

FAIRMONT, MINNESOTA 2015 HOUSING PLAN

This Page Intentionally Left Blank

TABLE OF CONTENTS

Executive Summary	4
Background	5
• Brief History of Fairmont	6
Issues and Existing Conditions	8
• Population and Demographics	8
• Population	8
• Population by Age	9
• Population by Race	10
• Sex Composition	11
• Population Projection	11
Housing and Economy	13
• Households	13
• Housing Occupancy	13
• Median Household Income	14
• Income by Household	15
• Owners and Rental Housing Cost as a Percentage of Household Income	16
Visits to Fairmont	20
• September 28, 2015	20
• October 19, 2015	23
Goals	24
• Priority of Goals	24
• Growth Areas and Opportunities	25
○ Rental Housing Ownership	25
○ Homeownership	26
○ New Construction	27
○ Housing Rehabilitation	28
○ Other Housing Initiatives	29
Other Cities in Southern Minnesota	30
• Albert Lea	30
• Austin	30
• Belle Plaine	31
• Jackson	31
• Marshall	32
• Mankato/North Mankato	32
• St. Peter	32
• Worthington	33
Funding Opportunities	34
Summary	38
Acknowledgements	39
Works Cited	40
Appendix	41

EXECUTIVE SUMMARY

This plan was a collaborative effort between the residents of Fairmont, city staff and administration, as well as graduate students from the Urban and Regional Studies Department of Minnesota State University, Mankato (MNSU). Upon researching and reviewing many Fairmont Comprehensive Plans, Housing Studies, and demographic information, City Administrator, Michael Humpal, approached MNSU Urban and Regional Studies students concerning the task of writing a comprehensive housing guide for the city of Fairmont, Minnesota. Willingly, the students undertook the task of writing this document not only for the staff and residents of the city of Fairmont, Minnesota, but also for their fellow students and professors.

Upon meeting with City Administrator Michael Humpal and City Council MNSU students quickly got to work on the Fairmont Housing Plan. After meeting with members of the business community and Project 1590 for a focus group session, MNSU students were able to comfortably move forward with the draft project after discussing the outlined policies, goals, and strategies. It was apparent from the meeting that the business community was very excited to have input and perspective from young and establishing professionals.

After several meetings with Fairmont city staff, residents, and business members the students of MNSU felt comfortable moving forward with finishing the housing plan and scheduled a formal date to present the plan before the City Council on November 23, 2015.

A main objective of this housing plan is to help preserve and attract residents within the community. Fairmont has many lifestyle amenities ranging from personal to professional, it is important to properly utilize existing infrastructure within the community in order to best use the city's existing and future resources.

BACKGROUND

This section of the plan contains geographical location, the history of the city, especially in relation to the housing history, and the background of the previous housing and comprehensive plans referenced in this plan are listed in this section. Goals for this housing plan are more vaguely listed, but with more detail later in the document.

Fairmont is located within Martin County in southern Minnesota. The city lies on elevated ground overlooking and surrounding the Chain of Lakes; Lake George, Sisseton Lake, Budd Lake, Hall Lake, and Amber Lake. The officials of Fairmont had a strong desire to improve the housing stock of its city. Over the years, the city has made conscious efforts in eliminating blight, protecting individual investments and generating new housing growth to meet economic development needs.

In 2013, the city contracted Community Partners Research Inc. (CPRI) to conduct a housing study. CPRI presented some recommendations which they encouraged the city to implement. Among these recommendations, the major recommendation was the city developing a plan to address the city's housing needs. According to CPRI, this housing plan should be based on the recommendations after the 2013 housing study and also should subsume strategies, time lines and responsibilities of each agency. Because of this recommendation the city contacted Minnesota State University (MNSU) students to prepare housing implementation plan for Fairmont.

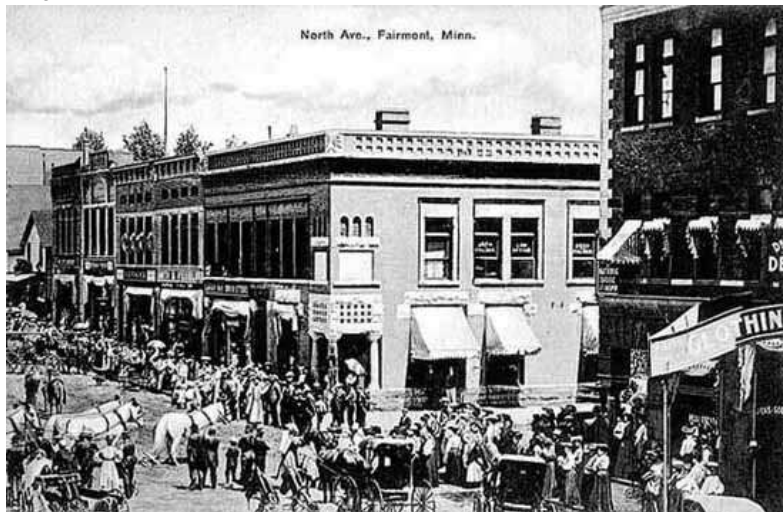
This plan is intended to present strategies that assists Fairmont in developing new housing, maintaining the existing housing stock and converting single family rentals back to owner-occupied homes. The broad goal of this project is to 'Develop a long range housing strategy for the City of Fairmont to meet the diverse needs of its population; taking into account the challenges of being a rural community and the market challenges that result'. The specific objectives of the study include:

- Determine housing needs and perceptions based on focus group interviews
- Identify barriers to housing growth both perceived and real
- Identify successful strategies employed by similar size rural communities
- Compare and analyze existing housing study and comprehensive plan information to determine a strategy that is reflective of the housing study findings and consistent with the comprehensive plan

Brief History of Fairmont

Fairmont was first established as an army post in 1862 on the present site of the Martin County Courthouse. The City was platted in 1857 with the original name of the city, Fairmount, but later changed to Fairmont.¹ The first post office in Martin County was dedicated in October of 1858 with co-founder William Budd as the first postmaster. Fort Fairmont was established in 1862 shortly after the Sioux Indian uprising but was abandoned at the close of the Civil and Great Sioux Wars.

Image 1. North Avenue, Fairmont. 1890.



Source: Minnesota Historical Society

The railroad came to Fairmont in 1878 and marked a new period of development. By this time, the City had incorporated and adopted its city charter in 1902. Agricultural related industries, such as the Fairmont Canning Company and Stokely-Van Camp continued to add to Fairmont's industrial growth.²

Like many other communities, the post-World War II had a tremendous effect on the housing stock. A vast majority of the housing stock in the City of Fairmont was constructed in the years between 1940 and 1960.

¹ Upham, Warren (1920). *Minnesota Geographic Names: Their Origin and Historic Significance*. Minnesota Historical Society. p. 333.

² City of Fairmont, *City of Fairmont 2008 Comprehensive Plan (2008)*, p. 2-3

Image 2. Fairmont Street Scene, 1950s.



Source: Lakeswoods.com postcard collections: Fairmont

Fairmont has now grown to be a city of over 10,000 residents, an important regional center for medical, agricultural, industrial, and retail opportunities, and one of the leading rural communities in Southern Minnesota. With this importance to Martin County and the surrounding region, housing marks a crucial piece of the city's future needs.

Image 3. Fairmont Street Scene. 2011



Source: Lakeswoods.com: Fairmont

ISSUES AND EXISTING CONDITIONS

Population and demographics of the city are explained, specifically the challenges of the housing plan for more housing demand in a declining population. The age of citizens is reviewed and poses another challenge in the housing plan.

This topic also reviews the economic conditions for the City and the relationship between housing and the income information available. The last part incorporates the number of households in the city and their comparison with neighboring cities of similar history and situation.

The goal of this study is to formulate appropriate strategies for the implementation of the recommendations of the 2013 housing study of the city. This section does not present an in depth analysis of the housing conditions in Fairmont as the 2013 housing study of the city does.

Population and Demographics

As of 2010 the population of Fairmont is just over 10,000 residents and has been slowly declining. City staff believes that this is due to Fairmont serving as more of a working community rather than a live and work-in community. Several employment and retail opportunities attract people from surrounding communities, it is the intention of this plan to preserve and add to those visitors and work to make them more permanent residents.

Population

The population of Fairmont has been declining steadily since 1980. Fairmont's population was 11,506 in 1980, but decreased by 2 percent representing 241 people in 1990. Between 1990 and 2000 the population of Fairmont decreased by 3 percent representing 376 people. Fairmont population further decreased in 2010 by 2 percent representing 223. This population trend is similar to that of the county; between 2000 and 2010 the population of the county decreased by 4.6 percent representing 962 (see Table 1 & Figure 1). This implies that most cities in Martin County are unable to retain most of their population. This can be due to the fact that most of these cities serve as a commuting town and as such most people are compelled to relocate ones their commuting distance increase beyond what they can afford.

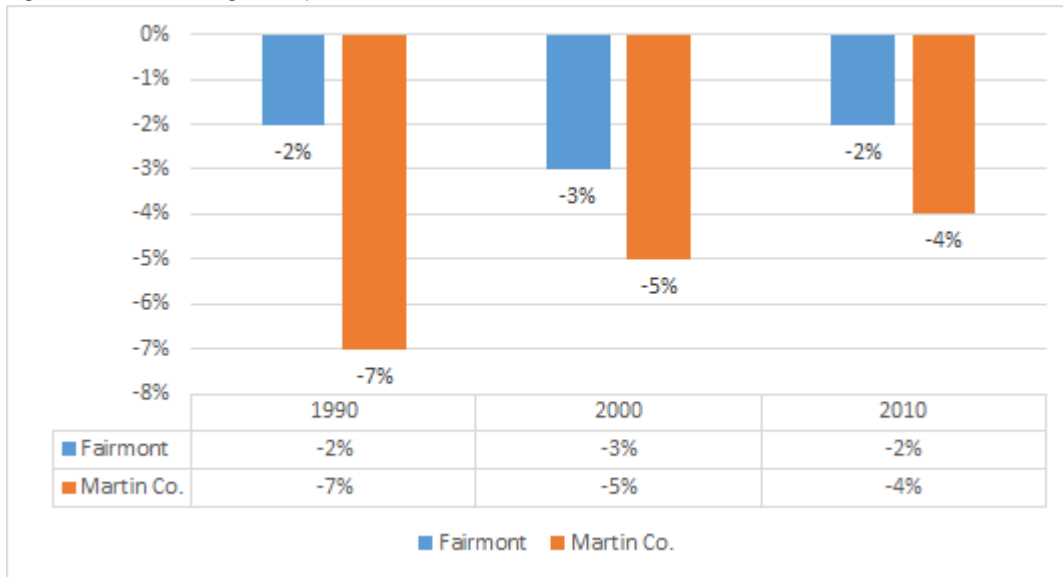
Table 1: Population of Fairmont (1980-2010)

1980	1980	1990	2000	2010
Fairmont	11,506	11,265	10,889	10,666
Martin Co.	24,687	22,914	21,802	20,840

Source: U.S Census Bureau, Population Census, 1980, 1990, 2000, 2010

Figure 1 indicates that, the population of the City of Fairmont and Martin County have been declining since 1980. Comparing the population of the City of Fairmont to that of Martin County it is worth noting that, Martin County’s population have been declining faster than that of the City of Fairmont. This indicates that most of the cities in Martin County are experiencing similar population trend. This is a huge problem for the City of Fairmont and the county as a whole considering their rural nature. In Minnesota most of the smaller cities get their revenue from property tax; declining population will ultimately affect the amount of tax revenue generated. This is because declining population can lead to increasing housing vacancy and abandonment of housing property.

Figure 1: Percent Change in Population, Fairmont versus Martin Co. 1980-2010



Source: U.S Census Bureau, Population Census, 1980 to 2010

Population by Age

As stated in the most recent Fairmont housing study, the majority of the population (forty-one percent) is between the ages of twenty and fifty-four. Between 2000 and 2010, Fairmont’s population under 19 years of age decreased by four percent and the population between the ages of 20-54 also decreased by two percent. Interestingly, Fairmont’s population above the age of 55 increased by seven percent (see Table 2). This represents the aging population within the community, the city will have to establish methods to not only preserve these residents but install measures to let these residents appropriately age in place.

