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Metropolitan Co - Modest cost housing competition.



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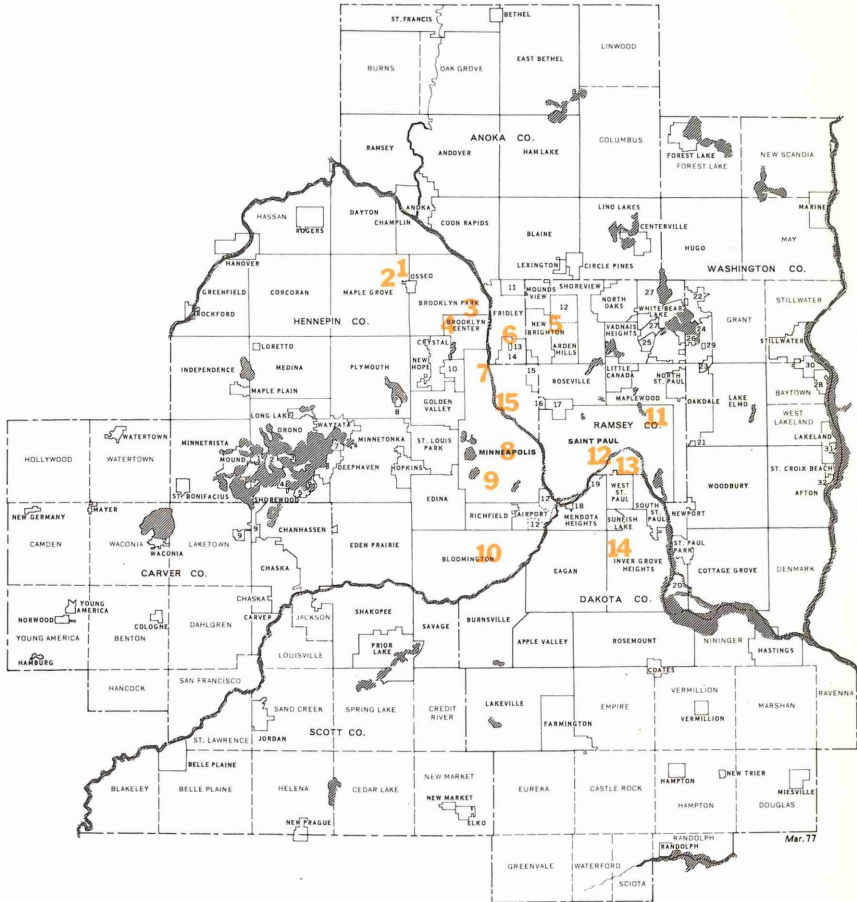
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Modest Cost Housing Competition

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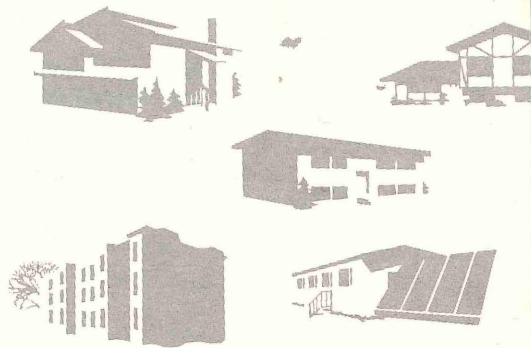
1977

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LOCATION OF WINNERS AND FINALISTS IN TWIN CITIES METROPOLITAN AREA

The numbers on the map correspond with the numbers shown in parentheses after the house listings beginning on page 9.



The Competition

During June 1977, the Metropolitan Council initiated a competition designed to focus attention on modest-cost housing. This booklet describes the background and purpose of the competition, the way it was conducted and the winners of the competition.

The Issue

The average cost of a new house in the Twin Cities Metropolitan Area is over \$57,000. Using the traditional rule-of-thumb that a family can afford a house $2\frac{1}{2}$ times its annual income, a family would need an annual income of \$20,000 (with a 10 percent down payment) to purchase that new home.

