structure age is a good indicator as to the need to aggressively promote maintenance, rehabilitation and even redevelopment, for as a structure ages, maintenance needs increase. The advanced age of the housing stock in Alexandria may become a challenge. Neglected maintenance, especially for older structures, can lead to deterioration that will have a blighting influence to adjacent properties and the entire neighborhood. However, older homes were often very soundly constructed and if well maintained can provide for a very attractive and desired housing demand. Based upon the 2000 Census data, nearly ¼ of the owner-occupied housing within the City was built before 1939 (23.4%). This is comparable to the statewide average of 25%. The median age of homes within the City was 1959. The City Assessor estimated that in 2007, 40% of the existing owner-occupied units in the City were constructed prior to 1940. Based upon the age of the City’s housing stock, on-going maintenance and rehabilitation efforts are required. Residents should continue to invest in existing neighborhoods and encourage people to maintain their homes and provide assistance to those who are not able to care for their homes properly. Map 6-1 at the close of this Chapter illustrates a target area for residential rehabilitation efforts. This area has a higher concentration of older and decaying housing stock.

The survey conducted in conjunction with the updating of this plan reveals a significant majority of respondents describe the current condition of the City’s existing housing stock as good. The

remainder of respondents indicated the following:

The 2000 Census gathered data regarding the structural and facility characteristics of housing within the City of Alexandria. According to the Census:

| RATING | NUMBER | PERCENT |
|-----------|--------|---------|
| Excellent | 2 | 4% |
| Good | 34 | 72% |
| Fair | 8 | 17% |
| Poor | 3 | 6% |
| TOTAL | 47 | 100% |

- 8 housing units lack complete plumbing facilities.¹
- 38 housing units lack complete kitchen facilities.
- 56 housing units report over 1.01 occupants per room.
- 69 housing units (6 rental, 2 owner-occupied) lack telephone service.
- 227 housing units (198 owner-occupied and 29 renter occupied units) were built prior to 1939.

In 2000, the City initiated a rental property registration and inspection program. The City currently contracts for the inspections which are rotated yearly between the Alexandria HRA and the Douglas County HRA. The licensing program does not apply to public and non-profit housing. A visual survey of rental housing within the City reveal that older rental structures were well kept and in relatively good condition.

E. Shoreland Development

Most lakeshore within the City has been developed within the exception of public property, which puts increasing pressure on unincorporated areas of the lake and some marginal lands that may feature wetlands and/or poor soils. As retirees begin to move to the area, the City has seen seasonal lake cottages converted to permanent homes and the demolition of smaller seasonal homes replaced by large single family homes. This trend can cause a disparity in tax valuations and dramatically impact water quality and the appearance of the lakeshore. The City should explore this phenomena and determine if current shoreland zoning practices are adequate.

F. Douglas County Housing Study Findings

A Housing Study for Douglas County was completed by Community Partner Research Inc. in 1997, 2000 and updated in 2005. Overall the plan cited that Alexandria has experienced success with regard to most housing issues in spite of rapid growth. As a part of that study, 17 finding and recommendations were cited as they relate to: Rental Housing, Ownership Housing, Housing Rehabilitation and Other Housing Issues. The following goals were identified in the 2005 Douglas County Housing Study. The information is provided to form a framework for the recommendations in Section V. of this Chapter.

1. **Occupancy Market Rate Rental Housing.** The study calls for a demand of 55 to 62 new rental units per year over the next five year period (to 2010). Additionally, unit replacement will require approximately 10 to 12 additional rental units, county-wide, over the same five year period.
2. **Senior-Designated Market Rate Rental Housing.** The study recommended the construction of up to 50 market rate rental units designated for senior occupancy. In 2005, the first phase of a planned senior community was started (Arabella Manor) with a proposed build out of 74 units.
3. **Tax Credit Moderate Income Rental Housing.** The study indicated a potential need for 65 to 74 rental units in an average year through 2010.

¹ The U.S. Census data on plumbing facilities were obtained from both occupied and vacant housing units. Complete plumbing facilities include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit for plumbing facilities to be considered complete.