Table 2: Population by Age

Age	Population 2000	Percentage of Population	Population 2010	Percentage of Population	Percentage Change
Children (0-19)	3,480	27%	2,453	23%	-4%
Young Adults (20-54)	5,510	43%	4,373	41%	-2%
Adults (55+)	3,735	29%	3,840	36%	+7%
Total	12,725	100%	10,666	100%	-8%

Source: U.S. Census Bureau, 2000 and 2010

Population by Race

The race distribution in Fairmont mirrors that of the State of Minnesota. In Fairmont majority of the population are white representing more than ninety-eight percent (see Table 3). The remaining two percent of the population fall within the following race: Black and African American; American Indian and Alaska natives; Asians and Native Hawaiian and other Pacifics.

Table 3: Population by race- Fairmont, 2010

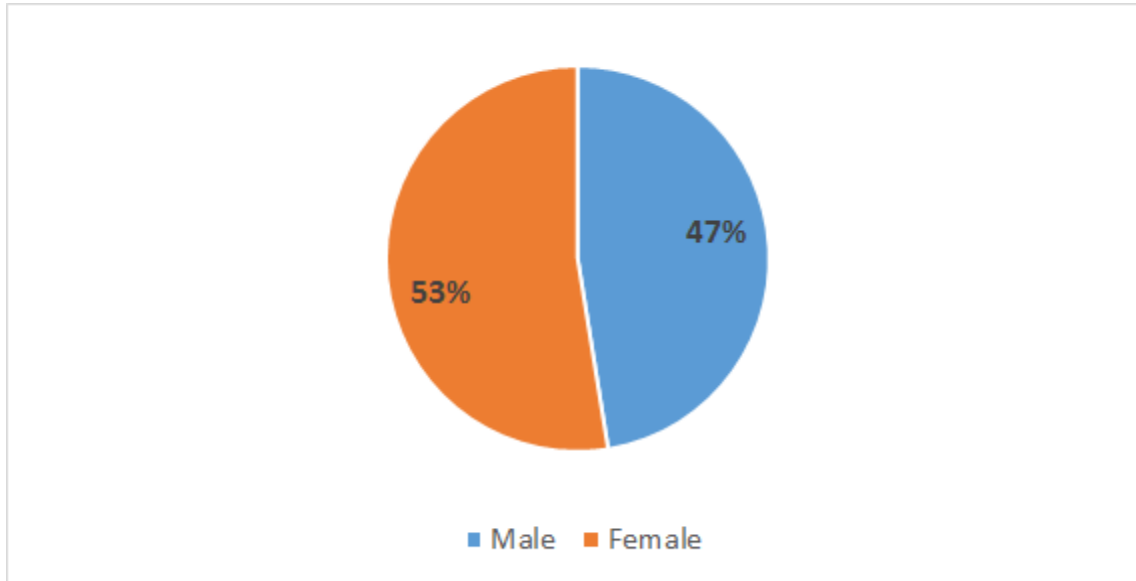
White	Black	Asian/Pacific Islander	American Indian	Other
10,200	49	71	27	319

Source: U.S. Census Bureau, Population, 2010

Sex Composition

According to the 2010 US Census Data, the female population in the City of Fairmont is slightly larger. This could be attributed to the fact that two of the top three employers of the city have historically female held positions. Such as the Mayo Clinic Health Systems, ranked number one top employer according to Fairmont's 2011 Comprehensive Annual Financial Report; as well as the Fairmont School District, ranking number three.

Figure 2: Sex Composition, 2010



Source: U.S Census Bureau, 2010

Population Projection

Future population estimate is a vital component of any housing planning document. The study in this section presents population estimates for 2015 and 2020. This data was obtained from Minnesota State Demographer's Office and Community Partners Research, Inc. Both sources based their calculation on the 2012 population estimate of U.S Census Bureau and past trend population changes. Comparing the population projections, presented by Minnesota State Demographer's Office and the Community Partners Research, Inc.; it is worth noting that, the State Demographer's projection is slightly optimistic than that of the Community Partners Research Inc.

For instance, the State Demographer's projection expects a loss of 34 people in the total population of Fairmont from 2012 to 2015 while the Community Partner's projection expects a loss of 82 people. However, the most important thing is that both agencies are expecting a continuous decline in the population of the City of Fairmont and Martin County in the near future. From 2015 and 2020, Community Partners Research expects approximately one percent decline in Fairmont's population and three percent decline in the population of Martin County. Also State Demographer's Office projects approximately two percent decline in the population of Fairmont and that of Martin County (see Table 4). Even though the population of the City of Fairmont is expected to continue to decline

in the near future, it is imperative that the city continues to make conscious efforts to improve and ensure adequate supply of housing to its citizens.

Table 4: Population Projection, Fairmont and Martin County, 2015, 2020

	Community Partners Research Projection			State Demographer Projection		
	2015	2020	%changes	2015	2020	% change
Fairmont	10,439	10,284	-1	10,487	10,310	-2
Martin County	20,166	19,647	-3	20,488	20,145	-2

Source: U.S. Census; Community Partners Research, Inc.; MN State Demographer

HOUSING AND ECONOMY

Households

It appears that the number of households is slowly increasing, while the number of persons per households is declining. This could be representative of smaller families or households in general, indicating that there is a good supply of single family housing. In order to increase the number of persons per household additional multi-family housing should be constructed. According to the Fairmont Housing Survey performed by MNSU students many residents of the community sought more buildable land, more affordable homes to choose from, as well as a thorough rehabilitation of blighted homes and rental properties throughout the entire city.

Table 5: Households 2000-2010

Year	Number of Households	Average Number of Person per Households
1980	4615	2.49
1990	4717	2.39
2000	4702	2.25
2010	4812	2.17

Source: U. S. Census

Housing Occupancy

The total housing units in the City of Fairmont was 5,367 in 2010. Out of this, 90 percent were occupied while the remaining 10 percent were vacant. Owner-occupied represented 72 percent of the total occupied housing unit in 2010 and the remaining 38 percent constituted renter-occupied units. The American Community Survey (ACS) estimated a decrease in the total housing unit in Fairmont in 2013. ACS however estimated an increase in renter-occupied housing unit to 1,445 and vacant housing unit to 628. The increase in the renter-occupied housing unit, might be due to the predominance of single-family housing converted to rental.

Table 6: Housing Units in Fairmont

	2010	2013 *	% Change
Total housing units	5,367	5,335	-0.5
Occupied housing units	4,833	4,707	-2.7
Owner-occupied	3,476	3,262	-6.2
Renter-occupied	1,357	1,445	6.4
Vacant housing units	534	628	17.6
Homeowner vacancy rate	6.5	5	-
Rental vacancy rate	6	8.3	-

* ACS Estimates 2013

Source: U.S. Census, 2010, ACS, 2013

Median Household Income

Income information contained in the 2013 American Community Survey shows income growth within the City of Fairmont and in Martin County over the past decade. The City's median household income level increased by 31 percent. However, the City's actual median household income was still nearly \$15,500 lower than the Minnesota median in 2013 (see Table 7). Fairmont has a large number of renter households and a large number of senior citizen households, both of which tend to have lower income levels. Martin County's median household income of \$48,530 was approximately \$11,306 lower than the Minnesota median.

Family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners. While the median family income in Fairmont and Martin County was higher than the median household income, it was still well below the statewide median for families.

Table 7: Median Households and Family Income

	2000 Median	2013 Median	% Change
Households			
Fairmont	\$33,709	44,296	31.4%
Martin Count	\$34,810	48,530	39.4%
Minnesota	\$47,111	59,836	27.0%
Families			
Fairmont	\$46,637	60,972	30.7%
Martin County	\$44,541	61,233	37.4%
Minnesota	\$56,874	74,683	31.3%

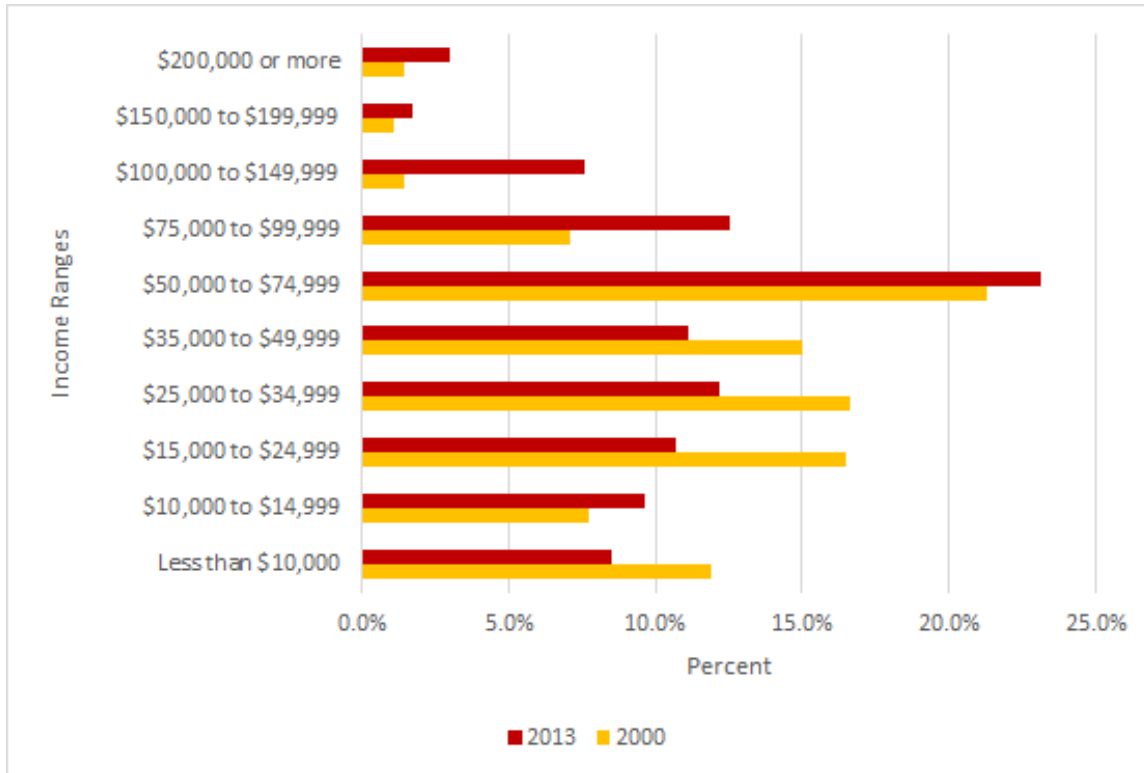
Source: U.S. Census Bureau, 2013 ACS 5 year Survey

Comparing the median household income of Fairmont to other cities of similar size; the City of Fairmont has higher median household income (\$44,296) in 2013 than the City of Albert Lea (\$36,784) and the City of Fergus Falls (\$41,322). However other cities like Worthington (\$44,890) and Marshall (\$44,409) have a higher median household income than the City of Fairmont.

Income by Household

The level of income ultimately determines the type of housing a household can afford. Majority of the households (67.1%) in Fairmont earned less than \$50,000 in 2000 but this declined to 52 percent in 2013. This indicates that households who earned less than \$50,000 in 2000 was 15 percent more than those who earned the same amount in 2013. This can be attributed to the overall improvement in the economy of the city which led to the increase in median household income from \$33,709 in 2000 to \$44,296 in 2013. It is worth noting that less than 25 percent of households in Fairmont earned more than \$75,000 in 2013 (see Figure 3). This economic trend is common to most of the cities in Minnesota who is rural in nature like Fairmont.

Figure 3: Income Distribution by Household, 2000-2013



Source: U.S Census, Bureau, Population Census, 2000, ACS 2013

Owners and Rental Housing Cost as a Percentage of Household Income

This section assess the burden of housing financing on households living in Fairmont. According to the American Community Survey, more than 50 percent of renters spend 30 percent or more of their household income on housing (see Table 8). The large majority of these households (43%) were actually paying 35 percent or more of their income for housing.