Housing costs have been increasing faster than income. While the median income in the U.S. increased by 47 percent from 1970 to 1976, the median sales price for new homes increased by 89 percent during

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the same period. New housing, then, is becoming less and less affordable for the average family, who, in this Area, has an annual income under \$18,000.



Dealing with the Issue

Regional agencies point out problems and develop plans to deal with them; they do not usually initiate or implement projects. As one technique of dealing with the problem of housing costs, however, the Metropolitan Council initiated a housing competition in June 1977 which culminated in a tour of homes and presentation of prizes to builders late in September 1977.

The idea for a housing competition came from the Council's Modest-Cost Housing Advisory Committee. The committee worked during the summer and fall of 1976, at the direction of the Minnesota Legislature, to study and make recommendations on ways to increase the supply of modest-cost private housing in the Metropolitan Area. One of the proposals contained in its December 1976 report to the Council and Legislature called for a competition which would focus public attention on modest-cost housing.

The Council viewed the competition as a way for the public to find out more about new homes available in the lower cost range, and to recognize the efforts of builders who are meeting the needs of the middle-income market. Clearly the competition would not solve the problem, but it would be a visible first step in dealing with the housing problems of low and middle-income persons.

Format for the Competition

The Council appointed a committee of housing experts and consumers to conduct the competition and evaluate the entries. The five committee members were:

Patricia Lucas, Chair, who serves on the Metropolitan

Housing and Redevelopment Authority Advisory Committee, and also served during 1976 on the Council's Modest-Cost Housing Advisory Committee.

Peter Jarvis, a planner/designer with Bather, Ringrose, Wolsfeld, Inc., an engineering and design firm.

Virginia Nagle, an associate professor who teaches courses in both housing and design in the Housing Program, a curriculum in the University of Minnesota's College of Home Economics.

Duane Stolpe, an architect with the St. Paul Housing and Redevelopment Authority.

Harold Franzen, a retired Minneapolis builder.

The committee first developed eligibility criteria for the competition. The criteria were brief:

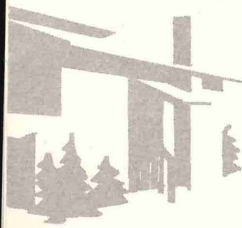
- Housing must have been completed, rehabilitated, or placed on the site between January 1976 and August 1977;
- Housing must be located in areas serviced by public sewer and water; and, most important,
- Housing units must have a value or selling price of no more than \$45,000, including land costs.

The \$45,000 limit was chosen as the value above which a home could no longer be considered affordable to persons of modest income.

Any type of sales housing was eligible for entry: conventional single-family homes, townhouses or other attached housing, condominiums, and manufactured housing including mobile homes. Subsidized housing was eligible as long as the unsubsidized market rate was no more than \$45,000. Substantially rehabilitated housing could also be entered. In this way, the committee hoped to show a wide range of options to the public.

Notices describing the competition were mailed to Metropolitan Area builders. Notices were also placed in weekly, monthly and quarterly Council newsletters and in the *Minneapolis Builders Newsletter*. Press releases describing the competition were sent to the Area's newspapers; articles were printed in the city





dailies, suburban weeklies, and in the Region's *New Homes* magazine.

Thirty-six homes were entered in the competition during a six-week application period in midsummer. The entries, located both in center city and suburbs, represented a variety of housing types and costs. The entries included seven mobile homes, 22 single-family homes, and seven townhouses, duplexes or condominiums. Prices ranged from \$18,995 for a single-wide mobile home unit (not including land costs) to \$45,000 for a single-family home. Costs were updated, where necessary, to reflect current construction costs.

The committee toured all of the entries for judging and chose fifteen of the entries as finalists in the competition. Selection criteria included the following:

- general appeal and value for the money
- amount of living space for the cost
- livability and convenience
- appropriateness and appeal of interior and exterior materials
- quality of workmanship
- compatibility of house and site.

Two cost categories were established for the entries: under \$38,000 and \$38,000-\$45,000. The committee decided to give particular consideration to those single-family homes which offered possibilities for expansion.

The fifteen finalists included: eight single-family homes, two townhouses, three mobile homes, and two substantially rehabilitated units. The builders or sponsors of these homes were presented with certificates of recognition at a meeting of the Metropolitan Council on September 8.