4. **Subsidized Rental Housing.** The study recommended the construction of up to 70 units to serve lower income families and seniors and 36 units to house low income special needs persons. It is noted that a 27 unit senior subsidized project has been completed (current demand = 43 units). Also noted was the need to prevent the future loss of any of the existing subsidized housing.
5. **Senior Housing with Services.** The study indicated that as of 2005, the County was well served by senior housing with services projects. After the year 2010, there will be an additional demand, which should be met by the existing providers who are positioned to provide expansions.
6. **Student Housing.** As of 2005, the study indicated an above-average rate of vacancy in the City's market rate housing stock. No additional student occupancy units were recommended, unless located in the immediate vicinity of the campus.
7. **Special Needs Rental Housing.** The study indicated the need for new housing options specifically designed to serve younger, disabled populations. Since few options are available to facilitate this type of construction, the plan states that stable housing opportunities can be achieved through the current system off using existing subsidized rental projects along with on-going attempts to secure additional financial resources for tenant-based rent assistance.
8. **Hard to House Tenants.** The study recommends that services such as "Home Stretch" training and the "Rent Smart" program be offered in the community along with some degree of concession in terms of security deposit, ect. for those typically hard to house populations.
9. **Affordable New Housing Construction/Subdivision Development.** The study suggests that the market for new home construction will remain strong through 2010. Strong markets will be that of young adult household under age 35 and the strongest demand coming from household in the 55 to 74 year old age range.
10. **Attached Single Family Development.** Also noted as a growing demand was that of attached single family housing through 2010.
11. **Higher Priced Owner Occupied Housing.** The study indicated that the greater Alexandria area has a clear market advantage to that of the county in providing trade-up housing. The projected demographic trends indicate that a good demand should be seen to 2010.
12. **Residential Lot Availability and Development.** The study notes that the greater Alexandria area should have approximately 425 to 500 residential lots available to meet the expected demand through the projection period. It was noted that private developers in the Alexandria area have demonstrated that can respond to market demands.
13. **Continue to Support Very Affordable Home Ownership Opportunities.** The study commends the ongoing efforts by the local HRA in promoting affordable home ownership and cites the continued efforts.
14. **Continue to Utilize the MURL Program.** As a part of rehabilitation efforts, the study recommends that the City utilize MURL Program funds through MHFA whenever possible as a part of an overall strategy for revitalization of older neighborhoods.
15. **Continue to Promote Owner Occupied and Rental Housing Rehabilitation Programs.** Continued, periodic applications to SCDP funding was recommended,

however, it was noted that the continued escalation in home values should have a positive impact on housing condition.

16. **Consider a Mobile Home Park Improvement Program.** The study recommends that example innovation programs such as Operation Safe Mobile Home Park and Time of Sale Inspection Programs be implemented to address the issues created by substandard mobile homes.
17. **Consider the Establishment of an Affordable Unit Requirement for New Residential Development Projects.** The study recommends that within the building code enforcement area, a set-aside requirement be considered.

III. COMMUNITY INPUT

A majority of those responding to the community survey undertaken in conjunction the update of the City's Comprehensive Plan and participants at the community meeting indicated a perceived lack of affordable single-family housing units as a primary issue within the City. A variety of solutions to addressing this need are required. The solutions should include, but are not limited to, increased funding (primarily at state/federal levels), supportive local regulations and increased private sector participation. For simplicity purposes the affordable housing issue may be separated in two categories: affordable existing homes and affordable new construction.