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”. Although a housing cost burden could be caused by either high housing costs or low household income, in Fairmont it was primarily due to low income levels for renters. Majority of renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less (Fairmont Housing Study, 2013).

Table 8: Gross Rent as a Percentage of Household Income, 2013

Percent of Income for Housing	Rental Households	Percent of Households
Less than 15.0 percent	188	13.70%
15.0 to 19.9 percent	194	14.10%
20.0 to 24.9 percent	156	11.40%
25.0 to 29.9 percent	100	7.30%
30.0 to 34.9 percent	140	10.20%
35.0 percent or more	596	43.40%

Source: U.S. Census Bureau, ACS 2013

Majority of owners with mortgage use less than 20 percent of their income to finance housing. More than 31 percent of the owner occupants with mortgage use between 21 percent and 34.9 percent of their household income to pay for housing cost while the remaining 16 percent use more than 35 percent of household income to finance housing. Adding to this, most of the owner occupants (74%) without mortgage use less than 20 percent while 15 percent use more than 35 percent of the household income to pay for housing cost (see Table 9). This indicates that most of the cost-burden house owners had mortgage on their homes.

Table 9: Owner Cost as a Percentage of Income, 2013

Percentage of Household Income for Housing Cost	Number of Owner Households, 2013	Percentage of all Owner Household, 2013
Housing Unit with Mortgage		
Less than 20.0 percent	1,034	51.80%
20.0 to 24.9 percent	344	17.20%
25.0 to 29.9 percent	182	9.10%
30.0 to 34.9 percent	110	5.50%
35.0 percent or more	326	16.30%
Housing unit without a mortgage		
Less than 10.0 percent	651	52.10%
10.0 to 14.9 percent	259	20.70%
15.0 to 19.9 percent	34	2.70%
20.0 to 24.9 percent	67	5.40%
25.0 to 29.9 percent	47	3.80%
30.0 to 34.9 percent	0	0.00%
35.0 percent or more	192	15.40%

Source: U.S Census Bureau, ACS 2013

As noted from the Fairmont Housing and Demographic studies of 2013, the typical household income for Fairmont is only a few hundred dollars above the average of the median income of \$44,296. In order for the Fairmont housing stock to be affordable (rent/mortgage to be no more than 30% of monthly income) the typical home should cost about \$200,000. According to the housing survey distributed to over 800 city residents only 18 percent of the responding population would like to see more homes costing between \$150,000 and \$250,000. The majority, 32 percent, of respondents indicated they would like to see more homes costing between \$100,000 and \$150,000. This could indicate that Fairmont will be seeing an increase in lower income families such as young professionals, young families, or elderly and retired citizens. Which would also increase the need for more affordable housing.

Table 10: Fairmont Comparison to Similar Minnesota Cities

Fairmont in Comparison to Similar Size Minnesota Cities					
	Worthington	Albert Lea	Fairmont	Marshall	Fergus Falls
%Pre-1940	18%	22%	28%	15%	29%
Median House Value 2010	\$104,700	\$94,300	\$107,200	\$147,700	\$116,000
Median Gross Rent 2010	\$586	\$556	\$538	\$554	\$542
Income - 2010					
Per Capita	\$19,763	\$19,036	\$24,666	\$22,446	\$22,592
Median Household	\$42,472	\$35,792	\$40,711	\$43,234	\$38,673

Source: U.S. Census Bureau

STUDENT VISITS TO FAIRMONT

September 28, 2015

On September 28, 2015 MNSU graduate students had the opportunity to visit and tour the City of Fairmont with the City Administrator, Mike Humpal. This trip produced a visual aid to complement the data compiled by the City themselves. Within the community proved many opportunities for housing development and growth, coupled with a city that appeared to be acting very proactive to encourage housing development and rehabilitation.

THE NORTH:

The main area of the city is where the most opportunity seemed to arise was the section of the city to the north of the downtown area. This area consisted of housing which was constructed for the manufacturing workers of the current and former industrial building that were located near the area.

Image 4: An example of housing in northern Fairmont that has been well kept to the left and housing that could require rehabilitation to the right.



The City had been initiating rehabilitation programs for distressed and working to demolish dilapidated housing. The result ended up being pockets of attractive, small housing neighborhood areas surrounded by obvious intermittent housing which required attention.

One of the main problems identified was the amount of single-family housing converted into rental housing and subsequently had not received the maintenance attention they deserve. One goal was to encourage attractive, affordable, and possibly senior or student housing, into the area to encourage the conversion back to owner occupied, single-family housing. The City had also taken steps to provide recreational amenities in the form of a new softball complex nearby.

Image 5: These two photos show the difference between former worker housing in northern Fairmont that have been rehabilitated to the left, and slightly distressed to the right.



One area of note in the northern section of the city was that the amount of distressed housing dramatically decreases near the lake shores.

DOWNTOWN:

Fairmont included an attractive downtown with near-capacity business occupancy. Student housing was most needed near this area due to the proximity to the education center.

THE SOUTH:

Southern Fairmont was where the majority of the residential housing was located, which was a diverse mixture of Queen Anne Victorian housing to Ranch and Ramblers, to new homes constructed in the last couple of years. The amount of distressed or vacant housing was less than in the north, but was still a point to carefully observe during the coming years.

Image 6: An example of the popular twinhomes



GENERAL NOTES:

The City, at the time, was looking at new housing opportunities in co-op housing, and two newer housing developments. It was noted the few housing opportunities at the time for sale, which was mentioned that due to the demand for housing, many houses are highly sought after and result in bidding wars.

The areas around the lakes were noted to be fairly stable, due to the fact that most residents who decide to move only recirculate throughout the lake area and never truly leave that section of town.

Rental housing had a very low vacancy rate and is scattered throughout the south.

Focus Group Meeting, October 19, 2015

On October 19, 2015 the MSU graduate students meet with members of the Fairmont community. Bankers, realtors, Project 1590, City Council members, Chamber of Commerce members, and city staff. The purpose of the meeting was to receive feedback from the group regarding the status of the draft plan and the identified goals.

A main concern that was raised from the focus group was the barriers to housing needs. Affordability to young and young professional renters and families was discussed as well as the concern about the costs for first-time homebuyers. Awareness of the different financial options was raised as a minor concern.

Private developers are rarer in the city due to the return on investments for creating a mid to large sized housing subdivision, or larger housing project. Another barrier to developers is the time it takes to build a subdivision and how this issues relates to the aforementioned return on investment.

In the survey results from the community, rental and/or student housing was addressed as a main housing need. The group agreed to the fact as a priority and added suggestions such as amenities, technology, and the brain-gain idea of young families moving away from the Minneapolis-St. Paul metropolitan area to more rural areas. All were possibilities to making Fairmont more community appealing and developer appealing.

Another idea addressed in the group was the creating a more zoning-code friendly city, such as relaxing strict requirements to make lots more appealing for developers. Developers subsidizing renters for a period of time was also a suggestions made.

It was agreed throughout the group that housing rehabilitation remains a very important concern to be addressed in the existing housing stock throughout the city. "If the money is there, people will do it."

One idea brought to the table was the notion of creating new mixed density, mixed income housing development to address the different types of income and desires of housing types. It was brought to the group's attention that many of the older, empty-nester population are purchasing townhomes, opening new housing within the city. It was also stated that most families can afford a single-family home.

Overall the meeting brought about an agreement in the draft document findings and gave an opportunity to hear a different perspective regarding the housing stock in the city of Fairmont. The group's main concern was where to obtain the financial help, and how to increase the knowledge base about the programs that exist to improve the housing situation. One idea from the meeting to further research is more programs that have been implemented in other communities of similar nature.

GOALS

Goals are first listed by priority level first in a table with a description of the goal, the priority, and a timeline of implementation. After the table the goals are listed again in detail with a more thorough description of strategies that could be used in its implementation including community feedback from the community focus group, surveys, studies, and community leaders. The goals are separated into different categories in rental housing development, home ownership, new construction, housing rehabilitation, and other housing initiatives.

Table 11: Priorities of Goals

Priorities of Goals			
Goal	Description	Priority	Timeline
Rental housing units	Develop market rate, subsidized, and student housing units	High	Mid to Long Term
Rehabilitation programs	Develop rehabilitation programs for owner-occupied homes and rental units	High	Long Term
Private-Public partner housing	Encourage employer involvement in housing programs	Medium High	Mid Term
Home ownership programs	Promote programs that assist with home ownership through workshops	Medium	Mid Term
Neighborhood revitalization	Updating and maintaining essential character of the area while redeveloping aging and blighted properties	Medium	Long Term
Affordable new housing	Coordinate with agencies or nonprofits that develop affordable housing	Medium	Long Term
Lot availability	Monitor lot availability and development	Medium Low	Short Term
Payment assistance program	Establish knowledge among community members regarding federal grants	Medium Low	Mid Term
Downtown mixed-use	Develop a downtown mixed-use commercial/housing project	Lower	Long Term
Senior housing needs	Monitor senior housing needs and plan for future needs and services	Lower	Short Term/Long Term
Housing voucher	Continue to utilize the housing choice voucher program	Lower	Long Term
Twin/townhome development	Promote townhome(s) development	Lower	Long Term
Dilapidated structures	Acquire and demolish dilapidated structures	Lower	Short Term
Rental inspection	Maintain a rental inspection and registration program.	Lower	Short Term

Timeline: Short Term = within 12 months; Mid Term = 1 - 5 years; Long Term = 5 or more years.

Rental Housing Development

Goal: Develop 78 to 97 general occupancy market rate rental units

Policy: Any construction or development with the incorporation of affordable housing within the medium to high density zoning shall receive a density bonus and/or qualify for Tax Increment Financing.

Strategy: Incorporate incentives within the zoning code and comprehensive plan to encourage affordable housing development within the community.

Timeline: Long Term

Priority: High

Goal: Develop 6 to 8 student housing units

Policy: Parcels with a predetermined designation of “student rental housing” shall be allowed to temporarily alter the city zoning code in regards to density and cohabitation within a household.

Strategy: Speak with members of the community who are familiar with the medical field and college setting in search for possible rental or temporary housing.

Strategy: Offer incentives to homeowners that rent out their homes to college students or other temporary residents of the city.

Timeline: Mid Term

Priority: High

Goal: Promote the development/conversion of 16 to 20 affordable market rate rental housing units

Policy: Upon purchasing a property, the Fairmont city HRA reserves the right to develop or convert the property into affordable or market rate rentals.

Strategy: Monitor the housing stock and turnover of previous and future years. Speak with the city HRA in consideration of purchasing for sale homes in interest of renting them as affordable units.

Strategy: Encourage future development that incorporates affordable housing and mixed incomes.

Timeline: Mid Term

Priority: High

Goal: Monitor senior with services housing needs

Policy: All developments with senior care, assisted living, or memory care shall comply with the established building and fire codes as well as be subject to random or unscheduled inspections of the premises to best ensure code compliance.

Strategy: Speak with management to develop a recurring schedule or meeting time to check in and monitor senior housing needs and services.

Strategy: Prepare for the aging population of the community by planning for additional senior housing needs. The City of Fairmont has been active in the creation of additional co-op and townhouse development. The existing senior facilities have existing plans for expansion.

Timeline: Short Term/Long Term

Priority: Lower

Goal: Develop a downtown mixed-use commercial/housing project

Policy: Building envelopes within the downtown/mixed use zoning district shall abide by a separate and distinct zoning code unique to their own district or overlay.

Strategy: Compare strategies and successes of surrounding cities to determine best practices. Consider both vertical and horizontal mixed uses.

Strategy: Identify areas of projected growth and areas of desired growth and develop a mixed-use district or overlay which related to that area.

Timeline: Long Term

Priority: Lower

Goal: Continue to utilize the Housing Choice Voucher Program

Policy: Any development with a minimum of 10 percent of units being reserved for housing vouchers shall receive a density bonus, decreased setbacks, or an increased amount of allowable impervious surface.

Strategy: Monitor and evaluate success of the Housing Voucher Program and encourage new and existing developers to accept housing vouchers.

Timeline: Long Term

Priority: Lower

Home Ownership**Goal: Develop a purchase/rehabilitation program**

Policy: The city shall partner with appropriate agencies who are into housing to create and re-establish homes throughout the community.

