
Study Methodology

APPENDIX

This appendix outlines the methodology we followed to carry out the best practices review of preserving housing in Minnesota. It explains the steps we took and a general timeline of the study. As described below, we relied on input from a technical advisory panel of housing officials. We conducted background research, interviewed local and state officials, identified measures of performance, conducted two surveys, and, finally, visited a limited number of local housing organizations and building officials for in-depth interviews on their best practices.

TECHNICAL ADVISORY PANEL

At the beginning of the project we formed a technical advisory panel to offer expertise, review draft materials, and provide feedback during the study. The technical advisory panel provided a vital link between staff doing the research and representatives of the local organizations most closely affected by the study. The 18-member panel contained people from regions both inside and outside the Twin Cities metropolitan area, as well as communities of different sizes. Table A.1 lists the members. Some members were affiliated with housing and redevelopment authorities, others with planning departments, some with nonprofit agencies, and still others with code enforcement departments. Members from state agencies included representatives of the Minnesota Housing Finance Agency and the Department of Trade and Economic Development. Representatives of the Building Codes and Standards Division in the Department of Administration also participated in most meetings.

Technical panel members volunteered their time during five meetings over the course of the study. They also responded to questions and requests for information on an individual basis. Members helped define and rank a list of the most serious barriers they encountered in preserving housing. They reviewed and commented on several draft documents, including the draft report, and provided input on disseminating the final report. We are indebted to panel members for their advice and help throughout the study. Panel members may or may not agree with the recommendations of our study, and the Legislative Auditor's Office remains responsible for the report's contents.

BACKGROUND RESEARCH

Starting the research involved identifying numerous agencies and organizations connected to housing issues in Minnesota. We invited representatives from many of these agencies, as well as interested legislators and legislative staff, to a roundtable discussion intended to help define the scope of the study. Twenty-two

Table A.1: Technical Advisory Panel Members, 2002-03

Janine Atchison, District Supervisor, Housing Inspection Services, City of Minneapolis

Carol Carey, Executive Director, Historic Saint Paul

Mike Fisher, Community Development Director, Tri-County Action Program (Tri-CAP)

Rick Goodemann, Director, Southwest Minnesota Housing Partnership

Gary Grabko, Construction Administrator, St. Paul Planning and Economic Development

Gordon Grabow, Director, Detroit Lakes Housing Authority

Patricia Gustafson, Executive Director, Minnesota Chapter, National Association of Housing and Redevelopment Officials

Chip Halbach, Executive Director, Minnesota Housing Partnership

Les Henson, Community Development Manager, St. Cloud Housing and Redevelopment Authority (HRA)

Leona Humphrey, Community Development Representative, Department of Trade and Economic Development

Kathy Larsen, Housing Programs Coordinator, Community Development Department, City of St. Louis Park

Jim Mlodozyniec, Lead Housing Inspector, City of Duluth

Bruce Nordquist, Housing and Redevelopment Manager, City of Richfield/HRA

Al Olson, Manager of Construction Inspections Services, City of Minneapolis

Cherré Palenius, Project Coordinator, Minneapolis Community Development Agency

Kathy Patterson, Lending and Development Manager, Arrowhead Economic Opportunity Agency

Susan Ude, Housing Development Officer, Minnesota Housing Finance Agency

Joe Wheeler, Executive Director, Southeastern Minnesota Multi-County HRA

NOTE: Thomas C. Anderson, Assistant Director of the Building Codes and Standards Division in Minnesota's Department of Administration, and other members of that division also provided assistance.

people with local, state, or federal affiliations participated in the roundtable on May 13, 2002. Participants described the housing issues that they felt would be important to consider during the study.

To gain a deeper understanding of housing programs and the factors that influence the preservation of housing, we used a variety of sources. We started with an extensive review of literature and Web sites pertaining to housing preservation. We also researched state statutes and federal laws on legal requirements regarding housing programs and entities as well as activities affecting housing, such as tax policies and property condemnation proceedings. To learn about purely local initiatives that contribute to the preservation of housing, we collected information

on Minnesota cities that have property maintenance codes or conduct inspections of rental properties, among other activities.

To identify trends affecting local efforts to preserve housing, we collected and analyzed Census data, primarily from 1990 and 2000. Some of the variables we used included population, housing units, households, median year housing unit was built, and median income levels. Data from the 1989 and 1998 American Housing Survey provided information on housing conditions, albeit for only a limited portion of the state.

Interviews

A large part of the background research consisted of personal interviews with a variety of local housing organizations in different parts of the state. From the interviews we learned more about the housing agencies that exist, their roles in preserving housing, the programs they administered, and differences in activities from region to region. Table A.2 lists the interviewed agencies, which were affiliated with cities, central-city neighborhoods, counties, housing and redevelopment authorities, nonprofit housing organizations, community action agencies, and regional development commissions. In addition, we spoke with representatives involved with housing rehab programs from the Minnesota Housing Finance Agency and the Department of Trade and Economic Development.