The fifteen homes, marked by lawn signs, were open for public tour on Saturday and Sunday during the September 17-18 weekend from 1 p.m. to 6 p.m. During the two-week period prior to the tour, a variety of media contacts stimulated publicity about the event. Press releases were again sent to the daily and weekly newspapers; radio and TV spot announcements were offered to stations throughout the Region;

a quarter-page ad was placed in the Saturday dailies. A tour map accompanied all press releases and was sent out with the Council's weekly and monthly newsletter. The same tour map was available at each of the tour homes. The public was given an opportunity to evaluate the homes during the tour by completing a questionnaire available at each home.

Large numbers of people turned out to see the homes — as many as 200 to 300 at some of them. The response indicated substantial interest in modest-cost housing.

From the group of fifteen finalists, the committee selected a winner in each of five categories: single-family, \$38,000-\$45,000; single-family under \$38,000; townhouse; mobile home; and rehabilitated unit.

At a press conference scheduled a week after the tour weekend, plaques were presented to the builders of the winning entries. Photos of the winners were distributed to the press.

Was the Competition a Success?

The competition was a success because it accomplished its primary objectives: it provided greater visibility for modest-cost housing, and it rewarded and thereby encouraged builders of modest-cost housing. The public was given the opportunity to see at first hand good examples of modest-cost housing in a variety of types and within a broad cost range. Media representatives were stimulated to discuss the issue of housing costs and provided good coverage of the competition and tour.

Because of its time frame, the competition could not stimulate innovative use of building materials or new housing designs. Most of the housing units entered in the 1977 competition had been constructed or were under construction prior to the announcement of the competition.

The Council is planning a 1978 competition which will not be subject to this limitation. The next one