Strategy: Partner with Habitat for Humanity or similar local housing initiative to create and re-establish homes throughout the community.

Timeline: Long Term

Priority: High

Goal: Utilize and promote all programs that assist with home ownership

Policy: The city shall organize annual or bi-annual workshop for new and existing homeowners on homeownership and proper maintenance culture.

Strategy: Create and host an annual or bi-annual workshop for new and existing homeowners demonstrating important skills for homeownership and proper maintenance.

Timeline: Mid Term

Priority: Medium

Goal: Research interest in a local down payment assistance program

Policy: First time home buyers and new city residents choosing to reside within the city boundaries shall receive funding from the local down payment assistance program, upon meeting established criteria and regulations.

Strategy: Work with community members to establish knowledge of federal grants and monitor success and overall interest in programs such as the Minnesota First Time Homebuyer Program.

Timeline: Mid Term

Priority: Medium Low

New Construction**Goal: Monitor lot availability and development**

Policy: First time homeowners or those who wish to move from rental housing to home ownership shall be aware of the types of lots, locations, and availability.

Strategy: Maintain an inventory of the available lots for construction within the city limits in addition to having readily designated areas available for potential new construction. Look to the possibility of implementing more amenities to attract new home buyers in established neighborhoods. The City of Fairmont has been proactive in the development of new housing projects.

Timeline: Short Term

Priority: Medium Low

Goal: Promote townhouse and twin home development

Policy: Construction or redevelopment of twinhomes or townhomes within the low density single family zoning district shall be allowed a larger building envelop and smaller setbacks.

Strategy: Partner with private developers and create potential incentives to encourage new townhouse development to help offset the costs of new infrastructure.

Timeline: Long Term

Priority: Lower

Goal: Coordinate with agencies/nonprofits that develop affordable housing

Policy: Affordable housing shall be more available to those wishing to purchase a home in Fairmont with help from those agencies that promote homeownership.

Strategy: Promote infill housing construction, as well as partnering with groups like the Southwest Minnesota Housing Partnership or potential incentives to promote affordable housing.

Timeline: Long Term

Priority: Medium

Housing Rehabilitation

Goal: Promote rental housing rehabilitation programs

Policy: Neighborhood improvements to rental housing shall be implemented through potential regional funding sources and local programs.

Strategy: Utilize existing funding sources as well as other grants from sources like the Minnesota Housing Finance Agency to encourage rental housing rehabilitation. Look into more code enforcement in existing areas for issues like exterior finish, building safety upkeep, and disposal of excess items and garbage.

Timeline: Long Term

Priority: High

Goal: Promote owner-occupied housing rehabilitation programs

Policy: Homeowners wishing to rehabilitate their homes shall have the opportunity with potential federal, state, and local funding sources.

Strategy: Utilize existing funding sources as well as other grants from sources like the Minnesota Housing Finance Agency or a city developed beautification grant to help with rehabilitation projects for older homes, especially those in the northern section of the city.

Timeline: Long Term

Priority: High

Goal: Develop a neighborhood revitalization program

Policy: Neighborhoods wishing to increase in marketability, value, and overall attractiveness shall incorporate programs encouraging funding sources as well as resident connectivity.

Strategy: Encourage awareness of funding sources for rehabilitation programs for houses in the area as well as code enforcement. Promote neighborhood activities, associations, or programs to focus on the citizens within a particular area.

Timeline: Long Term

Priority: Medium

Goal: Maintain a Rental Inspection and Registration Program

Policy: Building inspections and the fire department shall partner frequently to perform a comprehensive inspection and sweep of all city properties, residential, commercial, and institutional, to ensure compliance and structural stability.

Strategy: A city-led or private firm inspection as well as action of any violations of rental properties may encourage more rehabilitation and value into stressed rental housing.

Timeline: Short Term

Priority: Lower

Other Housing Initiatives

Goal: Encourage employer involvement in housing programs

Policy: Any business or employer with an inventory of 300 employees or more shall provide rental or permanent housing to a minimum of 15 percent of the full time employees.

Strategy: Inquire and partner with Mayo Health Systems, 3M, Weigh-Tronix, Fairmont Foods, or other major employers to possibly coordinate housing developments that share the costs of infrastructure and/or multi-family housing projects.

Timeline: Mid Term

Priority: Medium High

Goal: Acquire and demolish dilapidated structures

Policy: The City Council and the Housing and Redevelopment Authority of Fairmont reserves the governmental right to legally acquire or purchase blighted structures in the interest of economic and residential redevelopment.

Strategy: Continue to monitor the status of existing structures throughout the city. The City of Fairmont has been proactive in locating and demolishing structures that are beyond rehabilitation.

Timeline: Short Term

Priority: Lower

Goal: Create a plan and continue coordination among housing agencies

Policy: A plan shall set the framework to increase the awareness and availability of programs and options for more workforce housing potential.

Strategy: Hire Minnesota State University, Mankato graduate students to write a comprehensive housing plan for the city of Fairmont.

Timeline: Short Term

Priority: High

OTHER CITIES IN SOUTHERN MINNESOTA

While researching other communities in southern Minnesota, Fairmont shares the trend for a need for more workforce housing with the other cities in this area. Since the economic recession with many cities posting a record number of building permits, construction tapered off to minimal construction until the last two years. As with Fairmont, many of the communities also now cite construction costs that outweigh the benefits of a traditional, privately development housing subdivision or larger scaled multi-family housing project.

“On Jan. 24, the State of Minnesota adopted a new energy code. It added quite a bit of costs to new construction, probably an average of \$8,000 to \$10,000 on an average home,” David Schlobohm of Owatonna’s Ace Construction said. “That right away kind of discouraged builders as far as building any spec homes.” (*Home construction lags other economic growth*, Owatonna People’s Press, August 27, 2015)

Many of the cities in southern Minnesota utilize the Section 8 vouchers, which bases rent on 30% of the renter’s income, Small Cities Development Program from the Department of Employment and Economic Development.

Albert Lea:

In Albert Lea, the city received \$483,000 in 2015 grants from the Small Cities Development Program based on zero interest deferred loans. This was in response to scheduling a roundtable meeting with Minnesota House of Representative leaders, along with economic development representatives, area business leaders, local government officials, and members of the public. (*Community leaders express concerns about jobs, housing* Albert Lea Tribune, August 19, 2015)

The City also has recently broke ground on a \$38 million dollar senior living community with the help of tax increment financing (TIF) for to cover 85 percent of project assessments and 26 years of city, county and school district taxes to fund sewer and water extension. Construction also included a sanitary lift station, water and sewer, and street construction to service the development, in which the developer will be required to pay \$1.9 million over 20 years. (*\$38M St. John’s development moves ahead*, Albert Lea Tribune, March 24, 2015)

Albert Lea also actively utilizes the Minnesota Cities Participation Program which includes low interest mortgages to qualified first time buyers.

Austin:

The City of Austin held a workforce housing meeting on October 1, 2015 hosted by DEED to address the need for housing. Other developments have occurred due to employers taking the initiative to construct housing for their employees and to attract future employers. The Hormel Foundation has been working with the Hormel Institute to develop rental housing for Institute researchers as part of

an expansion to the company. The Austin HRA also worked with the nonprofit developer Three Rivers Community Action to plan a 30 unit townhouse development in northeast Austin. (*As Austin grows, community finds itself in need of housing*, Austin Daily herald, April 26, 2015)

The City and the Austin HRA partnered to work with a private developer on a 38-unit townhouse development project in northwest Austin which may be applicable for tax credits. (*Report: Mower rents increased by 35 percent since 2000*, Austin Daily Herald, August 19, 2015)

Belle Plaine:

The Belle Plaine HRA has created four programs to encourage ownership of single-family houses, housing rehabilitation, and renovations. First, the Single Family Home Down Payment Grant is a down payment assistance in the amount of \$2,000 upon occupancy and proof of ownership of a home constructed in 2012 or newer. The home must also be have been completed with the assistance of a contractor located in the Belle Plaine zip code.

Secondly, the Christmas in October Program is a community wide rehabilitation assistance program which involves exterior painting, window replacement, tree and brush trimming, and overgrowth removal by volunteers from the community.

The Energy Efficient Improvements Matching Grant applies to renovations of windows, doors, or mechanical equipment that is energy efficient up to \$1,000 the cost of the items. Homeowners must provide matching funds and meet income requirements.

Lastly, the Residential Façade Beautification Matching Grant is to improve the exterior of the residential property up to \$1,000 of the cost of the items. Improvements may include windows, siding, doors, landscaping, painting and roofs. Income limits apply.

(The City of Belle Plaine Housing and Redevelopment Authority,
<http://www.belleplainemn.com/node/193>)

Jackson:

In the City of Jackson, the agriculture equipment company AGCO joined with the city and two regional housing agencies to build 48 townhouse units on 7 acres of land near the industrial park by the manufacturer's campus. AGCO invested \$220,000 in the \$7 million project. The city donated the land and Minnesota Housing Finance Agency provided the majority of the financing while Southwest Minnesota Housing Partnership (SWMHP) owns the buildings.

(*Small towns, companies team up to address housing*, Minneapolis Star Tribune, March 30, 2015)

Mankato/North Mankato:

The City of North Mankato is considering a program to introduce grants and low interest loans for rehabilitation of properties. The program would provide grants up to \$5,000 and 3% loans of up to \$30,000. The program would have income guidelines and open for most renovation projects. (*North Mankato eyes home rehab program*, Mankato Free Press, September 21, 2015)

The City of Mankato has planned a \$10 million, 50 unit apartment building for lower-income workers contingent upon receiving a Low Income Housing Tax Credit from the Minnesota Housing Finance Agency. (*50 units of low-rent housing planned for Franklin Rogers Area*, Mankato Free Press, June 9, 2015)

Marshall:

The Parkway II addition housing development in Marshall was created under the Greater Minnesota Housing Fund (GMHF) Building Better Neighborhoods Program. The 38 acre site includes both single-family homes and attached rental townhomes of various price ranges. A neighborhood park in the development is accessible to all 99 homes. The project was developed by the Southwest Minnesota Housing Partnership.

St. Peter:

The City of St. Peter utilized the Small Cities Development Program to obtain \$350,000 in grants in 2015. They have also been active with the Southwest Minnesota Housing Partnership to design a subdivision and mortgage program for families with incomes of \$38,000 and lower. A combination of state and federal programs has the potential to provide a no down payment homeownership option. The partnership has assisted the city with several past housing subdivisions and apartment complexes that utilized the Greater Minnesota Housing Fund (GMHF) Building Better Neighborhoods Program.

(*City Officials remain Cautious about new housing developments*, St. Peter Herald, July 7, 2015)

As of October of 2015, The City, in conjunction with St. Peter Public Schools, is exploring a housing project on an 84-acre tract of land similar to previous subdivisions with SWMHP assistance. This subdivision would utilize a mix of home-ownership and rental options.

(*City Council approves water main project, considers three land deals*, St. Peter Herald, October 12, 2015)

Worthington:

In 2013 the City of Worthington was awarded \$596,000 in grants through the Small Cities Development Program. Worthington also actively participates in the Minnesota Housing Finance Agency (MHFA) Rehabilitation Loan Program which is used to upgrade a home in accessibility and energy efficiency in the counties of Nobles, Murray, Pipestone, and Rock.

In previous years the Southwest Minnesota Housing Partnership assisted with a \$4.6 million rehabilitation of a multi-family housing complex in conjunction with a Minnesota Green Communities grant.

Worthington also recently constructed a \$6.5 million, 48 housing unit development in which the city invested \$1.6 million and the housing and redevelopment authority borrowed \$4 million to finance the project. Five local entities including the city's largest employer, JBS, together contributed \$110,000 towards the development.

(Small towns, companies team up to address housing, Minneapolis Star Tribune, March 30, 2015)

Worthington also participates in the Nobles Home Initiative (NHI) a county-wide program that provides incentive towards construction of new owner occupied and rental housing units from April 1, 2014 to December 31, 2017. In that time tax abatement is available, but shall not exceed 10% of net tax capacity in the area, or \$200,000, whichever is greater. Eligibility for the 5 year tax abatement of the county's real estate tax requires a properly zoned property in Nobles County, no other local financial assistance, proper permits obtained and built to code, and property taxes are paid on time in full.

