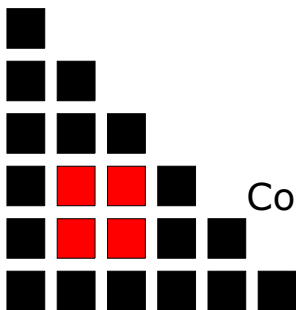


Cass County HOUSING STUDY

North Cass County
January 2022 Draft

An analysis of the overall housing needs
of the North Cass County communities of
Bena, Boy River, Cass Lake, Federal Dam,
Longville, Remer and Walker



Community Partners Research, Inc.
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Introduction

Overview

Community Partners Research, Inc., was hired by Cass County and the Cass County Housing and Redevelopment Authority to complete a comprehensive study of housing market conditions in the cities in the County.

Due to the large geographic area, Cass County was divided into three sub-areas, identified as South, Central and North. This document addresses North Cass County and the Cities of Bena, Boy River, Cass Lake, Federal Dam, Longville, Remer and Walker, along with the Townships and Unorganized Territories. Companion documents exist for the South and Central portions of the County.

Methodology

A variety of resources were utilized to obtain information for the Update. Community Partners Research, Inc., collected and analyzed data from June 2021 to January 2022. Data sources included:

- U.S. Census Bureau
- Demographic estimates from the State Demographer
- Esri, Inc., a private data services provider
- Records and data from the cities
- Records and data maintained by Cass County
- Data from the MN Dept. of Employment and Economic Development
- Data provided by the Multiple Listing Service
- Interviews with elected officials and/or staff from the cities
- Interviews with community leaders
- Interviews with people familiar with the area's housing conditions
- Area housing and economic development agencies
- Rental property owner surveys
- Housing conditions surveys

Limitations

This Housing Study represents an analysis performed with the data available at the time of the research. Any findings are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other factors could change the findings and conclusions contained in this Study.

During the course of the research for this project, a global pandemic was still underway, which has had widespread impacts, including on economic, housing and educational conditions. The longer-term effects of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data obtained from a variety of local, state and national sources. At the time that research was completed for this Study, the Census Bureau had only released initial information from the 2020 Census. The more detailed tables have a delayed release date because of the global health pandemic and will not become available until sometime in 2022. This Study has proceeded with the 2020 Census totals that are available, and utilized estimates from other sources where Census information is not available.

The global pandemic impacted the Census release schedule, and it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

The decennial Census no longer collects some demographic variables, such as income and housing cost information. Instead, estimates are generated through the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate.

The most recent American Community Survey estimates are for the year 2019, and predate the 2020 Census collection. As a result, there can be differences in the American Community Survey estimates, which may be above or below the 2020 Census data. Despite possible differences, the American Community Survey estimates have been used for some demographic variables, if they are viewed by the analysts as the best available information on certain topics.

The analysts have also obtained demographic estimates and projections from Esri, Inc., a private data reporting service that is frequently used by financial institutions, including the Minnesota Housing Finance Agency. Esri's base-year estimates are for 2021, with projections to 2026.

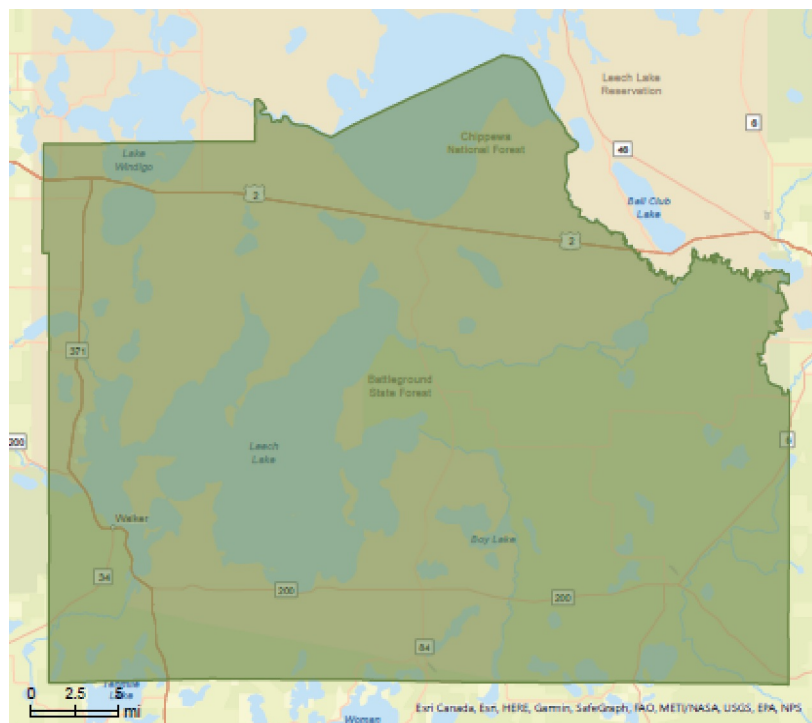
It is important for readers to note that the Esri's estimates and projections were produced prior to the release of 2020 Census data, which will set a new benchmark for demographic variables. However, Esri will not be incorporating the new Census information until sometime later in 2022, and the data used in this document represent the best projection information currently available.

Market Area Designation

Given the large geographic expanse of Cass County, this Study has elected to divide the County into three sections, defined as North, Central and South. This provides some comparative information for the individual jurisdictions within each portion of the County. The North Cass County aggregation includes the following individual cities, townships and unorganized territories:

- | | |
|---------------------------------|-------------------------|
| ▶ Bena | ▶ Pike Bay Township |
| ▶ Boy River | ▶ Pine Lake Township |
| ▶ Cass Lake | ▶ Remer Township |
| ▶ Federal Dam | ▶ Rogers Township |
| ▶ Longville | ▶ Salem Township |
| ▶ Remer | ▶ Shingobee Township |
| ▶ Walker | ▶ Slater Township |
| ▶ Boy Lake Township | ▶ Torrey Township |
| ▶ Boy River Township | ▶ Turtle Lake Township |
| ▶ Gould Township | ▶ Wahnena Township |
| ▶ Inguadona Township | ▶ Wilkinson Township |
| ▶ Kego Township | ▶ East Cass UT |
| ▶ Leech Lake Township | ▶ North Cass UT |
| ▶ Lima Township | ▶ North Central Cass UT |
| ▶ Otter Tail Peninsula Township | |

North Cass County



Population Estimates and Trends

Table 1 Population Trends - 1990 to 2020							
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020
Bena	147	110	-25.2%	116	5.5%	143	23.3%
Boy River	43	38	-11.6%	47	23.7%	26	-44.7%
Cass Lake	923	860	-6.8%	770	-10.5%	675	-12.3%
Federal Dam	118	101	-14.4%	110	8.9%	123	11.8%
Longville	224	180	-19.6%	156	-13.3%	153	-1.9%
Remer	342	372	8.8%	370	-0.5%	391	5.7%
Walker	950	1,069	12.5%	941	-12.0%	966	2.7%
Combined Twp/UT	6,179	7,488	21.2%	7,518	0.4%	8,184	8.9%
North Cass	8,926	10,218	14.5%	10,028	-1.9%	10,661	6.3%
Cass County	21,791	27,150	24.6%	28,567	5.2%	30,066	5.2%

Source: U.S. Census

- ▶ The 2020 U.S. Census population data was released in late 2021. On April 1, 2020 the Census Bureau counted 143 permanent residents living in the **City of Bena**. When compared to the 2010 Census, the City had added 27 people over the decade, for an increase of 23.3%. Longer-term, the population level in Bena has fluctuated in recent decades. Despite the growth since 2010, the City's population in 2020 was slightly smaller than recorded in the 1990 Census.
- ▶ The Census recorded a large population reduction for **Boy River**, with 26 residents in 2020 compared to 47 people in 2010. If accurate, the City lost more than 44% of its population over the last decade.
- ▶ On April 1, 2020 the Census Bureau counted 675 permanent residents living in **Cass Lake**. When compared to the 2010 Census, the City had lost 95 people over the previous decade, for a population decrease of 12.3%. Longer-term, Cass Lake's population has been consistently declining over recent decades. In the 1990s, the City's resident population decreased by 63 people, followed by a reduction of 90 people between 2000 and 2010. Based on the 2020 Census, 95 residents were lost in the 2010s.

- ▶ The 2020 Census reported 123 people in **Federal Dam**, up by 13 people or 11.8% from the year 2010. After losing population in the 1990s, the City added residents between 2000 and 2010, and from 2010 to 2020. However, if 2020 is compared to 1990, the City only added five permanent residents over the 30-year time period.
- ▶ The 2020 Census showed 153 people living in **Longville**, down by only three residents from 2010. Despite the relative stability of the past decade, longer-term the City has continued to see a declining population level.
- ▶ On April 1, 2020 the Census Bureau counted 391 permanent residents living in **Remer**. When compared to the 2010 Census, the City had added 21 people over the decade, for growth of 5.7%.
- ▶ Longer-term, the population level in **Remer** has tended to show only minor changes. In the 1990s, the City's population increased by 30 people, but then this growth stopped and between 2000 and 2010 the City lost two residents. Based on the 2020 Census, 21 people were added in the 2010s. But if the 2020 population is compared to 1990, the City added fewer than 50 residents over the past 30 years.
- ▶ The aggregation of cities in townships that form **North Cass County** had a combined population of 10,661 people at the time of the 2020 Census, up by 633 people from the 2010 count. The individual Cities in this part of the County had a combined population decrease of 33 people between 2010 and 2020, while the combined **Townships** in this portion of the County had a gain of 666 people.
- ▶ For all of **Cass County**, the 2020 Census showed 30,066 permanent residents. This count was up by approximately 1,500 people from 2010, continuing a long-term pattern of growth Countywide. All three regions of the County added population over the decade. With a net gain of 453 people in **South Cass County**, 413 people in **Central Cass County** and 633 people in **North Cass County**.
- ▶ **Cass County's** permanent resident population increased by nearly 26% in the 1990s, and then increased by more than 5% between 2000 and 2010. The 2020 Census tracked an increase of 5.2% over the most recent decade, matching the growth rate achieved in the 2000s.

Population Characteristics

Group Quarters

- ▶ The 2020 Census did not record any “group quarters” housing residents in ***Bena, Boy River, Federal Dam*** or ***Longville***.
- ▶ The 2020 Census counted three people in ***Cass Lake*** that were living in some type of “group quarters” housing, such as a group home. More specific details were not available.
- ▶ The 2020 Census counted 12 people in ***Remer*** that were living in “group quarters” housing, which was identified as a skilled nursing facility. The City had no group quarters housing at the time of the 2010 Census. Based on the reported nursing home residents, it would appear that the Serenity Living Solutions project which was constructed after 2010 has been classified as a group quarters facility by the Census Bureau.
- ▶ The 2020 Census counted 80 people in ***Walker*** that were living in some type of “group quarters” housing, up from 69 people in the 2010 Census. Seventy of the group quarters residents in 2020 were living in a nursing home, up from 42 people in 2010. The remaining 10 group quarters residents in 2020 were living in non-institutional facilities, such as a group home. Walker does not have a State licensed nursing home. Instead, it would appear that the occupants of the assisted living and memory care projects in the City were classified as group quarters residents.

Race/Ethnic Origin

- ▶ As reported in the 2020 Census, racial and ethnic composition of each City’s population varied.
- ▶ In ***Bena***, nearly 73% of the population was Native American for race. Approximately 2% of the population was of Hispanic/Latino ethnicity.
- ▶ In ***Boy River***, 100% of the population was reported as White. No residents were of Hispanic/Latino ethnic origin.
- ▶ In 2020, more than 71% of the residents of ***Cass Lake*** listed their race as Native American, up from approximately 68% in 2010. The next largest racial grouping was White, which represented nearly 19% of the City’s population. Most of the remaining people listed “Two or More Races”, including people that were Native American and one or more additional races. Less than 2% of the City’s population was of Hispanic/Latino ethnic origin.

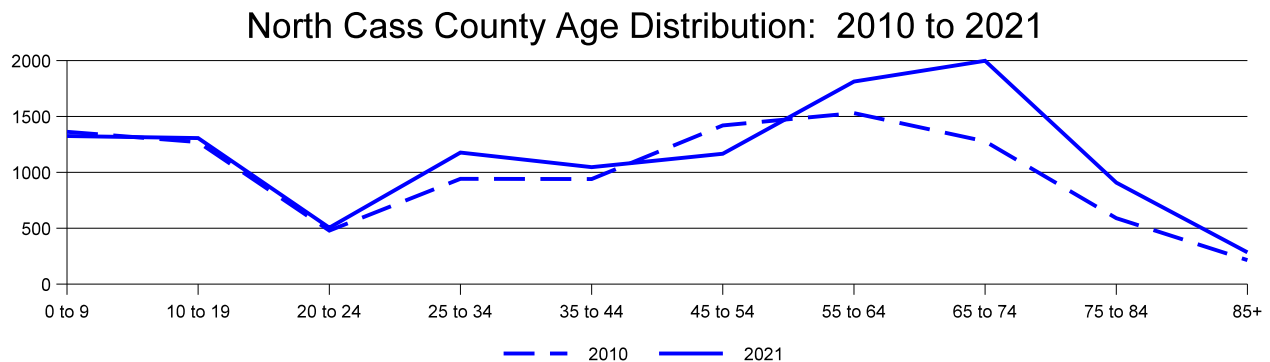
- ▶ In ***Federal Dam***, 64% of the population was White and more than 12% was Native American, with most of the remaining people identifying as two or more races. Less than 1% of the City's population was of Hispanic/Latino ethnicity.
- ▶ In ***Longville***, more than 97% was White. No residents were of Hispanic/Latino ethnic origin.
- ▶ In 2020, nearly 88% of ***Remer's*** residents listed their race as White, and 6.4% were Native American. Less than 1% of the City's residents were of Hispanic/Latino ethnic origin.
- ▶ In ***Walker***, nearly 89% of the City's residents listed their race as White. The next largest racial grouping was Native American, which represented 5.4% of the City's population. Approximately 2.2% of the City's residents were of Hispanic/Latino ethnicity.

North Cass County Population by Age: 2010 to 2021

The following table compares the population by age distribution in North Cass County. Information from the 2010 Census is compared to estimates from Esri for 2021. Esri's population estimate for 2021 was approximately 8% higher than the 2020 Census count, although there is also a one-year time difference in the effective dates. However, in the opinion of the analysts Esri's estimates are probably too high, but can be used to track the aging patterns of this portion of the County.

Table 2 Persons by Age - 2010 to 2020			
Age	North Cass County		
	2010 Census	2021 Esri	Change
0-9	1,363	1,325	-38
10-19	1,271	1,307	36
20-24	479	505	26
25-34	942	1,177	235
35-44	940	1,046	106
45-54	1,420	1,166	-254
55-64	1,530	1,812	282
65-74	1,278	1,998	720
75-84	590	908	318
85+	215	284	69
Total	10,028	11,528	1,500

Source: U.S. Census; Esri



- ▶ Although changes occurred within all of the defined age ranges in North Cass County between 2010 and 2021, the largest growth generally occurred among senior citizens and near-seniors, as the number of people age 55 and older in this portion of the County is estimated to have increased by nearly 1,400 people. While much of this pattern would reflect existing residents advancing through the aging cycle, it would also represent new people moving into this portion of the County in recent years.
- ▶ There were more limited changes in many of the younger age groups, although these estimates show an increase of more than 340 adults in the 20-year range between 25 and 44 years old. However, this was then partially offset by a large loss in the 45 to 54 year old range. As a result, the North portion of Cass County probably experienced real growth of less than 115 people in the adult age ranges of 20 and 54 years old.
- ▶ The population of children and young adults age 19 and younger probably changed very little since 2010, based on the Esri estimates.
- ▶ While growth occurred with all of the defined senior citizen age groups, the largest increase was due to younger seniors, in the age range between 65 and 74 years old. Strong growth also occurred among seniors in the 75 to 84 year old age group.

Population Projections

Two sets of population projections are provided to the year 2026. The first projections have been generated by Community Partners Research, Inc., and have been calculated from the annual growth trends that were present between 2010 and 2020, using the base information from the Census Bureau. The annualized growth rate has then been applied going forward to 2026.

The analysts have also reviewed demographic projections generated by Esri, Inc., a private data reporting service. These projections are for North Cass County and for all of Cass County. They span the period from 2021 to 2026.

It is important to note that Esri created their 2021 estimates prior to the release of any 2020 Census data. Esri will make adjustments in their 2022 release based on the new Census benchmark, but these will not be available until 2022. The analysts have proceeded with the Esri projections, while recognizing that some minor errors may exist within the base data.

Table 3 Trend-based Population Projections Through 2026			
	2020 Census	2026 Projection	Change 2020-2026
Bena	143	163	20
Boy River	26	19	-7
Cass Lake	675	625	-50
Federal Dam	123	132	9
Longville	153	151	-2
Remer	391	404	13
Walker	966	981	15
North Cass Co.	10,661	11,065	404
Cass County	30,066	31,013	947

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Applying the growth trends present between 2010 and 2020, a projection for the **City of Bena** would expect an increase of 20 residents between 2020 and 2026. This projection is probably too high, and over reflects the strong growth that occurred over the prior decade.
- ▶ A trend-based projection for the **City of Boy River** would expect a minor population reduction of seven people going forward.

- ▶ A trend-based projection for the **City of Cass Lake** would expect a decrease of 50 residents between 2020 and 2026. This projected loss is probably too large, and over reflects the losses that occurred over the prior decade.
- ▶ A trend-based projection for the **City of Federal Dam** would expect a population increase of nine people going forward to 2026.
- ▶ Very limited change would be expected in the **City of Longville**, with a possible reduction of two permanent residents between 2020 and 2026.
- ▶ Some population growth would be projected for the **City of Remer**, with the expected addition of 13 permanent residents by 2026.
- ▶ A trend-based projection for the **City of Walker** would expect only limited change by the year 2026, with the addition of 15 people.
- ▶ Nearly all of the past population growth in **North Cass County** has been due to the Townships. Going forward to the year 2026, a trend-based projection would anticipate growth of more than 400 people in this portion of the County.
- ▶ A trend-based projection for all of **Cass County** would expect the addition of 947 people between 2020 and 2026, or an annual average of approximately 158 people in a typical year. The jurisdictions that form **North Cass County** would account for nearly 43% of this Countywide growth.

Table 4 Esri Population Projections Through 2026				
	2020 Population Census	2021 Estimate Esri	2026 Projection Esri	Change 2021-2026
North Cass Co.	10,661	11,528	12,262	734
Cass County	30,066	32,243	34,133	1,890

Source: U.S. Census; Esri

- ▶ Based on the initial release of 2020 Census population counts, Esri has overestimated the total population of **North Cass County**. Without any adjustment for the one-year time difference in effective dates, the Esri 2021 estimate is approximately 8.1% higher than the 2020 Census.

- ▶ Esri is projecting future population growth for **North Cass County** over the next five years. If reduced to an annual average, this portion of the County would be expected to add approximately 147 people per year. In the opinion of the analysts, this represents an optimistic expectation of population change in the near-future, but is within an achievable range. North Cass County has a large number of seasonal/recreational use housing units. The conversion of some of these dwellings from seasonal use to permanent residency could occur over the next five years.
- ▶ Esri's 2021 population estimate for **Cass County** was approximately 7.2% higher than the 2020 Census count, without any adjustment for the one-year time difference. Going forward, Esri is projecting that the County will add 1,890 people over the 5-year projection period, or approximately 378 people in an average year. Once again, this appears to be an optimistic expectation of population change in the near-future, but is within an achievable range, given the large volume of seasonal/recreational use housing that exists Countywide.

Household Estimates and Trends

The following table displays the household count for the Cities and County as reported by the decennial Census back to the year 1990.

Table 5 Household Trends - 1990 to 2020							
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020
Bena	52	48	-7.7%	43	-10.4%	47	9.3%
Boy River	19	14	-26.3%	21	50.0%	16	-23.8%
Cass Lake	365	331	-9.3%	305	-7.9%	248	-18.7%
Federal Dam	43	43	0%	49	14.0%	46	-6.1%
Longville	105	103	-1.9%	92	-10.7%	93	1.1%
Remer	158	178	12.7%	175	-1.7%	175	0%
Walker	414	449	8.5%	452	0.7%	461	2.0%
Combined Twps	2,210	2,831	28.1%	2,982	5.3%	3,218	7.9%
North Cass	3,366	3,997	18.7%	4,119	3.1%	4,304	4.5%
Cass County	8,302	10,893	31.2%	11,948	9.7%	12,614	5.6%

Source: U.S. Census

- ▶ The 2020 U.S. Census counted 47 permanent resident households living in the **City of Bena**. When compared to the 2010 Census, the City had added four households over the last decade, for an increase of 9.3%. Household growth in Bena since 2010 reverses a longer-term pattern of loss which had been present over the previous two decades.
- ▶ The 2020 U.S. Census counted 16 households living in the **City of Boy River**. When compared to the 2010 Census, the City had lost five households over the last decade, for a decrease of 23.8%. After adding households between 2000 and 2010, the losses over the most recent decade have resulted in fewer households in Boy River than were present in 1990.
- ▶ The 2020 U.S. Census counted 248 resident households living in the **City of Cass Lake**. When compared to the 2010 Census, the City had lost 57 households over the last decade, for a decrease of 18.7%.

- ▶ The decreasing number of households since 2010 is consistent with the longer-term pattern in **Cass Lake**. In the 1990s, the City lost 34 households, or approximately three households in an average year. Between 2000 and 2010, the City lost 26 households, or an average of nearly three households per year. In the 2010s, the rate of numeric loss increased, and the City averaged approximately six fewer households per year over the decade.
- ▶ The 2020 U.S. Census counted 46 households living in **Federal Dam**. When compared to the 2010 Census, the City had lost three households over the last decade, for a decrease of 6.1%. After adding some households between 2000 and 2010, the City lost households over the most recent decade, and the household count in 2020 was only three households greater than reported in the 1990 Census.
- ▶ The 2020 U.S. Census counted 93 households living in the **City of Longville**. When compared to the 2010 Census, the City had added one household over the last decade, for an increase of 1.1%. Despite this minor growth over the past decade, there has been a longer-term pattern of household losses in Longville, and the City had 12 fewer households in 2020 than were counted in the 1990 Census.
- ▶ The 2020 U.S. Census counted 175 resident households living in the **City of Remer**, unchanged from the household level at the time of the 2010 Census. Remer did add 20 households in the 1990s, but since that time has remained relatively stable, with 175 households in 2020 compared to 178 households in 2000.
- ▶ The 2020 U.S. Census counted 461 resident households living in the **City of Walker**. When compared to the 2010 Census, the City added 9 households over the last decade, for an increase of 2%.
- ▶ The increase in households since 2010 has continued a long-term pattern of growth in **Walker**, although the annual rate of growth has been modest. In the 1990s, the City added 35 households, or approximately three to four households in an average year. Between 2000 and 2010, only three additional households were added. The growth between 2010 and 2020 represented an average of less than one additional household per year.

- ▶ In the combined jurisdictions that form **North Cass County**, there were 4,304 permanent resident households in 2020, up by 185 households from 2010. This portion of the County has continued to grow in recent decades, although the rate of growth since the year 2000 has been well below the level achieved in the 1990s.
- ▶ Similar to population growth presented earlier, the **Townships and Unorganized Territories** in North Cass County have been the primary location for household growth. From 2010 to 2020, the combined Townships/UTs added 236 households, while the combined cities had a net reduction of 51 households.
- ▶ **Cass County** has been growing, with 12,614 households counted in the 2020 Census. Since 2010, the County added 666 households, for an increase of 5.6%. All of the regions of the County added households between 2010 and 2020, with a net gain of 197 households in **South Cass County**, 284 households in **Central Cass County**, 185 households in **North Cass County**.
- ▶ **Cass County** had been growing rapidly in the past. In the 1990s, the entire County added nearly 2,600 resident households, for an increase of more than 31%. Although the rate of growth slowed between 2000 and 2010, the County still added 1,055 households, for an increase of nearly 10%. The County's growth rate slowed even more between 2010 and 2020, with an increase of 666 households, for growth of 5.6%.

Average Household Size

The following table provides U.S. Census information on average household size.

Table 6 Average Number of Persons Per Household 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Bena	2.83	2.29	2.70	3.04
Boy River	2.26	2.11	2.24	1.63
Cass Lake	2.49	2.58	2.52	2.71
Federal Dam	2.74	2.34	2.24	2.67
Longville	2.13	1.74	1.70	1.65
Remer	2.16	2.08	2.11	2.17
Walker	2.06	2.16	1.93	1.92
North Cass	2.53	2.48	2.41	2.45
Cass County	2.56	2.45	2.37	2.36

Source: U.S. Census

- ▶ In most Minnesota communities, average household size has decreased in recent decades. This has been due to household composition changes, such as more single parent families, more senior households due to longer life spans, fewer children per family, etc.
- ▶ As reported by the 2020 Census, the average household size in **Bena** was very large at 3.04 persons. After decreasing significantly in the 1990s, the City's average household size has been growing larger over the past two decades, and was well above the Countywide average in 2020.
- ▶ For **Boy River**, the 2020 Census reported an average household size of only 1.63 persons, very small by comparative standards. After experiencing some up and down movement in the average household size in previous decades, the City's average dropped substantially between 2010 and 2020. A small average household size typically indicates a large senior population with few children.

- ▶ **Cass Lake** has not tended to follow the trend of smaller household sizes. According to the 2020 Census, the City's average household size was 2.71 persons, up from 2.52 persons in 2010. The City's average household size had also increased in the 1990s, but did decrease slightly between 2000 and 2010. Despite some up and down movement, the average number of people per household in Cass Lake has been relatively large by comparative standards.
- ▶ The 2020 Census reported an average household size in **Federal Dam** of 2.67 persons. After decreasing steadily in the 1990s and between 2000 and 2010, the City's average household size has rebounded since 2010 and was well above the Countywide average in 2020.
- ▶ In **Longville**, the 2020 Census reported an average household size of only 1.65 persons, very small by comparative standards. The City has a long-term pattern of fewer people per household, dating back to at least 1990. A small average household size typically indicates a large senior population with few children.
- ▶ **Remer** has had both up and down movement in the average household size in recent decades, but longer term the average has remained relatively stable. The 2020 Census reported 2.17 persons per house. While up from 2.11 persons in 2010, the City's average household size in 2020 was nearly identical to the level recorded in the 1990 Census of 2.16 persons. Throughout the decades, Remer's average household size has been well below the average for all of Cass County.
- ▶ In general, **Walker** has tended to follow the trend of smaller households, although the City's average household size did increase slightly from 1990 to 2000, the overall the average has remained relatively small. The 2020 Census reported an average household size of only 1.92 persons, nearly identical to the 1.93 persons per household in the 2010 Census.
- ▶ The average household size for **North Cass County** was 2.45 persons in 2020, above the average for all of Cass County. This portion of the County has seen a slight increase in the number of people per household since 2010, and the average household size has been large by comparative standards.
- ▶ The 2020 Census reported that the average household size for **Cass County** was 2.36 people. The County's average household size has continued to decrease since 1990, but at a very slow rate, and was nearly unchanged over the past decade.

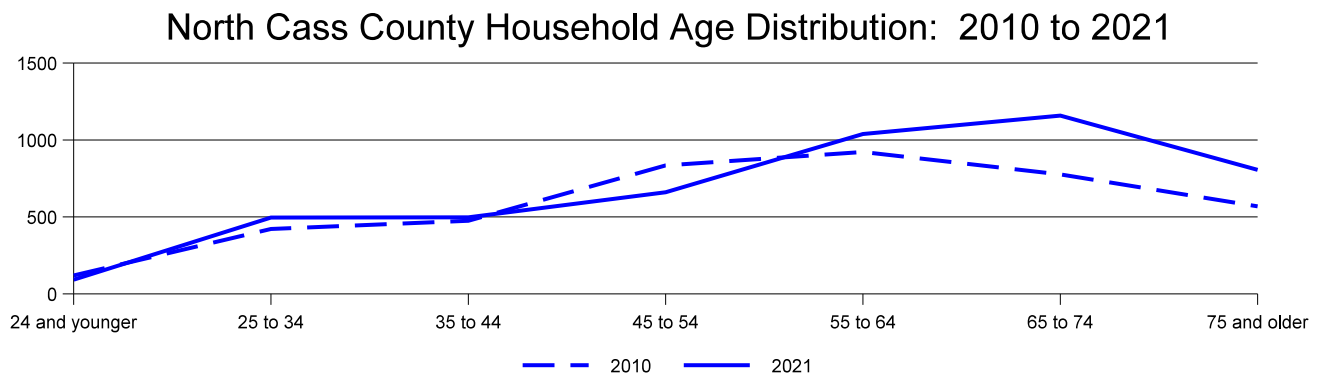
North Cass County Households by Age: 2010 to 2021

The following table compares household distribution patterns in North Cass County by age. The information from the 2010 Census is compared to estimates from Esri for 2021.

Esri's household estimate for 2021 was approximately 10.3% higher than the 2020 Census count, although there is also a one-year time difference in the effective dates. In the opinion of the analysts the Esri estimates are too high but can be used to track the aging patterns of this portion of the County.

Table 7 North Cass County Households by Age - 2010 to 2021			
Age	North Cass County		
	2010	2021	Change
Less than 25	120	92	-28
25-34	422	496	74
35-44	475	497	22
45-54	835	660	-175
55-64	922	1,039	117
65-74	776	1,158	382
75+	569	806	237
Total	4,119	4,748	629

Source: U.S. Census; Esri



- ▶ Although some changes occurred in all of the defined age ranges in North Cass County between 2010 and 2021, the largest growth generally occurred among senior citizens and near-seniors, as the number of households age 55 and older in this portion of the County is estimated to have increased by 736 households. Much of this pattern would reflect existing resident households advancing through the aging cycle, but it would also represent new households moving into this portion of the County in recent years.
- ▶ There were more limited changes in many of the younger age groups, although these estimates show an increase of 96 households in the 20-year range between 25 and 44 years old. However, this was then offset by losses in the 45 to 54 year old range and in the 24 and younger group. As a result, North Cass County probably experienced a reduction of more than 100 households in the age ranges 54 and younger.
- ▶ While growth occurred with all of the defined senior citizen age groups, the largest increase was due to younger seniors, in the age range between 65 and 74 years old.

Household Projections

Two sets of household projections are provided to the year 2026. The first projections have been generated by Community Partners Research, Inc., and have been calculated from the annual growth trends that were present between 2010 and 2020, using the base information from the Census Bureau. The annualized growth rate has then been applied going forward to 2026.

The analysts have also reviewed demographic projections generated by Esri, Inc., a private data reporting service. These projections are for North Cass County and for all of Cass County. They span the period from 2021 to 2026.

It is important to note that Esri created their 2021 estimates prior to the release of any 2020 Census data. Esri will make adjustments in their 2022 release based on the new Census benchmark, but these will not be available until 2022. The analysts have proceeded with the Esri projections, while recognizing that some minor errors may exist within the base data.

Table 8 Trend-based Household Projections Through 2026

	2020 Census	2026 Projection	Change 2020-2026
Bena	47	49	2
Boy River	16	14	-2
Cass Lake	248	220	-28
Federal Dam	46	44	-2
Longville	93	94	1
Remer	175	175	0
Walker	461	467	6
North Cass Co.	4,304	4,420	116
Cass County	12,614	13,036	422

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Applying the growth trends present between 2010 and 2020, a projection for the **City of Bena** would expect an increase of two additional households between 2020 and 2026. The City has been showing a larger increase in population, but recent household growth has been limited.
- ▶ In the **City of Boy River**, the possible loss of two permanent resident households would be projected.

- ▶ Based on past trends, a fairly significant loss of households would be projected for the **City of Cass Lake**. Projecting forward the annual rate of loss yields the possibility for 28 fewer households by 2026. However, given demand for housing in the County, it would be surprising to see household losses at this level, unless there is a reduction in the City's usable housing supply.
- ▶ In the **City of Federal Dam**, the possible loss of two permanent resident households would be projected. It should be noted that Federal Dam has a fairly large inventory of seasonal/recreational use housing, and if more of these units are converted to year-round occupancy the City could easily add some households.
- ▶ Over the past decade, the **City of Longville** has remained stable, and this would be projected to the year 2026, with the addition of only one household.
- ▶ The number of households living in the **City of Remer** remained unchanged between 2010 and 2020, and a trend-based projection would expect this stability to be maintained to the year 2026.
- ▶ A trend-based projection for the **City of Walker** would expect a minor addition of six households by the year 2026, consistent with the City's modest addition of households since 2010.
- ▶ Most of the past household growth in **North Cass County** has been due to the Townships. Going forward to the year 2026, a trend-based projection would anticipate growth of approximately 116 households in this portion of the County over the 6-year time period, or an annual average of approximately 19 households per year.
- ▶ A trend-based projection for all of **Cass County** would expect the addition of 422 households between 2020 and 2026, or an annual average of approximately 79 households in a typical year.

Table 9 Esri Household Projections Through 2026

	2020 Census	2021 Estimate Esri	2026 Projection Esri	Change 2021-2026
North Cass	4,304	4,748	5,052	304
Cass County	12,614	13,520	14,321	801

Source: U.S. Census; Esri

- ▶ Based on the 2020 Census count, Esri's 2021 household estimate was high. Without adjustment for the one-year difference in effective dates, Esri's total count for **North Cass County** was approximately 10.3% higher than the Census.
- ▶ Going forward, Esri is projecting that **North Cass County** will add 304 households over the next five years, or an annual average of approximately 61 households per year.
- ▶ In the opinion of the analysts, this represents an optimistic expectation of growth in the near-future, but is within an achievable range. **North Cass County** has a large number of seasonal/recreational use housing units. The conversion of some of these dwellings from seasonal use to permanent residency could occur over the next five years.
- ▶ Esri's 2021 estimate for all of **Cass County** appears to have been too high. Without adjustment for the one-year difference in effective dates, Esri's total count for the County in 2021 was approximately 7.2% higher than the Census. Going forward, Esri is projecting that the entire County will add 801 households over the next five years, or an annual average of approximately 160 households per year. This appears to be an optimistic expectation of change in the near-future, but is within an achievable range, given the large volume of seasonal/recreational use housing that exists Countywide.