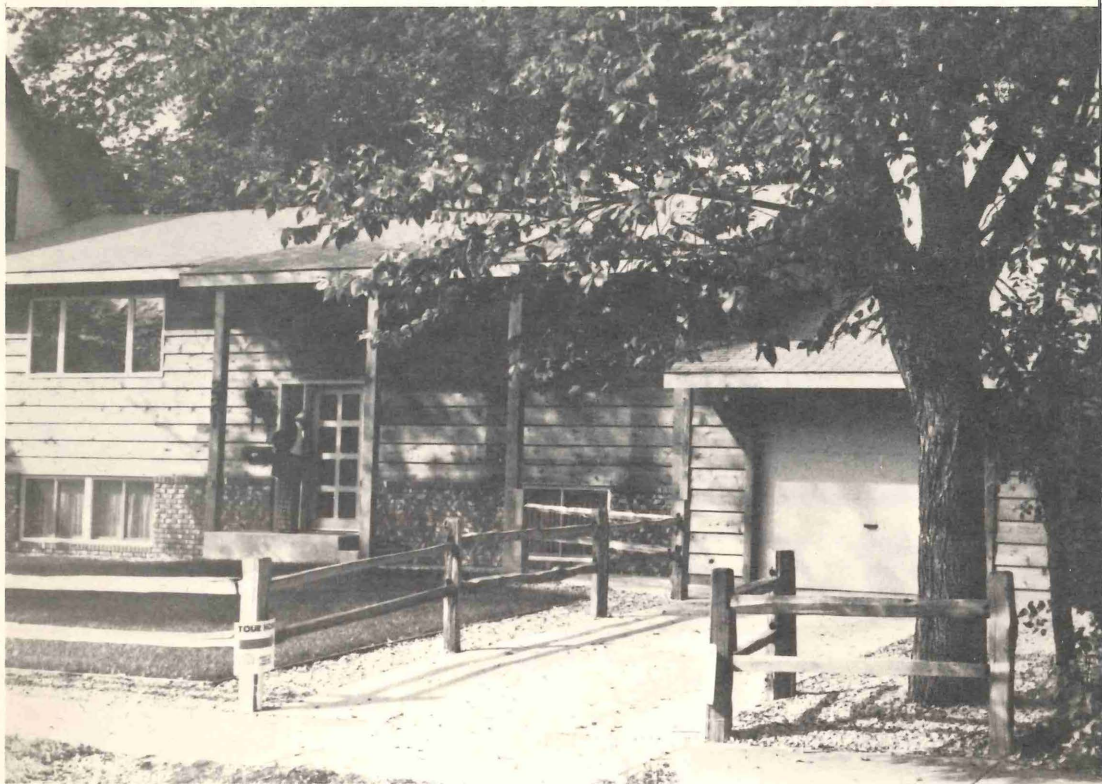


will be similar in concept but will allow more lead time for builders to get involved early in designing a housing unit specifically for the competition. More emphasis can thus be placed on design and other cost-saving innovations; criteria can be more specific to foster innovative planning. The 1977 competition laid the groundwork for a 1978 competition, in other words.

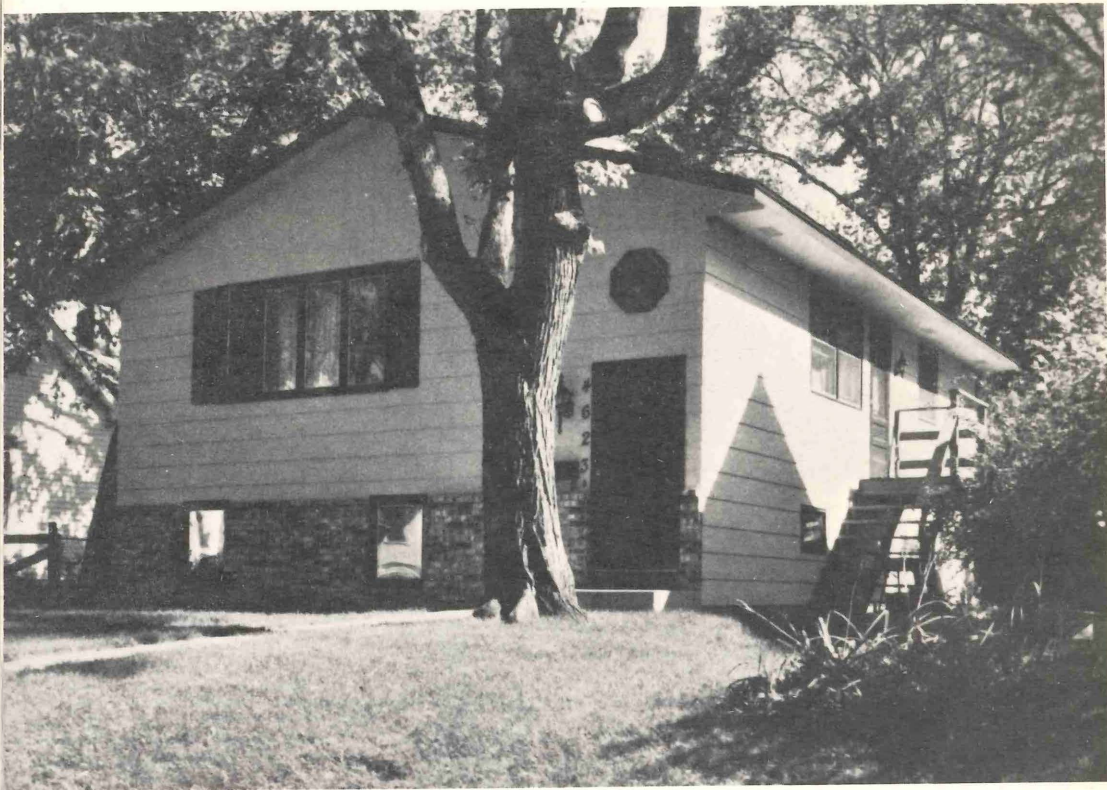
According to the knowledge of the Council and its staff, similar competitions have not been attempted elsewhere in the nation by agencies which, like the Council, are not involved in the housing delivery system. The Metropolitan Council's experience seems to indicate that the concept is workable and can be successful.



The Houses



Winner, Single-family, \$38-\$45,000 category.
Minneapolis, \$45,000, 4 bedrooms, split-level, 2,300 sq. ft., garage,
builder R.J. Risk Construction (15)



Winner, Single-family, \$38,000 and under category.
Minneapolis, \$37,850, 2 bedrooms, split-entry, 936 sq. ft., no garage,
builder **Homestead Realty, Inc.** (9)



Winner, Rehabilitation category.