FUNDING OPPORTUNITIES

This section lists a number of programs, grants, and assistance that could potentially be applied to the current or future Fairmont housing needs to address the housing stock, rehabilitation programs, and assistance in new housing purchasing at the local, state, and federal level.

Housing Assistance Programs

A number of programs provide rental assistance and below-market-rate home mortgage programs. Some involve little or no administration or oversight by the city, although most require a city's consent. A list of existing housing assistance programs which a community may use, or encourage or facilitate private market interests to use include the following:

Federal Government

- Section 8 Rental Vouchers and Certificate Programs
- Shelter Plus Care (S+C)

Minnesota Housing Finance Agency

- Minnesota Mortgage Program
- Community Activity Set Aside (CASA) Program
- Homeownership Assistance Fund
- HOME HELP
- Homeownership Opportunity Program
- Urban Indian Housing Program Tribal Indian Housing Program
- Land Acquisition for Affordable New Development (LAAND) Initiative
- Minnesota City Participation Program
- Housing Trust Fund Rental Assistance (HTF-RA)

Habitat for Humanity

Housing Development Programs

A limited number of tools are available to support the construction or rehabilitation of low-and moderate-income housing. These programs include the following:

Federal Government

- Public Housing
- Supportive Housing Demonstration Program - Transitional Housing Component
- Federal Home Loan Bank - Affordable Housing Program
- Home Investment Partnership Program (HOME)
- Section 202 - elderly
- Section 811 - handicapped

Minnesota Housing Finance Agency

- Housing Tax Credit Program (HTC)
- Low and Moderate Income Rental Program (LMIR)
- Economic Development and Challenge Program (EDHC)
- Preservation Affordable Investment Fund (PARIF)
- Publicly Owned Housing Program (POHP)
- Ending Long Term Homelessness Initiative Fund (ELHIF)
- Flexible Financing for Capital Costs (FFCC)
- Land Acquisition for Affordable New Development (LAAND) Initiative

Metropolitan Council

- Local Housing Incentives Account
- Livable Communities Demonstration Account
- Land Acquisition for Affordable New Development (LAAND)

Family Housing Fund

- Metropolitan Housing Resource Program

Local Government

- Conduit revenue bonds
- General obligation bonds
- Housing revenue bonds
- Taxable revenue bonds
- Land write-down or sale
- Credit enhancements
- Sanitary sewer rate adjustments
- Demolition ordinances
- Local community mortgage assistance programs
- Mortgage Revenue Bonds
- Low-income housing Tax Credits
- Local fee waivers or reductions
- Local tax abatement
- Local property tax levy
- Tax-increment financing (TIF)

Housing Maintenance Rehabilitation and Redevelopment Programs

A variety of programs are available to address maintenance, rehabilitation and redevelopment.

Federal Government

- Federal Home Loan Bank - Affordable Housing Program
- Home Investment Partnership Program (HOME)
- HOPE III

Minnesota Housing Finance Agency

- Housing Tax Credit Program (HTC)
- Low and Moderate Income Rental Program (LMIR)
- Economic Development and Housing Challenge Program (EDHC)

- Preservation Affordable Investment Fund (PARIF)
- Publicly Owned Housing Program (POHP)
- Ending Long Term Homelessness Initiative Fund (ELHIF)
- Flexible Financing for Capital Costs (FFCC)
- Rental Rehab Loan Program
- Community Revitalization Fund
- Fix-Up Fund
- Community Fix-Up Fund
- Rehabilitation Loan Program

Metropolitan Council

- Livable Communities Demonstration Account

Family Housing Fund

- Metropolitan Housing Resource Program

Local Government

- Adoption and enforcement of a local housing maintenance code
- CDBG supported rehab programs
- Housing improvement and rehabilitation areas
- Foreclosure awareness/prevention workshops
- Housing remodelers fair
- Weatherization programs
- Code compliance programs
- Local community first-time homebuyer financial program
- Scattered site housing replacement program
- Home repair/maintenance resource center for seniors
- Point of sale program
- Deferral or forgiveness of development fees
- Transitional Housing Partnership

Local Initiatives

Though considerably more restricted than in the past, state and federal laws permit local governments to implement fiscal initiatives to generate capital to assist development or redevelopment to create affordable and life-cycle housing.

Federal Government

- Community Development Block Grants (CDBG)

Minnesota Housing Finance Agency

- Nonprofit Capacity Building Revolving Loan Program
- Land Acquisition for Affordable New Development (LAAND) Initiative
- Small Cities Development with Minnesota Valley Action Council

Local Government

- Participation in Livable Communities Local Housing Incentives Program to access funding resources through the Local Housing Incentives Account, Livable Communities Demonstration Account and Tax Base Revitalization Account.

SUMMARY

The situation of housing in Fairmont is complex, but not completely unique. As research shows, many other communities across southern Minnesota are experiencing the same circumstances from population changes, employment shifts, and the fluctuation of workforce housing.

The recommendations for the City of Fairmont are to continue with the existing practices involving the rehabilitation efforts within the northern parts of the city, removing unfixable, dilapidated and potentially hazardous structures within the city, and the continued pursuance of new housing opportunities when available.

Further recommendations would be exploring the possibilities of private-public partnerships with the existing employers in town to benefit new housing developments in new residential subdivisions, rehabilitated housing, and multi-family opportunities as other communities in Minnesota have constructed.

A possible scenario for the City to implement is a set of smaller housing grants aiming at rehabilitation projects for houses within blighted areas. Small grants may give the potential of increased desirability and value to the community.

Other goals for the City are to explore tools like code enforcement to ensure houses remain aesthetic and desirable as well as structurally sound.

These recommendations coupled with the activity of the City and local groups have the potential to successfully address the housing conditions in Fairmont.

ACKNOWLEDGEMENTS

We would like to take this time to acknowledge all of the parties involved in this effort.

These parties include:

- Michael Humpal, City Administrator of Fairmont, Minnesota
- Russell Fricano, Assistant Professor of Minnesota State University, Mankato
- Miriam Porter, Department Chair of Minnesota State University, Mankato
- Steve Hawkins of Project 1590, Fairmont, Minnesota
- Jim Zarling, City of Fairmont City Council
- Mike Brau, Banker Fairmont HRA
- Ron Kopischki, Banker Fairmont HRA
- Allen Struck, Banker
- Chris Pierce, Banker, Martin County EDA
- Ron Davision, Citizen Focus on Fairmont group
- Ruth Cypers, Marketing and 1590
- Tom Lytle, Banker and Fairmont EDA
- Mike Riely, Citizen
- The City of Fairmont
- All citizens who participated in the housing survey

WORKS CITED

- City of Fairmont 2008 Comprehensive Plan
- City of Fairmont's 2011 Comprehensive Annual Financial Report
- City of Fairmont's 2013 Housing and Demographics Study
- City of Fairmont 2014 Demographics
- *Home construction lags other economic growth*, Owatonna People's Press, August 27, 2015
- *Community leaders express concerns about jobs, housing* Albert Lea Tribune, August 19, 2015
- *\$38M St. John's development moves ahead*, Albert Lea Tribune, March 24, 2015
- *As Austin grows, community finds itself in need of housing*, Austin Daily herald, April 26, 2015
- *Report: Mower rents increased by 35 percent since 2000*, Austin Daily Herald, August 19, 2015
- The City of Belle Plaine Housing and Redevelopment Authority,
<http://www.belleplainemn.com/node/193>
- *Small towns, companies team up to address housing*, Minneapolis Star Tribune, March 30, 2015
- *City Officials remain Cautious about new housing developments*, St. Peter Herald, July 7, 2015
- *City Council approves water main project, considers three land deals*, St. Peter Herald, October 12, 2015
- *North Mankato eyes home rehab program*, Mankato Free Press, September 21, 2015
- *50 units of low-rent housing planned for Franklin Rogers Area*, Mankato Free Press, June 9, 2015
- Martin County 2013 Demographics
- American FactFinder, United States Census Bureau

APPENDIX

Table 12: Demographic Analysis

Demographic Analysis			
	2000	2010	Percentage Change
Socio-Economic Issues			
Owner Occupied Units	3,472	3,342	-4%
Renter Occupied Units	1,230	1,470	16%
Ratio of Owner: Renter	2.8	2.3	-5%
Housing Supply and Condition			
Vacant Units	334	439	24%

Source: American FactFinder, United States Census Bureau

Table 13: Total Building Permit Information

Total Building Permit Information			
Year	Total Dollar Value of All Permits Issued		
2013	\$4,225,236	2005	\$17,378,631
2012	\$12,625,582	2004	\$19,310,721
2011	\$39,193,565	2003	\$11,073,329
2010	\$18,185,875	2002	\$23,786,874
2009	\$24,307,731	2001	\$9,004,045
2008	\$11,506,235	2000	\$34,321,833
2007	\$29,536,224	1999	\$15,111,651
2006	\$23,883,259	1998	\$7,029,016

Sources: US Census 1990-2000, 2010; Fairmont Housing Study, July 2013; CityData.com

Table 14: New Residential Permits (1998-2012) in Fairmont

New Residential Permits (1998-2012) Fairmont			
Year	# of Single Family Residences	# of Townhomes/ Condos/Apts	Total Dollar Valuation
2012	3	2	\$768,000
2011	4	0	847,371
2010	1	2	330,398
2009	3	4	995,134
2008	4	0	821,356
2007	6	0	1,471,355
2006	4	0	664,763
2005	12	41	8,617,315
2004	7	4	2,390,584
2003	9	18	3,434,023
2002	8	6	2,035,099
2001	8	10	2,146,389
2000	12	8	3,130,280
1999	9	6	2,339,384
1998	11	4	2,283,488

Source: City of Fairmont

Exhibit 1: Map showing locations where focus group members indicated areas requiring attention.

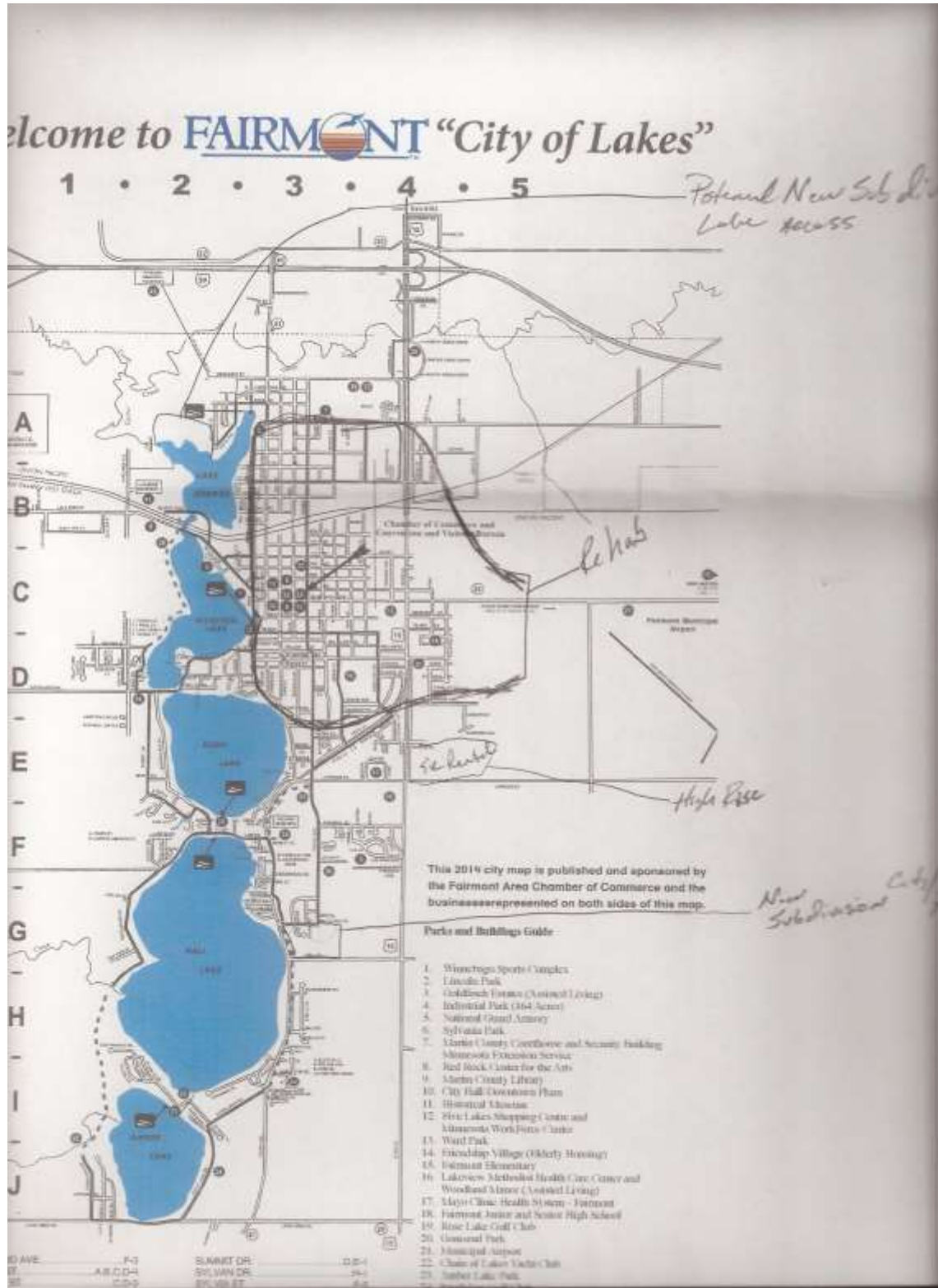


Exhibit 2: Map showing locations where focus group members indicated areas requiring attention.