Households by Tenure

The 2020 Census has not yet released any information on home owner and renter status. The 2019 American Community Survey does provide an estimate of the tenure distribution patterns. In the following table, the 2019 estimates have been presented, along with the 2010 Census data for comparison.

Table 10 Households by Tenure - 2010 and 2019				
	2010 Census		2019 ACS	
	Percent Owned Units	Percent Rented Units	Percent Owned Units	Percent Rented Units
Bena	69.8%	30.2%	52.0%	48.0%
Boy River	90.5%	9.5%	100%	0%
Cass Lake	52.5%	47.5%	43.5%	56.5%
Federal Dam	80.3%	19.7%	75.6%	24.4%
Longville	78.6%	21.4%	83.9%	16.1%
Remer	66.3%	33.7%	60.4%	39.6%
Walker	56.0%	44.0%	53.2%	46.8%
North Cass	76.4%	23.6%	75.4%	24.6%
Cass County	83.3%	16.7%	81.5%	18.5%

Source: U.S. Census

- At the time of the 2010 Census, nearly 70% of all households in **Bena** were home owners, with approximately 30% renting their housing. Based on the American Community Survey estimate for 2019, the City's occupancy tenure pattern changed over the decade, and by 2019 only 52% of the City's households owned their housing with 48% renting. After 2010, there is no indication that any new rental housing was constructed in Bena so this probably represents a change in tenure use of existing housing units.
- In 2010, **Boy River** had a high rate of owner-occupancy with more than 90% of households owning their unit. The 2019 estimates show that the home ownership rate then increased to 100%, with no renter households in the community.

- ▶ The rental tenure rate in **Cass Lake** in 2010 was very high at 47.5%. According to the 2019 estimates, the City's rental tenure rate has increased even more, and was at 56.5%, with only 43.5% of households owning their unit.
- ▶ In 2010, **Federal Dam** had a high rate of owner-occupancy with more than 80% of households owning their unit. The 2019 estimates show that the home ownership rate has decreased somewhat but nearly 76% of households still own their housing, with 24.4% renting.
- ▶ The home ownership rate in **Longville** in 2010 was approaching 79%. Based on the 2019 estimates, the City's ownership rate has continued to increase and was at nearly 84%, with only 16% of households renting their unit.
- ▶ In 2010, approximately two-thirds of the households in **Remer** were home owners, and one-third renters. The 2019 estimates show that the rental rate has increased to nearly 40%, with a home ownership rate that is close to 60%.
- ▶ At the time of the 2010 Census the rental tenure rate in **Walker** was very high at 44%. According to the 2019 estimates, the City's rental tenure rate has increased even more, and was approaching 47%, with approximately 53% of households owning their unit.
- ▶ The home ownership rate for all of the combined jurisdictions in **North Cass County** was above 76%. In the **Townships and Unorganized Territories** in this part of the County there is a very high rate of home ownership. The 2019 estimates show that the home ownership rate had decreased slightly, but remained above 75%.

Median Income Data

The annual American Community Survey contains median income estimates. The most recent estimates are for 2019. This can be compared to the data from 2010 to track changes over the decade. An estimate does not exist for the multiple jurisdictions that form North Cass County, but an approximate estimate can be extrapolated from the income distribution data.

Table 11 Median Income - 2010 to 2019			
	2010 Median	2019 Median	% Change
Households			
Bena	\$10,536	\$16,250	54.2%
Boy River	\$25,625	N/A	-
Cass Lake	\$24,063	\$22,422	-6.7%
Federal Dam	\$30,875	\$58,125	88.3%
Longville	\$24,167	\$41,250	70.9%
Remer	\$14,514	\$25,893	78.4%
Walker	\$34,853	\$42,500	21.9%
North Cass*	\$38,549	\$46,978	21.9%
Cass County	\$42,445	\$52,204	23.0%
Minnesota	\$57,243	\$71,306	24.6%
Families			
Bena	\$30,089	N/A	-
Boy River	\$37,917	N/A	-
Cass Lake	\$32,440	\$34,833	7.4%
Federal Dam	\$19,375	\$68,125	251.6%
Longville	\$27,917	\$72,917	161.2%
Remer	\$21,667	\$42,500	96.2%
Walker	\$48,750	\$48,816	0.1%
North Cass*	\$45,536	\$54,166	10.0%
Cass County	\$51,063	\$62,142	21.7%
Minnesota	\$71,307	\$89,842	26.0%

Source: American Community Survey

* Extrapolated median

Household income represents all independent households, including people living alone and unrelated individuals in a housing unit. Families are two or more related individuals living in a household. It is important to note that income estimates for small communities can have a significant margin of error due to the limited sampling that is done by the American Community Survey.

- ▶ The median household income in **Bena** for 2019 was estimated at only \$16,250. Although the City's median household income had increased substantially between 2010 and 2019, it was still very low by comparative standards. No estimate for median family income was available for Bena in 2019. At 30% of income, a median income household in Bena could apply only \$406 to housing costs in 2019.
- ▶ The 2019 American Community Survey did not include median household or family estimates for **Boy River**.
- ▶ The median household income in **Cass Lake** for 2019 was estimated at only \$22,422. This median had decreased when compared to 2010 and was less than half of the median household income for Cass County.
- ▶ The estimated median family income for **Cass Lake** was \$34,833 in 2019, up by less than 8% from the 2010 estimate. The median income for families in Cass Lake was more than \$27,000 lower than for all of Cass County.
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in **Cass Lake** could afford approximately \$561 per month for ownership or rental housing in 2019, and a median income family could afford \$871 per month.
- ▶ The median household income in **Federal Dam** for 2019 was estimated at \$58,125. This median had increased by more than 88% from 2010 and was above the median for all of Cass County.
- ▶ The estimated median family income for **Federal Dam** was \$68,125 in 2019, and also above the median for Cass County.
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in **Federal Dam** could afford approximately \$1,453 per month for ownership or rental housing in 2019, and a median income family could apply approximately \$1,703.

- ▶ The median household income in **Longville** for 2019 was estimated at \$41,250. Although this median had increased by more than 70% from 2010, it was still well below the median for all of Cass County.
- ▶ However, the estimated median family income for **Longville** was \$72,917 in 2019, well above the median for Cass County.
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in **Longville** could afford approximately \$1,031 per month for ownership or rental housing in 2019, and a median income family could apply approximately \$1,823.
- ▶ The median household income in **Remer** for 2019 was estimated at \$25,893. Although the City's median household income had increased substantially between 2010 and 2019, it was still well below the comparable household medians for the County and the State in 2019.
- ▶ The estimated median family income for **Remer** was \$42,500 in 2019, nearly doubling from 2010. The City's median family income was also well below the comparable medians for Cass County and the State.
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in **Remer** could afford approximately \$647 per month for ownership or rental housing in 2019, and a median income family could apply approximately \$1,063.
- ▶ The median household income in **Walker** for 2019 was estimated at \$42,500. While this median had increased by nearly 22% from 2010, the City's median household income was still well below the median for Cass County.
- ▶ The estimated median family income for **Walker** was \$48,816 in 2019, nearly unchanged from the 2010 estimate. The median income for families in Walker was more than \$13,000 lower than for all of Cass County.
- ▶ Using the commonly accepted standard that 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in **Walker** could afford approximately \$1,063 per month for ownership or rental housing in 2019, and a median income family could afford \$1,220 per month.

- ▶ The extrapolated median income levels in ***North Cass County*** were \$46,978 for households and \$54,166 for families. Both medians were below the comparable medians for all of Cass County.
- ▶ The median income levels in ***Cass County*** were \$52,204 for households and \$62,142 for families. Both medians had increased significantly when compared to 2010, but remained well below the comparable Statewide medians.

Household Income Distribution: Bena

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 12 Bena Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	14	10	24
\$15,000 - \$24,999	1	9	10
\$25,000 - \$34,999	1	0	1
\$35,000 - \$49,999	1	0	1
\$50,000 - \$74,999	9	1	10
\$75,000 - \$99,999	0	0	0
\$100,000+	0	4	4
Total	26	24	50

Source: ACS

- ▶ Most home owners in **Bena** were in the low to moderate income ranges. Overall, approximately 65% of all owners had an income below \$50,000 in 2019. No estimated median income for home owners was provided for the City.
- ▶ The estimates showed that most renter households in **Bena** were in the lower income ranges in 2019, with more than 79% of renters having an annual income below \$25,000. The estimated median income for renter households was only \$17,500.

Household Income Distribution: Boy River

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 13 Boy River Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	7	0	7
\$15,000 - \$24,999	3	0	3
\$25,000 - \$34,999	3	0	3
\$35,000 - \$49,999	2	0	2
\$50,000 - \$74,999	1	0	1
\$75,000 - \$99,999	1	0	1
\$100,000+	0	0	0
Total	17	0	17

Source: ACS

- ▶ Most home owners in **Boy River** were in the low to moderate income ranges. Overall, approximately 88% of all owners had an income below \$50,000 in 2019. Due to limited sampling, no estimated median income was provided for home owners in the City.
- ▶ There were no renter households in **Boy River** in 2019 according to the American Community Survey.

Household Income Distribution: Cass Lake

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 14 Cass Lake Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	24	75	99
\$15,000 - \$24,999	15	34	49
\$25,000 - \$34,999	10	14	24
\$35,000 - \$49,999	19	14	33
\$50,000 - \$74,999	35	13	48
\$75,000 - \$99,999	13	3	16
\$100,000+	8	8	16
Total	124	161	285

Source: ACS

- ▶ Most home owners in **Cass Lake** were in the low to moderate income ranges in 2019. Overall, approximately 55% of all owners had an income below \$50,000. The estimated median income level for all home owners in the City was \$43,000.
- ▶ Most renter households in **Cass Lake** were in the lower income ranges in 2019, with nearly 68% having an annual income below \$25,000. The estimated median income level for all renters in the City was \$15,859.

Household Income Distribution: Federal Dam

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 15 Federal Dam Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	2	0	2
\$15,000 - \$24,999	3	2	5
\$25,000 - \$34,999	3	0	3
\$35,000 - \$49,999	6	0	6
\$50,000 - \$74,999	8	7	15
\$75,000 - \$99,999	3	0	3
\$100,000+	6	1	7
Total	31	10	41

Source: ACS

- ▶ Most home owners in **Federal Dam** were in the moderate to higher income ranges. Overall, approximately 55% of all owners had an income of \$50,000 or more in 2019. The estimated median income level for all home owners in the City was \$54,375.
- ▶ The estimates showed that most renter households in **Federal Dam** were also in the moderate to higher income ranges in 2019, with 80% of renters having an annual income of \$50,000 or more. The estimated median income for renter households was \$73,000, which is probably a flawed estimate.

Household Income Distribution: Longville

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 16 Longville Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	14	14	28
\$15,000 - \$24,999	3	1	4
\$25,000 - \$34,999	4	0	4
\$35,000 - \$49,999	46	0	46
\$50,000 - \$74,999	12	4	16
\$75,000 - \$99,999	11	0	11
\$100,000+	9	0	9
Total	99	19	118

Source: ACS

- ▶ Most home owners in **Longville** were in the low to moderate income ranges. Overall, approximately 68% of all owners had an income below \$50,000 in 2019. The estimated median income level for all home owners in the City was only \$41,557.
- ▶ The estimates showed that most renter households in **Longville** were in the lower income ranges in 2019, with nearly 79% of renters having an annual income below \$25,000. The estimated median income for renter households was only \$10,625.

Household Income Distribution: Remer

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 17 Remer Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	15	33	48
\$15,000 - \$24,999	25	13	38
\$25,000 - \$34,999	11	11	22
\$35,000 - \$49,999	26	4	30
\$50,000 - \$74,999	6	2	8
\$75,000 - \$99,999	9	9	18
\$100,000+	18	0	18
Total	110	72	182

Source: ACS

- ▶ Most home owners in **Remer** were in the low to moderate income ranges. Overall, approximately 70% of all owners had an income below \$50,000 in 2019. The estimated median income level for all home owners in the City was only \$37,500.
- ▶ The estimates showed that most renter households in **Remer** were in the lower income ranges in 2019, with more than 79% of renters having an annual income below \$35,000. The estimated median income for renter households was \$19,375.

Household Income Distribution: Walker

The 2019 American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

Table 18 Walker Estimated Household Distribution - 2019			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	9	59	68
\$15,000 - \$24,999	18	41	59
\$25,000 - \$34,999	19	30	49
\$35,000 - \$49,999	32	45	77
\$50,000 - \$74,999	83	26	109
\$75,000 - \$99,999	23	4	27
\$100,000+	52	3	55
Total	236	208	444

Source: ACS

- ▶ Most home owners in **Walker** are in the moderate to higher income ranges. Overall, nearly 67% of all owners had an income of \$50,000 or more in 2019. The estimated median income level for all home owners in the City was \$62,167.
- ▶ Most renter households in **Walker** were in the lower income ranges in 2019, with nearly 63% having an annual income below \$35,000. The estimated median income level for all renters in the City was \$25,769.

Income and Housing Costs - Renters

In addition to collecting income data, the Census Bureau also collected information on housing costs as part of the American Community Survey. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing costs.

Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a “cost burden”.

Table 19 Gross Rent as a Percentage of Household Income - 2019			
	Number of Renter Households	Renter Households with Cost Burden	Percent of All Renters Households
Bena	24	19	79.2%
Boy River	0	-	-
Cass Lake	161	78	48.4%
Federal Dam	10	0	0%
Longville	19	6	31.6%
Remer	72	45	62.5%
Walker	208	88	42.3%

Source: American Community Survey

- ▶ A large majority of the renter households reported a housing cost burden in 2019, with more than 79% of renters in **Bena** paying 30% or more of their income for rent.
- ▶ The American Community Survey did not show any renter households in **Boy River** in 2019.
- ▶ Nearly half of the renter households in **Cass Lake** had a housing cost burden in 2019, with more than 48% of renters paying 30% or more of their income for rent.
- ▶ No households in **Federal Dam** were reporting that 30% or more of income was required for rental housing costs.

- ▶ A majority of the renter households in **Longville** did not have a housing cost burden in 2019, but nearly 32% did apply 30% or more of their income for rent.
- ▶ The American Community Survey reported that most renter households in **Remer** had a housing cost burden in 2019. Overall, nearly 63% of renters were applying 30% or more of their income for rent.
- ▶ Although a majority of the renter households in **Walker** did not have a housing cost burden in 2019, more than 42% of renters were paying 30% or more of their income for rent.

Income and Housing Costs - Owners

The American Community Survey also provided housing cost estimates for owner-occupants. The following table provides estimates of the number of households in the City that are paying different percentages of their gross household income for housing costs.

It is important to note that mortgage lending practices generally attempt to keep housing costs at or below 30% of household income, but some households still have an ownership housing cost burden.

Table 20 Ownership Costs as a Percentage of Income - 2019			
	Number of Owner Households	Owner Households with Cost Burden	Percent of All Owner Households
Bena	26	13	50%
Boy River	17	7	41.2%
Cass Lake	124	26	21.0%
Federal Dam	31	5	16.1%
Longville	99	19	19.2%
Remer	110	40	36.4%
Walker	236	55	23.3%

Source: American Community Survey

- ▶ Half of the home owners in **Bena** reported that they were paying 30% or more of their income for monthly housing costs in 2019. Most of these households also reported an annual income below \$20,000.
- ▶ More than 41% of the home owners in **Boy River** reported that they were paying 30% or more of their income for monthly housing costs in 2019. All of these households also reported an annual income below \$20,000.
- ▶ A large majority of owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in **Cass Lake**. However, 21% of home owners reported that they paid 30% or more. Most of these households also reported an annual income below \$20,000.

- ▶ A large majority of owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in **Federal Dam**. However, more than 16% of home owners reported that they paid 30% or more. Most of these households also reported an annual income below \$20,000.
- ▶ A majority of owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing in **Longville**. However, more than 19% of home owners reported that they paid 30% or more. Most of these households also reported an annual income below \$20,000.
- ▶ A majority of owner-occupants in **Remer**, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, more than 36% of home owners reported that they paid 30% or more. Most of these households had an annual income below \$35,000 in 2019.
- ▶ A large majority of owner-occupants in **Walker**, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, more than 23% of home owners reported that they paid 30% or more. Most of these households had an annual income below \$50,000 in 2019 and had a mortgage on their home.

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Building Permit Trends: Bena

The City of Bena does not report annual building permit issuance to the Census Bureau. There is no information to indicate that any new housing units have been constructed in the City between 2010 and 2021. According to City representatives, two mobile homes were moved into the community.

Building Permit Trends: Boy River

The City of Boy River does not report annual building permit issuance to the Census Bureau. There is no information to indicate that any new housing units have been constructed in the City between 2010 and 2021.

Building Permit Trends: Cass Lake

The following table identifies new housing units that have been issued a building permit since the year 2010.

Table 21 Cass Lake Housing Construction Activity: 2010 to 2021			
Year	Single Family	Multifamily	Total Units Permitted
2021	6	0	6
2020	1	0	1
2019	0	0	0
2018	1	0	1
2017	0	0	0
2016	2	0	2
2015	0	0	0
2014	0	0	0
2013	1	0	1
2012	0	0	0
2011	0	0	0
2010	0	0	0
TOTAL	11	0	11

Source: City of Cass Lake; Census Bureau

*2021 is partial-year

Based on available reporting, there have been 11 total housing units constructed in Cass Lake over the 12-year period spanning 2010 to 2021. All of these were single family houses, including six units that were permitted in 2021. The most recent units are being developed by the Leech Lake Band of Ojibwe.

Building Permit Trends: Federal Dam

The City of Federal Dam does report annual building permit issuance to the Census Bureau. In 2012, there were two single family permits issued in the City.

Building Permit Trends: Longville

The City of Longville does report annual building permit issuance to the Census Bureau. Between 2010 and 2020, Longville reported five single family building permits. All of these were issued between 2012 and 2017. In 2021 there are four additional houses under construction.

Building Permit Trends: Remer

The following table identifies new housing units that have been issued a building permit since the year 2010.

Table 22 Remer Housing Construction Activity: 2010 to 2020			
Year	Single Family	Multifamily	Total Units Permitted
2020	2	0	2
2019	0	0	0
2018	2	0	2
2017	0	0	0
2016	0	0	0
2015	0	16	16
2014	0	0	0
2013	1	0	1
2012	1	0	1
2011	1	0	1
2010	0	0	0
TOTAL	7	16	23

Source: City of Remer; Census Bureau

Based on available reporting, there have been seven single family housing units constructed in Remer over the 11-year period spanning 2010 to 2020.

One multifamily construction project was permitted in 2015. Serenity Living Solutions is a 16-unit assisted living facility.

Despite some new home construction, and a specialized senior project, Remer did not add any permanent households between 2010 and 2020.

It appears that the assisted living facility may have been classified as a “nursing home” by Census takers, as the City did add 12 group quarters residents by 2020. Group quarters residents are not counted as households by the decennial Census.

Building Permit Trends: Walker

The following table identifies new housing units that have been issued a building permit since the year 2010.

Table 23 Walker Housing Construction Activity: 2010 to 2020			
Year	Single Family	Multifamily	Total Units Permitted
2020	1	0	1
2019	0	0	0
2018	0	0	0
2017	2	0	2
2016	0	0	0
2015	2	0	2
2014	1	0	1
2013	1	0	1
2012	0	0	0
2011	1	0	1
2010	0	0	0
TOTAL	8	0	8

Source: City of Walker; Census Bureau

Based on available reporting, there have been eight single family housing units constructed in Walker over the 11-year period spanning 2010 to 2020.

The construction of new housing units in Walker was well-matched to the City's household growth, as nine occupied housing units were added between 2010 and 2020.

2020 Census Housing Data: Bena

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 24 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Bena	60	49	-11	43	47	4	17	2	-15

Source: U.S. Census

- ▶ According to the Census, Bena had a reduction of 11 housing units between 2010 and 2020.
- ▶ The City added four occupied housing units over the decade, and there were 15 fewer vacant units in the City in 2020.
- ▶ Over the decade the City did not report any building permit issuance to the Census Bureau.

2020 Census Housing Data: Boy River

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 25 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Boy River	33	22	-11	21	16	-5	12	6	-6

Source: U.S. Census

- ▶ The Census reported that Boy River had a reduction of 11 housing units between 2010 and 2020.
- ▶ The City lost five occupied housing units over the decade, and there were six fewer vacant units in the City in 2020.
- ▶ Over the decade the City did not report any building permit issuance to the Census Bureau.

2020 Census Housing Data: Cass Lake

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 26 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Cass Lake	371	296	-75	305	248	-57	66	48	-18

Source: U.S. Census

- ▶ According to the Census, Cass Lake had a large reduction of 75 housing units between 2010 and 2020.
- ▶ Over the decade the City lost 57 occupied housing units. The number of vacant units also decreased during this time.
- ▶ Earlier in this section, information about residential permit issuance was provided. Based on available reports, there were five new houses permitted in Cass Lake between 2010 and 2020. One of these was issued a permit in 2020 and presumably would not have been counted at the time of the Census in April. However, as many as four new houses may have been constructed over the decade. The Census reconciliation showing a net loss of 75 housing units in the City over the decade indicates that many more older houses were lost than were added through new construction.

2020 Census Housing Data: Federal Dam

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 27 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Federal Dam	137	122	-15	49	46	-3	88	76	-12

Source: U.S. Census

- ▶ The Census reported that Federal Dam had a reduction of 15 housing units between 2010 and 2020.
- ▶ The City lost three occupied housing units over the decade and there were 12 fewer vacant units in the City in 2020.
- ▶ Over the decade the City did reported two new houses through building permit issuance to the Census Bureau.

2020 Census Housing Data: Longville

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 28 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Longville	164	166	2	92	93	1	72	73	1

Source: U.S. Census

- ▶ According to the Census, Longville added two housing units between 2010 and 2020.
- ▶ The City added one occupied housing unit and one vacant housing unit during the decade.
- ▶ As presented earlier in this section, the City reported the issuance of five building permits to the Census Bureau, between 2010 and 2020, but the net gain in the housing stock was below this level. It is possible that some of the new houses built in Longville involved the removal of an existing home, as may occur on lake shore parcels.

2020 Census Housing Data: Remer

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 29 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Remer	208	194	-14	175	175	0	33	19	-14

Source: U.S. Census

- ▶ According to the Census, Remer had a reduction of 14 housing units between 2010 and 2020.
- ▶ Over the decade the City did not add any occupied housing units but there were 14 fewer vacant units in the City in 2020.
- ▶ Earlier in this section, information about residential permit issuance was provided. Based on available reports, there were 7 new single family housing units permitted in Remer between 2010 and 2020. Two of these units were issued a permit in 2020 and presumably would not have been counted at the time of the Census in April. However, as many as 5 new units may have been constructed over the decade. The Census reconciliation showing a net loss of 14 housing units in the City over the decade indicates that older housing was lost at a faster rate to new construction. It is also possible that some of the new houses built in Remer involved the removal of an existing home.

2020 Census Housing Data: Walker

The first housing counts released from the 2020 Census included information on occupancy and vacancy. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 30 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Walker	605	588	-17	452	461	9	153	127	-26

Source: U.S. Census

- ▶ According to the Census, Walker had a reduction of 17 housing units between 2010 and 2020.
- ▶ Over the decade the City added 9 occupied housing units, and there were 26 fewer vacant units in 2020.
- ▶ Earlier in this section, information about residential permit issuance was provided. Based on available reports, there were eight new housing units permitted in Walker between 2010 and 2020. One of these was issued a permit in 2020 and presumably would not have been counted at the time of the Census in April. However, as many as seven new units may have been constructed over the decade. The Census reconciliation showing a net loss of 17 housing units in the City over the decade indicates that older housing was lost at a faster rate than new construction. It is also possible that some of the new houses built in Walker involved the removal of an existing home.

Housing Stock Characteristics: Bena

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock. For owner-occupancy units, the estimated median year of construction is 1980 in the City of Bena.

For rental housing, the estimated median year of construction was listed as 1991 in Bena.

Units in Structure

According to the American Community Survey, nearly all of the housing options in Bena are in one unit structures.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 10 units in Bena were used as seasonal/recreational housing in 2019. This represented nearly 16% of all housing units in the City.

Housing Stock Characteristics: Boy River

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock. For owner-occupancy units, the estimated median year of construction is 1955 in the City of Boy River.

No median estimate was available for rental housing.

Units in Structure

According to the American Community Survey, nearly all of the housing options in Boy River are in one unit structures.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 10 units in Boy River were used as seasonal/recreational housing in 2019. This represented approximately 28% of all housing units in the City.

Housing Stock Characteristics: Cass Lake

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock.

For owner-occupancy units in Cass Lake, the estimated median year of construction is 1953. Approximately 71% of the owner-occupancy stock was constructed before 1960.

For rental housing, the estimated median year of construction was listed as 1979. Approximately 31% of the rental inventory was constructed prior to 1960.

Units in Structure

According to the American Community Survey, the City of Cass Lake has a wide range of housing types. Overall, including both permanent resident and seasonal use housing, more than 71% of the inventory exists in one unit structures, primarily detached single family homes and mobile homes.

However, the City also has multifamily housing options. More than 18% of the units in Cass Lake were in multifamily structures with five or more units in 2019. The remaining housing options were in structures with two to four units.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 44 units in Cass Lake were used as seasonal/recreational housing in 2019. This represented more than 12% of all housing units in the City.

Housing Stock Characteristics: Federal Dam

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock. For owner-occupancy units, the estimated median year of construction is 1979 in the City of Federal Dam.

For rental housing, the estimated median year of construction was listed as 1984 in Federal Dam.

Units in Structure

According to the American Community Survey, nearly all of the housing options in Federal Dam are in one unit structures.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 63 units in Federal Dam were used as seasonal/recreational housing in 2019. This represented approximately 51% of all housing units in the City.

Housing Stock Characteristics: Longville

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock. For owner-occupancy units, the estimated median year of construction is 2003 in the City of Longville.

For rental housing, the estimated median year of construction was listed as 1997 in Longville.

Units in Structure

According to the American Community Survey, Longville does have some structures with four or more units, as listed in the rental housing inventory provided later in this document. Nearly all of the housing remaining options are in one unit structures.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 85 units in Longville were used as seasonal/recreational housing in 2019. This represented approximately 39% of all housing units in the City. Based on other available information, the estimated inventory of seasonal/recreational housing may be slightly high.

Housing Stock Characteristics: Remer

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock.

For owner-occupancy units in Remer, the estimated median year of construction is 1958. Nearly 61% of the owner-occupancy stock was constructed before 1960.

For rental housing, the estimated median year of construction was listed as 1983. Approximately 19% of the rental inventory was constructed prior to 1960.

Units in Structure

According to the American Community Survey, the large majority of housing options in the City exist in one unit structures. Overall, including both permanent resident and seasonal use housing, nearly 77% of the inventory exists in one unit structures, primarily detached single family homes and mobile homes.

Fewer than 20% of the City's housing options were in multifamily structures with five or more units in 2019.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 15 units in Remer were used as seasonal/recreational housing in 2019. This represented approximately 7% of all housing units in the City.

Housing Stock Characteristics: Walker

Age of Housing

The American Community Survey includes an estimate of the age of the housing stock.

For owner-occupancy units in Walker, the estimated median year of construction is 1968. Approximately 38% of the owner-occupancy stock was constructed before 1960.

For rental housing, the estimated median year of construction was listed as 1974. Nearly 20% of the rental inventory was constructed prior to 1960.

Units in Structure

According to the American Community Survey, the City of Walker has a wide range of housing types. Overall, including both permanent resident and seasonal use housing, nearly 69% of the inventory exists in one unit structures, primarily detached single family homes.

However, the City also has multifamily housing options. Nearly 22% of the units in Walker were in multifamily structures with five or more units in 2019. The remaining housing options were in structures with two to four units.

Seasonal/Recreational Housing

The American Community Survey estimated that at least 90 units in Walker were used as seasonal/recreational housing in 2019. This represented approximately 15% of all housing units in the City.

Housing Condition Analysis: Bena

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 46 single family/duplex structures in Bena. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 31 Bena Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Bena	9 / 19.6%	23 / 50.0%	10 / 21.7%	4 / 8.7%	46

Source: Community Partners Research, Inc.

- ▶ Although most of the houses in Bena were rated in one of the two highest condition categories, fewer than 20% of all houses were rated as Sound, the best condition category used. Fifty percent of the City's houses were rated as needing only Minor Repair.
- ▶ There were 10 houses citywide that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition. Four houses were rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.

Mobile Homes

There were also 13 mobile homes in Bena that were viewed and rated. The same rating condition scale was used.

Table 32 Bena Mobile Home Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Bena	1 / 7.7%	2 / 15.4%	5 / 38.5%	5 / 38.5%	13

Source: Community Partners Research, Inc.

- ▶ Only one mobile home in Bena was rated as Sound, the highest rating given, and only two mobile homes were in the Minor Repair category.
- ▶ There were five mobile homes rated as needing Major Repair, and five units that were viewed as Dilapidated.
- ▶ Although it may be possible to rehabilitate mobile homes, it is often difficult to substantially improve older units in a cost-effective manner.

Housing Condition Analysis: Boy River

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 23 single family/duplex structures in Boy River. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 33 Boy River Windshield Survey Results - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Boy River	4 / 17.4%	4 / 17.4%	7 / 30.4%	8 / 34.8%	23

Source: Community Partners Research, Inc.

- ▶ Most of the houses in Boy River were rated in one of the two lowest condition categories. Fewer than 35% of all houses were rated as either Sound or needing only Minor Repair.
- ▶ There were seven houses that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition.
- ▶ Eight houses were rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.

Mobile Homes

There were also seven mobile homes in Boy River that were viewed and rated. The same rating condition scale was used.

Table 34 Boy River Mobile Home Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Boy River	2 / 28.6%	2 / 28.6%	1 / 14.2%	2 / 28.6%	7

Source: Community Partners Research, Inc.

- ▶ Two mobile homes in Boy River were rated as Sound, the highest rating given, and two mobile homes were in the Minor Repair category.
- ▶ There was one mobile home rated as needing Major Repair, and five units that were viewed as Dilapidated.
- ▶ Although it may be possible to rehabilitate mobile homes, it is often difficult to substantially improve older units in a cost-effective manner.

Housing Condition Analysis: Cass Lake

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 202 single family/duplex structures in Cass Lake. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 35 Cass Lake Windshield Survey Results - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Cass Lake	41 / 20.3%	76 / 37.6%	64 / 31.7%	21 / 10.4%	202

Source: Community Partners Research, Inc.

- ▶ Although most of the houses in Cass Lake were rated in one of the two highest condition categories, only 20.3% of all houses were rated as Sound, the best condition category used. Nearly 38% of the City's houses were rated as needing only Minor Repair.
- ▶ There were 64 houses citywide that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition.
- ▶ There were 21 houses rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.
- ▶ No mobile homes were viewed or rated in Cass Lake.

Housing Condition Analysis: Federal Dam

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 57 single family/duplex structures in Federal Dam. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 36 Federal Dam Windshield Survey Results - 2021					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Federal Dam	14 / 24.6%	19 / 33.3%	16 / 28.1%	8 / 14.0%	57

Source: Community Partners Research, Inc.

- ▶ Although most of the houses in Federal Dam were rated in one of the two lowest condition categories, fewer than 25% of all houses were rated as Sound, the highest rating used. More than 33% of the houses were rated in the Minor Repair category.
- ▶ There were 16 houses that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition.
- ▶ Eight houses were rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.

Mobile Homes

There were also 11 mobile homes in Federal Dam that were viewed and rated. The same rating condition scale was used.

Table 37 Federal Dam Mobile Home Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Federal Dam	1 / 9.1%	4 / 36.4%	2 / 18.2%	4 / 36.3%	11

Source: Community Partners Research, Inc.

- ▶ Only one mobile home in Federal Dam was rated as Sound, the highest rating given. Four mobile homes were in the Minor Repair category.
- ▶ There were two mobile homes rated as needing Major Repair, and four units that were viewed as Dilapidated.
- ▶ Although it may be possible to rehabilitate mobile homes, it is often difficult to substantially improve older units in a cost-effective manner.

Housing Condition Analysis: Longville

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 102 single family/duplex structures in Longville. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 38 Longville Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Longville	60 / 58.8%	37 / 36.3%	5 / 4.9%	0 / 0%	102

Source: Community Partners Research, Inc.

- ▶ Nearly all of the houses in Longville were rated in one of the two highest condition categories, with nearly 59% rated as Sound, the best condition category used. More than 36% of the City's houses were rated as needing only Minor Repair.
- ▶ There were only 5 houses citywide that were rated as needing Major Repair and no houses were rated as Dilapidated, the lowest rating used. Major Repair structures will require a significant investment to be returned to standard condition.

Mobile Homes

There were also 32 mobile homes in Longville that were viewed and rated. There are 26 mobile homes in Town's Edge Estates, and 6 units located elsewhere in the City. The same rating condition scale was used.

Table 39 Longville Mobile Home Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Town's Edge	22 / 84.6%	4 / 15.4%	0 / 0%	0 / 0%	26
Other	2 / 33.3%	3 / 50.0%	1 / 16.7%	0 / 0%	6
Total	24 / 75.0%	7 / 21.9%	1 / 3.1%	0 / 0%	32

Source: Community Partners Research, Inc.