We also interviewed several people at state and local government levels to learn more about particular issues that could affect preserving housing. We discussed: the preservation of historically significant buildings; the State Building Code and the *Guidelines for the Rehabilitation of Existing Buildings*; agencies and

Table A.2: Agencies Providing Background Interviews, 2002

<u>Agency</u>	<u>Location</u>
Arrowhead Economic Opportunity Agency	Virginia
Arrowhead Regional Development Commission	Duluth
Carver County HRA	Chaska
Center for Energy and Environment	Minneapolis
City of New Hope	New Hope
Dayton's Bluff Neighborhood Housing Service	St. Paul
Family Housing Fund	Minneapolis
Fergus Falls/Otter Tail County HRA	Fergus Falls
Greater Metropolitan Housing Corporation/Housing Resource Center	Shoreview
Minneapolis Community Development Agency	Minneapolis
Minneapolis Planning/Heritage Preservation Commission	Minneapolis
Northside Residents Redevelopment Council	Minneapolis
Rochester/Olmsted Community Housing Partnership	Rochester
Southeastern Minnesota Multi-County HRA	Wabasha
Southwest Minnesota Housing Partnership	Slayton
Three Rivers Community Action, Inc.	Zumbrota
Twin Cities Local Initiatives Support Corporation (LISC)	St. Paul

foundations that support HRAs and other housing organizations; and Minnesota's tax policies affecting home improvements, primarily the "This Old House" legislation, which, until its expiration in January 2003, excluded from taxation certain property improvements made to older homes.

MEASURES OF PERFORMANCE

To help identify effective methods of preserving housing, we researched guidelines and standards recommended by national, state, and local housing experts. From this research, we developed measures of performance to help assess the outcomes and effectiveness of housing initiatives. The Technical Advisory Panel reviewed the measures in August 2002, and we later modified them based on its input. The measures are available on-line at <http://www.auditor.leg.state.mn.us/ped/2003/pe0305.htm> for readers interested in possible ways to measure performance in preserving housing and for communities interested in evaluating their own initiatives.

The performance measures became the source of information for developing questions for two surveys, which are discussed below. We used the measures as the foundation for a model of best practices. The best practices for preserving housing described in Chapter 2 evolved from the measures; the Technical Advisory Panel reviewed a draft list of the practices in November 2002. Using the performance measures, we could compare local jurisdictions' involvement with housing preservation and identify those using best practices.

SURVEY METHODOLOGY

For more information on housing initiatives, we surveyed cities and local housing organizations around the state. We surveyed these groups for information on their level of involvement in housing and to identify jurisdictions using best practices. To do this, we developed two separate surveys. One was of HRAs and other local housing organizations. The second focused on building officials or city administrators in a large sample of Minnesota cities. Copies of the survey instruments and aggregate survey results are available over the Internet at <http://www.auditor.leg.state.mn.us/ped/2003/pe0305.htm>. Tables listing the organizations receiving the survey, as well as those who responded, are also available at the Web site.

Local Housing Organizations

To survey local housing organizations we developed a list of agencies likely to be involved in preserving housing. On this list were members of the Minnesota Chapter of the National Association of Housing and Redevelopment Officials as well as the Minnesota Association of Local Housing Finance Agencies. We also included community action agencies around the state and regional development commissions whose Web sites indicated they served housing functions. Anyone

who had recently applied for a Small Cities Development Program grant from the Department of Trade and Economic Development was also included.

In the survey's eight-page questionnaire were questions on: whether agencies were involved in preserving housing, the number of housing units they assisted, the types of assistance they offered, partnerships they had formed, and information on their staffing and revenues. Respondents had a choice of either completing the questionnaire on-line using the Internet or filling out a paper version and returning it by mail. Both formats contained identical questions. Before mailing the questionnaires, we tested them with a small number of local officials to identify wording and format problems. Outside reviewers also tested the on-line version of the questionnaire for technical feasibility. On September 24, 2002 we mailed the surveys, along with a cover letter explaining the study and requesting recipients' help, to a total of 207 organizations. Recipients who had not responded by October 17, 2002 received a follow-up letter and were offered a second copy of the questionnaire upon request.