Six-unit condominium, St. Paul, \$36,000/unit, 2 bedrooms, 1,500 sq. ft., no garage,
builder **Old Town Restorations, Inc.** (12)



Winner, Townhouse category.
Brooklyn Center, \$44,900, 2 bedrooms, 924 sq. ft., garage,
builder Francis Homes, Inc. (4)



Winner, Mobile Home category.
Fridley, \$24,500 (without land cost), 3 bedrooms, 1,248 sq. ft., no garage,
dealer Mobilhome Minnesota, builder Homera, Inc. (6)

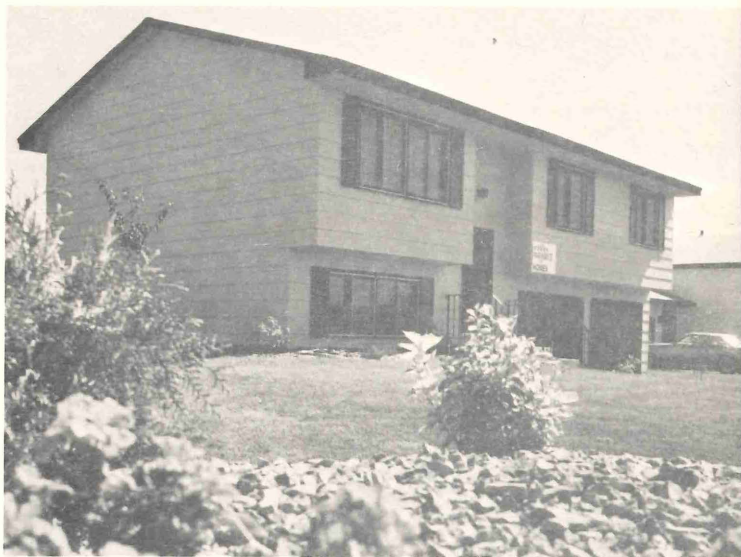


Finalist, Townhouse, Maple Grove, \$39,000, 2-plus bedrooms, 1,012 sq. ft., garage, builder **Orrin Thompson Homes (1)**

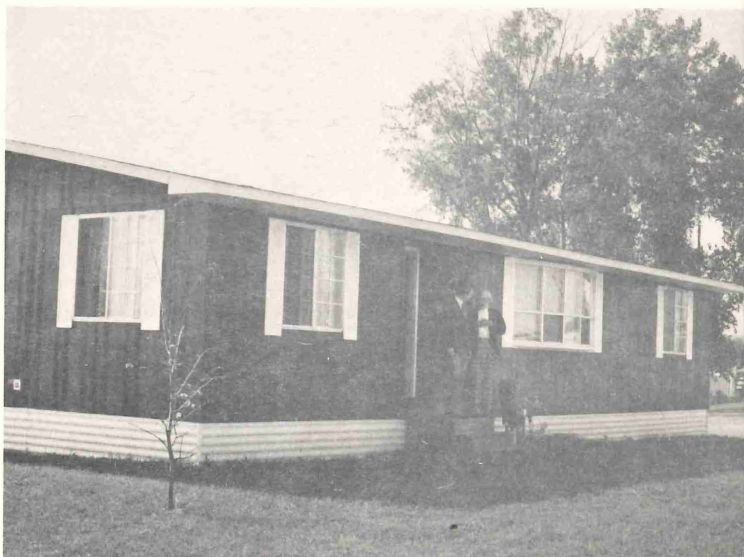


Finalist, Single-family, Maple Grove, \$38,900, 3 bedrooms, split-level, 1,125 sq. ft., no garage, builder **Jack Bruhn & Associates, Inc. (2)**

Finalist, Single-family, Brooklyn Park, \$44,600, 3 bedrooms, tuck-under, 1,080 sq. ft., garage, builder Swanco, Inc. (3)