- ▶ Most of the mobile homes in Longville are in Town's Edge Estates, and these units are in very good condition, with 22 units rated as Sound and 4 units rated in the Minor Repair category. No mobile homes in this park were rated in the two lower condition categories.
- ▶ There are also 6 mobile homes located in the community. Two of these were rated as Sound, and 3 were rated as Minor Repair. Only one mobile home in Longville was rated in the Major Repair category.
- ▶ Although it may be possible to rehabilitate mobile homes, it is often difficult to substantially improve older units in a cost-effective manner.

Housing Condition Analysis: Remer

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 113 single family/duplex structures in Remer. Houses that appeared to contain three or more units were not rated.

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 40 Remer Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Remer	53 / 46.9%	34 / 30.1%	13 / 11.5%	13 / 11.5%	113

Source: Community Partners Research, Inc.

- ▶ A large majority of the houses in Remer were rated in one of the two highest condition categories, with nearly 47% of all houses were rated as Sound, the best condition category used. Approximately 30% of the City's houses were rated as needing only Minor Repair.
- ▶ There were 13 houses citywide that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition.
- ▶ Thirteen houses were rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.

Mobile Homes

There were also 10 mobile homes in Remer that were viewed and rated. The same rating condition scale was used.

Table 41 Remer Mobile Home Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Remer	4 / 40%	2 / 20%	2 / 20%	2 / 20%	10

Source: Community Partners Research, Inc.

- ▶ There were four mobile homes in Remer was rated as Sound, the highest rating given, and two mobile homes were in the Minor Repair category.
- ▶ There were two mobile homes rated as needing Major Repair, and two units that were viewed as Dilapidated.
- ▶ Although it may be possible to rehabilitate mobile homes, it is often difficult to substantially improve older units in a cost-effective manner.

Housing Condition Analysis: Walker

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of the 89 single family/duplex structures in the older core neighborhood in the City of Walker. Houses that appeared to contain three or more units were not rated. The boundaries of the neighborhood are as follows:

- ▶ North: Michigan Avenue
- ▶ South: Highland Avenue West, Park Avenue, City limits
- ▶ East: 2nd Street South
- ▶ West: 8th Street South, Highway 34

Houses were rated in one of four levels of physical condition, as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition was assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest condition rating given and these houses are generally considered to be beyond the point of economically feasible repair.

Major Repair houses need multiple major improvements such as roof, windows, siding, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 42 Walker Windshield Survey Results - 2021

	Sound	Minor Repair	Major Repair	Dilapidated	Total
Neighborhood	40 / 44.9%	37 / 41.6%	9 / 10.1%	3 / 3.4%	89

Source: Community Partners Research, Inc.

- ▶ Most of the houses in this part of Walker were rated in one of the two highest condition categories, with nearly 45% rated as Sound and nearly 42% rated as Minor Repair structures.

- ▶ There were nine houses in this neighborhood that were rated as needing Major Repair. These structures will require a significant investment to be returned to standard condition.
- ▶ Three houses in this neighborhood were rated as Dilapidated, the lowest rating used. These houses may be beyond the point of economically feasible repair.
- ▶ No mobile homes were present in this neighborhood.

Recent Home Sales: Bena

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were included, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Bena, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 43 Values of Recent Residential Sales in Bena				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	1	\$125,000	-	-

Source: Cass County Assessor; Community Partners Research, Inc. *2021 is partial-year

- ▶ Only one good home sale was recorded in Bena, based on County records. The sale was for \$125,000.
- ▶ An alternate home value estimate is available from the 2019 American Community Survey. ***This source places the midpoint owner-occupied house value at \$56,000.***

Recent Home Sales: Boy River

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were included, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Boy River, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 44 Values of Recent Residential Sales in Boy River				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	0	-	-	-

Source: Cass County Assessor; Community Partners Research, Inc.

*2021 is partial-year

- ▶ No qualified home sale were recorded in Boy River, based on County records.
- ▶ An alternate home value estimate is available from the 2019 American Community Survey. ***This source places the midpoint owner-occupied house value at \$81,700.***

Recent Home Sales: Cass Lake

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were included, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Cass Lake, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 45 Values of Recent Residential Sales in Cass Lake				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	3	\$62,500	\$72,900	\$40,000

Source: Cass County Assessor; Community Partners Research, Inc. *2021 is partial-year

- ▶ Only three good home sales were recorded in Cass Lake, based on County records. All three homes sold for less than \$73,000.
- ▶ An alternate home value estimate is available from the 2019 American Community Survey. ***This source places the midpoint owner-occupied house value at \$46,400.***

Recent Home Sales: Federal Dam

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were included, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Federal Dam, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 46 Values of Recent Residential Sales in Federal Dam				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	1	\$224,900	-	-

Source: Cass County Assessor; Community Partners Research, Inc.

*2021 is partial-year

- ▶ Only one good home sale was recorded in Federal Dam, based on County records. The sale was for \$224,900.
- ▶ An alternate home value estimate is typically available from the 2019 American Community Survey, but no estimate was provided for Federal Dam for 2019. ***In 2018, the City's estimated median home value was \$110,700.***

Recent Home Sales: Longville

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were included, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Longville, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 47 Values of Recent Residential Sales in Longville				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	2	-	\$219,900	\$109,000

Source: Cass County Assessor; Community Partners Research, Inc.

*2021 is partial-year

- ▶ Only two good home sales were recorded in Longville, based on County records. Both of these sales were above \$100,000.
- ▶ An alternate home value estimate is available from the 2019 American Community Survey. ***This source places the midpoint owner-occupied house value at \$225,600.***

Recent Home Sales: Remer

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. These are also referred to as good sales.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were recorded and have been included in this analysis, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Remer, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. With few sales to examine, an alternate home value from the American Community Survey has also been reviewed as a better indicator of home prices.

Table 48 Values of Recent Residential Sales in Remer				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	2	-	\$175,000	\$27,000

Source: Cass County Assessor; Community Partners Research, Inc.

*2021 is partial-year

- There were only two good home sales recorded in Remer during the time period reviewed. One house sold for \$175,000 and one for \$27,000.
- An alternate home value estimate is available from the 2019 American Community Survey. ***This source places the midpoint owner-occupied house value at \$71,400.***

Recent Home Sales: Walker

The Cass County Assessor's Office maintains annual residential sales records. For the following analysis, sales were reviewed for sales years 2020 and 2021. The Assessor's sales year ends on October 31st each calendar year, so 2021 does not represent a full 12-month sales period.

For each year, only "qualified" sales were analyzed. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. These are also referred to as good sales.

In some of the Cities in Cass County, a range of residential properties may be sold, including seasonal/recreation homes, hunting properties, and lake shore parcels. The analysis that follows did not include seasonal/recreational homes or hunting properties. Lake shore parcels were included if identified as a single family home. In some communities, town house sales were recorded and have been included in this analysis, but condominium sales were not used.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

In many of the communities, including Walker, only a limited number of good sales were recorded over the time period reviewed, and the houses that were sold may not be representative of overall home values. The sales price used is an "adjusted" value, based on the removal of personal property and other seller concessions in the transaction.

Table 49 Values of Recent Residential Sales in Walker

Year	Number of Sales	Median Price	Highest Price	Lowest Price
2020/21*	19	\$215,000	\$646,000	\$42,500

Source: Cass County Assessor; Community Partners Research, Inc. *2021 is partial-year

- ▶ There were 19 good home sales recorded in Walker during the time period reviewed. The median price was \$215,000. The City did have three homes that sold for more than \$300,000 in the past two years, and two of these three sales were lake shore properties.
- ▶ An alternate home value estimate is available from the 2019 American Community Survey. This source places the midpoint owner-occupied house value at \$157,700.

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Rental Housing Inventory: Bena

Census Rental Inventory

At the time of the 2010 Census, the City of Bena had 13 occupied rental units. The City had no unoccupied units, for a total rental housing inventory of 13 housing units in 2010. The City's rental tenure rate in 2010 was at 30.2%, compared to 69.8% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 24 renter-occupancy households living in Bena and no vacant rental units in the City.

Based on the American Community Survey, Bena added 11 renter households and 11 rental housing units between 2010 and 2019. The rental tenure rate was estimated at 48.0% in 2019, up substantially from 2010.

No new multifamily rental development projects were completed in the past decade in Bena. It is likely that the increase in rental units was instead due to tenure conversion, as housing units that had been owner-occupied in 2010 had switched to rental use by 2019.

Pending Projects

We are not aware of any rental projects in Bena that are in the construction or planning phase.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in Cass County that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

There are no known multifamily rental projects within the City of Bena.

Tenant-Based Rent Assistance Vouchers

Although very few renter households live in the City, renters in Bena can access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There were no Vouchers being used in Bena. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Rental Housing Inventory: Boy River

Census Rental Inventory

At the time of the 2010 Census, the City of Boy River had only two occupied rental units. The City had no unoccupied units, for a total rental housing inventory of two housing units in 2010. The City's rental tenure rate in 2010 was very low at 9.5%, compared to 90.5% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were no renter-occupancy households living in Boy River and no vacant rental units in the City.

Pending Projects

We are not aware of any rental projects in Boy River that are in the construction or planning phase.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in Cass County that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

There are no known multifamily rental projects within the City of Bena.

Tenant-Based Rent Assistance Vouchers

Although no renter households may currently be living in the City, renters do have access to HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There were no Vouchers being used in Boy River. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Rental Housing Inventory: Cass Lake

Census Rental Inventory

At the time of the 2010 Census, the City of Cass Lake had 145 occupied rental units. The City also had 14 unoccupied units, for a total rental housing inventory of 159 units. The City's rental tenure rate was high at 47.5% in 2010, compared to 52.5% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 161 renter-occupancy households living in Cass Lake and seven unoccupied rental units in the City, for a total inventory of 168 units. The rental tenure rate was estimated at 56.5% in 2019.

Based on the American Community Survey, Cass Lake added 16 renter households and nine rental housing units between 2010 and 2019. As a result, the City's rental tenure rate increased above 50%.

Between 2010 and 2019, no new multifamily rental development projects were constructed in Cass Lake, although it is possible that some Tribal housing may have been added. However, the growth in the City's rental housing inventory would probably be due to tenure conversion, as housing units that had been owner-occupied in 2010 had switched to rental use by 2019.

Pending Projects

There is one rental project underway in Cass Lake that is under construction. This project is being developed by the Leech Lake Band of Ojibwe and will add six single family rental houses for Tribal members.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in the City that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

In Cass Lake, only four multifamily projects were identified, and one of these was a Tribal assisted living facility. The other three projects all provide income-restricted affordable housing with two federally subsidized rental projects and one tax credit project. The telephone survey was successful in contacting all four of these multifamily projects. Usable information was collected from:

- ▶ 24 moderate rent tax credit units
- ▶ 50 subsidized units
- ▶ 15 studio units for assisted living

Excluding the specialized housing offering assisted living, the rental survey was able to obtain information from 74 rental housing units in Cass Lake, or approximately 44% of the City's estimated rental inventory in 2021.

There are additional Tribal housing options for elders that are near Cass Lake but outside the City limits, but these facilities were not contacted in the rental survey.

The findings of the survey are presented by market segment on the following pages.

Market Rate Rental Summary

No conventional market rate multifamily rental projects could be identified in Cass Lake.

According to the American Community Survey, most of the conventional market rate housing in Cass Lake exists in single family units, primarily rental houses. This rental stock can vary greatly in age, condition, size and amenities. The survey did not contact one unit rental properties.

Rental Rates

The American Community Survey contained an estimate of the median gross rent being charged in Cass Lake in 2019. This placed the midpoint rent level at only \$488 per month for all types of rental units in the City. This low median rent may largely reflect the subsidized housing options in the City.

Tax Credit Summary

The federal low income housing tax credit program was created in the late 1980s to provide an incentive to develop low/moderate income rental housing. Tax credit units do have income limits and other occupancy restrictions, and generally have an affordable rent structure.

Since the tax credit program was created there has been one tax credit project developed in Cass Lake. Cass Lake Square Townhomes was awarded tax credits in 1998, and 24 town house-style units were constructed.

It should also be noted that the Leech Lake Band of Ojibwe Housing Authority has received multiple tax credit awards, including seven phases of Leech Lake Homes. However, these projects are not physically located within the City of Cass Lake, although some units may be within the immediate area.

Unit Mix

The unit mix in Cass Lake Square is as follows:

- ▶ One-bedroom - 4 units (16.7%)
- ▶ Two-bedroom - 14 units (58.3%)
- ▶ Three-bedroom - 6 units (25.0%)

Occupancy/Vacancy

At the time of the 2021 rental survey, there were three vacant units reported in Cass Lake Square. This was partly attributed to the Covid pandemic. A waiting list did exist and was being used to market the open units.

Rental Rates

Tax credit units have maximum rent limitations, generally based on serving households at no more than 60% of the median income level. The estimated gross rents in Cass Lake were as follows, with the 60% limits also provided. Some of the units in Cass Lake Square are offered at lower rent levels, and are targeted to lower income ranges.

<u>Unit Size</u>	<u>Estimated Gross Rent</u>	<u>Maximum Allowable Limit</u>
One-bedroom	\$730	\$838
Two-bedroom	\$775	\$1,006
Three-bedroom	\$850	\$1,162

The rents being charged in Cass Lake in 2021 were well below the limits set at 60% of median income. The highest rents in Cass Lake Square were generally below the limits set for households at 45% to 55% of the median income level.

Subsidized Summary

Cass Lake has two federally subsidized rental projects serving low and very low income households. Both are subsidized through HUD's Public Housing Program and are designated for general occupancy.

Four Seasons Apartments has 35 units. It was originally designed for senior/disabled tenant occupancy but a later HUD rule change made the units available as general occupancy housing.

Public Housing Scattered Site has 15 units for families in various locations around the community.

Unit Mix

▶ One-bedroom	34 units (68%)
▶ Two-bedroom	1 unit (2%)
▶ Three-bedroom	11 units (22%)
▶ Four-bedroom	<u>4 units</u> (8%)
Total	50 units

Occupancy/Vacancy

At the time of the rental survey there was a high rate of occupancy reported, and waiting lists exist for occupancy in both projects.

Rental Rates

All of the tenants have access to project-based rent subsidies allowing rent based on 30% of household income.

Subsidized Housing Gains/Loses

Most of the subsidized housing in Minnesota was constructed in the 1960s through 1990s, when the federal government was active in developing very affordable housing. Some of the projects had contracts or development agreements that required compliance for a specified number of years. In some communities, subsidized housing has been lost over time, as projects were able to convert to conventional market rate housing.

No projects in Cass Lake have been converted to market rate housing. Both of the City's subsidized projects are publicly-owned and not at risk of ending its subsidy contract.

The Minnesota Housing Finance Agency maintains an “opt-out log” of subsidized projects that may be leaving their subsidy program. A review of this information did not show any projects in Cass County that are in the process of ending their subsidy contract.

Tenant-Based Rent Assistance Vouchers

In addition to the rental housing with project-based subsidies, renter households in Cass Lake can also access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There were two Vouchers being used in Cass Lake in late 2021. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

When the tenant-based Vouchers are combined with the project-based housing, there are as many as 52 households with access to some form of subsidized housing in Cass Lake. This probably represents between 30% and 35% of all renter households in the City in 2021.

If income restricted tax credit housing is added, there may be as many as 76 renter households in Cass Lake that live in some form of assisted housing.

The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Senior Housing with Services

Specialized senior housing offering services is licensed by the State of Minnesota. The following project in Cass Lake was identified using the MN Department of Health website and was contacted as part of the telephone survey.

Assisted Living

There is one licensed provider of assisted living in Cass Lake. Red Cedar Assisted Living is licensed for 15 residents. This project is owned by the Tribal Housing Authority and is only available to Tribal members.

When contacted by the rental survey only four of the 15 studio units were occupied.

In the immediate Cass Lake area there are two Tribal housing options for elders that are not State-licensed as assisted living but do provide independent housing for seniors.

Senior Housing Options in Northern Cass County

Specialized senior housing options exist in other communities in North Cass County.

There are no skilled nursing facilities in North Cass County. Good Samaritan Pine River is the only skilled nursing home in Cass County and is licensed for 33 residents.

There are multiple assisted living options in Remer, although most are smaller, residential-style facilities. Americare Lodges is licensed for 10 residents, Pine Haven is licensed for six residents, Serenity Living Solutions is licensed for 20 residents, and Pleasant Pines is licensed for five residents but is currently closed.

There are three specialized projects in Walker, with two of these affiliated in the Edgewood May Creek project. Between the two facilities there are 20 units offering specialized memory care, and 29 units licensed for assisted living. Various levels of care can be offered in Edgewood May Creek, and some of the residents may be living largely independently.

Table 50 Cass Lake Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moderate Rent Tax Credit Housing					
Cass Lake Square Apartments 929 Grant Utley Ave NW	4 - 1 Bedroom 14 - 2 Bedroom <u>6 - 3 Bedroom</u> 24 Total Units	\$535-\$730 \$610-\$775 \$665-\$850 30% of income	3 vacant units 1 - 1 bdrm 1 - 2 bdrm 1 - 3 bdrm waiting list	General occupancy	USDA Rural Development and tax credit town house project constructed in 1998. Now in extended compliance for tax credits. Project-based rent assistance available for 23 units allowing rent based on 30% of income, but not more than market rents listed. Units have 748 sq ft, 995 sq ft and 1296 sq ft respectively. Manager reported 3 vacant units on date of survey - partly due to pandemic, but waiting list exists and will be used to fill units.
Subsidized Rental Housing					
Four Seasons Apartments	34 - 1 Bedroom <u>1 - 2 Bedroom</u> 35 Total Units	30% of income	Any open units filled from waiting list	General occupancy	HUD Public Housing project constructed in 1973. Originally designated for senior/disabled occupancy but later HUD rule change made it available for general occupancy. Tenants pay rent based on 30% of income. One unit open at time of survey but in process of being filled from 18-name waiting list.
Public Housing Scattered Sites	11 - 3 Bedroom <u>4 - 4 Bedroom</u> 15 Total Units	30% of income	No vacant units, waiting list	General occupancy	HUD Public Housing scattered site units. All tenants pay rent based on 30% of income. Manager reported full occupancy and waiting list
Section 8 Housing Choice Vouchers	2 households in Cass Lake	30% of income	N/A	N/A	Formerly the Section 8 Existing Program, HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. In late 2021 there were 2 household in the City participating in the Cass County program. Waiting list exists for Cass and Hubbard Counties.

Table 50 Cass Lake Multifamily Rental Housing Inventory					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Red Cedar Assisted Living Center 533 7 th St NW	<u>15 - Studio</u> 15 Total Units 15 resident capacity	N/A	11 unoccupied units	Assisted Living	Assisted living facility constructed in 2019 for Tribal elders. Studio units with private bathroom. Only 4 units occupied on date of survey.

Source: Community Partners Research, Inc.

Rental Housing Inventory: Federal Dam

Census Rental Inventory

At the time of the 2010 Census, the City of Federal Dam had 12 occupied rental units. The City had no unoccupied units, for a total rental housing inventory of 12 housing units in 2010. The City's rental tenure rate in 2010 was at 19.7%, compared to 80.3% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 10 renter-occupancy households living in Federal Dam and no vacant rental units in the City.

Based on the American Community Survey, Federal Dam lost two renter households and two rental housing units between 2010 and 2019. The rental tenure rate was estimated at 24.4% in 2019, up slightly from 2010.

No new multifamily rental development projects were completed in the past decade in Federal Dam. It is likely that the decrease in rental units was instead due to tenure conversion, as housing units that had been renter-occupied in 2010 had either been removed from the housing stock, or had switched to owner use by 2019.

Pending Projects

We are not aware of any rental projects in Federal Dam that are in the construction or planning phase.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in Cass County that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

There are no known multifamily rental projects within the City of Federal Dam.

Tenant-Based Rent Assistance Vouchers

Although very few renter households live in the City, renters in Federal Dam can access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There was one Voucher being used in Federal Dam. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Rental Housing Inventory: Longville

Census Rental Inventory

At the time of the 2010 Census, the City of Longville had 25 occupied rental units. The City had two unoccupied units, for a total rental housing inventory of 27 housing units. The City's rental tenure rate in 2010 was at 21.4%, compared to 78.6% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 19 renter-occupancy households living in Longville and four vacant rental units in the City, for a total rental inventory of 23 units.

Based on the American Community Survey, Longville lost six renter households and four rental housing units between 2010 and 2019. The rental tenure rate was estimated at 16.1% in 2019, down from 21.4% in 2010.

No new multifamily rental construction projects were completed in the past decade in Longville. However, a rental conversion project did advance when a former motel building was changed to rental apartments. This created 10 additional rental options in the City.

It is likely that the small reduction in the City's rental inventory was due to tenure conversion, as housing units that had been renter-occupied in 2010 were removed from the housing stock or had switched to owner-occupancy or seasonal use by 2019.

Pending Projects

We are not aware of any rental projects in Longville that are in the construction or planning phase.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021, with followup contact made in December. The survey attempted to contact multifamily rental projects in Cass County that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

Three multifamily rental projects were identified within the City of Longville and two of these projects were successfully contacted. Repeated attempts to contact the remaining property were not successful.

Market Rate Rental Summary

Information was obtained from two market rate rental projects in Longville with 14 apartment units.

Unit Mix

Liken's Apartments is a 4-plex and has one 1-bedroom and three 2-bedroom units.

Pine Apartments is a former motel that was later converted to rental use, and units are furnished. This building has seven studio units, 2 one-bedrooms and 1 two-bedroom apartment.

Occupancy/Vacancy

Both buildings reported full occupancy on the date of the survey, and that there are never any vacancies.

Rental Rates

Although most utilities are included in the rent, tenants in Liken's Apartments do pay for electricity. With the inclusion of tenant-paid utilities, the estimated gross rental rates are \$685 for a one-bedroom and \$750 for a two-bedroom.

In Pine Apartments, all utilities are included in the monthly rent, including internet and cable TV. Studio units rent for \$650. One-bedrooms for \$680, and the two-bedroom rent is \$975.

The American Community Survey contains an estimate of the median gross rent. However, no estimate was produced for Longville in 2019.

Subsidized Rental Summary

There are no federally subsidized rental housing projects in Longville. There was an 8-unit project, known as Aspen Apartments, that was subsidized through USDA Rural Development. However, this project has been converted to conventional market rate housing. The year of the conversion is not known.

Tenant-Based Rent Assistance Vouchers

Renters in Longville can access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There was one Voucher being used in Longville. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County's Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Table 51 Longville Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate Rental Housing					
Liken's Apartments	1 - 1 Bedroom 3 - 2 Bedroom 4 Total Units	\$650 \$700 +electric	No vacant units	Mix of tenants	Apartment building constructed in the 1970s. Rent includes heat, water, sewer and garbage, with tenant paying electric. Owner reported full occupancy and good demand.
Pine Apartments	7 - Studio 2 - 1 Bedroom 1 - 2 Bedroom 10 Total Units	\$650 \$680 \$975	No vacant units	Mix of tenants	Former motel that was converted to rental housing. All units have recently been refurbished. Rent includes all utilities including cable TV and internet, and units are furnished. No vacancies reported and a waiting list exists for occupancy.
Aspen Apartments 167 Aspen Ln	1 - 1 Bedroom 7 - 2 Bedroom 8 Total Units	N/A +heat, electric	N/A	N/A	Unable to contact in 2021 - information presented is from prior survey. Originally constructed as a USDA Rural Development subsidized project for senior/disabled occupancy in 1980 - this building was later converted to market rate housing. Rent includes water, sewer and garbage, with tenant paying heat and electric. One-bedrooms have 624 sq ft and 2-bedroom units have 780- sq ft; all units have 1 bathroom.
Subsidized Rental Housing					
Section 8 Housing Choice Vouchers	1 household in Longville	30% of income	N/A	N/A	Formerly the Section 8 Existing Program, HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. In late 2021 there was 1 household in the City participating in the Cass County program. Waiting list exists for Cass and Hubbard Counties.

Source: Community Partners Research, Inc.

Rental Housing Inventory: Remer

Census Rental Inventory

At the time of the 2010 Census, the City of Remer had 59 occupied rental units. The City also had four unoccupied units, for a total rental housing inventory of 63 units. The City's rental tenure rate was at 33.7% in 2010, compared to 66.3% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 72 renter-occupancy households living in Remer and no vacant rental units in the City. The rental tenure rate was estimated at 39.6% in 2019.

Based on the American Community Survey, Remer added 13 renter households and nine rental housing units between 2010 and 2019. As a result, the City's rental tenure rate increased while the home ownership rate decreased.

Between 2010 and 2020, no traditional multifamily rental development projects were constructed in Remer. There was a specialized senior housing project built in 2015, known as Serenity Living Solutions, but it appears that the Census recorded this as "group quarters" housing, similar to a nursing home, and not as independent rental housing.

With the assumption that Serenity Living Solutions did not account for the growth in the City's rental inventory, it is likely that the increase in rental units was instead due to tenure conversion, as housing units that had been owner-occupied in 2010 had switched to rental use by 2019.

Pending Projects

We are not aware of any rental projects in Remer that are in the construction or planning phase.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in the City that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

The telephone survey was successful in contacting nearly all of the multifamily projects that could be identified in Remer. Usable information was collected from:

- ▶ 0 conventional market rate units
- ▶ 12 subsidized units for general occupancy
- ▶ 19 subsidized units for senior/disabled tenant occupancy
- ▶ 32 sleeping rooms for seniors needing services with their housing

The 32 sleeping rooms offer very specialized housing and are not viewed as traditional rental housing. Excluding these rooms, the rental survey was able to obtain information from 31 rental housing units in Remer.

The findings of the survey are presented by market segment on the following pages.

Market Rate Rental Summary

There was only one conventional market rate multifamily rental project identified in Remer. However, repeated attempts to contact this property were not successful. It is believed that this small rental property contains four apartment units.

According to the American Community Survey, most of the conventional market rate housing in Remer exists in one or two family units, primarily rental houses, duplexes or mobile homes. This rental stock can vary greatly in age, condition, size and amenities. The survey did not contact one or two unit rental properties.

Occupancy/Vacancy

Although no specific occupancy information was obtained, the American Community Survey recorded no vacant rental units in Remer in 2019. Based on the rental surveys completed in other communities in Cass County, it is probable that good demand exists for conventional market rate rental housing in Remer.

Rental Rates

The American Community Survey contained an estimate of the median gross rent being charged in Remer in 2019. This placed the midpoint rent level at \$584 per month for all types of rental units in the City. It is important to note that many of the units in the City are in federally subsidized housing projects, and the moderate median rent level estimate may reflect these affordable units.

Subsidized Summary

Remer has two federally subsidized rental projects serving low and very low income households.

Cedar Street Complex is a 12-unit USDA Rural Development project that is designated as general occupancy housing. Northland Apartments is a 19-unit building that is subsidized through HUD and designated for senior/disabled tenant occupancy.

Unit Mix

▸ One-bedroom	19 units (61.3%)
▸ Two-bedroom	8 units (25.8%)
▸ Three-bedroom	<u>4 units</u> (12.9%)
Total	31 units

All of the apartments in Northland have only one bedroom, while all of the units in Cedar Street have two or more bedrooms.

Occupancy/Vacancy

At the time of the rental survey there was a high rate of occupancy was reported, and a waiting list existed at both projects. Any turnover units are filled from the waiting lists.

Rental Rates

All of the tenants in both Cedar Street and Northland Apartments have access to project-based rent subsidy allowing rent based on 30% of household income.

Subsidized Housing Gains/Loses

Most of the subsidized housing in Minnesota was constructed in the 1960s through 1990s, when the federal government was active in developing very affordable housing. Some of the projects had contracts or development agreements that required compliance for a specified number of years. In some communities, subsidized housing has been lost over time, as projects were able to convert to conventional market rate housing.

No projects in Remer have been converted to market rate housing. The Minnesota Housing Finance Agency maintains an “opt-out log” of subsidized projects that may be leaving their subsidy program. A review of this information did not show any projects in Cass County that are in the process of ending their subsidy contract.

Tenant-Based Rent Assistance Vouchers

In addition to the rental housing with project-based subsidies, renter households in Remer can also access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There were three Vouchers being used in Remer in late 2021. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

When the tenant-based Vouchers are combined with the project-based housing, there are as many as 34 households with access to some form of subsidized housing in Remer. This probably represents between 45% and 50% of all renter households in the City in 2021.

The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Senior Housing with Services

Specialized senior housing offering services is licensed by the State of Minnesota. The following projects in Remer were identified using the MN Department of Health website and were contacted as part of the telephone survey.

One of the assisted living projects listed on the State website, Pleasant Pines with a 5-resident capacity, was closed when contacted due to both demand and staffing issues.

Assisted Living

There are three licensed providers of assisted living in Remer that were operating at the time of the survey and all three were successfully contacted.

Serenity Living Solutions has 16 private and shared occupancy rooms with licensed capacity for 20 residents. Americare Lodges has 10 sleeping rooms and is licensed for 10 residents.

The third provider in Remer, Pine Haven, is a residential-style facility with six sleeping rooms and licensed capacity for six residents. While this facility can serve seniors, most residents are younger people with assisted living needs.

Each of these facilities reported two or more open rooms at the time of the survey. None of these providers maintained waiting lists. A number of factors may have contributed to the unused capacity, including the pandemic, staffing shortages and lack of demand.

Senior Housing Options in North Cass County

In addition to the specialized senior housing options in Remer there are also specialized senior housing options in Walker and Cass Lake.

There are no skilled nursing home options in this part of the County. The only nursing home in Cass County is Good Samaritan Pine River in Central Cass County. There are 33 licensed nursing home beds.

There is one project in Walker that serves people with memory care needs. Edgewood May Creek is licensed as an assisted living facility with dementia care. May Creek Cottages has 20 studio units for people with memory loss housing needs.

There are two licensed providers of assisted living in Walker. However, one of these, Hillcrest, could not be contacted. Hillcrest is licensed for 10 resident capacity in 2021. Edgewood May Creek is a companion facility to May Creek Cottages. Edgewood May Creek has 29 apartment-style units and is licensed for 29 resident capacity.

There is also a licensed assisted living facility in Cass Lake. Red Cedar is licensed for 15 residents but is only available for Tribal members. In the immediate Cass Lake area there are two Tribal housing options for elders that are not State-licensed as assisted living but do provide independent housing for seniors.

There are no identified providers of senior housing with light services in North Cass County. However, Edgewood May Creek in Walker does offer a range of care options, and it is probable that some residents in this facility are living largely independently.

Table 52 Remer Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate Rental Housing					
3 rd Ave NE, Birch St NE	4 Total Units	N/A	N/A	N/A	Unable to contact.
Subsidized Rental Housing					
Cedar Street Complex 11 Cedar St NW	8 - 2 Bedroom <u>4 - 3 Bedroom</u> 12 Total Units	\$815 \$931 30% of income	Any vacant units are filled from waiting list	General occupancy	USDA Rural Development and tax credit general occupancy apartment building constructed in 1993. Project-based rent assistance available for all units allowing rent based on 30% of income, but not more than market rents listed. Manager reported some unit turnover but new applicants were being processed from existing waiting list.
Northland Apartments 207 Cedar St NE	<u>19 - 1 Bedroom</u> 19 Total Units	30% of income	Any vacant units are filled from waiting list	Senior/ disabled tenant occupancy	HUD subsidized project for senior/disabled tenant occupancy constructed in 1978. All tenants pay rent based on 30% of income. A majority of current tenants are non-senior disabled, but also seniors in occupancy. Manager reported that 2 open units were in the process of being filled from short waiting list.
Section 8 Housing Choice Vouchers	3 households in Remer	30% of income	N/A	N/A	Formerly the Section 8 Existing Program, HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. In late 2021 there were 3 households in the City participating in the Cass County program. Waiting list exists for Cass and Hubbard Counties.

Table 52 Remer Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Americare Lodges 6870 Schultz Dr NE	10 sleeping rooms with 10 resident capacity	N/A	2 unoccupied rooms	Assisted living	Senior housing facility constructed in the 1990s. Licensed for assisted living with 10 resident capacity. Units are private sleeping rooms with bathroom. Two rooms unoccupied at time of survey and no waiting list.
Pine Haven 507 Pine St SE	6 sleeping rooms with 6 resident capacity	N/A	2 unoccupied rooms	Assisted living	Residential-style assisted living facility that is licensed for 6 residents. House was converted and residents have private sleeping room and bathroom with shared living spaces. While some residents may be seniors, this facility is primarily serving younger people needing services. Two rooms unoccupied at time of survey and no waiting list.
Pleasant Pines 507 Pine St SE	5 sleeping rooms with 5 resident capacity	N/A	Temporarily closed	Assisted living	Project is temporarily closed due to staffing and demand issues. Assisted living license with capacity for 5 residents.
Serenity Living Solutions 105 Spruce St NW	12 private 4 shared 16 total units with 20 resident capacity	N/A	5 open rooms	Assisted Living	Senior assisted living facility constructed in 2015. Facility has 12 private rooms with bathroom and kitchenette and 4 shared occupancy rooms for licensed capacity of 20 residents. Five rooms unoccupied at time of survey with 7 beds - attributed to lack of demand and not to pandemic.

Source: Community Partners Research, Inc.

Rental Housing Inventory: Walker

Census Inventory

At the time of the 2010 Census, Walker had 199 occupied rental units. There were also 22 unoccupied units counted for a total inventory of 221 rental units. The City's rental tenure rate for occupied units was relatively high at 44%, compared to 56% for home ownership.

The 2020 Census will not release new information about housing tenure until some time in 2022. However, tenure estimates do exist in the American Community Survey data for 2019. According to this source, there were 208 renter-occupancy households living in Walker and 13 vacant rental units in the City, for a total estimated inventory of 221 units. The rental tenure rate was estimated at 46.8% in 2019.