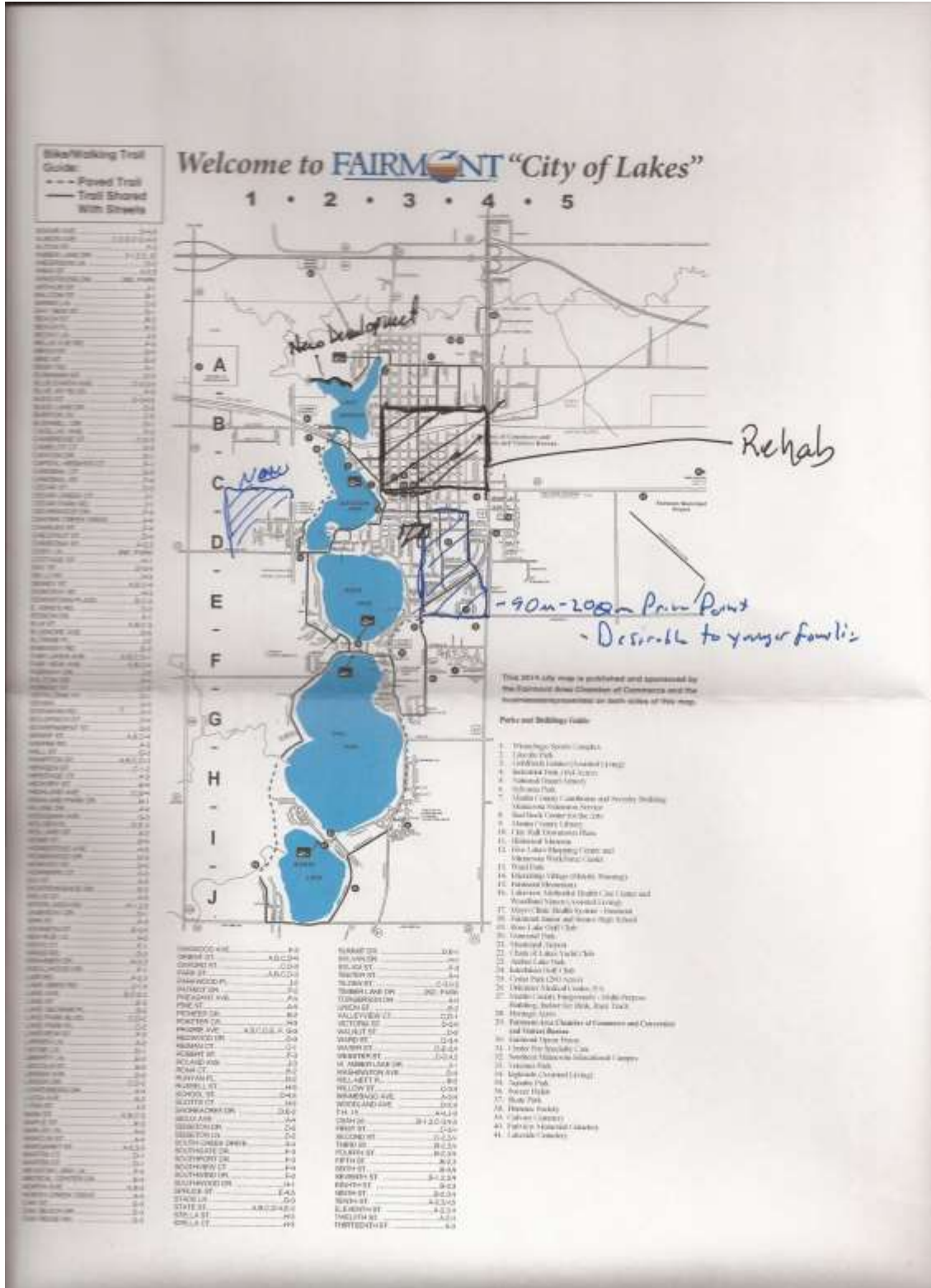


Exhibit 3: Map showing Fairmont housing rehabilitation locations. Courtesy of the City of Fairmont.

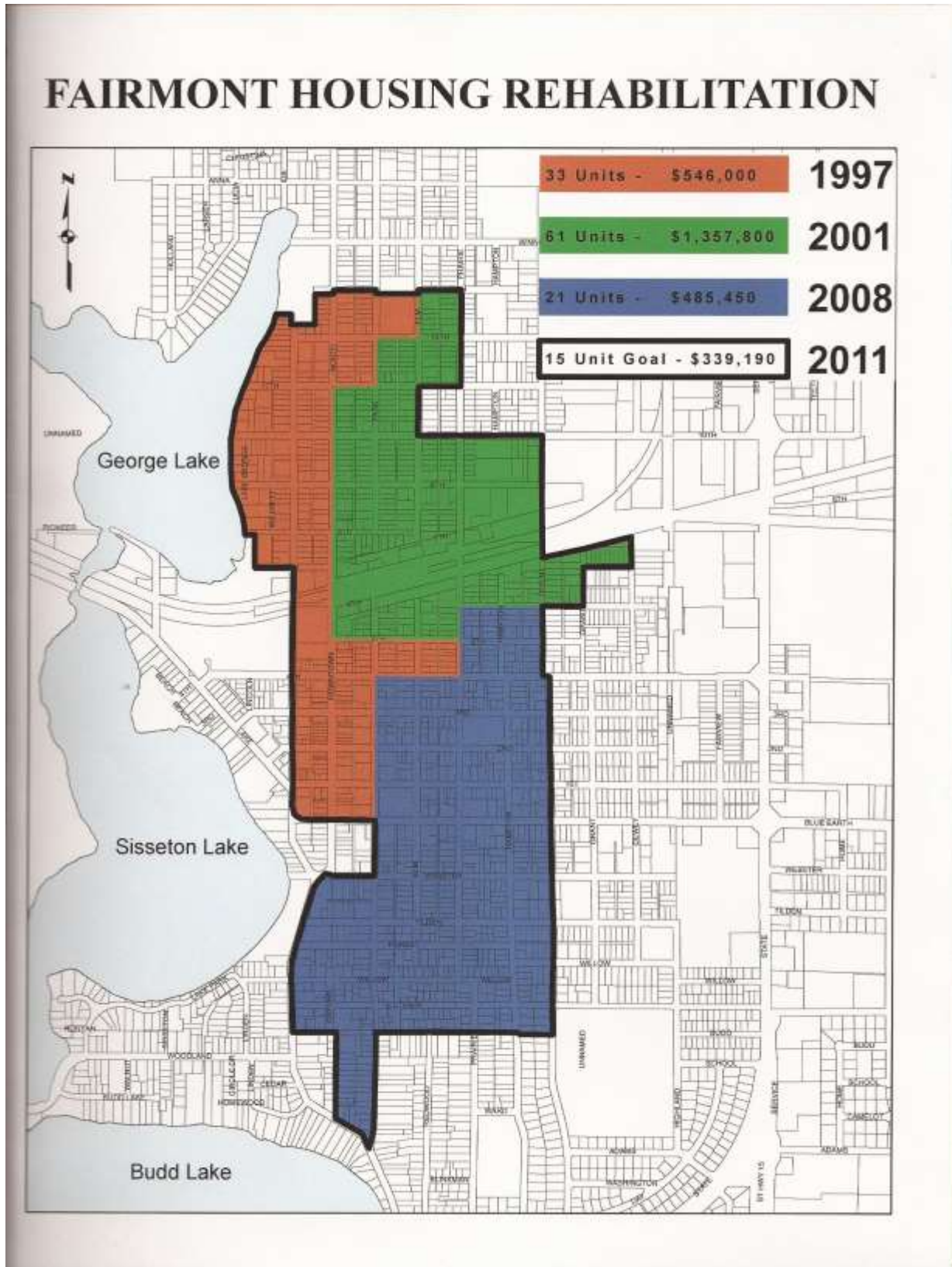


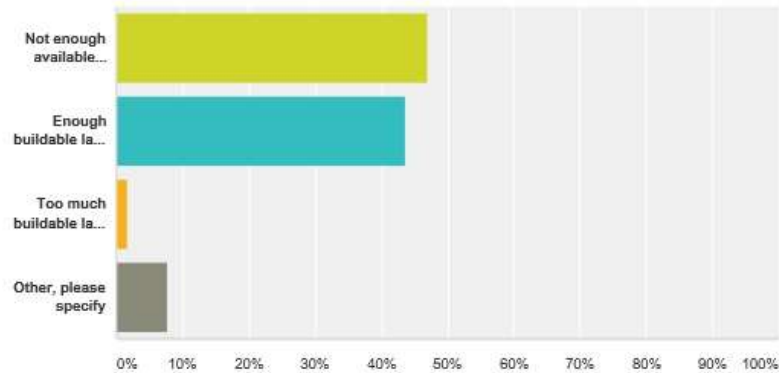
Exhibit 4: Survey Results

Fairmont Housing Survey

SurveyMonkey

Q1 What is your current perception of the availability of buildable land in the City of Fairmont?