Finalist, Doublewide Mobile Home, Arden Hills, \$21,900 (without land cost), 3 bedrooms, 1,152 sq. ft., no garage, builder North Star Estate Sales, Inc. (5)



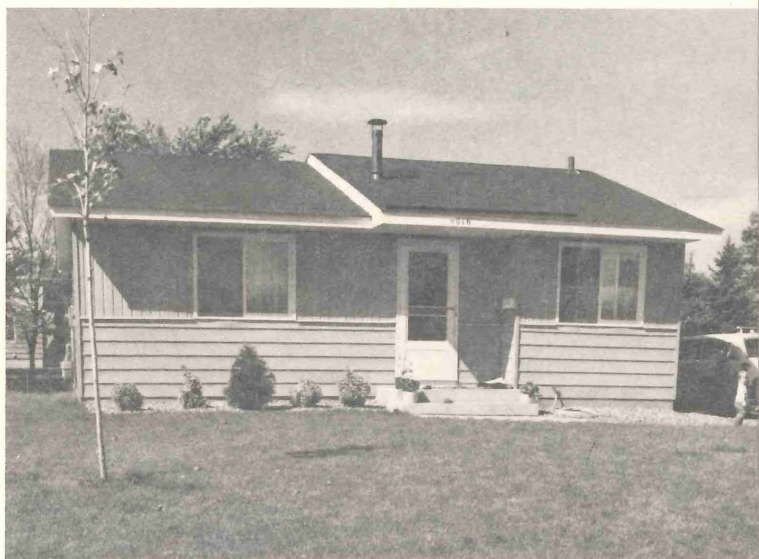


Finalist, Single-family, Minneapolis, \$44,500, 4 bedrooms, 2-story, 1,431 sq. ft., no garage, builder Zachman Homes, Inc. (7)



Finalist, Rehabilitated duplex, Minneapolis, \$43,000, 4 bedrooms, 2,746 sq. ft., garage, builder Project for Pride in Living (8)

Finalist, Single-family, Bloomington, \$39,000, 2 bedrooms, rambler, 906 sq. ft., no garage, builder Marvin H. Anderson Construction Co., sponsor Bloomington Development Council (10)

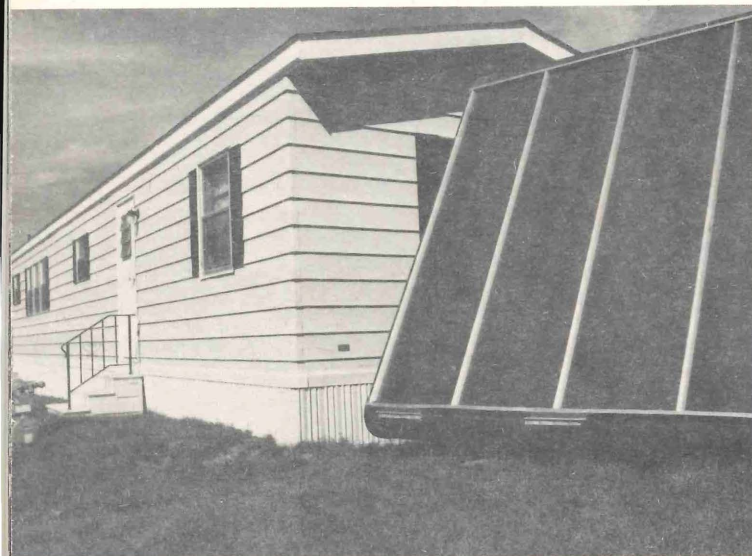


Finalist, Single-family, St. Paul, \$32,500, 3 bedrooms, rambler, 864 sq. ft., no garage, builder Marvin H. Anderson Construction Co. (11)





Finalist, Single-family, St. Paul,
\$37,500, 2 bedrooms, split entry,
864 sq. ft., no garage, builder
Zachman Homes, Inc. (13)



Finalist, Mobile Home with
solar heating unit, Inver Grove
Heights, \$18,995 (without land
cost), 2 bedrooms, 924 sq. ft.,
no garage, builder **Dakota
Homes** (14)

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Metropolitan Council of the
Twin Cities Area.
Modest cost housins
competition.



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