Based on the American Community Survey, Walker added nine renter households between 2010 and 2019. However, no rental units were added, and the growth in renter households was due to fewer vacant units in the City. As a result, the City's rental tenure rate increased slightly while the home ownership rate decreased.

Between 2010 and 2020, no new multifamily rental development projects were constructed in Walker. The last traditional rental housing development project in the City may be the Lakeview Terrace Townhomes project from the year 2000.

Pending Projects

We are aware of one rental project that is proposed in Walker. A developer has plans for a large-scale senior housing complex that could add more than 100 housing units serving a broad range of senior housing needs, from independent housing to assisted living and memory care. More specific details of this project were not available.

Rental Housing Survey

As part of this Housing Study, a telephone survey was conducted in October 2021. The survey attempted to contact multifamily rental projects in the City that contain four or more units. For purposes of new unit construction, it is assumed that most future development would be oriented toward multifamily projects with four or more units.

The telephone survey was successful in contacting nearly all of the multifamily projects that could be identified in Walker. Usable information was collected from:

- ▶ 4 conventional market rate units
- ▶ 18 income restricted/moderate rent tax credit units
- ▶ 52 subsidized units for general occupancy
- ▶ 30 subsidized units for senior/disabled tenant occupancy

The survey also contacted a specialized senior housing complex with apartment-style units offering assisted living and sleeping rooms for memory care use. However, it appears that the 2020 Census classified these units as “group quarters” housing and not as independent rental units.

Excluding the specialized senior housing, the telephone survey collected usable information from 104 rental units in Walker.

Market Rate Rental Summary

We were unable to identify any conventional market rate rental projects in Walker with more than four units. There is an owner-occupancy condominium project in the City with four units that are offered as rental housing. Some secondary information was collected from this condominium project, but the units are individually owned and unit-specific information was not available.

According to the American Community Survey, most of the conventional market rate housing in Walker exists in single family units, primarily rental houses. This rental stock can vary greatly in age, condition, size and amenities. The survey did not contact one unit rental properties.

Unit Mix

There were four units contacted, and all were two-bedroom condominiums.

Occupancy/Vacancy

On the date of the survey, all four units were occupied, with most residents being long-term tenants.

Rental Rates

The condominium association was contacted and indicated that four units are being rented by the private owners in 2021. These units are generally being rented at “below market” prices, as in many cases the condos have long-term tenants, with a personal connection to the owner.

The estimated contract rents were between \$600 and \$700, with tenants also paying utilities.

American Community Survey Rent Estimates

The American Community Survey includes an estimate of the median gross rental rates in 2019. For all rental housing in Walker, the estimated median rent was \$770.

The estimated median by bedrooms was as follows in 2019:

- ▶ 1 bedroom - \$440
- ▶ 2 bedroom - \$775
- ▶ 3 bedroom - \$959

Tax Credit Summary

The federal low income housing tax credit program was created in the late 1980s to provide an incentive to develop low/moderate income rental housing. Tax credit units do have income limits and other occupancy restrictions, and generally have an affordable rent structure.

Since the tax credit program was created there has been one tax credit project developed in Walker. Lakeview Terrace Townhomes was awarded tax credits in 2000, and 18 town house-style units were constructed.

Unit Mix

The unit mix in Lakeview Terrace is as follows:

- Two-bedroom - 12 units (66.7%)
- Three-bedroom - 6 units (33.3%)

Occupancy/Vacancy

At the time of the 2021 rental survey, a high rate of occupancy was reported in Lakeview Terrace. Any turnover units are filled from an existing waiting list.

Rental Rates

Tax credit units have maximum rent limitations, generally based on serving households at no more than 60% of the median income level. The estimated gross rents in Walker were as follows, with the 60% limits also provided.

<u>Unit Size</u>	<u>Estimated Gross Rent</u>	<u>Maximum Allowable Limit</u>
Two-bedroom	\$750	\$1,006
Three-bedroom	\$785	\$1,162

The rents being charged in Walker in 2021 were well below the limits set at 60% of median income. The rents in Lakeview Terrace were below the limits set for households at 45% of the median income level.

Subsidized Summary

Walker has three federally subsidized rental projects serving low and very low income households. One of these projects, Highland Apartments, is designated for senior/disabled tenant occupancy. The other two projects, Quam Court Apartments and Mayview Manor Apartments, are designated as general occupancy housing.

In total, Walker has 82 federally subsidized units, with 52 offered as general occupancy housing and 30 units designated as senior/disabled tenant occupancy. Subsidy sources are HUD and USDA Rural Development.

Unit Mix

The unit mix is as follows:

- One-bedroom - 71 units (86.6%)
- Two-bedroom - 11 units (13.4%)

Although most of the units in Walker are designated for general occupancy, the inventory largely contains one-bedroom apartment options. Quam Court was originally constructed for senior/disable tenants, but a later HUD rule change made this housing available for general occupancy.

Occupancy/Vacancy

There were two vacant units reported in Highland Apartments, but this project also had a waiting list and new applicants were being processed. The other projects may also have some short-term vacancies due to the certification requirements for new tenants, but all projects maintain waiting lists for occupancy.

Rental Rates

All of the subsidized projects in Walker have project-based rent assistance that allows for rent based on 30% of tenant household income, up to a maximum rent per unit.

Subsidized Housing Gains/Loses

Most of the subsidized housing in Minnesota was constructed in the 1960s through 1990s, when the federal government was active in developing very affordable housing. Some of the projects had contracts or development agreements that required compliance for a specified number of years. In some communities, subsidized housing has been lost over time, as projects were able

to convert to conventional market rate housing. No projects in Walker have been converted to market rate housing.

The Minnesota Housing Finance Agency maintains an “opt-out log” of subsidized projects that may be leaving their subsidy program. A review of this information did not show any projects in Cass County that are in the process of ending their subsidy contract.

Tenant-Based Rent Assistance Vouchers

In addition to the three rental developments with project-based subsidies, renter households in Walker can also access HUD Housing Choice Vouchers. Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional amounts.

The Voucher program in Cass County is administered by the Cass County Housing and Redevelopment Authority (HRA). The program is available in both Cass and Hubbard Counties.

When contacted in October 2021, there were 75 Vouchers issued in the two-county program. In Cass County there were 35 households with Vouchers. The Voucher program has the authority to issue more than 75 Vouchers, but is limited by the program budget.

There were four Vouchers being used in Walker in late 2021. Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month.

When the tenant-based Vouchers are combined with the project-based housing, there are as many as 86 households with access to some form of subsidized housing in Walker. This probably represents between 40% and 45% of all renter households in the City in 2021.

The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. The County’s Voucher program maintains a waiting list for assistance in 2021, although specific information on waiting list households was not obtained. Households on the waiting list may be currently living in Cass, Hubbard or other Counties.

Senior Housing with Services

Specialized senior housing offering services is licensed by the State of Minnesota. The following projects in Walker were identified using the Minnesota Department of Health website. All but one of the licensed projects was successfully contacted as part of the telephone survey.

Skilled Nursing Home

There are no skilled nursing home facilities in Walker.

Memory Care

There is one project in Walker that serves people with memory care needs. Edgewood May Creek is licensed as an assisted living facility with dementia care.

May Creek Cottages has 20 studio units for people with memory loss housing needs. Units are for private occupancy and have either a half or full bathroom. When contacted, this project reported full occupancy with a waiting list. County assistance programs are accepted for lower income seniors needing services.

Assisted Living

There are two licensed providers of assisted living in Walker. However, one of these, Hillcrest, could not be contacted. Hillcrest is licensed for 10 resident capacity in 2021.

Edgewood May Creek is a companion facility to May Creek Cottages. Edgewood May Creek has 29 apartment-style units and is licensed for 29 resident capacity. Units range from studio options to 2-bedroom units. Various care packages are offered, and some residents may be living more independently. But most residents receive higher levels of assisted living care.

When contacted, this facility had two vacant units. This was partly attributed to the Covid pandemic as some open units have tended to exist in the past few years.

Edgewood May Creek does accept County assistance programs for lower income seniors needing services, including Elderly Waiver.

Housing with Light Services

While Edgewood May Creek is licensed to provide assisted living, some residents may also be accessing lower levels of care. When contacted, most residents were receiving services, but care packages vary, and more independent seniors may also live in the building.

Senior Housing Options in Northern Cass County

Specialized senior housing options also exist in other communities in North Cass County.

There are no skilled nursing facilities in North Cass County. Good Samaritan Pine River, in Central Cass County, is the County's only skilled nursing home and is licensed for 33 residents.

There are multiple assisted living options in Remer, although most are smaller, residential-style facilities. Americare Lodges is licensed for 10 residents, Pine Haven is licensed for six residents, Serenity Living Solutions is licensed for 20 residents, and Pleasant Pines is licensed for five residents but is currently closed.

There is also a licensed assisted living facility in Cass Lake. Red Cedar is licensed for 15 residents but is only available for Tribal members.

There are no identified providers of senior housing with light services in North Cass County, other than Edgewood May Creek in Walker.

Table 53 Walker Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate Rental Housing					
Walker Park Estates	<u>4 - 2 Bedroom</u> 4 Total Units	\$600-\$700 +utilities	No vacant units	Mix of tenants	Condominium project constructed in the 1990s - 12 total units with 4 that are used as rental housing. Units are individually owned and only secondary information was obtained. Most units rent for \$700 or less plus utilities - many tenants are long-term or friend of the owner and rents do not reflect current market potential. Project is attempting to become senior-designated housing.
21 Apartments 6 th St S	N/A	N/A	N/A	N/A	Unable to contact.
Tax Credit Rental Housing					
Lakeview Terrace Townhomes Walker	12 - 2 Bedroom <u>6 - 3 Bedroom</u> 18 Total Units	\$710 \$735 +electric	Any vacant units are filled from waiting list	All units at 60% or less of median income	Tax credit project that was constructed in 2000 - entered extended compliance in 2015. All units serve households at or below 60% of median income. Rent includes cold water, sewer, garbage and heat, with tenant paying electric. Amenities include dishwasher, AC, in-unit laundry hookup and attached garage. Manager reported that any turnover units are filled from a waiting list.

Table 53 Walker Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized Rental Housing					
Highland Apartments 107 Highland Ave W	29 - 1 Bedroom <u>1 - 2 Bedroom</u> 30 Total Units	\$755 \$852 30% of income	2 vacant units	Senior/ disabled occupancy	HUD Section 8 project constructed in 1979. Designated for senior and/or disabled tenant occupancy. All tenants have access to rent assistance that allows rent based on 30% of income. Manager reported 2 open units on date of survey - only a short waiting list exists.
Mayview Manor Apartments	10 - 1 Bedroom <u>10 - 2 Bedroom</u> 20 Total Units	\$635 \$948 30% of income	Any vacant units are filled from waiting list	General occupancy	USDA Rural Development apartment project for general occupancy constructed in 1986. All tenants have access to rent assistance that allows rent based on 30% of income up to maximum rents listed. Manager reported that any turnover units are filled from a long waiting list.
Quam Court Apartments Walker	<u>32 - 1 Bedroom</u> 32 Total Units	\$50-\$400 30% of income	Any vacant units are in process of being filled	General occupancy	HUD Public Housing project constructed in 1968. Project was originally developed for senior/disabled occupancy, but now available for general occupancy. All tenants pay rent based on 30% of income but not less than basic or more than ceiling rents listed. Manager reported one open unit on date of survey but in the process of being filled - generally a high rate of occupancy.
Section 8 Housing Choice Vouchers	4 households in Walker	30% of income	N/A	N/A	Formerly the Section 8 Existing Program, HUD Housing Choice Vouchers provide tenant-based rent assistance that can be used in any suitable rental unit. Tenant rent contribution is based on 30% of income, with the assistance program paying additional subsidy. In late 2021 there were 4 households in the City participating in the Cass County program. Waiting list exists for Cass and Hubbard Counties.

Table 53 Walker Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
Edgewood May Creek 303 10 th St S	Studio 1 Bedroom 2 Bedroom 29 Total Units 49 resident capacity shared with memory care	N/A	2 vacant units	Assisted living	Assisted living project constructed in 1999, with a separate memory care wing. Various care packages offered depending on needs - while lighter services options exist most residents receive higher levels of care. Manager reported a few vacant units - partly due to covid there have been unoccupied units in recent years. County assistance programs for lower income seniors are accepted but use is capped.
May Creek Cottages Walker	20 - Studio 20 Total Units 49 resident capacity shared with assisted living	N/A	No vacant units, waiting list	Memory Care	Memory care project constructed in 2008, with a separate assisted living wing. Private studio units with full or half bathroom. Manager reported full occupancy with a waiting list. County assistance programs for lower income seniors are accepted but use is capped.
Hillcrest 607 2 nd St N	10 resident capacity	N/A	N/A	Assisted Living	Unable to contact.

Source: Community Partners Research, Inc.

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Employment and Economy

While many factors influence the need for housing, employment opportunities represent a predominant demand-generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Employment opportunities are provided by a broad range of private and public business sectors. Jobs are available in manufacturing, commercial services, agriculture, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

The following pages contain information on labor force, employment, wage and worker commuting patterns for Cass County.

Labor Force, Work Force and Unemployment

The Minnesota Department of Employment and Economic Development provides employment information at the County level. The following table looks at information for Cass County since 2010, with partial year information for 2021.

Table 54 Cass County Labor Force and Employment: 2010 - 2021*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	14,383	12,864	1,519	10.6%	7.4%	9.6%
2011	14,149	12,730	1,419	10.0%	6.5%	8.9%
2012	13,852	12,623	1,229	8.9%	5.6%	8.1%
2013	13,991	12,842	1,149	8.2%	5.0%	7.4%
2014	13,987	12,994	993	7.1%	4.2%	6.2%
2015	14,026	13,092	934	6.7%	3.8%	5.3%
2016	14,195	13,229	966	6.8%	3.9%	4.9%
2017	14,341	13,500	841	5.9%	3.4%	4.4%
2018	14,333	13,602	731	5.1%	3.0%	3.9%
2019	14,683	13,866	817	5.6%	3.2%	3.7%
2020	14,282	13,067	1,214	8.5%	6.2%	8.1%
2021*	13,454	12,657	797	5.9%	4.0%	5.8%

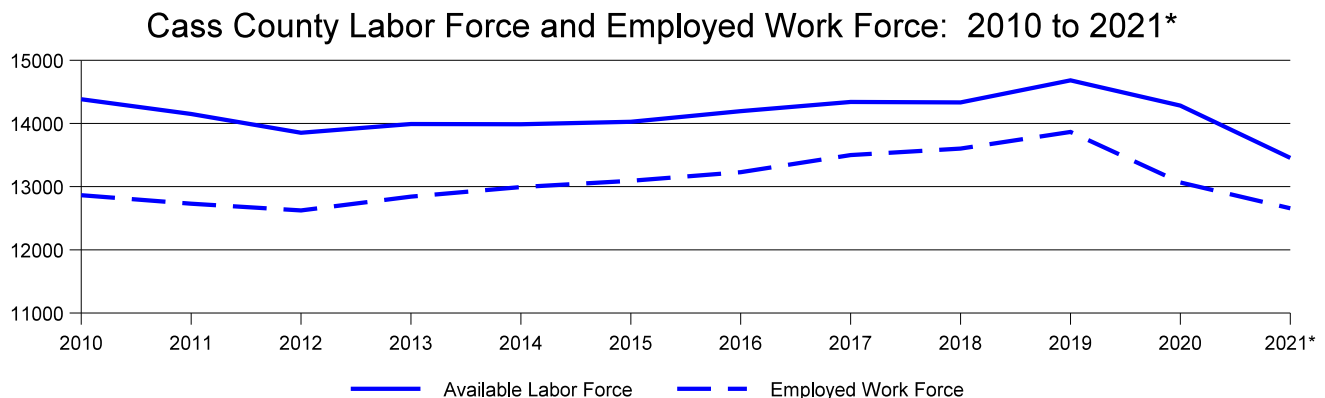
Source: MN Department of Employment and Economic Development

*2021 statistics are through September

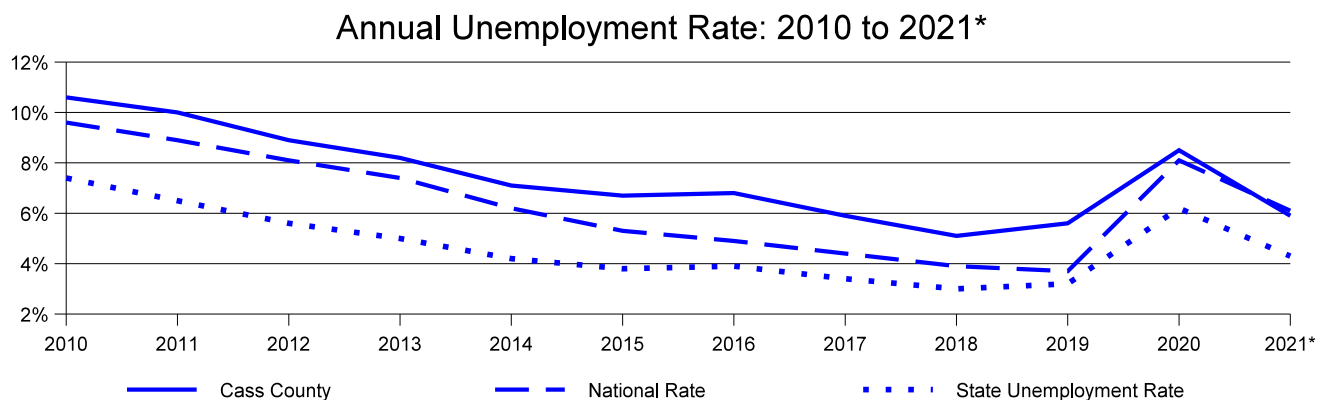
The labor force statistics provided above track people by place of residence, regardless of where they are employed. Since 2010, Cass County has experienced a somewhat cyclical pattern in the size of the resident labor force. After decreasing in size between 2010 and 2012, the County's labor force then began to grow and reached a peak level in 2019. However, this was then reversed, presumably due to the global health pandemic, and the County's labor force decreased after 2019.

If 2019 (pre-pandemic) is compared to 2010, the County's available labor force increased by 300 people, or 2.1%. The pandemic then reduced the labor force size in 2020, and partial-year statistics for 2021 show the labor force continuing to grow smaller.

The County's employed work force had generally experienced a similar pattern. The number of employed County residents reached a peak level in 2019, before decreasing in 2020, probably due to the impact of the pandemic. Year-to-date employment in 2021 was down further through September when compared to 2020.



Over the period of the 12 years reviewed (including partial year 2021) the County's unemployment rate had reached its lowest level in 2018, at 5.1%. Although it had then increased slightly, 2019 was still the second lowest year for unemployment. The pandemic in 2020 then increased the County's unemployment rate to 8.5%. Partial-year statistics for 2021 show the unemployment rate dropping again, but this is due in part to a reduction in the County's overall labor force, as fewer people were employed in 2021 than in 2020.



Throughout the time period reviewed, the unemployment rate in Cass County has been higher than the National rate, and well above the rate for the State.

Employment and Wages by Industry

The following table shows the annual employment and average wages for 2020, the last full year of data. The table provides information for all of Cass County. The previous table, which provides information on the County's labor force, represents the location of the worker by their home residence. The following table, represents the location of the job as tracked by unemployment insurance.

Table 55 Cass County Average Wages by Industry Detail - 2020		
Industry	Employment	Average Weekly Wage
Total All Industry	9,573	\$737
Natural Resources, Mining	54	\$773
Construction	534	\$1,136
Manufacturing	692	\$797
Trade, Transportation, Utilities	1,387	\$569
Information	92	\$487
Financial Activities	441	\$802
Professional and Business Services	351	\$959
Education and Health Services	2,028	\$821
Leisure and Hospitality	2,060	\$508
Other Services	194	\$365
Public Administration	1,737	\$859

Source: MN Department of Employment and Economic Development

There were 9,573 covered workers reported in Cass County in 2020. The average weekly wage in for all industry in 2020 was \$737. At full-time employment this yielded an annual average wage of \$38,324.

The highest paying wage sector was Construction, with an average weekly wage of \$1,136.

The County's largest employment sectors were Leisure and Hospitality, and Education and Health Services. Leisure and Hospitality paid a low average weekly wage of \$508. Education and Health Services was above the overall County average at \$821 per week.

Cass County Annual Covered Employment

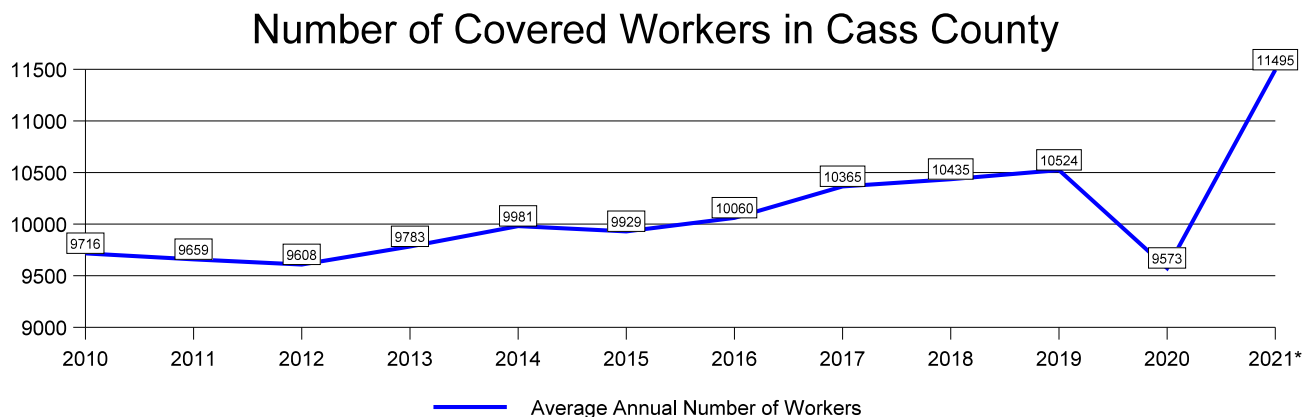
Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the job, it is possible to examine longer-term patterns in employment. The following table displays the total number of workers reported in the County back to the year 2010.

Table 56 Cass County Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	9,716	2016	10,060
2011	9,659	2017	10,365
2012	9,608	2018	10,435
2013	9,783	2019	10,524
2014	9,981	2020	9,573
2015	9,929	2021*	11,495

Source: QCEW - MN Department of Employment and Economic Development

*2021 is through June

When viewed over a longer time period, back to the year 2010, there had been a gradual increase in the number of jobs in Cass County through the year 2019. This then reversed in 2020, presumably due to the pandemic. Between 2010 and 2019, the covered employment level in the County had increased by 808 jobs. Partial-year information for 2021 points to significant reported job growth, but this may change when the full year data become available.



Commuting Patterns of Area Workers

Information on commuting patterns is from the American Community Survey and has been examined for the County. The first table looks at travel time for County residents, excluding people that work at home.

Table 57 Commuting Times for Cass County Residents - 2019		
Travel Time	Number	Percent
Less than 10 minutes	2,458	21.4%
10 to 19 minutes	3,280	28.6%
20 to 29 minutes	2,436	21.2%
30 minutes +	3,301	28.8%
Total	11,475	100%

Source: American Community Survey

Just over half of the County's residents were commuting 20 minutes or more to work in 2019, with nearly 29% traveling 30 minutes or more. Fewer than 22% of all employed County residents worked close to their home and had a drive time of less than 10 minutes.

Travel times are also listed by location of employment. The following travel times were identified for people that worked in Cass County.

Table 58 Commuting Times for Cass County-based Employees - 2019		
Travel Time	Number	Percent
Less than 10 minutes	2,420	24.7%
10 to 19 minutes	2,955	30.1%
20 to 29 minutes	1,941	19.8%
30 minutes+	2,496	25.4%
Total	9,812	100%

Source: American Community Survey

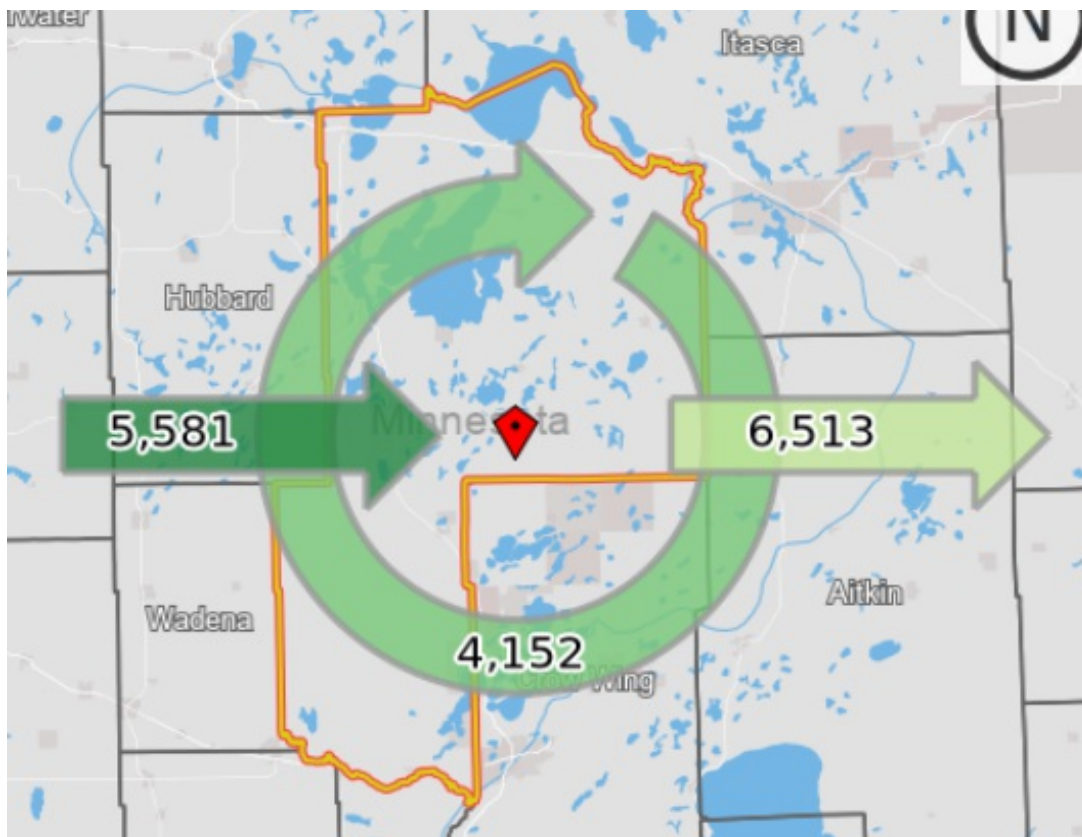
Most people that worked at a job based in Cass County were traveling less than 20 minutes in 2019. Overall, nearly 55% of the jobs were filled by people traveling 19 minutes or less, including the people that both live and work within the County. However, more than 4,400 people were commuting in from greater distances, with a travel time of 30 minutes or more.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on data for the year 2018, but provides a further breakdown of worker movement patterns.

According to the report for Cass County, there were 9,733 people that were employed within Cass County in 2018. Approximately 43% of these County-based employees also lived within Cass County, with nearly 5,600 employees commuting in from outside the County limits. The primary identified jurisdictions supplying workers to the City were Bemidji, Brainerd and Bowstring Lake UT in Itasca County.

Many Cass County residents left the County to work elsewhere. In 2018, more than 6,500 of the County's employed residents worked outside the community. The primary locations listed for outbound commuters were Brainerd, Bemidji, Nisswa and Pequot Lakes.



Bena

Key Statistics: Bena	
Demographic	
Population 2020:	143 people
Households 2020:	47 households
Household Size 2020:	3.04 persons per household
Population Trend:	Up by 27 people from 2010 to 2020
Household Trend:	Up by 4 households from 2010 to 2020
Household Projection:	2 to 3 households between 2020 and 2026
Income	
Median Household Income:	\$16,250 in 2019
Median Family Income:	No estimate in 2019
Housing	
Home Ownership Rate 2019:	52.0% home owners
Rental Rate 2019:	48.0% renters
Median Home Value:	\$56,000 based on American Community Survey
New Construction:	No single family housing starts from 2010 to 2020
Housing Condition	
Condition Rating: (Entire City)	Sound - 9 homes Minor Rehab - 23 homes Major Rehab - 10 homes Dilapidated - 4 homes
Median Year Built - Owner:	1980
Median Year Built - Rental:	1991

Summary of Growth Trends

Based on the 2020 Census, the City of Bena has been adding some population and households in recent years. Between 2010 and 2020, Bena added only four permanent resident households but added 27 people. The City's average household size increased during the decade and was very large at 3.04 persons in 2020.

The pattern established over recent decades is a change from longer-term patterns as the City had been gradually losing households in the 1990s and from 2000 to 2010. Despite some modest increase in households after 2010, Bena still had fewer households in 2020 than had been counted in the 1990 Census. The City's population in 2020 was also slightly smaller than in 1990.

There is no available information to indicate that any new houses have been constructed in Bena since 2010. The City does not report annual construction to the Census Bureau. City representatives did indicate that two mobile homes were moved into the community.

For this Housing Study, Bena has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, despite some household growth in Bena.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Bena, minor household growth did occur in the most recent decade, but longer-term, the City has been gradually losing households. A recent trend-based projection would yield the expectation that the City will add a total of between two and three additional households by the year 2026.

It is certainly possible for Bena to exceed this projection, but it would probably require future housing unit creation. Bena had only two vacant housing units counted in the 2020 Census. For any significant household growth in the future the City would need to have some expansion of the housing stock.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Bena - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the Community's local housing stock.

- ▶ **Affordable priced housing stock** - The City of Bena has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on the 2019 American Community survey is approximately \$56,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Available lots** - There appears to be infill lots available for development, although some of these lots may not be actively for sale.
- ▶ **Close Proximity to Bemidji and Cass Lake** - Bena is approximately 37 miles from Bemidji and 19 miles from Cass Lake, which have retail/commercial options, educational facilities, medical facilities, employment, recreational opportunities, etc.
- ▶ **Recreational opportunities** - The Bena area provides recreational opportunities including lakes, forests, boating, hunting, hiking, fishing, snowmobiling, etc.
- ▶ **Small town atmosphere** - Bena has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), Cass County Economic Development Corporation and the Region Five Development Corporation** - The City has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.

- **Population and household growth** - Bena's population and number of households are projected to increase over the next five years.
- **Leech Lake Band of Ojibwe** - The City of Bena is located on the Leech Lake Reservation, which may provide Tribal housing financing opportunities for new construction.
- **Highway #2** - Bena is located on Highway #2, which provides efficient access to and from Bena.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Bena.

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes for Bena and North Cass County are lower than the Statewide medians. While income levels match up well with prices for existing ownership and rental housing in the City, they are not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some jobs in the North Cass County are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Value gap deters new owner-occupied construction** - Based on 2019 American Community Survey data, we estimate that the median priced home in Bena is valued at approximately \$56,000. This is well below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for new housing construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Commercial/Retail Options** - Bena does not have a commercial district to meet daily needs.
- ▶ **Lack of new housing construction** - New housing construction has not occurred over the past decade.
- ▶ **Infrastructure** - Bena does not have municipal water and sewer systems.
- ▶ **Educational facilities** - Bena does not have a public school.
- ▶ **Medical facilities** - Bena does not have medical facilities.

Bena's - Recommendations and Opportunities

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Bena. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - Bena's housing needs will more likely be addressed if there is proactive support from the City, as well as local and regional housing and economic development agencies.
- ▶ **Protect the existing housing stock** - The future of Bena will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - The City of Bena has other resources to draw on including the Cass County HRA, the Region Five Development Commission, BI-CAP and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Bena have been formulated through the analysis of the information provided in the previous sections and include a total of eight recommendations divided into the following five categories:

- **Rental Housing Development**
- **Home Ownership**
- **Single Family New Construction**
- **Housing Rehabilitation**
- **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Bena	
Rental Housing Development	
1.	No demand for the construction of additional rental units
2.	Promote the conversion of one to two seasonal homes to affordable permanent rental homes
3.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
4.	Utilize and promote all programs that assist with home ownership
New Construction	
5.	New housing construction
Housing Rehabilitation	
6.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
7.	Acquire and demolish dilapidated structures
8.	Create a plan and continue coordination among housing agencies

Bena - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities. From 2010 to 2021, based on City data, no rental units have been constructed in Bena.

Demand for new rental housing is typically generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

Community Partner’s Research, Inc., household projections expect a gain of two to three households in Bena from 2020 to 2026. Therefore, we are projecting a limited demand of two rental units in Bena due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Bena will lose two to four rental units over the next five years. In some cases, unit replacement is necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock.

Based on our research, we have identified very limited pent-up demand for rental units in Bena.

1. No demand for the construction of additional rental housing units

Findings: The City of Bena is a very small community that does not have the infrastructure to support a rental housing project. The City does not have municipal water and sewer systems, commercial/retail/medical or other services.

Recommendation: We are not recommending the construction of any type of rental units in the City of Bena, including market rate, subsidized, senior or senior with services.

However, the Leech Lake Band of Ojibwe constructs rental units annually and may choose to construct rental homes on Bena residential lots.

2. Promote the conversion of one to two seasonal or vacant homes to affordable permanent rental homes

Findings: There are several seasonal and vacant homes in the City of Bena. These are homes that aren't occupied year round, but are utilized as vacation homes, or are vacated.

Typically, these homes have converted from permanent occupancy to seasonal use, as houses in Bena are very affordable and they are purchased for seasonal use. Some homes may have been inherited by family members who have chosen to keep the units for seasonal use. In other cases, the homes may have been vacated due to condition.

Recommendation: We recommend the conversion of one to two seasonal or vacant homes to permanent rental occupancy over the next five years. Although seasonal homes bring people to the community, it would be advantageous to have more permanent households.