Answered: 183 Skipped: 0



Answer Choices	Responses
Not enough available buildable land for purchase	46.99% 86
Enough buildable land for purchase	43.72% 80
Too much buildable land for purchase	1.64% 3
Other, please specify	7.65% 14
Total	183

#	Other, please specify	Date
1	empty buildings throughout Fairmont.	9/29/2015 4:48 PM
2	Interest in commercial property is almost zero. Can housing go into any of the available commercial land	9/29/2015 7:17 AM
3	not enough affordable buildable land	9/28/2015 2:53 PM
4	I don't really know, I've never looked into it.	9/28/2015 9:19 AM
5	Land too expensive	9/28/2015 8:55 AM
6	I haven't thought about it	9/25/2015 11:06 AM
7	Fairmont has enough buildable land. However, Fairmont needs to bring in actual business (not fast food) that attract family's to move back to Fairmont.	9/25/2015 9:20 AM
8	unknown	9/24/2015 4:42 PM
9	This depends on what you wish to build and where you wish to build it. Student housing should be close to the college, but there isn't much land available near it.	9/24/2015 4:38 PM
10	there are many unused building sites with old buildings that could be torn down and re-built	9/24/2015 4:25 PM
11	there are alot of houses that could be tore down for buildable sites	9/24/2015 4:20 PM
12	Not interested in building.	9/24/2015 4:15 PM
13	Not enough on the lakes.	9/24/2015 4:11 PM

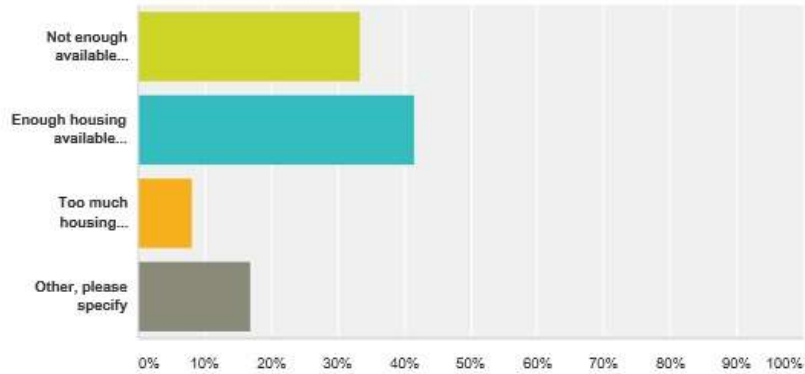
Fairmont Housing Survey

SurveyMonkey

14	Land is far too expensive.	9/24/2015 4:09 PM
----	----------------------------	-------------------

**Q2 What is your current perception of the housing stock in the City of Fairmont?
(choose one)**

Answered: 183 · Skipped: 0



Answer Choices	Responses
Not enough available housing for purchase	33.33% 61
Enough housing available housing for purchase	41.53% 76
Too much housing available for purchase	8.20% 15
Other, please specify	16.94% 31
Total	183

#	Other, please specify	Date
1	Not enough affordable housing	10/5/2015 3:25 PM
2	more affordable housing	9/29/2015 4:48 PM
3	Not enough housing in the 100-150K range. Either dumpy and less than 100K or out of price range	9/29/2015 7:10 AM
4	not enough affordable housing for purchase	9/28/2015 2:53 PM
5	Not enough quality inventory in the City of Fairmont.	9/28/2015 10:53 AM
6	plenty of low cost housing, not enough mid to upper range housing available	9/25/2015 1:05 PM
7	Not enough AFFORDABLE housing	9/25/2015 11:06 AM
8	Do not know	9/25/2015 9:50 AM
9	need a better variety of prices	9/25/2015 8:45 AM
10	I think it depends on the price point	9/25/2015 8:33 AM
11	Not enough in reasonable price range which I feel is under \$200,000	9/25/2015 8:32 AM
12	To much low income or real high income houseing-nothing for the average citizen!	9/25/2015 7:54 AM
13	Unsure	9/25/2015 7:53 AM
14	I am looking for rent properties.	9/24/2015 9:38 PM

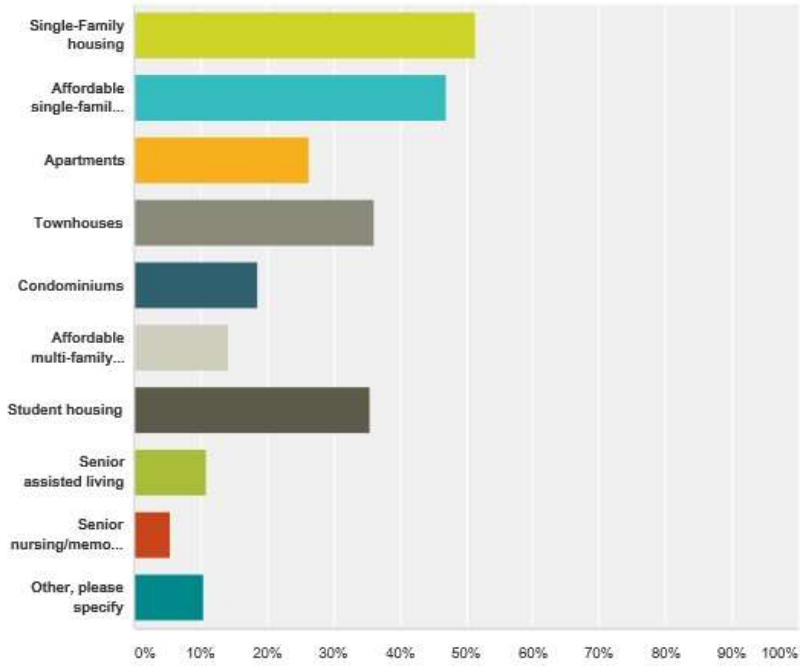
Fairmont Housing Survey

SurveyMonkey

15	Houses are WAY over priced--and then you have to put so much work into the house! Definitely inflated.	9/24/2015 9:37 PM
16	Much available to purchase is in poor condition	9/24/2015 5:40 PM
17	There are no developers/realtors/any body building houses for purchase. What is out there is mostly old, small lots with no room to add on anything.	9/24/2015 4:47 PM
18	Very dependent on price range. Low range is fine. Mid to high (150K to 250K) range is lacking.	9/24/2015 4:47 PM
19	Depends on the price range you are looking for.	9/24/2015 4:47 PM
20	I don't know how to answer this question as I am not in the market for a house. If I had to guess, not enough would be my answer in comparison to other years.	9/24/2015 4:38 PM
21	I think there are houses for sale but not in the price range that the incoming folks want to purchase.	9/24/2015 4:37 PM
22	too many old houses nobody wants. not enough newer family friendly houses.	9/24/2015 4:37 PM
23	not enough low income housing	9/24/2015 4:26 PM
24	there are many unused housing sites with old houses that could be torn down and re-built	9/24/2015 4:25 PM
25	Available homes for purchase are valued/priced far too high. Single family, smaller homes are in bad condition when considered affordable for single mothers/small families.	9/24/2015 4:23 PM
26	to extreme difference from excess repair to very costly	9/24/2015 4:20 PM
27	Enough housing but not all quality units. We have extreme ends nothing for middle class. Either over 200k or it is a dump or in a blighted part of town.	9/24/2015 4:18 PM
28	There is a lot of available housing for purchase in the City of Fairmont. However, 1/3 to 1/2 of the homes do not seem to fit the needs of those looking for housing.	9/24/2015 4:14 PM
29	Not enough of 'mid range' homes for sale	9/24/2015 4:11 PM
30	NOT ENOUGH AFFORDABLE HOMES FOR PURCHASE FOR YOUNG FAMILIES	9/24/2015 4:10 PM
31	Not enough moderate to upper end housing available.	9/24/2015 4:10 PM

Q3 What type of housing of housing would you like to see more of in the City of Fairmont? (check all that apply)

Answered: 183 Skipped: 0



Answer Choices	Responses
Single-Family housing	51.37% 94
Affordable single-family housing	46.99% 86
Apartments	26.23% 48
Townhouses	36.07% 66
Condominiums	18.58% 34
Affordable multi-family housing	14.21% 26
Student housing	35.52% 65
Senior assisted living	10.93% 20
Senior nursing/memory care	5.46% 10
Other, please specify	10.38% 19
Total Respondents: 183	

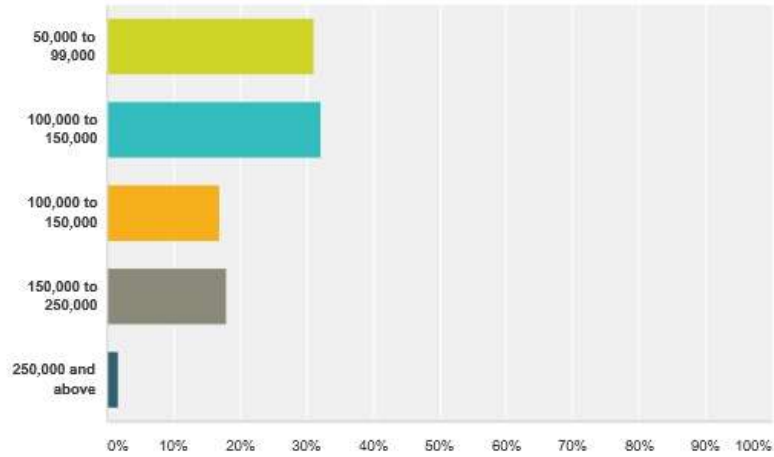
Fairmont Housing Survey

SurveyMonkey

#	Other, please specify	Date
1	Based on the difficulty it is to get permitting, it appears we need to help in that area. I have heard it is a very slow process. This is from people that want to expand.	10/5/2015 10:34 AM
2	3+ bedroom housing that is affordable and decent. Not dumps!!	9/30/2015 2:23 PM
3	High quality apartments, not slum lord type.	9/29/2015 8:02 PM
4	Apartments or townhomes for rent that are NOT low-income housing	9/29/2015 7:40 PM
5	Apartments that are not low-income housing and well maintained	9/29/2015 7:10 AM
6	Quality rentals. It is impossible to find a house for rent, and if you do, a slum lord owns it.	9/28/2015 10:54 AM
7	There is a lot of adequate housing how about bringing more businesses to the town instead and fill up the housing already available.	9/28/2015 9:05 AM
8	Fairmont is short of quality rentals for professionals that are not income based	9/26/2015 10:35 AM
9	more quality single family house rentals	9/25/2015 9:48 AM
10	Any and all - Make Fairmont grow for all age groups. Attract all from college to nursing home	9/25/2015 9:20 AM
11	New development properties that are built that single-families can purchase	9/25/2015 8:17 AM
12	I THINK WE HAVE A PRETTY GOOD BALANCE ALREADY	9/25/2015 7:11 AM
13	Current housing stock is sufficient	9/24/2015 6:13 PM
14	Senior apartments (not assisted living)	9/24/2015 6:12 PM
15	Lake Housing. Development of lake properties on Sisseton (west side of lake) and Hall (south west side of lake)	9/24/2015 4:29 PM
16	low income housing	9/24/2015 4:26 PM
17	Nice apartments	9/24/2015 4:18 PM
18	There is plenty of available housing.	9/24/2015 4:15 PM
19	rental properties that are well-maintained	9/24/2015 4:10 PM

Q4 What price range for single family housing do you believe to be most desirable or needed in the city of Fairmont

Answered: 183 Skipped: 0



Answer Choices	Responses	
50,000 to 99,000	31.15%	57
100,000 to 150,000	32.24%	59
100,000 to 150,000	16.94%	31
150,000 to 250,000	18.03%	33
250,000 and above	1.64%	3
Total		183

