



Sibley Park Apartments, Mankato

Region Community Size Apartments or Townhomes New Construction Green Features Serving Homeless/Special Needs

Apartments Anchor a New Riverfront Community

SIBLEY PARK APARTMENTS

AT-A-GLANCE

POPULATION OF CITY: 41,720

TARGET AREA OF REVITALIZATION:

Former concrete plant on Minnesota River

TIME FRAME: 2005–2013

INITIAL COSTS: \$11.1 million

PROJECT PARTNERS: City of Mankato, Greater Minnesota Housing Fund, Minnesota Department of Employment and Economic Development, Minnesota Housing, Natural Resources Grant, Neighborhood Works, Southwest Minnesota Housing Partnership, Wells Fargo

KEY STRATEGIES: Redevelopment of industrial site, Green Communities criteria, core neighborhood development

When the plant closed, city officials launched an ambitious redevelopment plan to transform the area into a new neighborhood that would connect to Sibley Parkway and boast a riverwalk overlooking the Minnesota River, as well as good connectivity to downtown and transitways. The city’s plan called for multifamily housing mixing market rate with one building devoted largely to affordable units.

Southwest Minnesota Housing Partnership (SWMHP) agreed to develop Sibley Park Apartments, with 53 affordable units falling under the Low Income Housing Tax Credit program. Six more units were targeted to homeless families. A housing study revealed that filling those apartments would not be an issue.

In surveying several years of data on Mankato’s housing market, Community Partners Research Inc. reported in 2013 that despite “continued growth in the rental unit inventory, vacancy rates remain low, consistent with previous rental surveys.” The organization reported that the citywide rental vacancy rate was less than 1 percent, the moderate tax credit units was 2 percent, but all vacancies in that category could be found in one project.

Paul Vogel, Mankato’s director of community development, says the city never owned the land and had little involvement outside of the zoning. The area was zoned for multifamily housing but not focused in particular on affordable housing. Yet when Southwest Minnesota Housing Partnership stepped forward with a proposal for affordable housing, the city liked the concept and approved it, he says. The apartment building, the first developed on the river on the grounds of the former concrete plant site, opened in 2013.

THE COMMUNITY AND ITS HISTORY

Mankato is a vibrant regional shopping, educational and entertainment center for southwest Minnesota. For decades the city’s riverfront was far more industrial than residential, with the 64-acre former Hanson Concrete dominating a significant stretch of the Minnesota River west of Highway 169.



PHOTO: SOUTHWEST MINNESOTA HOUSING PARTNERSHIP

THE STRATEGY

The city’s strategy for the site was to zone a new, dense neighborhood for Mankato. Affordable housing fit into the scheme for the site, says Vogel, even if it was not sought after by the city. “The entire project was really Southwest’s from start to finish and we have only positive things to say about how well it went,” Vogel says. “There was no real opposition to affordable housing that we saw. The project had good community support.”

The apartment building was constructed using green principles of architecture. “Green housing makes sense for so many reasons, for tenants and for owners,” according to SWMHP chief executive officer Rick Goodemann, as quoted on the Greater Mankato Growth website in 2012. “We’ve seen reductions in operating costs, improved health among residents due to better ventilation and moisture control, and increased resident satisfaction in properties with green features. Sibley Parkway Apartments will be an asset to the Mankato community.”

THE RESULTS

Sibley Park Apartments—with a variety of one to three bedroom sizes—leased up the day it opened. That did not come as a surprise to Vogel, the developer and others who have recognized the need for more affordable housing in Mankato for years. The waiting list for Sibley remains long, over 100 households, with little turn-over and greater income stability.

The success of the first apartment building had an added advantage: Reluctant developers who did not want to be the first in at the site now are greatly interested. The city has received several proposals for market-rate apartments and townhouses along Sibley Parkway. An urban neighborhood is taking shape. “Sibley Park Apartments really opened the door to others who see the river and this site as very viable for apartment and townhouse living,” Vogel says.

LESSONS LEARNED

Local developer, local insight. Sibley Park Apartments went smoothly in every respect. Southwest knows Mankato well and manages several other buildings in the city. Having a developer who knows the local landscape well is important, Vogel says.

Proper zoning smooths the way. The city had zoned for multifamily housing prior to having any proposals on the table. That set the stage for affordable housing with less of a chance of community opposition. Having the property zoned correctly for multifamily housing helped attract a developer and ease the process.

Market study made the case. The market study helped convince city leaders to allow for more affordable housing projects beyond this development. Mankato still needs more affordable housing, as does much of Greater Minnesota. But Sibley Park Apartments is a good start.