
Survey of Developers, Builders, and Local Housing Organizations

APPENDIX A

In July 2000, we sent a questionnaire on housing topics to 1,106 developers, builders, and local housing organizations. We surveyed these organizations to document what the people most directly involved with producing housing think are the most important factors limiting the production of affordable housing in Minnesota. We asked respondents to rate a series of factors that potentially limit the production of affordable housing. We developed the list of factors through a review of the housing literature and interviews with people active in Minnesota's housing industry. The list included: (1) financing issues, (2) local zoning or subdivision ordinances or development standards, (3) land-use policies other than local zoning or subdivision ordinances, (4) standards from the state building or fire code, (5) development or construction fees, (6) taxes, (7) other government policies or programs, (8) reaction from the community, and (9) cost of labor, materials, or land. We purposefully used broad categories, rather than specific policies, to avoid leading respondents to certain responses. In addition we encouraged respondents to provide their own specific examples. We also sought to identify factors not included in our list by asking respondents who were not producing affordable housing "why not?" and by providing space for respondents to suggest other factors. Finally, we sought to identify the key resources and strategies used by companies and organizations that have recently produced affordable housing.¹

We identified builders primarily through a membership list provided by the Builders Association of Minnesota. We randomly sampled 600 of the 1,300 companies and individuals listed as "builders." We attempted to survey all known and active developers in Minnesota by developing a list of 229 developers with assistance from the Minnesota Housing Finance Agency (MHFA), the Builders Association of Minnesota, the Minnesota Multi Housing Association, and through interviews. Some of the developers that we identified were also in the Builders Association's list of builders. As shown in Table A.1, we sent questionnaires to 783 developers and builders and received responses from 382 (49 percent).

We also attempted to survey all local housing organizations producing housing; including local governments, housing and redevelopment authorities, and nonprofits. We surveyed all members of the Minnesota Chapter of the National Association of Housing and Redevelopment Officials, the Minnesota Association of Local Housing Finance Agencies, and the Community Action Association, as well as additional governmental and nonprofit organizations who applied to MHFA for funding from the fall of 1998 through the spring of 2000. In all, we sent 323 questionnaires to local housing organizations and received responses from 231 (72 percent).

¹ The complete questionnaire can be found on our website at <http://www.auditor.leg.state.mn.us/ped/2001/pe0103.htm>.

Table A.1: Number of Questionnaires Sent, Returned, and Analyzed

	<u>Sent</u>	<u>Returned</u>	<u>Response Rate</u>	<u>Analyzed (Produced at Least One Unit in 1999)</u>
Developers and Builders	783	382	49%	290
Local Housing Organizations	<u>323</u>	<u>231</u>	<u>72</u>	<u>149</u>
TOTAL	1,106	613	55	439

SOURCE: Office of the Legislative Auditor.

We restricted our analysis to those organizations who produced housing in 1999. Thus, we analyzed the responses of a sub-sample of 439 respondents, including 50 developers, 143 builders, 97 companies that develop and build, and 149 local housing organizations. We restricted the analysis further when examining the results of certain questions. For example, when analyzing factors that limit the production of affordable multifamily housing, we only examined responses from those who had produced multifamily housing.

Our survey should not be interpreted as generalizable to the actual population of developers, builders, and local housing organizations in Minnesota, but rather as representative of those who responded to our survey, which we attempted to make as representative as possible. Due to uncertainty over the actual size of the populations we surveyed, we cannot provide any standard errors around our results or estimate the precision of the results. In order to avoid misrepresenting our results as precise or representative, we generally avoided using numbers or percentages when reporting results in the body of this report.