



Legislation Text

File #: 18-622, **Version:** 1

DATE: December 18, 2018

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Housing Opportunity for Northfield

SUMMARY AND ACTION REQUESTED:

The Housing & Redevelopment Authority to have Housing Developer Troy Schrom speak about possible housing development in Northfield.

BACKGROUND:

Troy Schrom of Schrom Construction in Eagle Lake, Minnesota, is a developer of rental apartments and townhomes in Southern Minnesota. Schrom Construction has developed several rental projects in Minnesota and Iowa including:

- Eden Valley Place-Owatonna, MN (47 Units)
- Autumn Wind Townhomes-Eagle Lake, MN (90 units)
- Humboldt Townhomes-Humboldt, IA (12 units)
- Wedgewood Cove-Albert Lea, MN (30 units)
- Hawthorn Park-Spirit Lake, IA (30 units)
- Greyson Place-Belle Plaine, MN (12 units)
- Brecken's Place-Marshalltown, IA (48 units)
- Greystone Place-Dodge Center, MN (12 Units)

The Owatonna property is managed by Lloyd Management Company. Lloyd Management also manages the Spring Creek Townhomes for Three Rivers Community Action Agency.

ANALYSIS:

According to a Maxfield Research market study in January 2018, done for the City of Faribault, Northfield has a rental vacancy rate of .3%. A rental vacancy rate of 5% is generally considered healthy. Low vacancy rates equate to a lack of rental housing availability. Lack of available rentals drive up rental rates for everyone.

Schrom Construction develops market rate properties, although they do have properties with some affordable units. They have a preference for providing 3 bedroom townhome units serving workforce housing needs.

The Northfield Strategic Plan includes increasing the number of affordable housing units in the City. The HRA has an emphasis on workforce housing as well. According to their mission statement, the HRA desires to be a partner in providing a sufficient supply of affordable, adequate, safe and sanitary dwellings in Northfield. The goal is to create a community with housing opportunities available along the entire housing spectrum.

Perhaps the HRA could explore some common goals with Schrom Construction that could lead to the development of additional dwelling units in Northfield.

RECOMMENDATION:

No recommendations at this time.