- a. Primary obstacles to access to ownership of existing homes for first time homebuyers and lower-income households are: (1) lack of savings for down payment and closing costs and (2) credit history difficulties. Several entities at the local, regional and state levels are active in assisting individuals in overcoming the obstacles identified above. It is recommended the City continue to promote such activities. It is further recommended the city participate in the development of rehabilitation programs which allow low/moderate income homeowners/potential homeowners to fix up existing older homes.
- b. It is noted new single-family construction often exceed the payment ability of first-time homebuyers and low/moderate income persons. Costs of land, labor and materials are frequently cited as factors impeding the production of new affordable housing. Other factors limiting the production of affordable housing are: local zoning and subdivision controls, reaction from the community, taxes, financing issues and development fees. Despite the various factors limiting the production of affordable housing some developers, builders and local housing agencies are producing such housing. Government assistance in the form of financial assistance and regulatory waivers are often cited as elements required for the production of affordable new housing. It is recommended the City continue to seek alternatives to promote the production of affordable new single-family units. Alternatives may include the participation of several entities in the demolition of substandard existing units on smaller lots within the City and the construction of new units (Partnership including the City, County and Alexandria Technical College). Other alternatives may include an area development. An interesting model of new affordable housing development is located in Pine Island, Minnesota. A new neighborhood development provides a mix of housing options including 24 rental units, 9 detached single family homes, 12 for-sale twinhomes and 12 single level for-sale townhomes. The development is a coordinated effort of local and regional organizations, the City of Pine Island, the State of Minnesota and several local/regional businesses.

IV. HOUSING PLAN

- **Balanced Supply of Housing**

The City of Alexandria strives to provide life cycle housing for all market needs including affordable basic units for young people just beginning to enter the workforce to (2) affordable

single family units for first time home buyers and young families to (3) move up housing for people with growing families and/or incomes to (4) empty-nester dwellings for persons whose children have grown and left home (5) to low maintenance housing options for aging persons as their ability to maintain their property decreases; and finally to (6) assisted living environments to provide health and medical care to the elderly.

Based on 2000 Census data it appears over 1,536 single family units are considered in the “affordable” range, when comparing home values with median family and household incomes. The construction values, along with lot prices, have increased significantly in the past few years with more move-up housing being constructed in the City of Alexandria and Douglas County.

In order to maintain a balance of housing options available in the City, the future land use plan includes designations for low to moderate and high-density residential developments. The densities allowed in each district should be reviewed to ensure the City’s objectives are met.

- **Variety of Housing Types**

The City of Alexandria currently has a variety of housing options available with the 2000 Census reporting 80.2% of the units as detached single-family units, 5.1% of the City’s housing units as single-family attached, 2.0% of the units in two-family units, 1.5% of the housing units in three or four-unit buildings, 2.4% of the housing units in 5 or more unit buildings and 8.7% were mobile homes.

The types of housing units constructed have changed in the past few years with a larger percentage of owner-occupied attached units. The style and type of housing constructed has been a result of market conditions. This is anticipated to drive future housing types in the future.

- **Well-Maintained Housing**

Almost one-quarter of Alexandria’s housing stock (489 units) was constructed in 1939 or prior to that date, with the median construction year of 1959. The 2000 Census reported 12.8% of owner-occupied units (266 units) were constructed after 1990. Since the Census enumeration, over 480 additional single-family homes have been constructed. With the relatively new housing stock, minimum maintenance concerns arise. Even with older housing stock it appears the units have been well maintained.

Alexandria’s rental housing is relatively newer than the owner-occupied units, with a median construction year of 1974. Typically maintenance concerns are greater with rental units than owner-occupied units due to a higher turn-over rate.

To address future maintenance of both owner-occupied and rental housing the City should continue to address areas such as outdoor storage, landscaping requirements, parking requirements, etc. in its Zoning Ordinance as well as rental maintenance.

- **Linkages between Housing, Recreation and Employment**

One of the goals of the Comprehensive Plan is to improve linkages between housing, recreation and employment. This may be accomplished through subdivision design with collector streets, trail and sidewalk connections.

As the City grows additional industrial and commercial employment opportunities will be available for residents. Providing pedestrian routes for those walking or bicycling, especially along collector streets and arterials will assist in providing important links between residential neighborhoods and places of employment and retail/service.

V. HOUSING OBJECTIVES/POLICIES

Objective: Accommodate 1,269 additional households over the 25 year period covered by this Comprehensive Plan.

Policy/Recommendations:

1. Frequently review the Douglas County Housing Study and all updates; continue to provide funding for on-going study updates.
2. The City should address local and regional housing issues through cooperative efforts with neighboring communities.
3. The City shall stabilize and sustain the community through the promotion of Alexandria as a regional growth center that is family-oriented with a high quality of life, strong neighborhoods and a wide variety of housing options (including type, size, and value) with expanding employment opportunities.