We recommend that the City of Bena monitor the status of the ownership of seasonal and vacant homes and when seasonal and vacant homes become available, they are evaluated to determine if they are suitable for permanent residency.

3. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Bena and Cass County is administered by the Cass County HRA. Currently, the HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. There is a waiting list for the Voucher program.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Bena and Cass County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Bena and Cass County to assure that City and County households have access to and are aware of the Program.

Bena - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Bena is estimated to be \$56,000 based on the 2019 American Community Survey. With approximately 50% of the homes in Bena valued less than \$56,000, Bena has opportunities for first time home buyers and households seeking moderately priced homes.

While many of the households already own their housing, households in Bena that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

4. Utilize and promote all programs that assist with home ownership

Findings: Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Bena. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at \$56,000, there are lower valued houses in the community that appeal to first time buyers.

Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Bena and area financial institutions should utilize all available assistance programs to promote home ownership. The City should work with the Cass County HRA, the Leech Lake Band of Ojibwe and BI-CAP to assure that their residents and households moving into the City have access to programs that provide financial assistance for home ownership. Area financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Small Cities Development Program.

Bena - New Housing Construction

New Housing Construction

5. New Housing Construction

Findings: Bena has experienced no single family owner-occupied housing construction from 2010 to 2021. Bena's number of households is projected to increase by two to three households from 2021 to 2026. According to the 2020 U.S. Census, there are 47 households in Bena, which is a gain of four households from 2010 to 2020.

Bena is not conducive to housing construction as it does not have municipal water and sewer systems and it does not have commercial/retail, medical and other services. However, Bena is located 19 miles from Cass Lake, and 37 miles from Bemidji, which do have retail/commercial, medical, and employment options to meet daily needs.

Bena does have considerable open space and lots, which could accommodate new housing construction. We do not know the status and availability of these parcels and lots.

Recommendation: It is our opinion that one to two owner-occupied homes could be constructed or moved into Bena over the next five years. It is probable that these homes would be manufactured or modular homes.

We recommend that the City of Bena inventory all of the vacant lots and parcels in Bena to determine their availability, their sales price and if they are buildable sites. This would provide readily available information for potential buyers.

If City owned property is available, we recommend that the land be sold at a very low price, with the stipulation that a new house is constructed or moved onto the property.

Bena - Housing Rehabilitation

Housing Rehabilitation

6. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Bena will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 50% of the owner-occupied homes in Bena are more than 40 years old and some of these homes need minor or major repairs. Our 2021 housing condition survey rated 46 houses in the City of Bena. Our survey found 23 homes that need minor repair and 10 homes that need major repair.

The Cass County HRA and BI-CAP administer housing rehabilitation programs in Bena and Cass County. Housing rehabilitation programs include Minnesota Housing Programs, the SCDP Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Bena utilize available funding sources to rehabilitate homes in Bena. USDA Rural Development, the Minnesota Housing, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources.

Several years ago, the Cass County HRA administered an SCDP housing rehabilitation program in Bena in coordination with Federal Dam and Boy River.

Bena - Other Housing Initiatives

Other Housing Initiatives

7. Acquire and demolish dilapidated structures

Findings: The housing condition survey in Bena identified four houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified 10 homes as needing major repair and these homes may be too dilapidated to rehabilitate. We also identified five mobile homes in Bena that are dilapidated and beyond repair and five mobile homes that need major rehabilitation. The City of Bena has worked with property owners in the past to demolish dilapidated structures and to remove dilapidated mobile homes.

Recommendation: We recommend that the City of Bena work with property owners to demolish and clear severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for the construction of new affordable housing.

Also, we recommend that the City maintain an inventory of structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

8. Create a plan and continue coordination among housing agencies

Findings: The City of Bena needs resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Cass County HRA, the Leech Lake Band of Ojibwe, BI-CAP and the Cass County Economic Development Corporation. The City also has access to the Minnesota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Bena is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive. Several years ago, the Cass County HRA obtained SCDP funds for Bena, Federal Dam and Boy River.

Boy River

Key Statistics: Boy River	
Demographic	
Population 2020:	26 people
Households 2020:	16 households
Household Size 2020:	1.63 persons per household
Population Trend:	Down by 21 people from 2010 to 2020
Household Trend:	Down by 5 households from 2010 to 2020
Household Projection:	-2 households between 2020 and 2026
Income	
Median Household Income:	No estimate in 2019
Median Family Income:	No estimate in 2019
Housing	
Home Ownership Rate 2019:	100% home owners
Rental Rate 2020:	0% renters
Median Home Value:	\$81,700 based on American Community Survey
New Construction:	No single family housing starts from 2010 to 2020
Housing Condition	
Condition Rating:	Sound - 4 homes
(Entire City)	Minor Rehab - 4 homes
	Major Rehab - 7 homes
	Dilapidated - 8 homes
Median Year Built - Owner:	1955
Median Year Built - Rental:	N/A

Summary of Growth Trends

Based on the 2020 Census, the City of Boy River had a significant loss of population and households in recent years. Between 2010 and 2020, Boy River had a reduction of five permanent resident households and lost 21 people, for a population decrease of nearly 45%. The City's average household size was very small in 2020 at only 1.63 persons.

As a very small community, Boy River has experienced both upward and downward movement in the number of households in recent decades. But when viewed over a longer term, the City has remained relatively stable with 16 permanent resident households in 2020 compared to 19 households in 1990. However, the City's population loss has been more significant, with only 26 residents in 2020 compared to 43 permanent residents in 1990.

There is no available information to indicate that any new houses have been constructed in Boy River since 2010. The City does not report annual construction to the Census Bureau.

For this Housing Study, Boy River has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, including the household loss in Boy River.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Boy River, household losses did occur in the most recent decade, but longer-term, the City has lost only three households over the past 30 years. A recent trend-based projection would yield the expectation that the City will remain relatively stable, but a reduction of two households is possible by the year 2026.

It is also possible that Boy River will not lose any additional households, and that some limited growth could occur. However, any growth would probably require future housing unit creation. Boy River had only six vacant housing units counted in the 2020 Census. For any significant household growth in the future the City would need to have some expansion of the housing stock.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Boy River - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the Community's local housing stock.

- ▶ **Affordable priced housing stock** - The City of Boy River has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on the 2019 American Community survey is approximately \$81,700. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Available lots** - There appear to be in-fill lots available for development, although the majority of these lots are not actively for sale.
- ▶ **Recreational opportunities** - The Boy River area provides recreational opportunities including lakes, forests, boating, hunting, hiking, fishing, snowmobiling, canoeing, etc.
- ▶ **Small town atmosphere** - Boy River has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), the Cass County Economic Development Corporation and the Region Five Development Commission** - The City has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Boy River.

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower paying jobs** - Some jobs in the Boy River area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Distance from a major regional center** - Many households desire to be near a regional center because of the many amenities and jobs it can offer its residents. Boy River is approximately 51 miles from Bemidji, 33 miles from Grand Rapids and 74 miles from Brainerd. Some households consider it too far for commuting on a regular basis.
- ▶ **Value gap deters new owner-occupied construction** - Based on the 2019 American Community Survey, the estimated median home in Boy River is valued at approximately \$81,700. This is well below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for new housing construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Commercial/Retail Options** - Boy River does not have a commercial district to meet daily needs.
- ▶ **Lack of new housing construction** - New housing construction has not occurred over the past many years.
- ▶ **Educational facilities** - Boy River does not have a public school.
- ▶ **Population and household losses** - The City of Boy River is projected to lose population and households from 2020 to 2026.
- ▶ **Medical facilities** - Boy River does not have a clinic, hospital or senior housing with services options.
- ▶ **Infrastructure** - Boy River does not have municipal water and sewer systems.

Boy River's - Recommendations and Opportunities

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Boy River. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - Boy River's housing needs will more likely be addressed if there is proactive support from the City, as well as local and regional housing and economic development agencies.
- ▶ **Protect the existing housing stock** - The future of Boy River will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is an asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - The City of Boy River has resources to draw on including the Cass County HRA, the Cass County Economic Development Corporation, BI-CAP, the Region Five Development Commission and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Boy River have been formulated through the analysis of the information provided in the previous sections and include a total of eight recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Boy River	
Rental Housing Development	
1.	No demand for the construction of additional rental units
2.	Promote the conversion of one to two seasonal/vacant homes to affordable permanent rental homes
3.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
4.	Utilize and promote all programs that assist with home ownership
New Construction	
5.	New housing construction
Housing Rehabilitation	
6.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
7.	Acquire and demolish dilapidated structures
8.	Create a plan and continue coordination among housing agencies

Boy River - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities. From 2010 to 2021, based on City data, no rental units have been constructed in Boy River.

Demand for new rental housing is typically generated from three factors:

- Growth from new households
- Replacement of lost units
- Pent-up demand from existing households

Community Partners Research, Inc., household projections expect a loss of two households in Boy River from 2021 to 2026. Therefore, we are projecting no demand for rental housing in Boy River due to household growth over the next five years.

Boy River is not expected to lose rental units over the next five years because Boy River’s rental inventory is very limited. In some cases, unit replacement is necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock. Also, some single family homes that converted to rentals during the recession will convert back to owner-occupied homes. It is estimated that Boy River’s rental housing stock consists of only a few rental single family homes at any given time. Some of the homes being rented may change over the next five years, however, we are projecting that the inventory will remain relatively stable.

Based on our research, we have identified no pent-up demand for rental units in Boy River.

1. No demand for the construction of additional rental housing units

Findings: The City of Boy River is a very small community that does not have the infrastructure to support a rental housing project. The City does not have municipal water and sewer systems, commercial/retail, medical and other services.

Recommendation: We are not recommending the construction of any type of rental units in the City of Boy River including market rate, subsidized, senior or senior with services.

2. Promote the conversion of one to two seasonal/vacant homes to affordable permanent rental homes

Findings: There are a seasonal vacant and/or seasonal homes in the City of Boy River. The vacant homes are unoccupied and the seasonal homes are not occupied year round, but are utilized as vacation homes.

Typically, these homes have converted from permanent occupancy to seasonal-use or have been vacated. Most of these homes are very affordable.

Recommendation: We recommend the conversion of one to two seasonal or vacant homes to permanent rental occupancy over the next five years. Although seasonal homes bring people to the community, it would be advantageous to have more permanent households.

We recommend that the City of Boy River monitor the status of the ownership of seasonal and vacant homes and when seasonal or vacant homes become available, they are evaluated to determine if they are suitable for permanent residency.

3. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Boy River and Cass County is administered by the Cass County HRA. Currently, the HRA has funding for 75 Vouchers in Cass and Hubbard Counties. There is a waiting list for the Voucher program.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Boy River and Cass County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should publicize the Housing Choice Voucher Program in Boy River and Cass County to assure that City and County households have access to and are aware of the Program.

Boy River - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Boy River is estimated to be \$81,700 based on the 2019 American Community Survey. With approximately 50% of the homes in Boy River valued less than \$81,700, Boy River has opportunities for first time home buyers and households seeking moderately priced homes.

While many of the households already own their housing, households in Boy River that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

4. Utilize and promote all programs that assist with home ownership

Findings: Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Boy River. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at \$81,700, there are lower valued houses in the community that appeal to first time buyers.

Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Boy River, area financial institutions, the Cass County HRA and BI-CAP should utilize all available assistance programs to promote home ownership. The City should work with the Cass County HRA and BI-CAP to assure that their residents and households moving into the City have access to programs that provide financial assistance for home ownership. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Small Cities Development Program.

Boy River - New Housing Construction

New Housing Construction

5. New Housing Construction

Findings: Boy River has experienced no single family owner-occupied housing construction from 2010 to 2021. Boy River's number of households is projected to decrease from 2021 to 2026. According to the 2020 U.S. Census, there are 26 households in Boy River, which is a loss of five households since 2010.

Boy River is not conducive to housing construction as it does not have municipal water and sewer systems and it does not have commercial/retail/medical and other services.

Boy River does have considerable open space and lots, which could accommodate new housing construction or new housing moved into the city. We do not know the status and availability of these parcels and lots.

Recommendation: It is our opinion that one to two owner-occupied homes could be constructed or moved into Boy River over the next five years. It is probable that these homes would be manufactured or modular homes.

We recommend that the City of Boy River inventory all of the vacant lots and parcels in Boy River to determine their availability, their sales price and if they are buildable sites. This would provide readily available information for potential buyers.

If City owned property is available, we recommend that the land be sold at a very low price, with the stipulation that a new house is constructed or moved onto the property.

Boy River - Housing Rehabilitation

Housing Rehabilitation

6. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Boy River will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

More than half of the owner-occupied homes in Boy River are more than 60 years old and some of these homes need minor or major repairs. Our 2021 housing condition survey rated 23 houses in the City of Boy River. Our survey found four homes that need minor repair and seven homes that need major repair.

The Cass County HRA and BI-CAP administer housing rehabilitation programs in Boy River and Cass County. Housing rehabilitation programs include Minnesota Housing Programs, the SCDP Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Boy River utilize available funding sources to rehabilitate homes in Boy River. USDA Rural Development, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources.

Several years ago, the Cass County HRA administered a SCDP housing rehabilitation program in Boy River in coordination with Federal Dam and Bena.

Boy River - Other Housing Initiatives

Other Housing Initiatives

7. Acquire and demolish dilapidated structures

Findings: The housing condition survey in Boy River identified eight houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified seven homes as needing major repair and these homes may be too dilapidated to rehabilitate. The City of Boy River has worked with property owners in the past to demolish dilapidated structures.

Recommendation: We recommend that the City of Boy River work with property owners to demolish and clear severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for new affordable housing.

Also, we recommend that the City maintain an inventory of structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

8. Create a plan and continue coordination among housing agencies

Findings: The City of Boy River needs resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Cass County HRA, BI-CAP and the Cass County Development Corporation. The City also has access to the Minnesota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Boy River is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive. Several years ago, the Cass County HRA obtained SCDP funds for Boy River, Federal Dam and Bena to rehabilitate homes.

Cass Lake

Key Statistics: Cass Lake	
Demographic	
Population 2020:	675 people
Households 2020:	248 households
Household Size 2020:	2.71 persons per household
Population Trend:	Down by 95 people from 2010 to 2020
Household Trend:	Down by 57 households from 2010 to 2020
Household Projection:	Loss of 28 households between 2020 and 2026
Income	
Median Household Income:	\$22,422 in 2019
Median Family Income:	\$34,833 in 2019
Housing	
Home Ownership Rate 2019:	43.5% home owners
Rental Rate 2020:	56.5% renters
Median Home Value:	\$46,400 based on American Community Survey
New Construction:	11 housing unit starts from 2010 to 2021
Housing Condition	
Condition Rating: (Entire City)	Sound - 41 homes Minor Rehab - 76 homes Major Rehab - 64 homes Dilapidated - 21 homes
Median Year Built - Owner:	1953
Median Year Built - Rental	1979

Summary of Growth Trends

Based on the 2020 Census, Cass Lake experienced a significant loss of both population and households in recent years. Between 2010 and 2020, Cass Lake's population decreased by 95 people, and the City lost 57 households. The reasons for this loss of residents are not known.

The Leech Lake Band of Ojibwe has continued to construct new housing options for Tribal members. Some of this new housing is near Cass Lake but outside of the City limits. It is possible that some of the household loss since 2010 was due to movement from the City to newer housing options on Tribal land.

Longer-term patterns for household change show a consistent pattern of fewer households in the City over the past 30 years. However, the rate of loss since 2010 is significantly greater than in prior decades. If 2020 is compared to 1990, the City had 117 fewer permanent resident households.

Five new housing units can be identified from annual construction reports since 2010. Six additional units are under construction in 2022.

Cass Lake did have some vacant housing in 2020, but this may have included some units that were used as seasonal/recreational housing. Going forward, any significant gain of permanent resident households will probably be linked to an expansion of housing availability in the community.

For this Housing Study, Cass Lake has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, due in part to the losses in Cass Lake.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Cass Lake, a long-term pattern of household loss has been present over the past three decades. A recent trend-based projection would yield the expectation that the City will potentially see a reduction of 28 households by 2026, or an annual average loss of between four and five households per year.

It is certainly possible for Cass Lake to reverse past patterns. A more stable household count through the year 2026 is achievable, although an actual increase in the number of households appears unlikely.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the City of Cass Lake's local housing stock.

- ▶ **Cass Lake serves the area** - Cass Lake provides employment opportunities, retail/service options, governmental services, medical facilities and recreational opportunities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City has a stock of affordable, existing houses. According to 2019 American Community Survey data, the City of Cass Lake's median home value is approximately \$46,400. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Infrastructure** - The City's water and sewer infrastructure can accommodate future expansion.
- ▶ **Recreational opportunities** - The Cass Lake area provides recreational opportunities including lakes, casinos, forests, trails, boating, hunting, hiking, camping, snowmobiling, fishing, canoeing, etc.
- ▶ **Small town atmosphere** - Cass Lake has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), the Leech Lake Band of Ojibwe, the Cass County Economic Development Corporation and the Region Five Development Commission** - Cass Lake has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **Cass Lake Housing and Redevelopment Authority (HRA)** - The Cass Lake HRA provides housing for low and moderate income households.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.

- ▶ **Leech Lake Band of Ojibwe Housing Authority** - The Housing Authority develops affordable homes for Native American families on the Leech Lake Reservation.
- ▶ **Highways #2 and #371** - Cass Lake is located on Highways #2 and #371, which provide efficient access to and from the City.
- ▶ **Cass Lake is located near Brainerd** - Cass Lake is located 18 miles from Bemidji, which is a regional center. The Bemidji area provides employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Regional growth potential** - The area defined as North Cass County has been adding households in recent decades. Growth projections indicate that the townships in the central portion of the County will continue to grow over the next five years.
- ▶ **Rental housing projects** - Several rental housing projects are located in Cass Lake, including subsidized and tax credit projects.
- ▶ **Commercial Development** - Cass Lake's commercial district is adequate to meet most daily needs.
- ▶ **Employers** - Cass Lake has several significant employers that provide jobs for area residents.
- ▶ **Educational Facility** - Cass Lake has a preschool through grade 12 public school.
- ▶ **Recent new home construction** - Six new homes are under construction in Cass Lake in 2021.
- ▶ **Medical facilities** - Cass Lake residents have access to medical facilities in Cass Lake.

Barriers or Limitation to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Cass Lake.

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes for Cass Lake and Cass County are lower than the Statewide medians. While this income level matches up well with prices for existing ownership and rental housing in the City, it is not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some jobs in Cass Lake and the area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Value gap deters new owner-occupied construction** - According to recent home sales the City's median home value is \$46,400. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick-built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owners are willing to accept a potential loss on their investments.
- ▶ **Competition from surrounding rural areas and lakes** - Nearly all of the past household growth and housing construction activity in North Cass County has been located in the rural townships. This includes lake shore locations and other rural settings. The incorporated cities in the County have been less successful in attracting households and new home construction.
- ▶ **Staff capacity limitations** - Although the City has access to several housing and economic development agencies, it is difficult to develop and implement housing initiatives with limited resources.
- ▶ **Lack of available lots** - The supply of available buildable residential lots is limited in Cass Lake.
- ▶ **Household losses** - The number of households in Cass Lake has decreased over the past several decades.

Cass Lake - Recommendations and Opportunities

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Cass Lake. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Cass Lake if there is continued proactive support from the City of Cass Lake; local and regional housing agencies; economic development agencies and the Minnesota Housing Finance Agency.
- ▶ **Protect the existing housing stock** - The future of Cass Lake will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is a major asset, however, rehabilitation efforts are needed to preserve this housing.
- ▶ **Protect the existing assets and resources** - Cass Lake has several assets including an affordable housing stock, recreational opportunities, commercial businesses, employers, medical facilities, preschool through grade 12 public schools, etc. These assets make Cass Lake a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the Cass County HRA, BI-CAP, the Cass County Economic Development Corporation, the Region Five Development Commission, the Minnesota Housing Finance Agency and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Cass Lake have been formulated through the analysis of the information provided in the previous sections and include a total of 18 recommendations divided into the following five categories:

- **Rental Housing Development**
- **Home Ownership**
- **Single Family New Construction**
- **Housing Rehabilitation**
- **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Cass Lake	
Rental Housing Development	
1.	Develop 8 to 10 general occupancy market rate rental units
2.	Promote the development/conversion of four to six affordable market rate rental housing units
3.	Develop 10 to 12 additional subsidized/moderate rent housing units
4.	Consider the development of 12 to 14 senior independent/light services units
5.	Utilize the Housing Choice Voucher Program
6.	Develop a Mixed-Use Commercial/Housing Project
Home Ownership	
7.	Utilize and promote all programs that assist with home ownership
8.	Consider the development of a purchase/rehabilitation program
New Construction	
9.	Lot availability and lot development
10.	Strategies to encourage residential lot sales and new home construction
11.	Promote town house and twin home development

Findings and Recommendations for the City of Cass Lake	
Housing Rehabilitation	
12.	Promote rental housing rehabilitation programs
13.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
14.	Encourage employer involvement in housing
15.	Acquire and demolish dilapidated structures
16.	Create a plan and continue coordination among housing agencies
17.	Develop home ownership and new construction marketing programs and strategies
18.	Strategies for Downtown Redevelopment

Cass Lake - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities.

From 2010 to 2020, based on City data, no rental units were constructed in Cass Lake, although, some owner occupied homes may have converted to rentals and vice versa. However, the Leech Lake Band of Ojibwe Housing Authority is currently constructing six rental homes in Cass Lake for Tribal members.

Demand for new rental housing is typically generated from three factors:

- ▶ Growth from new households
- ▶ Replacement of lost units
- ▶ Pent-up demand from existing households

Community Partners Research, Inc., household projections expect a loss of up to 28 households in Cass Lake, but a gain of 240 households in the North Cass County Area from 2020 to 2026. Therefore, based on area growth, we are projecting the demand for approximately eight rental housing units due to household growth over the next five years in Cass Lake.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Cass Lake will lose approximately six to eight rental units over the next five years. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock as it is no longer habitable. Also, it is projected that some of the single family homes that converted to rentals will convert back to owner-occupied homes.

As part of this study, a rental survey of rental units in Cass Lake was conducted. In total, 74 rental units were contacted and surveyed, which included one tax credit project and two federally subsidized projects. The survey found three vacancies in the 24-unit general occupancy tax credit project and no vacancies in the two federally subsidized projects that have a total 50 units. The two federally subsidized rental projects have waiting lists.

Based on our research, the vacancy findings and local interviews, we have identified pent-up demand for affordable market rate rental units, subsidized units and senior independent units.

These demand generators, after factoring current vacancy rates, show a demand potential for 34 to 42 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years, from 2021 to 2026.

▶ General Occupancy Market Rate	8-10 units
▶ Affordable/Conversions	4-6 units
▶ Subsidized/Moderate Rent	10-12 units
▶ Senior with Services (Independent/Light Services)	<u>12-14 units</u>
Total	34-42 units

1. Develop 8 to 10 general occupancy market rate rental units

Findings: Approximately 56% of the rental housing in the City of Cass Lake can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City includes approximately 168 total units in 2021. We believe that approximately 94 of these units are best described as market rate rental housing. The significant majority of these units are in single family homes or small rental buildings.

Cass Lake is expected to lose approximately five households over the next five years. However, as stated earlier, the North Cass County Area is forecast to gain approximately 240 households. Although most of these households will be located on lakes and in rural areas, some of the new households will be seeking rental housing.

Cass Lake has employment opportunities. Also, the City is located within commuting distance to the Bemidji area, which has employment opportunities and other amenities. Cass Lake also has the infrastructure and services to support additional rental housing.

Housing stakeholders that were interviewed for the Study stated that there is a need for additional high quality market rate rental housing.

Recommendation: Rental housing demand is based on household growth, pent-up demand and replacement of rental housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of eight to 10 market rate general occupancy rental units over the next five years, from 2021 to 2026.

Town home-style units are the preferred option for addressing the need for market rate units, although a high quality apartment building would also be a viable option. Also, the project, to be successful, should have 'state of the art' amenities.

To construct the rental housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement and other resources may be needed.

The first option would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Cass Lake HRA, the Cass County HRA, the Leech Lake Band of Ojibwe, the Cass County Economic Development Corporation, or a regional housing agency could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

**Recommended unit mix, sizes and rents for the Cass Lake
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One-Bedroom	2	650 - 750	\$750
Two-Bedroom	4-6	850 - 1,000	\$800 - \$900
Three-Bedroom	2	1,100 - 1,200	\$975
Total	8-10		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 dollars.

It would be advantageous to have the rents for some of the units at or less than the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The Fair Market Rents currently are:

- 1 bedroom - \$603
- 2 bedroom - \$793
- 3 bedroom - \$1,014

2. Promote the development/conversion of four to six affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop market rate rental units in Cass Lake. Unfortunately, these units would tend to be beyond the financial capability of many Cass Lake renter households. Many of the City's renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that Cass Lake has lost some rental housing over the years and will continue to lose units due to deterioration, demolition, or from units converting from renter to owner-occupancy. Therefore, there is a need for additional rental units in Cass Lake to provide for unit replacement. Unfortunately, most of the lost units are probably affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards have been made to small cities for small rental projects.

Recommendation: We encourage the City of Cass Lake to promote the development/conversion of more affordable units. A goal of four to six units over the next five years would help to replace affordable housing that has been lost.

It is difficult to create units through new construction. It is often more practical to work on building renovation or conversion projects that can create housing. This opportunity often arises in commercial/mixed-use buildings or vacant homes.

It is our recommendation that the gross rents for the converted units should be below \$650 per month, which would help to expand the choices available to many of the City's renter households.

It is probable that the proposed rent structure for the units could only be obtained with financial commitments from other sources such as tax increment financing or tax abatement from the City and other financial resources from funding agencies such as the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and SCDP funds. Also, financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Develop 10 to 12 subsidized or moderate rent/general occupancy rental housing units

Findings: There are two federally subsidized rental projects and one tax credit project in Cass Lake. These three projects have a combined 74 general occupancy units.

The three subsidized projects are as follows:

- ▶ **Four Seasons Apartments** - Four Seasons Apartments includes 35 general occupancy HUD Public Housing units. The project includes 34 one-bedroom and one two-bedroom unit. The project was constructed in 1973.
- ▶ **Public Housing Scattered Site** - This project includes 15 single family public housing houses. There are 11 three-bedroom and 4 four-bedroom houses.
- ▶ **Cass Lake Square Apartments** - Cass Lake Square Apartments is a 24-unit general occupancy tax credit project constructed in 1998. The project has four one-bedroom, 14 two-bedroom and six three-bedroom units.

Four Seasons Apartments and the Public Housing Scattered Site Project charge rent based on 30% of the tenant's household income. The tenants in Cass Lake Square Apartments pay \$535 to \$730 for a one-bedroom unit, \$610 to \$775 for a two-bedroom unit and \$665 to \$850 for a three-bedroom unit.

At the time of the rental survey, there were no vacancies in Four Seasons Apartments and the Public Housing Scattered Site units. These projects both have waiting lists. Cass Lake Square had three vacancies.

Based on the 2019 American Community Survey, approximately 48% of the households in the City reported that 30% or more of their income was required to pay housing costs. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Recommendation: We recommend that the City of Cass Lake, Cass County, the Cass Lake HRA, the Leech Lake Band of Ojibwe and BI-CAP look for opportunities to expand the supply of a realistic goal would be the construction of 10 to 12 general occupancy subsidized or moderate rent/affordable units over the next five years. It may be feasible to construct a mixed-income building that has both market rate and affordable rental housing.

The need for additional subsidized/moderate rent units is greater than the number of new units recommended, however, the large subsidized housing production programs of the past are very limited and it remains very difficult to produce new units for income renters.

The actual number of units that can be developed will be dependent upon access to financial resources. In the opinion of the analysts, the highest priority would be to create larger two and three-bedroom subsidized general occupancy units for families and younger households.

4. Consider the development of 12 to 14 senior independent/light services units

Findings: Currently, there are three senior assisted living housing projects in the immediate Cass Lake Area. These facilities include Red Cedar Assisted Living Center, which is an assisted living project with 15 studio suites. Heritage Manor and Elder Place are both senior independent projects. Each project has 10 units. All three of these projects are designated for tribal elders.

Based on 2021 Esri data, there are 1,964 North Cass County senior households, age 65 and above. Also, as the baby boom generation continues to age, the senior population will continue to increase from 2021 to 2026.

There are typically different types of senior with services housing that can serve older seniors, including independent/light services housing, assisted living (full array of senior services), memory care and skilled nursing care.

Recommendation: Based on the research completed for this Study, we do not recommend the development of senior with services units, which provide a high level of services such as assisted living, in Cass Lake through the year 2026. There currently is a senior with services facility currently serving senior tribal elders in Cass Lake and the surrounding area. There are also other senior housing with services facilities in Cass County. It is our belief that Cass Lake does not have the population and amenities to support an additional senior housing project that has a high level of services.

We do, however, recommend a 12 to 14-unit senior independent/light services project. The City of Cass Lake area has a significant senior population living in rural areas and on lakes. Some of these households will seek senior housing. The project's amenities and features should include:

- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Apartment features should include:

- ▶ 12 to 14 units
 - ▶ 3 to 4 one-bedroom
 - ▶ 9 to 10 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies include:

- ▶ noon meal
- ▶ weekly housekeeping
- ▶ home health care
- ▶ social activities

Tax increment financing, tax abatement, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

It is estimated that 50% of the units will be occupied when the project opens and one to two additional units will be rented over the next four to five months.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

5. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Cass Lake and Cass County is administered by the Cass County HRA. Currently, the Cass County HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. Approximately 35 Cass County households are currently utilizing a Voucher, including two households using Vouchers in the City of Cass Lake in 2021.

Approximately 48% of Cass Lake's renter households are currently paying more than 30% of their income for rent, which is considered a housing cost burden. There is a waiting list for the Voucher program.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Cass Lake can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Cass Lake and Cass County to assure that City and County households have access to and are aware of the Program.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: The development of a mixed-use rental housing/commercial project would complement the City's efforts to enhance the City's commercial and housing opportunities.

New mixed-use projects have been developed in several Minnesota cities. Some of these projects were developed because of market demand, while others were developed to enhance commercial areas, to introduce a new product to the market or to serve as a catalyst for redevelopment.

Recommendation: We recommend the development of a mixed-use building in Downtown Cass Lake. There are several potential sites in the downtown area for a mixed-use project. The site could be a vacant parcel, or a dilapidated structure or structures could be demolished to provide a site. We recommend commercial space on the first floor and rental units on the upper floors.

The rental units should be primarily market rate units, but could be mixed-income, with some moderate income units. The units should be one and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City, the County, the Cass County and Cass Lake HRA's and Cass County Economic Development Corporation may have a role in the project by providing tax increment financing (TIF), tax abatement, land at a reduced price and other funds.

Cass Lake - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

Based on recent sales data, the City's median home value is \$46,400. With approximately 50% of the homes in Cass Lake valued less than \$46,400, Cass Lake has opportunities for first time home buyers and households seeking moderately priced homes.

While many Cass Lake households already own their housing, those households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

7. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Cass Lake. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Cass Lake. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at \$46,400, there are lower valued houses in the community that appeal to first time buyers. Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Cass Lake, area financial institutions, the Cass County HRA, the Leech Lake Band of Ojibwe and BI-CAP should utilize all available assistance programs to promote home ownership. The community should also explore the possibility of obtaining specific program set-asides along with other Cass County cities from some of the home ownership programs offered through the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control.

The City should work with the Cass Lake, Cass County, the Leech Lake Band of Ojibwe and BI-CAP to continue to develop and provide programs that provide financial assistance for households to purchase a home. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Minnesota Small Cities Development Program.

8. Consider the development of a Purchase/Rehabilitation Program

Findings: Cass Lake has a stock of older, lower valued homes, some of which need repairs. Approximately 71% of the owner-occupancy stock was constructed before 1960 and some of these homes need repairs. As some of the lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In the past, the Minnesota Housing Finance Agency had provided funding for the Minnesota Urban Homestead Program (MURL) Program. Under the program, the City or an area housing agency purchased an existing home that needed rehabilitation, rehabilitated the home, sold the home to a low income family and provided a mortgage and a monthly payment that was affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units. However, the Minnesota Housing Finance Agency is no longer providing funding for the MURL Program.

Recommendation: We recommend that the City of Cass Lake, Cass County, the Cass Lake HRA, the Leech Lake Band of Ojibwe and BI-CAP, along with other Cass County cities, consider the creation of a purchase/rehab program for existing houses that is similar to the previous MURL Program. The City or an agency could purchase homes that need rehabilitation, rehabilitate the homes and sell the homes. Housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. The Minnesota Housing Finance Agency, the SCDP Program, and the Federal Home Loan Bank are potential funding sources.

Also, a program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of existing substandard homes. This program would not require intermediate City or housing agency ownership of the homes. USDA Rural Development provides mortgage funds to purchase a home and to make repairs to the home. Additionally, the City, the Cass County HRA, the Leech Lake Band of Ojibwe and BI-CAP could assist private contractors with purchasing, rehabilitating and selling homes.

Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties, convert rental properties back to owner-occupancy, and rehabilitate homes that are currently substandard.

Cass Lake - New Housing Construction

New Housing Construction

Findings: The City of Cass Lake has experienced limited single family owner-occupied housing construction over the past 12 years from 2010 to 2021. According to City and U.S. Census records, approximately five single family owner-occupied units have been constructed in Cass Lake. Also, the Leech Lake Band of Ojibwe is constructing six single family rental homes in Cass Lake. However, these homes are initially planned to be used as rental housing.

Cass Lake has commercial/retail services, educational facilities, medical facilities and employment opportunities in the City, therefore, some limited construction of new owner-occupied housing units is projected to continue over the next several years. However, for new homes to continue to be constructed, buildable residential lots must be available.