Of the 207 local housing organizations that received the questionnaire, 176 responded, for a response rate of 85 percent. About 22 percent of these surveys were returned on-line.¹

Building Officials and City Administrators

To learn about local codes and other initiatives related to preserving housing, we conducted a second survey with two versions of a questionnaire — one for cities that had adopted the State Building Code and a second for cities that had not. The first version covered questions related to the administration of the State Building Code, including questions on the number and timing of building permits issued, the availability of standardized operating procedures, the prevalence of granting modifications to the code, and the number and type of employees working on code activities. It also contained questions about the availability and use of property maintenance codes, programs to register or license rental dwellings, programs to inspect housing at the time-of-sale, and methods of communicating housing information. The second version of the questionnaire contained a subset of the latter questions and excluded all questions regarding State Building Code administration. Before mailing the questionnaires, we tested them with a small number of building officials and city administrators.²

To select cities for the survey, we divided Minnesota cities into two groups by population. We included in the survey all 210 cities with populations greater than 2,500. For cities of this size that had adopted the State Building Code, we mailed the questionnaire to the city's building official, unless the building official served more than one city. In this latter situation, we mailed the questionnaire to the city administrator under the assumption that the building official was not a city employee but worked on a contract arrangement for the city. Five of the cities with more than 2,500 residents had not adopted the State Building Code. In these cases, city administrators received the questionnaires.

¹ Two additional respondents returned their surveys after the analysis was underway.

² The questionnaires mailed to building officials and city administrators were not available on-line via the Internet (as were those mailed to local housing organizations).

For smaller cities—those with less than 2,500 population—we selected a stratified random sample based on geographic location. We divided the state into four regions (north, south, central, and metropolitan) and selected two random samples—one of cities with the State Building Code and the other of cities without it—from each region. From among the smaller cities, we mailed questionnaires to 91 cities that had adopted the State Building Code and 114 that had not. As with the larger cities, the questionnaire went to the building official in cities that had adopted the State Building Code and to city administrators elsewhere. In cities where a single building official served multiple cities, city administrators received the questionnaire.

We mailed the questionnaires to the selected city officials on September 24, 2002. Of the 415 questionnaires, 297 went to cities with the State Building Code and 118 went to cities without the code. Recipients who had not responded by October 17, 2002 received reminder letters and follow-up questionnaires.

Of the 415 building officials or city administrators in the sample, 335 returned questionnaires for a response rate of 81 percent.³ In some cases, other city employees, such as planning department directors, responded on behalf of city administrators. Among cities with populations over 2,500, 170 of the 210 recipients returned questionnaires, for an 81 percent response rate. The 205 cities with populations under 2,500 had a response rate of 80 percent.

SITE VISITS OF SELECT LOCAL AGENCIES

Based on the data collected from our surveys, we identified jurisdictions that met various measures of performance for preserving housing in their communities. Although many cities and local housing organizations met the performance criteria, we selected just 17 to visit or telephone for in-depth interviews. In several locations we conducted two interviews: one with building officials and a second with representatives of housing organizations or city planning departments. Table A.3 shows the cities and organizations with their locations. The examples of best practices in Chapter 2 are based on information gathered during these interviews.

Visits took place in December 2002 and January 2003. During the interviews, we asked about best practices that were in place, their advantages and disadvantages, the costs and benefits related to them, and under what conditions another jurisdiction could duplicate them. Those interviewed often offered advice for others considering similar practices. To ensure that we collected information systematically, we used a questionnaire with open-ended questions tailored to each location.

³ Eight additional surveys were returned too late to be used in the analysis.

Table A.3: Locations of Site Visits and Telephone Interviews, 2002-03

<u>Organization</u>	<u>Location</u>
Bi-County CAP, Inc.	Bemidji
Central Minnesota Housing Partnership	St. Cloud
City of Bemidji	Bemidji
City of Cottage Grove	Cottage Grove
City of Faribault	Faribault
City of Kasson	Kasson
City of Melrose	Melrose
City of Morris	Morris
City of Mounds View	Mounds View
City of Richfield	Richfield
City of Roseville	Roseville
City of St. Louis Park	St. Louis Park
City of St. Paul	St. Paul
Richfield HRA	Richfield
South St. Paul HRA	South St. Paul
Semcac	Rushford
Stevens County HRA	Morris

LOCAL GOVERNMENT ADVISORY COUNCIL

In April 2002, the Local Government Advisory Council recommended the topic of preserving housing stock. The Legislative Audit Commission approved the Council's recommendation the following May. Besides selecting the topic, Advisory Council members also reviewed and provided feedback on a draft version of the report. Table A.4 lists the individuals serving on the Advisory Council in 2002-03.

Table A.4: Local Government Advisory Council Members, 2002-03

Charles Meyer (chair), St. Louis Park City Manager
Tim Houle, Morrison County Administrator
Kay Kuhlmann, Red Wing City Council Administrator
Scott Neal, Eden Prairie City Manager
Jack Paul, Hubbard County Coordinator
Doug Reeder, Brooklyn Park City Manager
Terry Schneider, Minnetonka City Councilman
Dave Unmacht, Scott County Administrator
Greg Vandal, Sauk Rapids School District Superintendent
Lothar Wolter, Jr., Young America Township Clerk