Objective: Maintain a balanced housing supply with housing available for people at all income levels and unit types which meet the varying life-cycle needs of Alexandria residents.

Policy/Recommendations:

1. Maintain zoning and subdivision regulations allowing for the construction of a variety of housing types and price ranges.
2. Promote planned unit developments that provide a mixture of housing types.
3. Promote the development of multi-family housing units in areas that are physically suited to serve higher densities.
4. Encourage congregate housing facilities to satisfy the needs of less able seniors.
5. Create a "helping hands" volunteer network to provide assistance for seniors to stay in their homes through community-based service.
6. Identify funding sources that allow for affordable development of single- and multi-family units.
7. Examine the potential for collaborations such as Habitat for Humanity.

Objective: Assure that residential growth is orderly and that infrastructure keeps up with demand for new housing within City limits.

Policy/Recommendations:

1. Review the City's Zoning Ordinance and allowable densities to ensure the ordinances match the desired goals of the City (e.g. providing lots for move up and executive homes and preservation of open space).
2. The City should protect low-density residential neighborhoods from encroachment or intrusion of incompatible higher intensity residential land uses, as well as non-residential use categories through adequate buffering and separation. Residential developments

shall be protected from and located away from sources of adverse environmental impacts including noise, air, and visual pollution.

3. Require developers to provide water, sanitary sewer, connecting streets and gutters in new developments.

Objective: Promote on-going maintenance of owner-occupied and rental housing units.

Policy/Recommendations:

1. Explore and utilize home-improvement grants and loans to keep homes well-maintained.
2. The City should consider financial assistance programs for the development of housing for special needs populations (elderly, physically challenged) as funding sources and market conditions allow.
3. The City should pursue programs for housing structural condition maintenance to protect the health and safety of residents and ensure stability of neighborhoods.
4. The City shall aggressively address maintenance problems and code violations as a means of improving and strengthening the character of individual neighborhoods and avoiding blighting conditions. Violations of property maintenance which infringe upon residential neighborhood quality, pose public health and safety problems and threaten neighboring property values shall be aggressively eliminated.

Objective: Establish a housing pattern that respects the natural environment while striving to meet local housing needs and the community's share of the metropolitan area's housing growth.

Policy/Recommendations:

1. Require the integration of open spaces within residential developments in order to maintain a living environment that is consistent with the City's vision and guiding principals.
2. Protect the integrity of residential neighborhoods by requiring buffers between neighborhoods and high traffic roads or non-compatible land uses.
3. The City should restrict or prohibit residential development on floodplain, shoreland, wetlands, and other natural features as they perform important protection functions in their natural state.

Objective: Maintain and improve the character of all aspects of the lake with respect to future residential lakeshore development.

Policy/Recommendations:

1. Support and maintain ongoing shoreland zoning and enforcement, including:
 - a. Requiring on-site stormwater retention and erosion control plans for all new lakeshore development/redevelopment to ensure that stormwater runoff and sedimentation does not enter the lake.

- b. Ensuring that new development, landscaping or other alterations on lakeshore properties maintains and enhances native trees and vegetation along the shoreline to ensure natural beauty and aquatic habitat.
- c. Requiring Best Management Practices on all new lakeshore developments to prevent erosion and sedimentation.
- d. Limiting the amount of grading and filling in the shoreland area.

2. Review and update Shoreland Ordinances.

Objective: Improve access and linkages between housing, employment and retail centers in Alexandria.

Policy/Recommendations:

- 1. Encourage developers to provide recreational trail connections and wildlife corridor in new residential subdivisions.

VI. RESOURCES

A. Area Housing Organizations

West Central Communities Action, Inc.

WCMA is located within Elbow Lake. The mission of WCMA is "..., a resource agency, is dedicated to reducing the effects of poverty, helping people to achieve self-sufficiency, and improving the quality of rural life." The agency offers a number of assistance programs including providing information, technical assistance and promoting affordable housing. The WCMCA currently serves the counties of Clay, Grant, Douglas, Pope, Steven, Traverse and Wilkin.