Cass Lake is projected to lose up to 28 households, however, the North Cass County Area is projected to gain approximately 240 households through the year 2026. Since 2010 the North Cass County Area has added 96 households in the younger age ranges between 25 and 44 years old and substantial growth of 619 households has occurred in the 65 and older age ranges. Households in the younger age groups tend to be first-time home buyers or are looking for trade-up housing. Households in the senior age groups tend to be predominantly home owners, and form a market for higher priced homes, trade-up housing and low maintenance housing such as town homes and twin homes.

It is our opinion that if the City of Cass Lake, developers and builders, and local, regional and state housing agencies are proactive, a total of seven to nine owner-occupied housing units could be constructed or moved into Cass Lake from 2021 to 2026 to address demand. Our projection for owner occupied single family housing starts includes single family detached homes and attached housing units, such as twin homes and town houses. The breakdown of our projection of 12 to 16 new owner-occupied housing units is as follows:

▸ Higher & medium price homes	1-2 homes
▸ Affordable homes	4-5 homes
▸ Twin homes/town homes	<u>2 units</u>
Total	7-9 homes/units

9. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Cass Lake. Currently, there is not an existing subdivision in the City that has an adequate number of lots to meet demand.

However, there are a limited number of miscellaneous infill lots and parcels scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots. Also, there are some dilapidated homes in the City. If these homes are demolished, some of the cleared lots could be sites for new construction.

Recommendation: We use a standard that a three-year supply of lots should be available in the marketplace based on annual lot usage. With projections that two to three new owner-occupied housing units could be constructed per year, the City should have approximately eight to 10 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With only miscellaneous infill lots potentially available, the City currently does not have an adequate supply of lots to meet expected demand over the next several years. If projected demand comes to fruition, it will be necessary to develop additional lots.

To achieve the level of new home construction potential that has been identified and to have lots available over an extended period of time, we recommend the development of 10 to 12 additional residential lots over the next five years. In developing the lots, the following should be considered:

- ▶ If possible, the site(s) for lot development should have land available for future lot development phases.
- ▶ The lots could be developed on several sites
- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.

- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the City of Cass Lake, Cass County, the Cass Lake HRA, the Leech Lake Band of Ojibwe, the Cass County Economic Development Corporation and the Region Five Development Corporation. Financial assistance such as tax increment financing, deferment of assessments, tax abatement and land donations or write downs, may be necessary to make the development of lots feasible.
- ▶ It may be advantageous to develop the lots in phases.
- ▶ Lots should be available for twin home/town house development

10. Strategies to encourage continued residential lot sales and new home construction in Cass Lake

Findings: From 2010 to 2021, approximately five owner-occupied single family units have been constructed in Cass Lake. Also, the Leech Lake Band of Ojibwe is constructing six rental houses in 2021. We are projecting that seven to nine units will be constructed in Cass Lake from 2021 to 2026.

Recommendation: We recommend that the City of Cass Lake, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Area. To attract new home construction in Cass Lake, lots should be available and competitively-priced compared to other options in the Area.
- ▶ ***Alternative to rural and lakeshore development*** - The large majority of the new housing construction in the North Cass County Area is projected to be on lakes and in rural areas. As lake and rural area building sites become more limited and cost-prohibitive, the City can provide an attractive and affordable option.
- ▶ ***User Friendly*** - The lot purchase and home building process must continue to be 'user friendly.' This includes an inventory of available lots, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Cass Lake should conduct long-term development planning to assure lots are available on an ongoing basis to meet demand for all types of new housing.
- ▶ ***Incentives*** - Some cities and counties throughout Minnesota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Cass Lake and all housing stakeholders will need to continue marketing the sale of available lots and new home construction. Realtors, financial institutions, builders, employers, etc., should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Cass Lake and its amenities should continue to be marketed.

- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.

11. Promote town house and twin home development

Findings: Cass Lake has experienced no owner-occupied attached housing development from 2010 to 2021. Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family houses available for families. In 2021, based on Esri data, there are approximately 1,964 households in the North Cass County Area with a head of household in the 65 and older age ranges.

It is important for the City to offer a range of life-cycle housing choices as many of these households will be seeking to move into low maintenance options.

Recommendation: It is our projection that two units in one twin home or town home could be built over the next five years with the projection that additional twin homes/town homes could be built after the five-year projection period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing units.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home or town home to solicit their ideas.

Cass Lake - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Cass Lake has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

12. Promote rental housing rehabilitation programs

Findings: The City of Cass Lake has approximately 168 rental units. The rental units are in multi-family buildings, mixed-use buildings, duplexes and single family houses. Some of the City's rental units could benefit from rehabilitation as more than 50% of the rental units are more than 40 years old and some are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Cass Lake and area housing agencies should seek funds to rehabilitate rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include Minnesota Small Cities Development Program (SCDP) funds, the Federal Home Loan Bank, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Leech Lake Band of Ojibwe and local funds.

13. Promote owner-occupied housing rehabilitation programs

Findings: The affordability of the existing housing stock in Cass Lake will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 71% of the owner-occupancy stock was constructed before 1960 and some of these homes need minor or major repairs. Our housing condition survey rated the 202 houses in Cass Lake. Our survey found 76 homes that need minor repair and 64 houses that need major repair.

The Cass County HRA, the Leech Lake Band of Ojibwe and BI CAP administer housing rehabilitation programs in Cass Lake and Cass County. Housing rehabilitation programs include the Minnesota Housing Finance Agency Programs, the Minnesota Small Cities Development Program, USDA Rural Development Programs and the Weatherization Program. The City of Cass Lake has received MN Small Cities Development Program funding in the past for housing rehabilitation programs and has submitted an application in 2021 for additional funding to rehabilitate homes.

Recommendation: We recommend that the City of Cass Lake continue to utilize available funding sources to rehabilitate homes. USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources.

Cass Lake - Other Housing Initiatives

Other Housing Initiatives

14. Encourage employer involvement in housing

Findings: The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers to the community. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing the City's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as work force oriented rental housing, an affordable home ownership program or a new subdivision.

Additionally, employers can continue to support other city projects, such as parks, trails, ballfields, educational facilities, etc., that have a positive impact on housing in Cass Lake.

15. Acquire and demolish dilapidated structures

Findings: Approximately 71% of the owner-occupancy stock was constructed before 1960. Our housing condition survey identified 21 single family houses in Cass Lake that are dilapidated and too deteriorated to rehabilitate. We also identified 64 single family houses in Cass Lake as needing major repair and some of these homes may be too deteriorated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished. The City has been taking ownership of tax forfeited properties and several dilapidated houses have been demolished in Cass Lake over the past decade.

Recommendation: We recommend that the City of Cass Lake continue to take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

The City could develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Tax increment financing, Greater Minnesota Housing Funds, Minnesota Housing Finance Agency funds, and SCDP funds are potential funding sources for this initiative. Funding may be available for both acquisition/demolition and new construction activities.

16. Create a plan and continue coordination among housing agencies

Findings: The City of Cass Lake may need resources in addition to existing staff to plan and implement some of the housing recommendations advanced in this Study. The City has access to the Cass County HRA, the Leech Lake Band of Ojibwe, BI-CAP, and the Cass County Economic Development Corporation and the Region Five Development Commission. The City also has access to the Minnesota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Cass Lake is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

17. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc.

This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Cass Lake has been active in promoting housing and its amenities and we recommend the continuation or initiation of the following activities:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Cass Lake and the Area) to provide employees (especially new employees) with housing opportunities in Cass Lake
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, commercial, service and recreational opportunities that make the City a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve and improve the quality of the City's housing through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices, such as new rental housing, twin homes, senior housing, etc.
- ▶ Develop incentives and strategies to encourage builders and households to buy lots and to build and buy new homes.
- ▶ Review the City's building policies and fees to assure that they are user-friendly, fair and reasonable for builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

18. Strategies for Downtown Redevelopment

Findings: Cass Lake's Downtown has buildings that have been renovated and have high quality commercial and/or housing space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline for additional actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement renovations/conversions for housing.

Recommendation: We are also recommending the following actions for downtown Cass Lake:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Rental unit conversions or rehab
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Mixed-use building development
- ▶ Identify funding sources
 - ▶ SCDP funds
 - ▶ Property owner funds
 - ▶ City funds
 - ▶ Cass County HRA funds
 - ▶ Leech Lake Band of Ojibwe funds
 - ▶ Cass County HRA

- ▶ Cass County Economic Development Corporation funds
- ▶ Federal Home Loan Bank
- ▶ Tax increment financing
- ▶ Tax abatement
- ▶ Minnesota Department of Employment and Economic Development
- ▶ Minnesota Housing Finance Agency funds
- ▶ BI-CAP funds

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Cass Lake
 - ▶ Cass County Economic Development Corporation
 - ▶ Cass Lake HRA
 - ▶ Cass County HRA
 - ▶ Leech Lake Band of Ojibwe

Federal Dam

Key Statistics: Federal Dam	
Demographic	
Population 2020:	123 people
Households 2020:	46 households
Household Size 2020:	2.67 persons per household
Population Trend:	Up by 13 people from 2010 to 2020
Household Trend:	Down by 3 households from 2010 to 2020
Household Projection:	-1 to-2 households between 2020 and 2026
Income	
Median Household Income:	\$58,125 in 2019
Median Family Income:	\$68,125 in 2019
Housing	
Home Ownership Rate 2019:	75.6% home owners
Rental Rate 2019:	24.4% renters
Median Home Value:	\$110,700 based on American Community Survey
New Construction:	2 single family housing starts from 2010 to 2020
Housing Condition	
Condition Rating:	Sound - 14 homes
(Entire City)	Minor Rehab - 19 homes
	Major Rehab - 16 homes
	Dilapidated - 8 homes
Median Year Built - Owner:	1979
Median Year Built - Rental:	1984

Summary of Growth Trends

Based on the 2020 Census, the City of Federal Dam had a minor loss of households but gained population in recent years. Between 2010 and 2020, Federal Dam had a reduction of three permanent resident households but the City's population increased by 13 people. The City's average household size increased over the decade and was relatively large in 2020 at 2.67 persons.

As a small community, Federal Dam has generally experienced limited change in the number of households in recent decades. If viewed over a longer term, the City has remained relatively stable with three more permanent resident households in 2020 than were present at the time of the 1990 Census. The City's population has also remained relatively stable if viewed over a longer time, with five more residents in 2020 than were counted in 1990.

Reports available from the Census Bureau show that two new houses were constructed in Federal Dam since 2010. However, a comparison of housing unit totals from the 2010 and 2020 Censuses indicated a net reduction of 15 housing units in Federal Dam over the decade as presumably some older housing units were lost from the usable inventory.

For this Housing Study, Federal Dam has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass County had a net loss of 51 households over the decade, including the household loss in Federal Dam.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Federal Dam, household losses did occur in the most recent decade, but longer-term, the City has remained relatively stable. A recent trend-based projection would yield the expectation that the City will remain stable, but a reduction of one to two households is possible by the year 2026.

It is also possible that Federal Dam will not lose any additional households, and that some limited growth could occur. In 2020 there were 76 vacant housing units in the City, most representing seasonal/recreational properties. Going forward, any significant gains or losses in permanent resident households will be linked in part to occupancy patterns in this housing stock. If more seasonal use housing is converted to permanent occupancy, the City will add population and households. But it is also possible that more houses will be converted to seasonal occupancy, and the City could have fewer permanent households and residents.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Federal Dam - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the Community's local housing stock.

- ▶ **Affordable priced housing stock** - The City of Federal Dam has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on the 2018 American Community survey is approximately \$110,700. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Available lots** - There appear to be in-fill lots available for development, although the majority of these lots are not actively for sale.
- ▶ **Recreational opportunities** - The Federal Dam area provides recreational opportunities including lakes, forests, boating, hunting, hiking, fishing, snowmobiling, etc. Federal Dam is located adjacent to Leech Lake.
- ▶ **Small town atmosphere** - Federal Dam has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), Cass County Economic Development Corporation and the Region Five Development Commission** - The City has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.
- ▶ **Leech Lake Federal Dam Campground** - The Leech Lake Federal Dam Campground is a very popular campground and recreational area located in Federal Dam.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Federal Dam.

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower paying jobs** - Some jobs in the Federal Dam Area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Distance from a major regional center** - Many households desire to be near a regional center because of the many amenities and jobs it can offer its residents. Federal Dam is approximately 45 miles from Bemidji and 42 miles from Grand Rapids. Some households consider it too far for commuting on a regular basis.
- ▶ **Value gap deters new owner-occupied construction** - Based on market values for recent residential sales, we estimate that the median priced home in Federal Dam is valued at approximately \$110,700. This is well below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for new housing construction, unless the owner is willing to accept a potential loss on their investment.
- ▶ **Commercial/Retail Options** - Federal Dam does not have a commercial district to meet daily needs.
- ▶ **Lack of new housing construction** - New housing construction has not occurred over the past several years.
- ▶ **Infrastructure** - Federal Dam does not have municipal water system.

Federal Dam's - Recommendations and Opportunities

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Federal Dam. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - Federal Dam's housing needs will more likely be addressed if there is proactive support from the City, as well as local and regional housing and economic development agencies.
- ▶ **Protect the existing housing stock** - The future of Federal Dam will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.
- ▶ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - The City of Federal Dam has other resources to draw on including the Cass County HRA, the Region Five Development Commission, BI-CAP and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Federal Dam have been formulated through the analysis of the information provided in the previous sections and include a total of eight recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Federal Dam	
Rental Housing Development	
1.	No demand for the construction of additional rental units
2.	Promote the conversion of one to two seasonal homes to affordable permanent rental homes
3.	Continue to utilize the Housing Choice Voucher Program
Home Ownership	
4.	Utilize and promote all programs that assist with home ownership
New Construction	
5.	New housing construction
Housing Rehabilitation	
6.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
7.	Acquire and demolish dilapidated structures
8.	Create a plan and continue coordination among housing agencies

Federal Dam - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities. From 2010 to 2020, based on City data, no rental units have been constructed in Federal Dam.

Demand for new rental housing is typically generated from three factors:

- Growth from new households
- Replacement of lost units
- Pent-up demand from existing households

Community Partners Research, Inc., household projections expect a loss of one to two households in Federal Dam from 2021 to 2026. Therefore, we are projecting no demand for rental housing in Federal Dam due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Federal Dam will not lose rental units over the next five years because Federal Dam’s rental inventory is very limited. In some cases, unit replacement is necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock. Also, some single family homes that converted to rentals during the recession will convert back to owner-occupied homes. It is estimated that Federal Dam’s rental housing stock consists of only 10 rental single family homes at any given time. Some of the homes being rented may change over the next five years, however, we are projecting that the inventory will remain at approximately 10 homes.

Based on our research, we have identified no pent-up demand for rental units in Federal Dam.

1. No demand for the construction of additional rental housing units

Findings: The City of Federal Dam is a very small community that does not have the infrastructure to support a rental housing project. The City does not have municipal water and sewer systems, commercial/retail, medical or other services.

Recommendation: We are not recommending the construction of any type of multifamily rental units in the City of Federal Dam, including market rate, subsidized or senior housing.

2. Promote the conversion of one to two seasonal homes to affordable permanent rental homes

Findings: There are several vacant and seasonal homes in the City of Federal Dam. Some of these houses are used seasonally as vacation homes while others are permanently vacant. Some of these unoccupied homes may be very affordable.

Recommendation: We recommend the conversion of two of three seasonal or vacant homes to permanent rental occupancy over the next five years. Although seasonal homes bring people to the community, it would be advantageous to have more permanent households and more rental options.

We recommend that the City of Federal Dam monitor the status of the ownership of seasonal and vacant homes and when seasonal or vacant homes become available, they are evaluated to determine if they are suitable for permanent residency.

3. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Federal Dam and Cass County is administered by the Cass County HRA. Currently, the HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. There is a waiting list for a Voucher.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Federal Dam and Cass County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Federal Dam and Cass County to assure that City and County households have access to and are aware of the Program.

Federal Dam - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Federal Dam is estimated to be \$110,700 based on the 2018 American Community Survey. With approximately 50% of the homes in Federal Dam valued less than \$110,700, Federal Dam has opportunities for first time home buyers and households seeking moderately priced homes.

While many of the households already own their housing, households in Federal Dam that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

4. Utilize and promote all programs that assist with home ownership

Findings: Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Federal Dam. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at \$110,700, there are lower valued houses in the community that appeal to first time buyers.

Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Federal Dam, area financial institutions, the Cass County HRA, the Leech Lake Band of Ojibwe and BI-CAP should utilize all available assistance programs to promote home ownership. The City should work with these agencies to assure that their residents and households moving into the City have access to programs that provide financial assistance for home ownership. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Small Cities Development Program.

Federal Dam - New Housing Construction

New Housing Construction

5. New Housing Construction

Findings: Two new homes have been constructed in Federal Dam from 2010 to 2020.

Federal Dam is conducive to only a limited number of housing construction as it does not have municipal water and sewer systems and it does not have commercial/retail, medical and other services. However, Federal Dam is located in a desirable vacation and recreational area.

Federal Dam does have considerable open space and lots, which could accommodate new housing construction. However, we do not know the status and availability of these parcels and lots.

Recommendation: It is our opinion that two to three owner-occupied homes could be constructed or moved into Federal Dam over the next five years. It is probable that these homes would be manufactured or modular homes.

We recommend that the City of Federal Dam inventory all of the vacant lots and parcels in Federal Dam to determine their availability, their sales price and if they are buildable sites. This would provide readily available information for potential buyers.

If City owned property is available, we recommend that the land be sold at a very low price, with the stipulation that a new house is constructed or moved onto the property.

Federal Dam - Housing Rehabilitation

Housing Rehabilitation

6. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Federal Dam will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately half of the owner-occupied homes in Federal Dam more than 40 years old and some of these homes need minor or major repairs. Our 2021 housing condition survey rated 57 houses in the City of Federal Dam. Our survey found 19 homes that need minor repair and 16 homes that need major repair.

The Cass County HRA and BI-CAP administer housing rehabilitation programs in Federal Dam and Cass County. Housing rehabilitation programs include Minnesota Housing Programs, the SCDP Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Federal Dam utilize available funding sources to rehabilitate homes in Federal Dam. USDA Rural Development, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources.

Several years ago, the Cass County HRA administered a SCDP housing rehabilitation program in Federal Dam in coordination with Boy River and Bena.

Federal Dam - Other Housing Initiatives

Other Housing Initiatives

7. Acquire and demolish dilapidated structures

Findings: The housing condition survey in Federal Dam identified eight houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified 16 homes as needing major repair and these homes may be too dilapidated to rehabilitate. The City of Federal Dam has worked with property owners in the past to demolish dilapidated structures.

Recommendation: We recommend that the City of Federal Dam work with property owners to demolish and clear severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for the construction of new affordable housing.

Also, we recommend that the City maintain an inventory of structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

8. Create a plan and continue coordination among housing agencies

Findings: The City of Federal Dam needs resources to plan and implement the housing recommendations advanced in this Study. The City has access to the Cass County HRA, the Leech Lake Band of Ojibwe, BI-CAP and the Cass County Economic Development Corporation. The City also has access to the Minnesota Housing and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Federal Dam is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive. Several years ago, the Cass County HRA obtained SCDP funds for Federal Dam, Boy River and Bena to rehabilitate homes.

Longville

Key Statistics: Longville	
Demographic	
Population 2020:	153 people
Households 2020:	93 households
Household Size 2020:	1.65 persons per household
Population Trend:	Down by 3 people from 2010 to 2020
Household Trend:	Up by 1 household from 2010 to 2020
Household Projection:	0 to -1 households between 2020 and 2026
Income	
Median Household Income:	\$41,250 in 2019
Median Family Income:	\$72,917 in 2019
Housing	
Home Ownership Rate 2019:	83.9% home owners
Rental Rate 2019:	16.1% renters
Median Home Value:	\$225,600 based on American Community Survey
New Construction:	5 single family housing starts from 2010 to 2020
Housing Condition	
Condition Rating: (Entire City)	Sound - 60 homes Minor Rehab - 37 homes Major Rehab - 5 homes Dilapidated - 0 homes
Median Year Built - Owner:	2003
Median Year Built - Rental:	1997

Summary of Growth Trends

Based on the 2020 Census, the City of Longville remained largely stable in recent years. Between 2010 and 2020, Longville had a gain of one permanent resident household but the City's population decreased by three people. The City's average household size increased over the decade and was very small in 2020 at only 1.65 persons.

Despite the addition of one household in Longville since 2010, the City has generally been experiencing a longer-term loss of households. If 2020 is compared to 1990, the City has lost 12 households over the past 30 years. Population loss has been more evident, with a reduction of 71 permanent residents over the past 30 years. During this time, the City's average household size has grown progressively smaller.

Reports available from the Census Bureau show that 5 new houses were constructed in Longville since 2010. However, a comparison of housing unit totals from the 2010 and 2020 Censuses indicated a net gain of only 2 housing units in Longville over the decade as presumably some older housing units were lost from the usable inventory.

For this Housing Study, Longville has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, including the household loss in Longville.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Longville, the most recent decade was relatively stable, but longer-term, the City has been gradually losing households. A recent trend-based projection would yield the expectation that the City will remain stable, but a reduction of one household is possible by the year 2026.

It is also possible that Longville will not lose any additional households, and that some limited growth could occur. In 2020 there were 73 vacant housing units in the City, most representing seasonal/recreational properties. Going forward, any significant gains or losses in permanent resident households will be linked in part to occupancy patterns in this housing stock. If more seasonal use housing is converted to permanent occupancy, the City will add population and households. But it is also possible that more houses will be converted to seasonal occupancy, and the City could have fewer permanent households and residents.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Longville - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the City of Longville's local housing stock.

- ▶ **Longville serves the immediate area** - Longville provides employment opportunities, retail/service options, medical services, governmental services and recreational opportunities for a geographical area that immediately surrounds Longville.
- ▶ **Affordable priced housing stock** - The City has a stock of affordable, existing houses. According to 2019 American Community Survey data the City's median home value is \$225,600. Although the median home value is high in Longville, the majority of the houses that are not on lake shore parcels are more affordable. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Available lots** - The City of Longville has in-fill lots and parcels that may be available for housing development.
- ▶ **Recreational opportunities** - The Longville area provides recreational opportunities including lakes, forests, trails, boating, hunting, hiking, snowmobiling, fishing, canoeing, etc.
- ▶ **Small town atmosphere** - Longville has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), Cass County Economic Development Corporation and the Region Five Development Commission** - Longville has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.

- ▶ **Longville is located near larger communities** - Longville is located 25 miles from Walker, 54 miles from Grand Rapids, 55 miles from Brainerd and 63 miles from Bemidji. These cities provide employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities.
- ▶ **Regional growth potential** - Although Longville has had limited growth in recent decades, the area defined as North Cass County has been adding households and housing units in recent decades. Growth projections indicate that the townships in the North portion of the County will continue to grow over the next five years.
- ▶ **Rental housing projects** - Three rental housing projects are located in Longville, Likens Apartments, Aspen Apartments and Pine Apartments.
- ▶ **Commercial Development** - Longville's commercial district is adequate to meet most daily needs.
- ▶ **Recent new home construction** - Five homes were constructed in Longville from 2010 to 2020 and four additional homes were under construction in Longville in 2021.
- ▶ **Medical facilities** - Longville has a medical clinic and pharmacy.
- ▶ **Available lots** - There are several lots available for new construction in the City of Longville.

Barriers or Limitation to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Longville.

- ▶ **Age and condition of the housing stock** - While much of the existing stock is affordable, some of the older housing in Longville is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes for Longville and Cass County are lower than the Statewide medians. While this income level matches up well with prices for existing ownership and rental housing in the City, it is not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some jobs in Longville and the area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Competition from surrounding rural areas and lakes** - Nearly all of the past household growth and housing construction activity in North Cass County has been located in the rural townships. This includes lake shore locations and other rural settings. The incorporated cities in the County have been less successful in attracting households and new home construction.
- ▶ **Educational facilities** - A public school is not located in Longville.
- ▶ **Limited commercial options** - Longville has commercial and retail options to meet most daily needs, however, it has limited other retail and commercial opportunities.
- ▶ **Staff capacity limitations** - Although the City has access to several housing and economic development agencies, it is difficult to develop and implement housing initiatives with limited resources.
- ▶ **No municipal water system** - Although the City has a sewer system, Longville does not have a municipal water system.

Longville - Recommendations and Opportunities

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Longville. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Longville if there is continued proactive support from the City of Longville; local and regional housing agencies; economic development agencies and the Minnesota Housing Finance Agency.
- ▶ **Protect the existing housing stock** - The future of Longville will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is a major asset, however, rehabilitation efforts are needed to preserve this housing.
- ▶ **Protect the existing assets and resources** - Longville has several assets including an affordable housing stock, recreational opportunities, several commercial businesses, etc. These are assets that make Longville a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the Cass County HRA, BI-CAP, the Cass County Economic Development Corporation, the Region Five Development Commission, Minnesota Housing and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Longville have been formulated through the analysis of the information provided in the previous sections and include a total of 16 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Longville	
Rental Housing Development	
1.	Develop four general occupancy market rate rental units
2.	Promote the development/conversion of two to three affordable market rate rental housing units
3.	Monitor the need for subsidized/moderate rent housing units
4.	Consider the development of four senior independent/light services units
5.	Utilize the Housing Choice Voucher Program
Home Ownership	
6.	Utilize and promote all programs that assist with home ownership
New Construction	
7.	Lot availability and lot development
8.	Strategies to encourage residential lot sales and new home construction
9.	Promote town house and twin home development
Housing Rehabilitation	
10.	Promote rental housing rehabilitation programs
11.	Promote owner-occupied housing rehabilitation programs

Findings and Recommendations for the City of Longville	
Other Housing Initiatives	
12.	Acquire and demolish dilapidated structures
13.	Create a plan and continue coordination among housing agencies
14.	Develop home ownership and new construction marketing programs and strategies
15.	Strategies for Downtown Redevelopment

Longville - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities.

From 2010 to 2021, based on City data, no rental units have been constructed in Longville, although a former motel was converted into 10 rental apartments. Also, some owner occupied homes may have converted to rentals and vice versa.

Demand for new rental housing is typically generated from three factors:

- Growth from new households
- Replacement of lost units
- Pent-up demand from existing households

Community Partners Research, Inc., household projections expect a one-household gain in Longville and a gain of 116 households in the North Cass County Area from 2020 to 2026. Therefore, we are projecting the demand for approximately four rental housing units due to household growth over the next five years in Longville and the surrounding area.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Longville will lose two to three rental units over the next five years. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock as it is no longer habitable. Also, it is projected that some of the single family homes that converted to rentals will convert back to owner-occupied homes.

As part of this study, a rental survey of rental units in Longville was conducted. In total, 14 rental units were contacted and surveyed. The survey found no vacancies in the rental units that were surveyed.

Based on our research, the vacancy findings and local interviews, we have identified pent-up demand for affordable market rate rental units and senior independent units.

These demand generators, after factoring current vacancy rates, show a demand potential for 10 to 11 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years, from 2022 to 2026.

▶ General Occupancy Market Rate	4 units
▶ Affordable/Conversions	2-3 units
▶ Subsidized/Moderate Rent	0 units
▶ Senior with Services	<u>4 units</u>
(Independent/Light Services)	
Total	10-11 units

1. Develop four general occupancy market rate rental units

Findings: The entire rental inventory in the City includes approximately 23 total units in 2021. All of these units are best described as market rate rental housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

We found no vacant units in the market rate rental units that were surveyed. The owners reported high demand for the units.

As stated earlier, the North Cass County Area is forecast to gain approximately 116 households. Although most of these households will be located on lakes and in rural areas, some of the new households will be seeking rental housing.

Although Longville has limited employment opportunities, the City is located within commuting distance to Walker, Grand Rapids, Brainerd and Bemidji, all of which have employment opportunities and other amenities.

Housing stakeholders that were interviewed for the study stated that there is a need for additional market rate rental housing.

Recommendation: Rental housing demand is based on household growth, pent-up demand and replacement of rental housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of four market rate general occupancy rental units over the next five years, from 2021 to 2026.

Town home-style units are the preferred option for addressing the need for market rate units. Also, the project, to be successful, should have 'state of the art' amenities.

To construct the rental housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement and other resources may be needed.

The first option to develop market rate rental housing would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Cass County HRA, the Cass County Economic Development Corporation, or a regional housing agency could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

**Recommended unit mix, sizes and rents for the Longville
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
Two-Bedroom	3	850 - 1,000	\$800 - \$900
Three-Bedroom	1	1,100 - 1,200	\$975
Total	4		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 dollars.

It would be advantageous to have the rents for some of the units at or less than the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The fair market rents currently are:

- 1 bedroom - \$603
- 2 bedroom - \$793
- 3 bedroom - \$1,014

2. Promote the development/conversion of two to three affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop market rate rental units in Longville. Unfortunately, these units would tend to be beyond the financial capability of many Longville renter households. Many of the City's renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that Longville has lost some rental housing over the years and will continue to lose units due to deterioration, demolition, or from units converting from renter to owner-occupancy. Therefore, there is a need for additional rental units in Longville to provide for unit replacement. Unfortunately, most of the lost units are probably affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards have been made to small cities for small rental projects.

Recommendation: We encourage the City of Longville to promote the development/conversion of more affordable units. A goal of one to two units over the next five years would help to replace affordable housing that has been lost.

It is difficult to create units through new construction. It is often more practical to work on building renovation or conversion projects that can create housing. This opportunity often arises in commercial/mixed-use buildings or vacant homes.

It is our recommendation that gross rents for the converted units should be below \$650 per month, which would help to expand the choices available to many of the City's renter households.

It is probable that the proposed rent structure for the units could only be obtained with financial commitments from other sources such as tax increment financing or tax abatement from the City and other financial resources from funding agencies such as the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Federal Home Loan Bank and SCDP funds. Also, financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Monitor the need for subsidized/moderate rent rental housing units

Findings: There was one federally subsidized rental project in Longville, Aspen Apartments. Aspen Apartments is an eight-unit general occupancy project that has converted from a subsidized USDA Rural Development Project to a market rate project. The eight units include 1 one-bedroom unit and seven two-bedroom units. With the conversion from subsidized to market rate, there are no subsidized rental units in Longville.

Longville tenants do have access to the HUD Housing Choice Voucher Program (formerly Section 8 Existing Program). However, the Voucher Program has a waiting list. Currently, one Longville household is utilizing a voucher.

Based on the 2019 American Community Survey, approximately six renter households reported that 30% or more of their income was required to pay housing costs.

Recommendation: Although Longville has no subsidized housing units, we do not recommend the development of subsidized units over the next five years.

The large subsidized housing production programs of the past are no longer available, and it remains very difficult to produce new units for very low income renters. Additionally, low income tax credits are typically only available for rental projects in larger cities that are experiencing strong job growth.

We recommend that the Cass County HRA and the City of Longville continue to monitor the need for subsidized rental units in the future.

4. Consider the development of four senior independent/light services units

Findings: There are typically different types of senior with services housing that can serve older seniors, including independent/light services housing, assisted living (full array of senior services), memory care and skilled nursing care. Currently, there are no senior with services housing projects in Longville. However, Pine River, Remer, Hackensack and Walker have senior housing with services facilities.

Based on 2021 Esri data, there are 1,964 North Cass County households age 65 and above. Also, as the baby boom generation continues to age, the senior population will continue to increase through 2026.

Recommendation: Based on the research completed for this Study, we do not recommend the development of senior with services units, which provide a high level of services such as assisted living, in Longville through the year 2026. The City of Longville Area does not have the population, services and amenities to support senior with services. Also, senior with services options are available in cities in close proximity to Longville.

We do, however, recommend a small four-unit senior independent/light services project. The project's amenities and features should include:

- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Apartment features should include:

- ▶ 4 units
 - ▶ 1 one-bedroom
 - ▶ 3 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies include:

- ▶ noon meal
- ▶ weekly housekeeping
- ▶ home health care
- ▶ social activities

Tax increment financing, tax abatement, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

It is estimated that 50% of the units will be occupied when the project opens and one to two additional units will be rented over the next two to three months.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

5. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Longville and Cass County is administered by the Cass County HRA. Currently, Cass County HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. Approximately six Longville renter households are currently paying more than 30% of their income for rent, which is considered a housing cost burden. Currently, one Longville household is utilizing a Voucher. There is a waiting time for a Voucher.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Longville can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Longville and Cass County to assure that City and County households have access to and are aware of the Program.

Longville - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

According to 2019 American Community Survey data the City of Longville's median home value is \$225,600. While high by comparative standards, this would potentially reflect some lake shore properties. The City also has some opportunities for first time home buyers and households seeking moderately priced homes.

While many Longville households already own their housing, those households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

6. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Longville. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Longville. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. While the City's median home value is relatively high, there are also some lower valued houses in the community that appeal to first time buyers. Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Longville, area financial institutions, the Cass County HRA and BI-CAP should utilize all available assistance programs to promote home ownership. The community should also explore the possibility of obtaining specific program set-asides along with other Cass County cities from some of the home ownership programs offered through the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control.

The City should work with the Cass County HRA and BI-CAP to continue to develop and provide programs that provide financial assistance for households to purchase a home. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Minnesota Small Cities Development Program.

Longville - New Housing Construction

New Housing Construction

Findings: Longville has experienced some single family owner-occupied housing construction over the past 11 years from 2010 to 2021. According to City and U.S. Census records, approximately nine single family owner-occupied units have been constructed or are under construction in Longville over this time period. Some of these new houses are lake homes.