Fairmont Housing Survey

SurveyMonkey

**Q5 Please, add any additional comments
you have that are related to the City of
Fairmont's Housing.**

Answered: 45 Skipped: 138

#	Responses	Date
1	Although there are many decent, affordable homes for sale in Fairmont, local banks are reluctant and refuse to approve home loans for the lower income families who could own and occupy these homes rather than the usual landlords buying them up and charging significantly more in rent than a mortgage would cost.	10/10/2015 6:37 AM
2	Some of the lakeshore properties are so beautiful but get into the inner part of the city and it is a different story. Glad we have a rental ordinance; it is usually the landlords who buy up the affordable housing, raise the rent, and don't keep up the properties. If you move into a property that is not in good order, it is not likely to become that way. An idea that I have heard is that the older folks who want to and are capable of staying in their homes could be linked with students from the college or young families and trade housekeeping, etc. for a lower rent.	10/5/2015 3:25 PM
3	A question I ask. Why are so many houses being built outside the city limits versus in the city limits????	10/5/2015 10:34 AM
4	The housing market in this city is ridiculous. The pricing on the houses that are newer and in certain locations are completely out of line. Especially the houses on the lake. There is a very low shortage of houses that have 2-car attached garages and 4+ bedrooms. Not everyone wants to buy an older home and have to completely remodel it and add on to it to get the size they need and that's unfortunately all that Fairmont has to offer. It doesn't seem right that one can go to a suburb of Minneapolis or to Mankato and find a newer, big house for less than you can in Fairmont.	10/1/2015 10:04 AM
5	A family with 3 to 4 children can not afford a 100,000 dollar home around here. Not factory jobs, just low paying part-time jobs here.	9/30/2015 2:23 PM
6	New custom home developments, away from busy streets.	9/30/2015 12:39 PM
7	Let's tear down some older homes in desperate need of relief!!	9/30/2015 8:02 AM
8	As an employer, we have interns/temporary positions or even individuals that are moving to the community that have NO options for housing. It is really frustrating for a community our size that they do not have these options available for people that are NOT in the low-income bracket. We have interns that would like to come stay for 3 months in the summer, but there is absolutely no option for them. Also, we travel to many cities across the state and many towns have builders that are starting new housing developments, I feel like there is a need for that in Fairmont to give a prettier picture to Fairmont than the blighted houses that are seeming to creep farther and farther south.	9/29/2015 7:40 PM
9	We need to think about bringing younger people into our city. Single family housing & cleaner affordable apartments would be most beneficial. I think we are very well off with elderly assisted living. Think of the younger generations.	9/29/2015 6:30 PM
10	I think that the wages in this town are no where near comparable in order for people to even buy a home over 80,000 its ridiculous. I also saw that someone from the city was commenting that there are lots of jobs here that are available to bring new grads in. That's not true all. I tried for 2 years to find a somewhat decent paying job in this town after graduating with a Bachelors in Business. I would live in a nicer home if the wages were comparable/adequate for investing more into this community.	9/29/2015 11:11 AM
11	The majority of vacant houses are owned by a few wealthy people that over price and over value their properties. This makes them not affordable or desired by the majority. Out of town landlords that don't take care of the properties they own is out of control. This issue is true for both housing and commercial properties.	9/28/2015 2:53 PM
12	Need affordable student housing.	9/28/2015 2:24 PM
13	Frankly, except for assisted care and housing for elderly, I believe the city has adequate available housing for citizens of Fairmont.	9/28/2015 1:11 PM
14	I feel that the homes in the city are overpriced and of low quality. The majority of houses I feel are in poor condition and need lots of work before they are considered to be move in ready.	9/28/2015 10:39 AM
15	Fairmont needs decent single family housing that is affordable but not section 8 or HUD. Fairmont needs a place where single working adults with or without children that don't want to buy or rent a house can live. The apartment/townhouses need to be updated and rodent/ cockroach free.	9/28/2015 9:19 AM
16	Old housing stock, not enough for young families.	9/28/2015 7:53 AM

Fairmont Housing Survey

SurveyMonkey

17	I don't think there are enough affordable rentals for families in need. I know of a lot of single individuals that are renting a multiple bedroom house (when they don't need that many bedrooms). I think it would benefit the town to filter out the people that don't really need the extra bedrooms, so the multiple bedroom houses/apartments go to those in need. I also wish rentals were not so unGodly expensive! \$800/month + utilities for a 2-bedroom? No thank you! WAY in need of three and four bedroom apartments that are affordable! I have a family of four (soon to be five) and we can't find anything big enough! Or the renters are asking WAY too much for their houses.	9/25/2015 8:51 PM
18	The rent for houses in Fairmont is way to high. The low income families can not afford the rent that landlords are asking for and most of the houses need lots of work. For example, I know someone who is renting a house with 4 kids, only one parent who is working 2 full time jobs and going to school and her rent is going from \$600 to \$720 beginning Oct. 1. Her heat bills in the winter are outrageous partly because she needs 2 space heaters going to keep the wooden floors warm and has an entryway that when it is extremely cold has ice and frost on the inside of the walls in the house so a space heater is needed. I do not like space heaters myself as they cause too many fires but she has not other option. The landlord is aware of this and does nothing. There has to be some mold in the walls which is not good for humans. The landlords in Fairmont really do need to fix up their rentals.	9/25/2015 9:41 AM
19	I love our city. However, the lack of business/industry is affecting those that reside in our community. Young families are not moving back to Fairmont due to lack of housing. They aren't coming back due to lack of employment. (And fast food employment isn't sufficient!) If you want to improve the housing, start with improving the careers that draw in those that are buying/renting/building here.	9/25/2015 9:20 AM
20	We have wanted to provide temporary apartment housing for employees or temporary workers, but there is literally nothing in Fairmont that is available for this type of situation	9/25/2015 8:17 AM
21	GET RID OF THE SLUM LORDS IN TOWN. THEY BUY UP LOW PRICES HOUSING AND DONT DO ANYTHING WITH THEM, JUST LET THEM RUN DOWN	9/25/2015 8:10 AM
22	There seem to be quite a few apartment buildings, but unfortunately most of them are occupied by low income families. I am a single adult who tried to find an apartment big enough for my things, with adequate amenities, nice neighborhood, parking, and a garage. Although I did find an apartment to meet some of those needs, I couldn't believe I couldn't something nicer. Even the houses to rent in town were next to none. Although I don't make much money, I would still like to live in a place that doesn't feel like the "projects". I am a young but mature professional that wouldn't disrupt neighbors or destroy property.	9/25/2015 7:53 AM
23	If you build it they will come-- WHY does FMT need more retirement complexes?? But up some town homes that are AFFORDABLE and not needing updated! There are plenty of people that need a place of their own but don't want an apt or their own house/yard.	9/24/2015 9:37 PM
24	Fairmont needs more industry. The housing issues will become easier to identify.	9/24/2015 7:02 PM
25	Extreme bldg codes which adds extra costs to owning property for rental----own rental properties in surrounding towns and AZ, but never in Fairmont.	9/24/2015 6:55 PM
26	The City and employers would be wise to get in contact with the local real estate professionals with their needs and concerns rather than a outside third party. If I recall there was a housing study just completed in the prior year by a different third party.	9/24/2015 6:13 PM
27	Overpriced housing market-people ask too much for what they have to offer. Networking seems to be the best way to find affordable and attractive housing (not thru realtors). If you're moving here from outside of the community, it's very difficult to find mid-level housing that's reasonably priced (\$100,000-200,000+) that does not need significant repairs or updates. When I moved to the area over 5 years ago, we ended up moving out of the community because property seemed over priced.	9/24/2015 5:08 PM
28	There also needs to be lots of acceptable size, and of proper price range to be able to build. I'm thinking \$28,000 to \$36,000 dollars per lot. This will allow young couples and established couples to build. Thanks for starting the process of addressing this issue.	9/24/2015 4:47 PM
29	I recently sold my home for \$229,000 it sold in less than a week. We had two full asking offers. There are not many homes available in this price range, if so they are only on the market for a short period of time. There are many lower priced homes that need a lot of renovations or over priced homes that stay on the market for many months. Also the land and construction prices in the area don't allow for affordable new construction homes.	9/24/2015 4:41 PM
30	Student housing is an issue. In order for Presentation College to continue to grow, affordable housing must be available for those who need to relocate.	9/24/2015 4:38 PM
31	there are a lot of small old houses that are not family friendly. the needs of families have changed over time. I know several families that cant find a home that fits there needs.	9/24/2015 4:37 PM
32	Very little choices for people moving to the community who can obtain mortgages,as well as people starting over and being able to meet criteria for housing.	9/24/2015 4:36 PM

Fairmont Housing Survey

SurveyMonkey

33	We need more good jobs than anything else. It will all take care of it self if we have that!	9/24/2015 4:30 PM
34	Employers in town are employing very good paying jobs. With that said, land development around the lakes is desirable. The land on the west side of Sisseton lake is not being used to it's full potential. This property could be a great source of property tax (lake property tax at that).	9/24/2015 4:29 PM
35	Housing that is based on income for those who have little or no income such as those at the \$200 per month level	9/24/2015 4:26 PM
36	We need more jobs to fill the homes that are on the market. Until that is done, more will continue to come on the market.	9/24/2015 4:25 PM
37	The rental property isn't being kept up. The city is doing a good job at attempting to clean up with the city wide clean up and the yard pictures addressing keeping up with our part as home owners. Not make the land lords responsible to do there part in upkeep and maintenance.	9/24/2015 4:20 PM
38	For #4, there was no option for 150,000 - 250,000, so I selected the second option of 100,000-150,000. I think there are a lot of houses available for purchase in Fairmont, but most are either low-end and not very nice, or they are high-end and too expensive. Also, I can't think of many rental units that are very nice. All seem to be run-down or not desirable.	9/24/2015 4:18 PM
39	Based on the current age of our town/county, we need to focus on bringing young people back into the community. What drives young people? Job, Jobs, Jobs. Without an income, you can't buy a home. Fairmont may be a great community with lots to offer, but if you can't offer your citizens employment (and employment that pays decent), your efforts in developing house plan will have been in vain. We need to develop more jobs; there have been too many companies that have left this community without replacing the lost jobs.	9/24/2015 4:16 PM
40	There seems to be enough housing available for SALE. The proportion of RENTAL house prices to income seem to be unfavorable compared to mid-sized metro areas like Mankato and Saint Cloud. I believe there is an inadequate number of quality rentals in Fairmont in both apartments and houses.	9/24/2015 4:15 PM
41	Actually homes in the \$75,000 to \$125,000 range are those most sought after	9/24/2015 4:14 PM
42	City needs to provide streets/sewer and water to areas that need development with assessments done after sale of lot by owner. We used to do that and it advanced home building.	9/24/2015 4:14 PM
43	More affordable rentals need to be in place, that are not junk. Rent that eats up more then 40% of one net paycheck isn't affordable for the common people in town. The ones who work in fast food, walmart, factories. Most are paid between \$9.00 to \$13.00 an hour.	9/24/2015 4:13 PM
44	Did you know you have 2 of the same answers in #4?	9/24/2015 4:11 PM
45	It is very expensive to buy a house and live in Fairmont. It is often twice as much as communities around the area and really nothing else to offer.	9/24/2015 4:09 PM

Fairmont Housing Plan 2015

Ron Davison

COMMENTS**1. Income and Affordability**

- A. I readily agree with the need for market rate housing to satisfy the needs of current middle and higher income residents and to make Fairmont more appealing to attract outside professionals and other skilled potential residents to our community. However, the statistics provided indicate that 30% of current households have an approximate average monthly income of \$1,041 and a high percentage of the 26% bracket would doubtfully benefit from new market rate housing. In probability, most of the lower income of the combined 56% households would, by income and affordability, continue to be relegated to the same existing housing including dilapidated rental homes, limited section 8 availability and senior owner/occupied distressed properties.
- B. I suggest Human Services be consulted to provide valuable insight on section 8 and other low income housing issues in Fairmont that affect the populace as a whole.
- C. The City of Fairmont has, in my opinion, done a wonderful job to date and I personally support low incoming housing, but with reservations about some aspects such as:
- D. Developers erecting unattractive multi-family housing without inviting ambiance, lack of facades, landscaping, etc. with little or no sense of community or neighborhood to satisfying their financial interests before the goals of the community.
- F. Does the city have existing code or criteria that would avoid "project like" developments?
- G. How much incentive control will the city exert to attract developers, yet avoid allowing developers to build unattractive housing that does not create a home to live, work and play?
- H. Would the construction of low income multi family units invite more indigent and undesirables to move to Fairmont, thereby availing themselves of our services at taxpayer expense without contributing to the community?
- I. Is there any statistical data that low income housing may actually subsidize some large area companies that are known to pay their employees working poor wages? In short, wouldn't Fairmont taxpayers be subsidizing some local large retail, AG and food processors to some extent?

2. Student Housing

- A. If financially feasible and student demand has existed past and present, why haven't private developer/investors not constructed student housing to date?
- B. As result of fluctuating student enrollment predicting housing needs would be difficult to forecast on an annual basis. Surveying current enrolled students regarding current housing, commuter methods, housing budgets, desired amenities and proximately to campus may provide somewhat of a basic idea, yet the fluctuation issue will most likely persist.
- C. Introduce or modify city code to maintain neighborhood quality and compatibility.
- D. If determined that student housing is, in fact viable, would a collaborative effort with the city, developer and the church be considered with Presentation and developer bearing most of all construction and maintenance cost?

3. Rental Housing

- A. A significant number of the rental homes in Fairmont are owned by just a few or more landlords, some who appear to be uninterested in cosmetic appearance, conforming to and enforcing nuisance codes, and in some obvious examples, maintenance and repairs to their properties unless inspection or ordinances demand it.
- B. How would selections be made regarding the properties to receive funds, if funds were available?
- C. How would the taxpayer, aside from appearance and neighborhood, benefit from the expense of improving rental property for landlords who have been previously unwilling to invest in their own dilapidated rentals to avoid dilution of their profits?