Douglas County HRA

The mission of the Douglas County HRA is to be the area's affordable housing of choice. We provide and maintain safe, quality housing in a cost-effective manner. By partnering with others, we offer rental assistance and other related services to our community in a non-discriminatory manner

Alexandria HRA

B. Resources

The programs listed below are currently in use or are available and may be used in the City as market factors allow, assisting the City in implementing the aforementioned recommendations.

- 1. The HUD HOME Program helps to expand the supply of decent, affordable housing for low and very low- income families by providing grants to States and local governments called participating jurisdictions.
- 2. The HUD SHOP program provides funds for non-profit organizations to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income families.
- 3. Housing Minnesota Campaign. Minnesota Housing Partnership (MHP) is leading an expanding collaboration of nonprofits (over fifty have joined to date) in a public relations campaign to improve the image of people who need and/or live in affordable housing. The public relations campaign is part of a larger, multi-year effort to increase the availability and improve the quality of housing affordable to low and moderate-income Minnesotans.

4. Regional Network Project. MHP developed the Regional Network Project to enable housing groups in Greater Minnesota to better understand regional housing issues, then develop strategies to address affordable housing needs within the Network regions.
5. Continuum of Care. In Greater Minnesota, MHP coordinates Continuum of Care (CoC) planning, now a requirement of state and federal homelessness prevention funding, is an inclusive, region-wide process of evaluating resources available to homeless persons and developing strategies to fill service gaps.
6. AmeriCorps*Vista. MHP recruits, places, and supports VISTA volunteers with nonprofits working to create and preserve affordable housing in Minnesota. The Corporation for National Service has contracted with MHP to provide this service for several years. In the past year, MHP has partnered with Habitat for Humanity on implementing the VISTA program.
7. Community Building Grants. These grants facilitate multi-agency or multi-county efforts to help communities plan for adding or preserving affordable housing and is based on the premise that an effective collaborative effort can reduce costs and duplication and can result in greater accomplishments than any one agency could achieve individually.
8. Greater Minnesota Housing Fund (GMHF) serves Greater Minnesota with funding and technical assistance for the creation of affordable housing. GMHF concentrates efforts in areas of "economic vitality" where jobs are growing and housing shortages need to be addressed to meet the needs of working families and to further economic growth. GMHF seeks to work directly with local communities, employers, builders and state and local public agencies to address housing shortages through a wide array of strategies and partnerships. The Greater Minnesota Housing Fund has developed a three-part Homeownership Assistance Program: Gap Financing, Homebuyer Education Financing and Entry Cost Assistance.
9. GMHF: Home at Last: Up to \$10,000 per unit is available for buyers of newly constructed homes, built in a manner that realizes specific economies in land use, construction management, economies of scale and local financial participation.
10. GMHF/Rural Development New Construction Program. Up to \$10,000 per unit in gap financing is available for new homes constructed by non-profit developers selling to qualified buyers. GMHF gap financing is combined with USDA Rural Development first mortgages, participation loans or guarantees.
11. GMFH: Employer Assisted Housing. GMHF will match employer contributions to single family housing development projects on a 1:1 basis, up to \$15,000 per unit.
12. Minnesota Housing Finance Authority (MHFA) Partnership: Community Rehabilitation Fund and Housing Trust Fund. These funds are distributed to non-profit and public agencies to assist new construction and rehabilitation of single family homes. GMHF will partner with MHFA to provide an affordability or value gap subsidy on new construction or rehabilitation.
13. MHFA Entry Cost Homeownership Opportunity (ECHO) Program: GMHF down payment assistance funding is coordinated with the ECHO program, which provides up to \$4,000 (in entry costs) per homebuyer. If a local resource will pay 50% of the ECHO discount, GMHF will pay the remaining 50%.