With the lack of commercial/retail services and employment opportunities in the City, only limited construction of new owner-occupied housing units is projected over the next several years. However, new homes may continue to be constructed, some of which will replace older homes that are demolished.

Longville is projected to gain one household and the North Cass County Area is projected to gain 116 households from 2021 to 2026. Since 2010, the North Cass County Area is projected to gain 96 households in the 25 to 44 age range and the substantial growth of 619 households in the 65 and older age ranges. Households in the younger age ranges tend to be first-time home buyers or are looking for trade-up housing. Households in the 65 and older age ranges tend to be predominantly home owners, and form a market for higher priced homes, trade-up housing and low maintenance housing such as town homes and twin homes.

It is our opinion that if the City of Longville, developers and builders, and local, regional and state housing agencies are proactive, a total of six to eight owner-occupied housing units could be constructed or moved into Longville from 2022 to 2026 to address demand. Our projection for owner occupied single family housing starts includes single family detached homes and attached housing units, such as twin homes and town houses. The breakdown of our projection of six to eight new owner-occupied housing units is as follows:

▸ Higher & medium price homes	2-3 homes
▸ Affordable homes	2-3 homes
▸ Twin homes/town homes	<u>2 units</u>
Total	6-8 homes/units

7. Lot availability and lot development

Findings: Based on information provided by the City of Longville, there is an existing subdivision with approximately five available lots in Longville. Four houses are currently under construction in this subdivision. There are also in-fill lots and open parcels scattered around the City. Also, several lake shore lots may come available as older homes are demolished to provide lots for new housing.

Recommendation: With projections that approximately six to eight new owner-occupied housing units could be constructed over the next five years, the City should have approximately 10 to 12 residential lots available to meet the expected demand. This would provide households with residential lot options. Part of this demand would be for attached unit construction. For lots to be available, they should be buildable and for sale.

We recommend that the City of Longville inventory all of the lots and parcels in Longville to determine their availability, if they are buildable and approximate costs to provide infrastructure to the lot or parcel. It is our assumption that there is an adequate number of lots currently available and that can become available due to demolition in the City of Longville to meet expected demand. However, if there is not an adequate supply of lots, the City should work with lot and parcel owners to make lots and parcels available for new housing construction.

8. Strategies to encourage continued residential lot sales and new home construction in Longville

Findings: From 2010 to 2021, approximately nine owner-occupied single family units have been constructed or are under construction in Longville.

Recommendation: We recommend that the City of Longville, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Area. To attract new home construction in Longville, lots should continue to be available and competitively-priced compared to other options in the Area.
- ▶ ***User Friendly*** - The lot purchase and home building process must continue to be 'user friendly.' This includes an inventory of available lots, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Longville should conduct long-term development planning to assure lots are available on an ongoing basis to meet demand for all types of new housing.
- ▶ ***Incentives*** - Some cities and counties throughout Minnesota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Longville and all housing stakeholders will need to continue marketing the sale of available lots and new home construction. Realtors, financial institutions, builders, employers, etc., should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Longville and its amenities should continue to be marketed.
- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.

- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.

9. Promote town house and twin home development

Findings: Longville has experienced no owner-occupied attached housing development from 2010 to 2021. Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. In 2020, based on the U.S. Census, there were 1,964 households in the North Cass County Area with a head of household in the 65 and older age ranges.

It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that one new twin home (two units) could be built over the next five years with the projection that additional twin homes/town houses could be built after the five-year projection period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home or town home to solicit their ideas.

Longville - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Longville has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

10. Promote rental housing rehabilitation programs

Findings: The City of Longville has approximately 23 rental units. The rental units are in multi-family buildings, mixed-use buildings, duplexes, single family houses and mobile homes. Some of the City's rental units could benefit from rehabilitation as more than 50% of the rental units are more than 40 years old and some of these rental units are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Longville and area housing agencies should seek funds to rehabilitate rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include Minnesota Small Cities Development Program (SCDP) funds, the Federal Home Loan Bank, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, and local funds.

11. Promote owner-occupied housing rehabilitation programs

Findings: The affordability of the existing housing stock in Longville will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 35% of the owner-occupied homes in Longville were constructed prior to 1980 and some of these homes need minor or major repairs. Our housing condition survey rated the 102 houses in Longville. Our survey found 37 homes that need minor repair and five houses that need major repair.

The Cass County HRA and BI CAP administer housing rehabilitation programs in Longville and Cass County. Housing rehabilitation programs include the Minnesota Housing Programs, the Minnesota Small Cities Development Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Longville continue to utilize available funding sources to rehabilitate homes. USDA Rural Development, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources. Several years ago the City of Longville received SCDP funding for housing rehabilitation.

Longville - Other Housing Initiatives

Other Housing Initiatives

12. Acquire and demolish dilapidated structures

Findings: Approximately 35% of the single family homes in Longville are more than 40 years old. Our housing condition survey did not rate any single family houses in Longville that are dilapidated and too deteriorated to rehabilitate. We, however, did identify five single family houses in Longville as needing major repair and some of these homes may be too deteriorated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

Recommendation: We recommend that the City of Longville take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

The City could develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Tax increment financing, Greater Minnesota Housing Funds, Minnesota Housing funds, and SCDP funds are potential funding sources for this initiative. Funding may be available for both acquisition/demolition and new construction activities.

13. Create a plan and continue coordination among housing agencies

Findings: The City of Longville may need resources in addition to existing staff to plan and implement some of the housing recommendations advanced in this Study. The City has access to the Cass County HRA, BI-CAP, the Cass County Economic Development Corporation and the Region Five Development Commission. The City also has access to the Minnesota Housing Finance Agency (MHFA) and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

Recommendation: The City of Longville is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency.

While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

14. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc.

This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Longville has been active in promoting and the City and we recommend the continuation or initiation of the following activities:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Longville and the Area) to provide employees (especially new employees) with housing opportunities in Longville
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, commercial, service and recreational opportunities that make the City a "full service" community

- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve and improve the quality of the City's housing through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices, such as new rental housing, twin homes, senior housing, etc.
- ▶ Develop incentives and strategies to encourage builders and households to buy lots and to build and buy new homes.
- ▶ Review the City's building policies and fees to assure that they are user-friendly, fair and reasonable for builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

15. Strategies for Downtown Redevelopment

Findings: Longville's Downtown has buildings that have been renovated and have high quality commercial space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline for additional actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, and to promote new downtown businesses.

Recommendation: We are recommending the following actions for downtown Longville:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Rental unit conversions or rehab
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Mixed-use building development

- ▶ Identify funding sources
 - ▶ SCDP funds
 - ▶ Property owner funds
 - ▶ City funds
 - ▶ Cass County HRA funds
 - ▶ Cass County Economic Development Corporation funds
 - ▶ Federal Home Loan Bank
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Minnesota Department of Employment and Economic Development
 - ▶ Minnesota Housing Finance Agency funds
 - ▶ BI-CAP funds
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Longville
 - ▶ Cass County Economic Development Corporation
 - ▶ Cass County HRA

Remer

Key Statistics: Remer	
Demographic	
Population 2020:	391 people
Households 2020:	175 households
Household Size 2020:	2.17 persons per household
Population Trend:	Up by 21 people from 2010 to 2020
Household Trend:	Unchanged from 2010 to 2020
Household Projection:	No change in households between 2020 and 2026
Income	
Median Household Income:	\$25,893 in 2019
Median Family Income:	\$42,500 in 2019
Housing	
Home Ownership Rate 2019:	60.4% home owners
Rental Rate 2019:	39.6% renters
Median Home Value:	\$71,400 based on American Community Survey
New Construction:	23 housing units from 2010 to 2020
Housing Condition	
Condition Rating:	Sound - 53 homes
(Entire City)	Minor Rehab - 34 homes
	Major Rehab - 13 homes
	Dilapidated - 13 homes
Median Year Built - Owner:	1958
Median Year Built - Rental:	1983

Summary of Growth Trends

Based on the 2020 Census, the City of Remer has maintained a stable number of households while gaining population in recent years. Between 2010 and 2020, Remer's permanent household count remained unchanged and the City added 21 residents. The City's average household size increased over the decade to 2.17 persons.

Remer has generally experienced limited change in the number of households in recent decades, although growth did occur in the 1990s. However, since the year 2000 the City has remained relatively stable, with a reduction of only three resident households over the past 20 years.

Reports available from the Census Bureau and the City show that 23 new units were constructed in Remer since 2010, with 16 of these in a senior housing project.

For this Housing Study, Remer has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, despite the stability in Remer.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Remer, the number of households was unchanged in the most recent decade. Over the past two decades the City's has only lost three households. A recent trend-based projection would yield the expectation that the City will remain stable through the year 2026.

It is also possible that some limited growth could occur in Remer. However, any growth would probably require future housing unit creation. Remer had only a limited number of vacant housing units counted in the 2020 Census. For any significant household growth in the future the City would probably need to have some expansion of the housing stock.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Remer - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the City of Remer's local housing stock.

- ▶ **Remer serves the immediate area** - Remer provides employment opportunities, retail/service options, governmental services, medical facilities and recreational opportunities for a geographical area that surrounds the City.
- ▶ **Affordable priced housing stock** - The City has a stock of affordable, existing houses. According to 2019 American Community Survey data, the City's median home value is \$71,400. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Infrastructure** - The City's water and sewer infrastructure can accommodate future expansion.
- ▶ **Recreational opportunities** - The Remer area provides recreational opportunities including lakes, forests, trails, boating, hunting, hiking, snowmobiling, fishing, canoeing, etc. A new large campground is under construction in Remer.
- ▶ **Small town atmosphere** - Remer has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), Cass County Economic Development Corporation and the Region Five Development Commission** - Remer has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.
- ▶ **Highway #200** - Remer is located on Highway #200, which provides efficient access to and from Remer.

- ▶ **Remer is located near Grand Rapids** - Remer is located 26 miles from Grand Rapids, which is a regional center. The Grand Rapids area provides employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Many households prefer to live near, but not in a regional center.
- ▶ **Regional growth potential** - Although Remer has had limited growth in recent decades, the area defined as North Cass County has been adding households in recent decades. Growth projections indicate that the townships in the central portion of the County will continue to grow over the next five years.
- ▶ **Rental housing projects** - Two rental housing projects with 12 or more units are located in Remer, Cedar Street Complex and Northland Apartments.
- ▶ **Specialized housing** - There are three specialized housing providers based in Remer. This provides local housing options for local residents that need assistance with daily living
- ▶ **Commercial Development** - Remer's commercial district is adequate to meet most daily needs.
- ▶ **Employers** - Remer has several significant employers that provide jobs for area residents.
- ▶ **Educational Facility** - Remer has preschool through grade 12 public schools.
- ▶ **Recent new home construction** - Four new homes were constructed in Remer from 2018 and 2020.
- ▶ **Medical Clinic** - Remer residents have access to a medical clinic in Remer.

Barriers or Limitation to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Remer.

- ▶ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes for Remer and Cass County are lower than the Statewide medians. While this income level matches up well with prices for existing ownership and rental housing in the City, it is not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some jobs in Remer and the area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Value gap deters new owner-occupied construction** - According to recent home sales the City's median home value is \$71,400. This is below the comparable cost for new housing construction, which will generally be above \$200,000 for a stick-built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for any type of speculative building and can also deter customized construction, unless the owners are willing to accept a potential loss on their investments.
- ▶ **Competition from surrounding rural areas and lakes** - Nearly all of the past household growth and housing construction activity in North Cass County has been located in the rural townships. This includes lake shore locations and other rural settings. The incorporated cities in the County have been less successful in attracting households and new home construction.
- ▶ **Staff capacity limitations** - Although the City has access to several housing and economic development agencies, it is difficult to develop and implement housing initiatives with limited resources.
- ▶ **Lack of available lots** - The number of available buildable lots is limited in Remer.
- ▶ **Limited commercial options** - Remer has commercial and retail options to meet daily needs, however, it has limited other retail and commercial options.

Remer - Recommendations and Opportunities

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Remer. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Remer if there is continued proactive support from the City of Remer; local and regional housing agencies; economic development agencies and the Minnesota Housing Finance Agency.
- ▶ **Protect the existing housing stock** - The future of Remer will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is a major asset, however, rehabilitation efforts are needed to preserve this housing.
- ▶ **Protect the existing assets and resources** - Remer has several assets including an affordable housing stock, recreational opportunities, commercial businesses, employers, preschool through grade 12 public school, medical facilities, etc. These assets make Remer a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the Cass County HRA, BI-CAP, the Cass County Economic Development Corporation, the Region Five Development Commission, the Minnesota Housing Finance Agency and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Remer have been formulated through the analysis of the information provided in the previous sections and include a total of 18 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Remer	
Rental Housing Development	
1.	Develop 8 to 10 general occupancy market rate rental units
2.	Promote the development/conversion of three to four affordable market rate rental housing units
3.	Develop six to eight additional subsidized/moderate rent housing units
4.	Consider the development of six to eight senior independent/light services units
5.	Utilize the Housing Choice Voucher Program
6.	Develop a Mixed-Use Commercial/Housing Project
Home Ownership	
7.	Utilize and promote all programs that assist with home ownership
8.	Consider the development of a purchase/rehabilitation program
New Construction	
9.	Lot availability and lot development
10.	Strategies to encourage residential lot sales and new home construction
11.	Promote town house and twin home development

Findings and Recommendations for the City of Remer	
Housing Rehabilitation	
12.	Promote rental housing rehabilitation programs
13.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
14.	Encourage employer involvement in housing
15.	Acquire and demolish dilapidated structures
16.	Create a plan and continue coordination among housing agencies
17.	Develop home ownership and new construction marketing programs and strategies
18.	Strategies for Downtown Redevelopment

Remer - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities.

From 2010 to 2021, based on City data, no rental units have been constructed in Remer although, some owner occupied homes may have converted to rentals and vice versa. Also, a senior assisted living project, with a 20-resident capacity, has been constructed.

Demand for new rental housing is typically generated from three factors:

- Growth from new households
- Replacement of lost units
- Pent-up demand from existing households

Community Partners Research, Inc., household projections expect the number of households in Remer to remain stable and a gain of 240 households in the North Cass County Area from 2020 to 2026. Therefore, we are projecting the demand for approximately 10 rental housing units due to household growth over the next five years in Remer and the surrounding area.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Remer will lose approximately four to six rental units over the next five years. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock as it is no longer habitable. Also, it is projected that some of the single family homes that converted to rentals will convert back to owner-occupied homes.

As part of this study, a rental survey of rental units in Remer was conducted. In total, 31 rental units were contacted and surveyed. The survey found no vacancies in the units. All of the units are fully occupied and the rental projects have waiting lists.

Based on our research, the vacancy findings and local interviews, we have identified pent-up demand for affordable market rate rental units, subsidized units and senior independent/light services units.

These demand generators, after factoring current vacancy rates, show a demand potential for 23 to 30 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years, from 2021 to 2026.

▶ General Occupancy Market Rate	8-10 units
▶ Affordable/Conversions	3-4 units
▶ Subsidized/Moderate Rent	6-8 units
▶ Senior with Services (Independent/Light Services)	<u>6-8 units</u>
Total	23-30 units

1. Develop 8 to 10 general occupancy market rate rental units

Findings: Approximately 57% of the rental housing in the City of Remer can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City includes approximately 72 total units in 2021. We believe that approximately 41 of these units are best described as market rate rental housing. The City has a four-unit market rate building, however, the majority of the market rate rental units in Remer are in single family homes.

The number of households in Remer is expected to remain stable over the next five years. Also, as stated earlier, the North Cass County Area is forecast to gain approximately 116 households. Although most of these households will be located on lakes and in rural areas, some of the new households will be seeking rental housing.

Remer has employment opportunities. Also, the City is located within commuting distance to the Grand Rapids Area, which has employment opportunities and other amenities. Remer also has the infrastructure and services to support additional rental housing.

Housing stakeholders that were interviewed for the study stated that there is a need for additional market rate rental housing.

Recommendation: Rental housing demand is based on household growth, pent-up demand and replacement of rental housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of eight to 10 market rate general occupancy rental units over the next five years, through 2026.

Town home-style units are the preferred option for addressing the need for market rate units, although a high quality apartment building would also be a viable option. Also, the project, to be successful, should have 'state of the art' amenities.

To construct the rental housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement and other resources may be needed.

The first option would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Cass County HRA, the Cass County Economic Development Corporation, or a regional housing agency could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

**Recommended unit mix, sizes and rents for the Remer
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One-Bedroom	2-3	650 - 750	\$750
Two-Bedroom	5-6	850 - 1,000	\$800 - \$900
Three-Bedroom	<u>1</u>	1,100 - 1,200	\$975
Total	8-10		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 dollars.

It would be advantageous to have the rents for some of the units at or less than the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The Fair Market Rents currently are:

- 1 bedroom - \$603
- 2 bedroom - \$793
- 3 bedroom - \$1,014

2. Promote the development/conversion of three to four affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop market rate rental units in Remer. Unfortunately, these units would tend to be beyond the financial capability of many Remer renter households. Many of the City's renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that Remer has lost some rental housing over the years and will continue to lose units due to deterioration, demolition, or from units converting from renter to owner-occupancy. Therefore, there is a need for additional rental units in Remer to provide for unit replacement. Unfortunately, most of the lost units are probably affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards have been made to small cities for small rental projects.

Recommendation: We encourage the City of Remer to promote the development/conversion of more affordable units. A goal of three to four units over the next five years would help to replace affordable housing that has been lost.

It is difficult to create units through new construction. It is often more practical to work on building renovation or conversion projects that can create housing. This opportunity often arises in commercial/mixed-use buildings or vacant homes.

It is our recommendation that the gross rents for the converted units should be below \$650 per month, which would help to expand the choices available to many of the City's renter households.

It is probable that the proposed rent structure for the units could only be obtained with financial commitments from other sources such as tax increment financing or tax abatement from the City and other financial resources from funding agencies such as Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and SCDP funds. Also, financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Develop six to eight subsidized or moderate rent/general occupancy rental housing units

Findings: There are two federally subsidized rental projects in Remer. These two projects have a combined 31 units. One of the projects with 12 units is for general occupancy and one project with 19 units is for senior/disabled occupancy.

The two subsidized projects are as follows:

- ▶ **Northland Apartments** - Northland Apartments includes 19 senior/disabled HUD subsidized units with a preference for senior/disabled tenants. All 19 units are one-bedroom. The project was constructed in 1978.
- ▶ **Cedar Street Complex** - Cedar Street Complex is a 12-unit USDA Rural Development/tax credit general occupancy project that includes eight two-bedroom and four three-bedroom units. The project was constructed in 1993.

Tenants in both projects have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income.

At the time of the rental survey, there were no vacancies in the 31 subsidized units. Both projects have waiting lists.

Based on the 2019 American Community Survey, approximately 63% of the households in the City reported that 30% or more of their income was required to pay housing costs. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Recommendation: We recommend that the City of Remer, the Cass County HRA and BI-CAP look for opportunities to expand the supply of a realistic goal would be the construction of six to eight general occupancy subsidized or moderate rent/affordable units over the next five years. It may be feasible to construct a mixed-income building that has both market rate and affordable rental housing.

The need for additional subsidized/moderate rent units is greater than the number of new units recommended, however, the large subsidized housing production programs of the past are very limited and it remains very difficult to produce new units for income renters.

The actual number of units that can be developed will be dependent upon access to financial resources. In the opinion of the analysts, the highest priority would be to create larger two and three-bedroom subsidized general occupancy units for families and younger households.

4. Consider the development of six to eight senior independent/light services units

Findings: There are typically different types of senior with services housing that can serve older seniors, including independent/light services housing, assisted living (full array of senior services), memory care and skilled nursing care. Currently, there are three senior assisted living housing projects with a capacity of 36 residents. There is an additional assisted living project with a five-resident capacity that is temporarily closed.

Based on 2021 Esri data, there are 1,964 North Cass County households age 65 and above. Also, as the baby boom generation continues to age, the senior population will continue to increase from 2021 to 2026.

Recommendation: Based on the research completed for this Study, we do not recommend the development of senior with services units, which provide a high level of services such as assisted living, in Remer through the year 2026. Currently, there are three senior with services facilities currently serving Remer and the surrounding area. At the time of the survey, there were nine total empty beds in the three projects.

We do, however, recommend a six to eight-unit senior independent/light services project in Remer. The Remer area has a significant senior population living in rural areas and on lakes. Some of these households will seek senior independent/light services housing. The project's amenities and features should include:

- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Smoke alarms
- ▶ Enclosed parking

Apartment features should include:

- ▶ 6 to 8 units
 - ▶ 1 to 2 one-bedroom
 - ▶ 5 to 6 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Large storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Optional services that could be provided by community organizations or agencies include:

- ▶ noon meal
- ▶ weekly housekeeping
- ▶ home health care
- ▶ social activities

Tax increment financing, tax abatement, land donations, low interest loans and/or other subsidies and incentives could be utilized to make the project financially feasible.

It is estimated that 50% of the units will be occupied when the project opens and one to two additional units will be rented over the next four to five months.

The purpose of this recommendation is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project-specific study conducted.

5. Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Remer and Cass County is administered by the Cass County HRA. Currently, the Cass County HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. Approximately 35 Cass County households are currently utilizing a Voucher, including three households using Vouchers in the City of Remer in 2021.

Approximately 62% of Remer's renter households are currently paying more than 30% of their income for rent, which is considered a housing cost burden. There is a waiting list for the Voucher program.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Remer can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Remer and Cass County to assure that City and County households have access to and are aware of the Program.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: The development of a mixed-use rental housing/commercial project would complement the City's efforts to enhance the City's commercial and housing opportunities.

New mixed-use projects have been developed in several Minnesota cities. Some of these projects were developed because of market demand, while others were developed to enhance commercial areas, to introduce a new product to the market or to serve as a catalyst for redevelopment.

Recommendation: We recommend the development of a mixed-use building in Downtown Remer. There are several potential sites in the downtown area for a mixed-use project. The site could be a vacant parcel, or a dilapidated structure or structures could be demolished to provide a site. We recommend commercial space on the first floor and rental units on the upper floors.

The rental units should be primarily market rate units, but could be mixed-income, with some moderate income units. The units should be one and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations in this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City, the County, the Cass County HRA and the Cass County Economic Development Corporation may have a role in the project by providing tax increment financing (TIF), tax abatement, land at a reduced price and other funds.

Remer - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

Based on recent sales data, the City's median home value is \$71,400. With approximately 50% of the homes in Remer valued less than \$71,400, Remer has opportunities for first time home buyers and households seeking moderately priced homes.

While many Remer households already own their housing, those households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

7. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Remer. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Remer. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at \$71,400, there are lower valued houses in the community that appeal to first time buyers. Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Remer, area financial institutions, the Cass County HRA and BI-CAP should utilize all available assistance programs to promote home ownership. The community should also explore the possibility of obtaining specific program set-asides along with other Cass County cities from some of the home ownership programs offered through the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control.

The City should work with the Cass County HRA and BI-CAP to continue to develop and provide programs that provide financial assistance for households to purchase a home. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Minnesota Small Cities Development Program.

8. Consider the development of a Purchase/Rehabilitation Program

Findings: The City of Remer has a stock of older, lower valued homes, some of which need repairs. Approximately 61% of the owner-occupancy stock was constructed before 1960 and some of these homes need repairs. As some of the lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In the past, Minnesota Housing Finance Agency had provided funding for the Minnesota Urban Homestead Program (MURL) Program. Under the program, the City or an area housing agency purchased an existing home that needed rehabilitation, rehabilitated the home, sold the home to a low income family and provided a mortgage and a monthly payment that was affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units. However, Minnesota Housing Finance Agency is no longer providing funding for the MURL Program.

Recommendation: We recommend that the City of Remer, the Cass County HRA and BI-CAP, along with other Cass County cities, consider the creation of a purchase/rehab program for existing houses that is similar to the previous MURL Program. The City or an agency could purchase homes that need rehabilitation, rehabilitate the homes and sell the homes. Housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. The Minnesota Housing Finance Agency, the SCDP Program, and the Federal Home Loan Bank are potential funding sources.

Also, a program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of existing substandard homes. This program would not require intermediate City or a housing agency ownership of the homes. USDA Rural Development provides mortgage funds to purchase a home and to make repairs to the home. Additionally, the City, the Cass County HRA and BI-CAP could assist private contractors with purchasing, rehabilitating and selling homes.

Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties, convert rental properties back to owner-occupancy, and rehabilitate homes that are currently substandard.

Remer - New Housing Construction

New Housing Construction

Findings: Remer has experienced limited single family owner-occupied housing construction over the past 11 years from 2010 to 2021. According to City and U.S. Census records, approximately seven single family owner-occupied units have been constructed in Remer. Four of the seven homes have been constructed since 2018.

Remer has commercial/retail services, a pre-school thru grade-12 school, medical facilities, recreational opportunities and employment options, therefore, some limited construction of new owner-occupied housing units is projected over the next several years. However, for new homes to continue to be constructed, buildable residential lots must be available.

The number of households in Remer is projected to remain stable and the North Cass County Area is projected to gain 240 households through the year 2026. Since 2010 the North Cass County Area has added 96 households in the younger age ranges between 25 and 44 years old and substantial growth of 619 households has occurred in the 65 and older age ranges. Households in the younger age groups tend to be first-time home buyers or are looking for trade-up housing. Households in the senior age groups tend to be predominantly home owners, and form a market for higher priced homes, trade-up housing and low maintenance housing such as town homes and twin homes.

It is our opinion that if the City of Remer, developers and builders, and local, regional and state housing agencies are proactive, a total of seven to nine owner-occupied housing units could be constructed or moved into Remer from 2022 to 2026 to address demand. Our projection for owner occupied single family housing starts includes single family detached homes and attached housing units, such as twin homes and town houses. The breakdown of our projection of seven to nine new owner-occupied housing units is as follows:

▶ Higher & medium price homes	1-2 homes
▶ Affordable homes	4-5 homes
▶ Twin homes/town homes	<u>2 units</u>
Total	7-9 homes/units

9. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Remer. Currently, there is not an existing subdivision in the City that has an adequate number of lots to meet demand.

However, there are miscellaneous infill lots and parcels scattered around the City. We do not know the availability of some of these infill lots. Also, there are some dilapidated homes in the City. If these homes are demolished, some of the cleared lots could be sites for new construction.

Recommendation: We use a standard that a three-year supply of lots should be available in the marketplace based on annual lot usage. With projections that approximately two new owner-occupied housing units could be constructed per year, the City should have approximately six to eight residential lots available to meet the expected demand. Part of this demand would be for attached unit construction.

With only miscellaneous infill lots potentially available, the City currently does not have an adequate supply of lots to meet expected demand over the next several years. If projected demand is to come to fruition, it will be necessary to develop additional lots.

To achieve the level of new home construction potential that has been identified and to have lots available over an extended period of time, we recommend the development of 8 to 10 additional residential lots over the next five years. In developing the lots, the following should be considered:

- ▶ If possible, the site(s) for lot development should have land available for future lot development phases.
- ▶ The lots could be developed on several sites
- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.
- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.

- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful lot development will need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the City of Remer, the Cass County HRA, the Cass County Economic Development Corporation and the Region Five Development Corporation. Financial assistance such as tax increment financing, deferment of assessments, tax abatement and land donations or write downs, may be necessary to make the development of lots feasible.
- ▶ It may be advantageous to develop the lots in phases.
- ▶ Lots should be available for twin home/town house development

10. Strategies to encourage continued residential lot sales and new home construction in Remer

Findings: From 2010 to 2021, approximately seven owner-occupied single family units have been constructed in Remer. We are projecting that seven to nine units will be constructed in Remer from 2022 to 2026.

Recommendation: We recommend that the City of Remer, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Area. To attract new home construction in Remer, lots should continue to be available and competitively-priced compared to other options in the Area.
- ▶ ***Alternative to rural and lakeshore development*** - The large majority of the new housing construction in the North Cass County Area is projected to be on lakes and in rural areas. As lake and rural area building sites become more limited and cost-prohibitive, the City can provide an attractive and affordable option.
- ▶ ***User Friendly*** - The lot purchase and home building process must continue to be 'user friendly.' This includes an inventory of available lots, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Remer should conduct long-term development planning to assure lots are available on an ongoing basis to meet demand for all types of new housing.
- ▶ ***Incentives*** - Some cities and counties throughout Minnesota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes in the future. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Remer and all housing stakeholders will need to continue marketing the sale of available lots and new home construction. Realtors, financial institutions, builders, employers, etc., should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Remer and its amenities should continue to be marketed.

- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. Some housing agencies and nonprofits develop affordable homes on in-fill lots.

11. Promote town house and twin home development

Findings: Remer has experienced no owner-occupied attached housing development from 2010 to 2021. Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family houses available for families. In 2021, based on Esri data, there are approximately 1,964 households in the North Cass County Area with a head of household in the 65 and older age ranges.

It is important for the City to offer a range of life-cycle housing choices as many of these households will be seeking to move into low maintenance options.

Recommendation: It is our projection that two units in one twin home could be built over the next five years with the projection that additional twin homes/town homes could be built after the five-year projection period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a number of homes which provides security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing units.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home or town home to solicit their ideas.

Remer - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Remer has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

12. Promote rental housing rehabilitation programs

Findings: The City of Remer has approximately 72 rental units. The rental units are in multi-family buildings, duplexes and single family houses. Some of the City's rental units could benefit from rehabilitation as approximately 50% of the rental units are more than 40 years old and some are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Remer and area housing agencies should seek funds to rehabilitate rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include Minnesota Small Cities Development Program (SCDP) funds, the Federal Home Loan Bank, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, and local funds.

13. Promote owner-occupied housing rehabilitation programs

Findings: The affordability of the existing housing stock in Remer will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 61% of the owner-occupancy stock was constructed before 1960 and some of these homes need minor or major repairs. Our housing condition survey rated the 113 houses in Remer. Our survey found 34 houses that need minor repair and 13 houses that need major repair.

The Cass County HRA and BI CAP administer housing rehabilitation programs in Remer and Cass County. Housing rehabilitation programs include the Minnesota Housing Finance Agency Programs, the Minnesota Small Cities Development Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Remer continue to utilize available funding sources to rehabilitate homes. USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources. The City of Remer has received SCDP Program funding in the past for housing rehabilitation.

Remer - Other Housing Initiatives

Other Housing Initiatives

14. Encourage employer involvement in housing

Findings: The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers to the community. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing the City's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as work force oriented rental housing, an affordable home ownership program or a new subdivision.

Additionally, employers can continue to support other city projects, such as parks, trails, ballfields, educational facilities, etc., that have a positive impact on housing in Remer.

15. Acquire and demolish dilapidated structures

Findings: Approximately 61% of the owner-occupancy stock was constructed before 1960. Our housing condition survey identified 13 single family houses in Remer that are dilapidated and too deteriorated to rehabilitate. We also identified 13 single family houses in Remer as needing major repair and some of these homes may be too deteriorated to rehabilitate. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

Recommendation: We recommend that the City of Remer take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

The City could develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Tax increment financing, Greater Minnesota Housing Funds, Minnesota Housing Finance Agency funds, and SCDP funds are potential funding sources for this initiative. Funding may be available for both acquisition/demolition and new construction activities.

16. Create a plan and continue coordination among housing agencies

Findings: The City of Remer may need resources in addition to existing staff to plan and implement some of the housing recommendations advanced in this Study. The City has access to the Cass County HRA, BI-CAP and the Cass Economic Development Corporation and the Region Five Development Commission. The City also has access to Minnesota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Remer is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

17. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc.

This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Remer has been active in promoting housing and its amenities and we recommend the continuation or initiation of the following activities:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Remer and the Area) to provide employees (especially new employees) with housing opportunities in Remer
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, commercial, service and recreational opportunities that make the City a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve and improve the quality of the City's housing through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices, such as new rental housing, twin homes, etc.
- ▶ Develop incentives and strategies to encourage builders and households to buy lots and to build and buy new homes.
- ▶ Review the City's building policies and fees to assure that they are user-friendly, fair and reasonable for builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

18. Strategies for Downtown Redevelopment

Findings: Remer's Downtown has buildings that have been renovated and have high quality commercial and/or housing space. There are also buildings that have not been maintained and are substandard. This recommendation provides an outline for additional actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement renovations/conversions for housing.

Recommendation: We are also recommending the following actions for downtown Remer:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Rental unit conversions or rehab
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Mixed-use building development

- ▶ Identify funding sources
 - ▶ SCDP funds
 - ▶ Property owner funds
 - ▶ City funds
 - ▶ Cass County HRA funds
 - ▶ Cass County Economic Development Corporation funds
 - ▶ Federal Home Loan Bank
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Minnesota Department of Employment and Economic Development
 - ▶ Minnesota Housing Finance Agency funds
 - ▶ BI-CAP funds
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Remer
 - ▶ Cass County Economic Development Corporation
 - ▶ Cass County HRA

Walker

Key Statistics: Walker	
<i>Demographic</i>	
Population 2020:	966 people
Households 2020:	461 households
Household Size 2020:	1.92 persons per household
Population Trend:	Up by 25 people from 2010 to 2020
Household Trend:	Up by 9 households from 2010 to 2020
Household Projection:	5 to 6 households between 2020 and 2026
<i>Income</i>	
Median Household Income:	\$42,500 in 2019
Median Family Income:	\$48,816 in 2019
<i>Housing</i>	
Home Ownership Rate 2019:	53.2% home owners
Rental Rate 2019:	46.8% renters
Median Home Value:	\$215,000 based on recent sales
New Construction:	8 single family housing starts from 2010 to 2020
<i>Housing Condition</i>	
Condition Rating:	Sound - 40 homes
(One Neighborhood)	Minor Rehab - 37 homes
	Major Rehab - 9 homes
	Dilapidated - 3 homes
Median Year Built - Owner:	1968
Median Year Built - Rental	1974

Summary of Growth Trends

Based on the 2020 Census, the City of Walker has been adding some population and households in recent years. Between 2010 and 2020, Walker added nine permanent resident households and 25 people.