14. GMHF Employer Assisted Housing: GMHF will match employer contributions for employee down payment assistance on a 1:1 basis, up to \$2,000 of GMHF funds per employee.
15. GMHF will consider GMHF will consider locally administered down payment assistance program requests on a case-by-case basis, matching local funds up to \$2,000 per family.
16. GMHF funding activity: GMHF is committed to spending up to \$5 million per year on its employer assisted housing program, including both single family and multi-family funding initiatives.
17. GMHF Affordable Housing Specialists are professionals who have earned the designation from the Mortgage Association of Minnesota (MAM). The title of Affordable Housing Specialist is awarded to those members of MAM who have successfully completed a comprehensive training course designed to help them assist lower income people obtain a mortgage.
18. MHFA Fix-Up Fund. This program provides home improvement loans to assist current homeowners improve the livability, energy efficiency or accessibility of their existing housing. The program is offered in Minnesota by local lenders, HRAs, or CAPs. There are income limits for this program. The interest rate on the loan is below market, but may vary based on market conditions. The maximum loan amount is \$25,000.
19. MHFA Rehabilitation Loan Program. This program provides deferred loans to very low-income Minnesota homeowners to make home improvements related to the safety, energy efficiency, accessibility, or livability of their homes. There are income limits and asset limits for this program. The loan must be repaid if you sell your home within ten years. After ten years, the loan is forgiven. Funds for this program are extremely limited. This program is available through local administrators.
20. Low Income Home Energy Assistance Program (LIHEAP). This is a federally funded program that has three main components: Primary Heat, Crisis Assistance and Energy-Related Repair. Primary Heat provides grants to low-income households' pay for home heating costs. Crisis Assistance includes grant funding that allows low-income households to keep their utility service from being disconnected, or to obtain a delivery of fuel. Energy-Related Repair allows low-income households to make repairs or replace heating systems to cut energy consumption. These programs are available from Community Action Programs (CAPs), local governments, or social service agencies.
21. FHA 203(k) Loans The FHA 203(k) program is a special type of mortgage loan. This mortgage program may be used to finance both the purchase and remodeling costs for a property in one loan. A 203(k) loan may be used to buy and remodel a property or to refinance your current mortgage and remodel your home.
22. Rural Development (RD) Home Improvement Loans and Grants RD is an agency of the U. S. Department of Agriculture (formerly the Farmers Home Administration, or RECD). It offers several programs for home improvement. To be eligible, you must live on a farm, in the open country, or in a town of less than 10,000 people. There are income limits for most programs and some require that you be unable to qualify for other types of financing from commercial lenders. Loans are available with interest rates between 1% and 3%. Very low-income families or people over 62 years of age may qualify for grants that do not have to be repaid. If you do not see a listing for RD programs available for your county in this directory, call the local county office of the

Rural Development Agency listed in the telephone book under "U. S. Government - Agriculture."

23. Weatherization. This is a federally funded program that assists low-income households in reducing their energy costs. It is available to homeowners as well as renters. Priority is given to the elderly, people with disabilities, high-energy consumers and households where a safety hazard exists. The program can help you with an energy audit, add wall or attic insulation, improve ventilation, and offer energy education. CAPs and local government agencies administer the program.

Federal Government Programs

Section 8 vouchers and certificates programs
Shelter Plus Care (S + C)
Supportive Housing Demonstration Program
Federal Home Loan Bank
Section 202: Supportive Housing for the Elderly
Section 811: Supportive Housing for Persons with Disabilities
Home Investment Partnership Program
HOPE 3

Minnesota Housing Finance Agency Programs

Minnesota Mortgage Program
Home Ownership Assistance Fund
Urban Indian Housing Program/Tribal Indian Housing Program
Purchase Plus Program
Partnership for Affordable Housing
Minnesota Cities Participation Program
Entry Cost Home Ownership Program (ECHO)
MHFA Rental Assistance for Family Stabilization (RAFS)
Low Income Housing Tax Credit Program
New Construction Tax Credit Mortgage Builders Loans
Low and Moderate Income Rental Program
Affordable Rental Investment Fund
Home Rental Rehabilitation Program
Rental Rehab Loan Program
Community Revitalization Fund
The Great Minnesota Fix-Up Fund
Affordable Rental Investment Fund
Blighted Properties Community Rehabilitation
Community Rehabilitation Fund