Longer-term patterns for household change show gradual but consistent growth, as the City added some households in each of the past three decades. However, the numeric gain has generally been small, with only 12 households added over the past 20 years.

Only eight new single family houses can be identified from annual construction reports since 2010. This is very similar to the growth of nine households that was reported by the 2020 Census.

Walker did have some vacant housing in 2020, but presumably most of these units were used as seasonal/recreational housing. Going forward, any significant gain of permanent resident households will probably be linked to an expansion of housing availability in the community.

For this Housing Study, Walker has been grouped with other communities in the northern portion of Cass County to allow for regional comparison. Between 2010 and 2020, the combined jurisdictions in North Cass County added 185 permanent households, or an annual average of approximately 19 households per year. However, nearly all of the net gain in households in this part of Cass County was located in the Townships and/or Unorganized Territories. The combined cities in North Cass had a net loss of 51 households over the decade, despite some household growth in Walker.

This same pattern of rural household growth was also evident in all of Cass County. Between 2010 and 2020, the entire County added 666 permanent resident households, or an average of nearly 67 households per year. But more than 99% of the entire County's net household growth over the last decade was located in the Townships and Unorganized Territories. In all of the combined cities in Cass County, a net gain of only four permanent households was recorded by the 2020 Census.

Summary of Growth Projections

This Study has focused on the potential future change in households as a major contributor to housing demand. For small communities, household growth projections are largely based on a continuation of recent patterns.

In the City of Walker, minor household growth did occur in the most recent decade. Longer-term, the City has also added some households over the past three decades, although this increase has been very limited since the year 2000. A recent trend-based projection would yield the expectation that the City will add approximately one household per year through 2026, for a total of between five and six additional households.

It is certainly possible for Walker to exceed this projection, but it would probably require a higher level of future housing unit creation. The City is the largest community in the North portion of Cass County and is a rental center to the surrounding area. It is therefore possible that a larger volume of housing units will be constructed at some point in the future, potentially resulting in greater than projected growth.

Past growth patterns for the combined jurisdictions that form North Cass County would yield an expectation that approximately 116 households would be added between 2020 and 2026, or approximately 19 households in an average year. A growth projection obtained from Esri for the North Cass County regions expects a gain of approximately 61 households per year through 2026.

Although the household forecast from Esri appears to be high, a range of annual household growth between 19 and 61 households per year is achievable for North Cass County, in the opinion of the analysts. In the middle of this range, annual average growth of nearly 40 households per year is a realistic expectation. However, nearly all of this potential growth is likely to occur within the rural townships and/or unorganized territories in North Cass, with only a small share located within the cities in this portion of the County.

Walker - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the City of Walker's local housing stock.

- ▶ **Walker serves the immediate area** - Walker provides employment opportunities, retail/service options, governmental services, medical facilities and recreational opportunities for a geographical area that surrounds Walker.
- ▶ **Affordable priced housing stock** - Although the median home value in Walker is high, the City has a limited stock of affordable, existing houses. According to recent existing home sales data, the City of Walker's median home value is \$215,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Infrastructure** - The City's water and sewer infrastructure can accommodate future expansion.
- ▶ **Recreational opportunities and vacation destination** - The Walker area is a vacation destination and provides recreational opportunities including lakes, forests, trails, boating, hunting, hiking, snowmobiling, fishing, canoeing, etc. Walker is located on Leech Lake, which is one of Minnesota's premier lakes.
- ▶ **Small town atmosphere** - Walker has the real and perceived amenities of a small town. Small town living is attractive for some households.
- ▶ **Cass County Housing and Redevelopment Authority (HRA), Cass County Economic Development Corporation and the Region Five Development Commission** - Walker has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.
- ▶ **Walker Housing and Redevelopment Authority (HRA)** - The Walker HRA provides housing for low and moderate income households.
- ▶ **BI-CAP** - BI-CAP is the designated Community Action Agency for Cass County. BI-CAP is active in addressing the area's housing needs and in providing funding for housing projects and programs.

- ▶ **Value of existing homes** - The median value of existing homes in Walker is approximately \$215,000. The high median value is an incentive of new housing construction.
- ▶ **Highways #371 and #200** - Walker is located on Highways #371 and #200, which provide efficient access to and from Walker.
- ▶ **Household growth** - Walker is forecast to add population and households over the next five years.
- ▶ **Walker is located between Bemidji and Brainerd** - Walker is located 62 miles from Brainerd and 38 miles from Bemidji. The Brainerd and Bemidji areas provide employment opportunities, retail/service options, educational opportunities, health care facilities and cultural amenities. Many households prefer to live near, but not in a larger regional center.
- ▶ **Regional growth potential** - Although Walker has had limited growth in recent decades, the area defined as North Cass County has been adding households in recent decades. Growth projections indicate that the townships in the central portion of the County will continue to grow over the next five years.
- ▶ **Rental housing projects** - Several rental housing projects are located in Walker, including market rate, subsidized and tax credit projects.
- ▶ **Specialized senior housing** - There are three licensed senior housing with services providers based in Walker. This can provide a local housing options for local seniors that need assistance with daily living
- ▶ **Commercial District** - Walker's commercial district is adequate to meet most daily needs and is a popular tourism destination.
- ▶ **Employers** - Walker has several significant employers that provide jobs for area residents.
- ▶ **Educational Facility** - Walker has preschool through grade 12 public schools.
- ▶ **Medical Clinics** - Walker residents have access to two medical clinics in Walker.

Barriers or Limitation to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Walker.

- ▶ **Age and condition of the housing stock** - While a limited portion of the existing stock is affordable, some of the housing is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes for Walker and Cass County are lower than the Statewide medians. While this income level matches up well with prices for existing ownership and rental housing in the City, it is not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some jobs in Walker and the area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.
- ▶ **Competition from surrounding rural areas and lakes** - Nearly all of the past household growth and housing construction activity in North Cass County has been located in the rural townships. This includes lake shore locations and other rural settings. The incorporated cities in the County have been less successful in attracting households and new home construction.
- ▶ **Staff capacity limitations** - Although the City has access to several housing and economic development agencies, it is difficult to develop and implement housing initiatives with limited resources.
- ▶ **Lack of available lots** - The number of available lots is limited in Walker.
- ▶ **Hospital Facility** - Although Walker has two medical clinics, the City does not have a hospital.

Walker - Recommendations and Opportunities

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Walker. They are based on the following strategies.

- ▶ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.
- ▶ **Proactive community involvement** - New home and apartment construction will more likely occur in Walker if there is continued proactive support from the City of Walker; local and regional housing agencies; economic development agencies and the Minnesota Housing Finance Agency.
- ▶ **Protect the existing housing stock** - The future of Walker will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is a major asset, however, rehabilitation efforts are needed to preserve this housing.
- ▶ **Protect the existing assets and resources** - Walker has several assets including an affordable housing stock, its status as a tourism and vacation destination, recreational opportunities, commercial businesses, employers, preschool through grade 12 public schools, medical clinics, etc. These assets make Walker a desirable community to live in, and are key components to the City's long-term success and viability. These assets must be protected and improved.
- ▶ **Develop a realistic action plan with goals and time lines** - In the past the City has been involved in housing issues. The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the City has other resources to draw on including the Cass County HRA, the Walker HRA, BI-CAP, the Cass County Economic Development Corporation, the Region Five Development Commission, the Minnesota Housing Finance Agency and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Walker have been formulated through the analysis of the information provided in the previous sections and include a total of 18 recommendations divided into the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family New Construction**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Walker	
Rental Housing Development	
1.	Develop 26 to 30 general occupancy market rate rental units
2.	Promote the development/conversion of six to eight affordable market rate rental housing units
3.	Develop 24 to 28 additional subsidized/moderate rent/work force units
4.	Support the development of additional senior housing with services units
5.	Continue to utilize the Housing Choice Voucher Program
6.	Develop a Mixed-Use Commercial/Housing Project
Home Ownership	
7.	Utilize and promote all programs that assist with home ownership
8.	Consider the development of a purchase/rehabilitation program
New Construction	
9.	Lot availability and lot development
10.	Strategies to encourage residential lot sales and new home construction
11.	Promote town house and twin home development

Findings and Recommendations for the City of Walker	
Housing Rehabilitation	
12.	Promote rental housing rehabilitation programs
13.	Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives	
14.	Encourage employer involvement in housing
15.	Acquire and demolish dilapidated structures
16.	Create a plan and continue coordination among housing agencies
17.	Develop home ownership and new construction marketing programs and strategies
18.	Strategies for Downtown Redevelopment

Walker - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as “affordable” when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities.

From 2010 to 2021, based on City data, no rental units have been constructed in Walker although, some owner occupied homes may have converted to rentals and vice versa.

Demand for new rental housing is typically generated from three factors:

- Growth from new households
- Replacement of lost units
- Pent-up demand from existing households

Community Partners Research, Inc., household projections expect a gain of six households in Walker and a significant gain of 240 households in the North Cass County Area from 2020 to 2026. Therefore, we are projecting the demand for approximately 20 rental housing units due to household growth over the next five years in Walker and the surrounding area.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Walker will lose approximately eight to 10 rental units over the next five years. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock as it is no longer habitable. Also, it is projected that some of the single family homes that converted to rentals will convert back to owner-occupied homes.

As part of this study, a rental survey of rental units in Walker was conducted. In total, 104 rental units were contacted and surveyed. The survey found two vacancies in the rental units that were surveyed. This is less than a 2% vacancy rate. Several rental projects have waiting lists.

Based on our research, the vacancy findings and local interviews, we have identified pent-up demand for affordable market rate rental units, subsidized units and senior housing with services.

These demand generators, after factoring current vacancy rates, show a demand potential for 56 to 66 rental units over the projection period. Based on the factors stated above, we recommend the development of the following new rental units over the next five years, from 2022 to 2026.

▶ General Occupancy Market Rate	26-30 units
▶ Affordable/Conversions	6-8 units
▶ Subsidized/Moderate Rent/Workforce	<u>24-28 units</u>
Total	56-66 units

* Senior Housing with Services - In addition to the units recommended above, a private developer is in the planning phase of developing up to 100 senior housing with services units including assisted living, memory care and independent/light services.

1. Develop 26 to 30 general occupancy market rate rental units

Findings: Approximately 53% of the rental housing in the City of Walker can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire rental inventory in the City includes approximately 221 total units in 2021. We believe that approximately 117 of these units are best described as market rate rental housing. We found no multifamily market rate rental projects in Walker. The market rate rental options are primarily in small structures, including single family houses and duplexes.

Walker is expected to gain approximately six households over the next five years. Also, as stated earlier, the North Cass County Area is forecast to gain approximately 240 households. Although most of these households will be located on lakes and in rural areas, some of the new households will be seeking rental housing. Also, there is a critical need for affordable workforce housing in Walker and Cass County. With Walker's location and amenities, it is one of the prime Cass County cities for new rental development, which can help address the County's rental housing needs.

Walker has employment opportunities. Also, the City is located within commuting distance to the Brainerd and Bemidji Areas, which have employment opportunities. Walker also has the infrastructure and services to support additional rental housing.

Housing stakeholders that were interviewed for the study stated that there is a strong need for additional market rate rental housing.

Recommendation: Rental housing demand is based on household growth, pent-up demand and replacement of rental housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for the production of 26 to 30 market rate general occupancy rental units over the next five years, from 2022 to 2026.

Town home-style units are the preferred option for addressing the need for market rate units, although a high quality apartment buildings would also be a viable option. Also, the project, to be successful, should have 'state of the art' amenities.

To construct the rental housing and charge affordable rents, land donations, financial assistance, tax increment financing, tax abatement, financial assistance from employers and other resources may be needed.

The first option would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Walker HRA, the Cass County HRA, the Cass County Economic Development Corporation, or a regional housing agency could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

**Recommended unit mix, sizes and rents for the Walker
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One-Bedroom	4-5	650 - 750	\$775 - \$875
Two-Bedroom	18-20	850 - 1,000	\$900 - \$1,000
Three-Bedroom	4-5	1,100 - 1,200	\$1,050 - \$1,200
Total	26-30		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2021 dollars.

It would be advantageous to have the rents for some of the units at or less than the fair market rents for the Housing Choice Voucher Program, thus, the units would be affordable for more households. The Fair Market Rents currently are:

- 1 bedroom - \$603
- 2 bedroom - \$793
- 3 bedroom - \$1,014

2. Promote the development/conversion of six to eight affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop market rate rental units in Walker. Unfortunately, these units would tend to be beyond the financial capability of many Walker renter households. Many of the City's renter households have an annual income below \$25,000. These households would need a rental unit at \$650 per month or less.

There is evidence that Walker has lost some rental housing over the years and will continue to lose units due to deterioration, demolition, or from units converting from renter to owner-occupancy. Therefore, there is a need for additional rental units in Walker to provide for unit replacement. Unfortunately, most of the lost units are probably affordable, and new construction will not replace these units in a similar price range.

There are still some programs for affordable housing creation for moderate income renters. The federal low income housing tax credit program is one available resource. However, competition for tax credits is very difficult, and few awards have been made to small cities for small rental projects.

Recommendation: We encourage the City of Walker to promote the development/conversion of more affordable units. A goal of six to eight units over the next five years would help to replace affordable housing that has been lost.

It is difficult to create units through new construction. It is often more practical to work on building renovation or conversion projects that can create housing. This opportunity often arises in commercial/mixed-use buildings or vacant homes.

It is our recommendation that the gross rents for the converted units should be below \$650 per month, which would help to expand the choices available to many of the City's renter households.

It is probable that the proposed rent structure for the units could only be obtained with financial commitments from other sources such as tax increment financing or tax abatement from the City and other financial resources from funding agencies such as Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and SCDP funds. Also, financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Develop 24 to 28 subsidized, moderate rent/workforce general occupancy rental housing units

Findings: There are three federally subsidized rental projects and one tax credit project in Walker. These four projects have a combined 100 units. Five of the projects with 70 units are general occupancy and one project with 30 units is for senior/disabled occupancy.

The four subsidized projects are as follows:

- ▶ **Quam Court Apartments** - Quam Apartments includes 32 general occupancy HUD Public Housing units. The project includes 32 one-bedroom units. The project was constructed in 1968.
- ▶ **Highland Apartments** - Highland Apartments is a HUD Section 8 30-unit senior/disabled project. The project has 29 one-bedroom units and one two-bedroom unit. The project was constructed in 1979.
- ▶ **Lakeview Terrace Townhomes** - Lakeview Terrace Townhomes is an 18-unit general occupancy tax credit project that was constructed in 2000. The project has 12 two-bedroom and six three-bedroom units.
- ▶ **Mayview Manor** - Mayview Manor is a 20-unit USDA Rural Development general occupancy project that includes 10 one-bedroom and 10 two-bedroom units. The project was constructed in 1979.

The three federally subsidized units have access to project-based rent assistance. These units can charge rent based on 30% of the tenant's household income. The tax credit project, Lakeview Terrace Townhomes, has rents of \$710 for a two-bedroom unit and \$735 for a three-bedroom unit plus electricity.

At the time of the rental survey, there were two vacancies in the 100 income-restricted subsidized and tax credit units in Walker. The two vacancies were in Highland Apartments and the manager reported that the vacancies would be filled from a waiting list. Several of the projects have waiting lists.

Based on the 2019 American Community Survey, approximately 43% of the households in the City reported that 30% or more of their income was required to pay housing costs. At that time, most of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Also, through our interview process, it was also determined that there is a severe shortage of affordable rental units in Cass County. Additionally, no affordable rental units have been constructed in Walker for more than 20 years.

Recommendation: We recommend that the City of Walker, the Cass County and Walker HRA's and BI-CAP look for opportunities to expand the supply affordable rental units. A realistic goal would be the construction of 24 to 28 general occupancy subsidized/moderate rent/work force units over the next five years. It may be feasible to construct a mixed-income projects that have both market rate and affordable rental housing.

The need for additional subsidized/moderate rent/work force units is greater than the number of new units recommended, however, the large subsidized housing production programs of the past are very limited and it remains very difficult to produce new units for income renters.

The actual number of units that can be developed will be dependent upon access to financial resources. We recommend researching and utilizing all resources to develop affordable rental units and that all types of affordable housing be considered including subsidized, tax credit and workforce rental housing. Potential funding sources include HUD, USDA Rural Development, the Minnesota Housing Finance Agency, tax credits, area employers, Cass County, the City of Walker, the Greater Minnesota Housing Fund, etc. In the opinion of the analysts, the highest priority would be to create larger two and three-bedroom subsidized general occupancy units for families and younger households.

4. Support the development of additional senior housing with services units in Walker

Findings: There are typically different types of senior with services housing that can serve older seniors, including independent/light services housing, assisted living (full array of senior services), memory care and skilled nursing care.

Currently, there are three senior housing with services projects with a total of 59 units with a capacity for 69 residents. The three facilities include:

- ▶ **Edgewood May Creek** - Edgewood May Creek has 29 total units. The project provides assisted living with a separate memory care wing. The facility provides a variety of care packages including lighter care options, although most residents receive a higher level of care. At the time of the survey, there were two vacant units.
- ▶ **May Creek Cottages** - May Creek Cottages includes 20 memory care units. At the time of the survey, there were no vacant units and there was a waiting list.
- ▶ **Hillcrest** - Hillcrest is a 10-unit assisted living facility. No further information was available. Walker does not have a skilled nursing home.

Based on 2021 Esri data, there are 3,190 North Cass County senior citizens, age 65 and above, and 1,964 senior-headed households. There are also 3,359 senior citizens and 2,072 senior-headed households in the Central Cass County area. Also, as the baby boom generation continues to age, the senior population will continue to increase from 2021 to 2026.

Recommendation: Based on our research, a private developer is proposing to develop approximately 100 senior housing with services units in Walker. The units will include independent with light services, memory care and assisted living units. The private developer is conducting his own market research regarding the viability of this project.

We do, however, concur that there is a significant need for senior with services housing in Cass County with its high percentage of seniors. We especially have identified a need for senior independent/light services housing, as well as assisted living units with a high level of services as there is only one skilled nursing home in the County.

5. Continue to utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute approximately 30% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Walker and Cass County is administered by the Cass County HRA. Currently, the Cass County HRA has funding for approximately 75 Vouchers for Cass and Hubbard Counties. Approximately 35 Cass County households are currently utilizing a Voucher, including four Walker households using Vouchers in 2021.

Approximately 43% Walker renter households are currently paying more than 30% of their income for rent, which is considered a housing cost burden. There is a waiting list for the Voucher program.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Walker can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Cass County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Cass County HRA should continue to publicize the Housing Choice Voucher Program in Walker and Cass County to assure that City and County households have access to and are aware of the Program.

6. Develop a Mixed-Use Commercial/Housing Project

Findings: The development of a mixed-use rental housing/commercial project would complement the City's efforts to enhance the City's commercial and housing opportunities.

New mixed-use projects have been developed in several Minnesota cities. Some of these projects were developed because of market demand, while others were developed to enhance commercial areas, to introduce a new product to the market or to serve as a catalyst for redevelopment.

Based on our interviews, there have been preliminary discussions concerning the development of a mixed-use rental housing/commercial project in Walker.

Recommendation: We recommend the development of a mixed-use building in the Downtown Walker Area. There are several potential sites in the downtown area for a mixed-use project. The site could be a vacant parcel, or a dilapidated structure or structures could be demolished to provide a site. We recommend commercial space on the first floor and rental units on the upper floors.

The rental units should be primarily market rate units, but could be mixed-income, with some moderate income units. The units should be one and two-bedroom units. Please note that these units are not in addition to the units recommended in the previous recommendations in this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City, the County, the Cass County and Walker HRA's and Cass County Economic Development Corporation may have a role in the project by providing tax increment financing (TIF), tax abatement, land at a reduced price and other funds.

Walker - Home Ownership Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

Based on recent sales data, the City's median home value is \$215,000, which is high compared to most Cass County cities. However, Walker does have some lower-valued homes which provide opportunities for first time home buyers and households seeking moderately priced homes.

While many Walker households already own their housing, those households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

7. Utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the issues facing Walker. Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Walker. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: The City of Walker, area financial institutions, the Cass County HRA and BI-CAP should utilize all available assistance programs to promote home ownership. The community should also explore the possibility of obtaining specific program set-asides along with other Cass County cities from some of the home ownership programs offered through the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control.

The City should work with the Cass County HRA and BI-CAP to continue to develop and provide programs that provide financial assistance for households to purchase a home. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include USDA Rural Development, the Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund and the Minnesota Small Cities Development Program.

8. Consider the development of a Purchase/Rehabilitation Program

Findings: The City of Walker has a limited stock of older, lower valued homes, some of which need repairs. Approximately 38% of the owner-occupancy stock was constructed before 1980 and some of these homes need repairs. As some of the lower valued homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In the past, the Minnesota Housing Finance Agency had provided funding for the Minnesota Urban Homestead Program (MURL) Program. Under the program, the City or an area housing agency purchased an existing home that needed rehabilitation, rehabilitated the home, sold the home to a low income family and provided a mortgage and a monthly payment that was affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units. However, Minnesota Housing Finance Agency is no longer providing funding for the MURL Program.

Recommendation: We recommend that the City of Walker, the Cass County and Walker HRA's and BI-CAP, along with other Cass County cities, consider the creation of a purchase/rehab program for existing houses that is similar to the previous MURL Program. The City or an agency could purchase homes that need rehabilitation, rehabilitate the homes and sell the homes. Housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. The Minnesota Housing Finance Agency, the SCDP Program, and the Federal Home Loan Bank are potential funding sources.

Also, a program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of existing substandard homes. This program would not require intermediate City or housing agency ownership of the homes. USDA Rural Development provides mortgage funds to purchase a home and to make repairs to the home. Additionally, the City, the Cass County HRA and BI-CAP could assist private contractors with purchasing, rehabilitating and selling homes.

Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, more than a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties, convert rental properties back to owner-occupancy, and rehabilitate homes that are currently substandard.

Walker - New Housing Construction

New Housing Construction

Findings: Walker has experienced limited single family owner-occupancy housing construction over the past 12 years from 2010 to 2021. According to City and U.S. Census records, approximately eight single family houses have been constructed in Walker.

Walker has commercial/retail services, educational facilities, medical facilities, employment opportunities and recreational activities in the City, therefore, the construction of new owner-occupied housing units is projected to continue over the next several years. However, for new homes to continue to be constructed, buildable residential lots must be available.

Walker is projected to gain six households and the North Cass County area is projected to gain 240 households through the year 2026. Since 2010 the North Cass County area has added 96 households in the younger age ranges between 25 and 44 years old, and the substantial growth of 619 households has occurred in the 65 and older age ranges. Households in the younger age groups tend to be first-time home buyers or are looking for trade-up housing. Households in the senior age groups tend to be predominantly home owners, and form a market for higher priced homes, trade-up housing and low maintenance housing such as town homes and twin homes.

It is our opinion that if the City of Walker, developers and builders, and local, regional and state housing agencies are proactive, a total of 17 to 21 owner-occupied housing units could be constructed or moved into Walker from 2022 to 2026 to address demand. Our projection for owner occupied single family housing starts includes single family detached homes and attached housing units, such as twin homes and town houses. The breakdown of our projection of 17 to 21 new owner-occupied housing units is as follows:

▶ Higher & medium price homes	5-6 homes
▶ Affordable homes	6-7 homes
▶ Twin homes/town homes	6-8 units
Total	17-21 homes/units

9. Lot availability and lot development

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Walker. Currently, there are several lots available in an existing subdivision and there are also miscellaneous infill lots and parcels scattered around the city that we did not attempt to count. We do not know the availability of some of these infill lots. Also, there are some dilapidated homes in the City. If these homes are demolished, some of the cleared lots could be sites for new construction. Additionally, some lake shore homes may be demolished and replaced with new construction houses.

In addition to existing available lot supply, a developer is planning a 14 to 16 lot subdivision on a parcel that has been annexed into the City.

Recommendation: We use a standard that a three-year supply of lots should be available in the marketplace based on annual lot usage. With projections that four to five new owner-occupied housing units could be constructed per year, the City should have approximately 20 to 25 residential lots available over the next five years to meet the expected and projected demand. Part of this demand would be for attached unit construction.

With only several lots in a subdivision and miscellaneous infill lots available, the City currently does not have an adequate supply of lots to meet expected and future demand over the next several years. Therefore, if projected demand comes to fruition, it will be necessary to develop additional lots.

To achieve the level of new home construction potential that has been identified, to have lots available over an extended period of time, and provide lot options, we recommend the development of 18 to 22 additional residential lots over the next five years. A proposed new subdivision with 14 to 16 lots would address much of the demand for lots in the next several years.

In developing new lots, the following should be considered:

- ▶ If possible, the site(s) for lot development should have land available for future lot development phases.
- ▶ The lots could be developed on several sites
- ▶ To keep development costs as low as possible, sites with easy access to existing infrastructure should be considered.

- ▶ The lots must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The lots should have covenants that assure quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The lots should accommodate a variety of home designs and home prices.
- ▶ All stakeholders should be involved in promoting and publicizing the lots.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful lot development may need the cooperation of financial institutions, funding agencies, employers, home builders, developers, the City of Walker, the Cass County and Walker HRA's, the Cass County Economic Development Corporation and the Region Five Development Corporation. Financial assistance such as tax increment financing, deferment of assessments, tax abatement and land donations or write downs, may be necessary to make the development of lots feasible.
- ▶ It may be advantageous to develop the lots in phases.
- ▶ Lots should be available for twin home/town house development

10. Strategies to encourage continued residential lot sales and new home construction in Walker

Findings: From 2010 to 2021, approximately eight owner-occupied single family units have been constructed in Walker. We are projecting that 17 to 21 units will be constructed in Walker from 2021 to 2026.

Recommendation: We recommend that the City of Walker, builders, realtors and other housing stakeholders coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Competitive pricing*** - There are lots available in communities throughout the Area. To attract new home construction in Walker, lots should be available and competitively-priced compared to other options in the Area.
- ▶ ***Alternative to rural and lakeshore development*** - The large majority of the new housing construction in the North Cass County Area is projected to be on lakes and in rural areas. As lake and rural area building sites become more limited and cost-prohibitive, the City can provide an attractive and affordable option.
- ▶ ***User Friendly*** - The lot purchase and home building process must continue to be 'user friendly.' This includes an inventory of available lots, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Walker should conduct long-term development planning to assure lots are available on an ongoing basis to meet demand for all types of new housing.
- ▶ ***Incentives*** - Some cities and counties throughout Minnesota are offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, cash incentives, etc. Incentives should be considered to promote new home construction.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.
- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities should be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Walker and all housing stakeholders will need to continue marketing the sale of available lots and new home construction. Realtors, financial institutions, builders, employers, etc., should all be involved in developing marketing strategies. In addition to marketing the lots, the City of Walker and its amenities should continue to be marketed.

- ▶ ***Manufactured/modular homes*** - Manufactured and modular homes can provide affordable housing opportunities for moderate income households.
- ▶ ***In-fill lot Home Development*** - In-fill lots in existing neighborhoods are often affordable and have existing City services. In addition to the private sector, home housing agencies and nonprofits have developed affordable homes on in-fill lots.

11. Promote town house and twin home development

Findings: Walker has experienced no owner-occupied attached housing development from 2010 to 2021. However, several twin home and town home projects were developed in Walker prior to 2010. Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family houses available for families. In 2021, based on Esri data, there are more than 1,964 households in the North Cass County area with a head of household in the 65 and older age ranges.

Also, Walker has the amenities that attract households from outside Cass County that are seeking a retirement location. It is important for the City to offer a range of life-cycle housing choices as many of these households will be seeking to move into low maintenance options.

Recommendation: It is our projection that six to eight units in twin homes or town homes could be built over the next five years with the projection that additional twin homes/town homes will continue to be built after the five-year projection period.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a number of homes which provides security
- ▶ Homes at a price that is acceptable to the market
- ▶ High amenity location

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The City's role should include assuring that adequate land is available for development and that zoning allows for attached housing units.

It may be advantageous to meet with a group of empty nesters and seniors who are interested in purchasing a twin home or town home to solicit their ideas.

Walker - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Walker has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair are required. Without rehabilitation assistance, the affordable stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

12. Promote rental housing rehabilitation programs

Findings: The City of Walker has approximately 221 rental units. The rental units are in multi-family buildings, mixed-use buildings, duplexes and single family houses. Some of the City's rental units could benefit from rehabilitation as more than 45% of the rental units are more than 40 years old and some are in poor condition.

The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing. However, it is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants.

Recommendation: The City of Walker and area housing agencies should seek funds to rehabilitate rental units. For a rental rehabilitation program to be workable and successful, the funds should to the extent possible, allow for program design flexibility.

Potential funding sources include Minnesota Small Cities Development Program (SCDP) funds, the Federal Home Loan Bank, Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, and local funds.

13. Promote owner-occupied housing rehabilitation programs

Findings: The affordability of the existing housing stock in Walker will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 38% of the owner-occupancy stock was constructed before 1960 and some of these homes need minor or major repairs. Our housing condition survey rated the 89 houses in Walker's oldest neighborhood. Our survey found 37 homes that need minor repair and nine houses that need major repair.

The Cass County HRA and BI-CAP administer housing rehabilitation programs in Walker and Cass County. Housing rehabilitation programs include the Minnesota Housing Finance Agency Programs, the Minnesota Small Cities Development Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Walker continue to utilize available funding sources to rehabilitate homes. USDA Rural Development, Minnesota Housing Finance Agency, the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources. The City of Walker has received SCDP funding in the past for housing rehabilitation programs.

Walker - Other Housing Initiatives

Other Housing Initiatives

14. Encourage employer involvement in housing

Findings: The connection between economic development and housing availability has become an increasingly important issue as local employers have the need to attract new workers to the community. Housing for new employees is a concern for employers. It may be advantageous for employers to become involved in housing.

Recommendation: We recommend an ongoing effort to involve employers as partners in addressing the City's housing needs. Several funding sources have finance programs that include employers. The funding agencies often view applications favorably that include employers in the problem solving process.

Employer involvement can include direct assistance to their employees such as a grant, loan, forgivable loan, deferred loan, down payment assistance, loan guarantee, etc. In many cases, employers do not wish to provide assistance to specific employees, but are willing to contribute to an overall city project, such as work force oriented rental housing, an affordable home ownership program or a new subdivision.

Additionally, employers can continue to support other city projects, such as parks, trails, ballfields, educational facilities, etc., that have a positive impact on housing in Walker.

15. Acquire and demolish dilapidated structures

Findings: Approximately 38% of the owner-occupancy stock was constructed before 1960. Our housing condition survey identified three single family houses in Walker's oldest neighborhood that are dilapidated and too deteriorated to rehabilitate. We also identified nine single family houses in Walker as needing major repair and some of these homes may be too deteriorated to rehabilitate. There may also be dilapidated or houses needing major repair in other Walker neighborhoods. To improve the quality of the housing stock and to maintain the appearance of the City, dilapidated structures should be demolished.

Recommendation: We recommend that the City of Walker take an aggressive approach to demolishing severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots can be utilized for the construction of new affordable housing units.

The City could develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Tax increment financing, Greater Minnesota Housing Funds, Minnesota Housing Finance Agency funds, and SCDP funds are potential funding sources for this initiative. Funding may be available for both acquisition/demolition and new construction activities.

16. Create a plan and continue coordination among housing agencies

Findings: The City of Walker may need resources in addition to existing staff to plan and implement some of the housing recommendations advanced in this Study. The City has access to the Cass County HRA, BI-CAP, the Cass County Economic Development Corporation and the Region Five Development Commission. The City also has access to the Minnesota Housing Finance Agency and USDA Rural Development. These agencies all have experience with housing and community development programs.

Recommendation: The City of Walker is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs. The Plan should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility for housing programs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

17. Develop home ownership and new construction marketing programs and strategies

Findings: Cities that invest in marketing have an advantage. Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, local builders, etc.

This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Walker has been active in promoting housing and its amenities and we recommend the continuation or initiation of the following activities:

- ▶ Identify the City's strengths and competitive advantages and heavily promote them
- ▶ Create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers (Walker and the Area) to provide employees (especially new employees) with housing opportunities in Walker
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, commercial, service and recreational opportunities that make the City a "full service" community
- ▶ Provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve and improve the quality of the City's housing through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Develop new housing choices, such as new rental housing, twin homes, etc.
- ▶ Develop incentives and strategies to encourage builders and households to buy lots and to build and buy new homes.
- ▶ Review the City's building policies and fees to assure that they are user-friendly, fair and reasonable for builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

18. Strategies for Downtown Redevelopment

Findings: Walker's Downtown Area has buildings that have been renovated and have high quality commercial and/or housing space. The downtown area is a well known tourist destination. However, there are some buildings that have not been maintained and are substandard.

This recommendation provides an outline for additional actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings, to promote new downtown businesses and to identify and implement renovations/conversions for housing.

Recommendation: We are also recommending the following actions for the Downtown Walker Area:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Continue to develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Rental unit conversions or rehab
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Recruiting new businesses
 - ▶ Mixed-use building development
- ▶ Identify funding sources
 - ▶ SCDP funds
 - ▶ Property owner funds
 - ▶ City funds
 - ▶ Cass County HRA funds

- ▶ Cass County Economic Development Corporation funds
- ▶ Federal Home Loan Bank
- ▶ Tax increment financing
- ▶ Tax abatement
- ▶ Minnesota Small Cities Development Program funds
- ▶ Minnesota Housing Finance Agency funds
- ▶ BI-CAP funds

- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Walker
 - ▶ Cass County Economic Development Corporation
 - ▶ Walker HRA
 - ▶ Cass County HRA