

WORKFORCE HOUSING STUDY AND NEEDS ANALYSIS

PREPARED FOR CROW WING COUNTY HOUSING &
REDEVELOPMENT AUTHORITY

MARCH 2020



REDEVELOPMENT
RESOURCES



PURPOSE OF THE STUDY

- Describe the current state of housing county-wide
- Project future housing needs
- Analyze supply vs. demand
- Provide recommendations to improve availability and housing choice

FOCUS AREAS & CONSIDERATIONS

- Affordability & Cost-burdened
- Middle-income Population and Workforce Housing
- Aging Population
- Seasonal Workers
- Seasonal/Second Homes



APPROACH TO THE STUDY

Secondary Research

- U.S. Census
- Esri
- MN Board of Realtors
- National Assn of Realtors
- MN DEED
- Brainerd Lakes Area Economic Development Corporation
- US Bureau of Labor Statistics
- National League of Cities
- Greater Lakes Assn. of Realtors

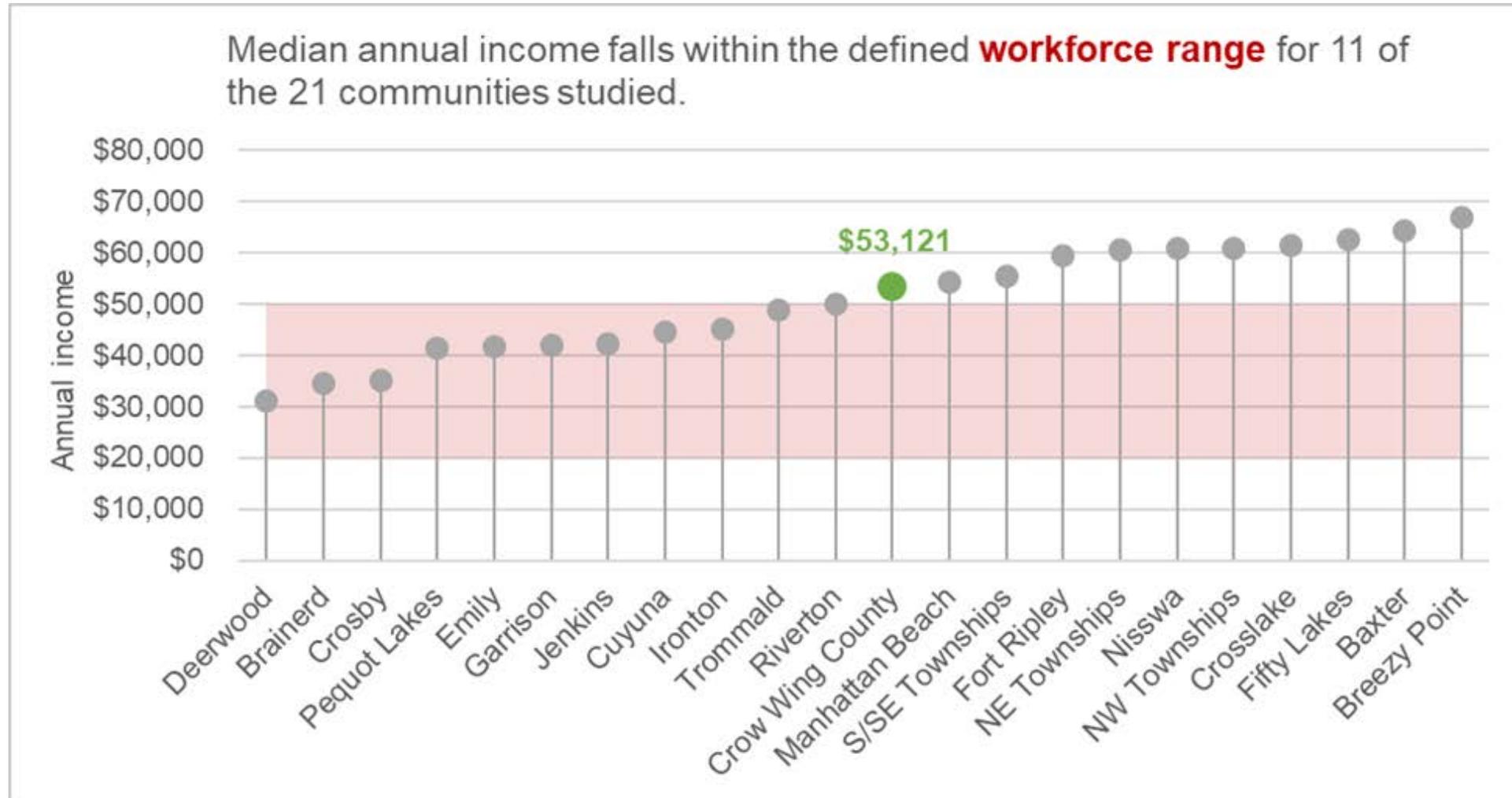
Primary Research – Interviews

- Housing developers
- County, municipal staff
- Resort owners
- Landlords
- Realtors
- Business owners
- School district superintendent
- Other key stakeholders

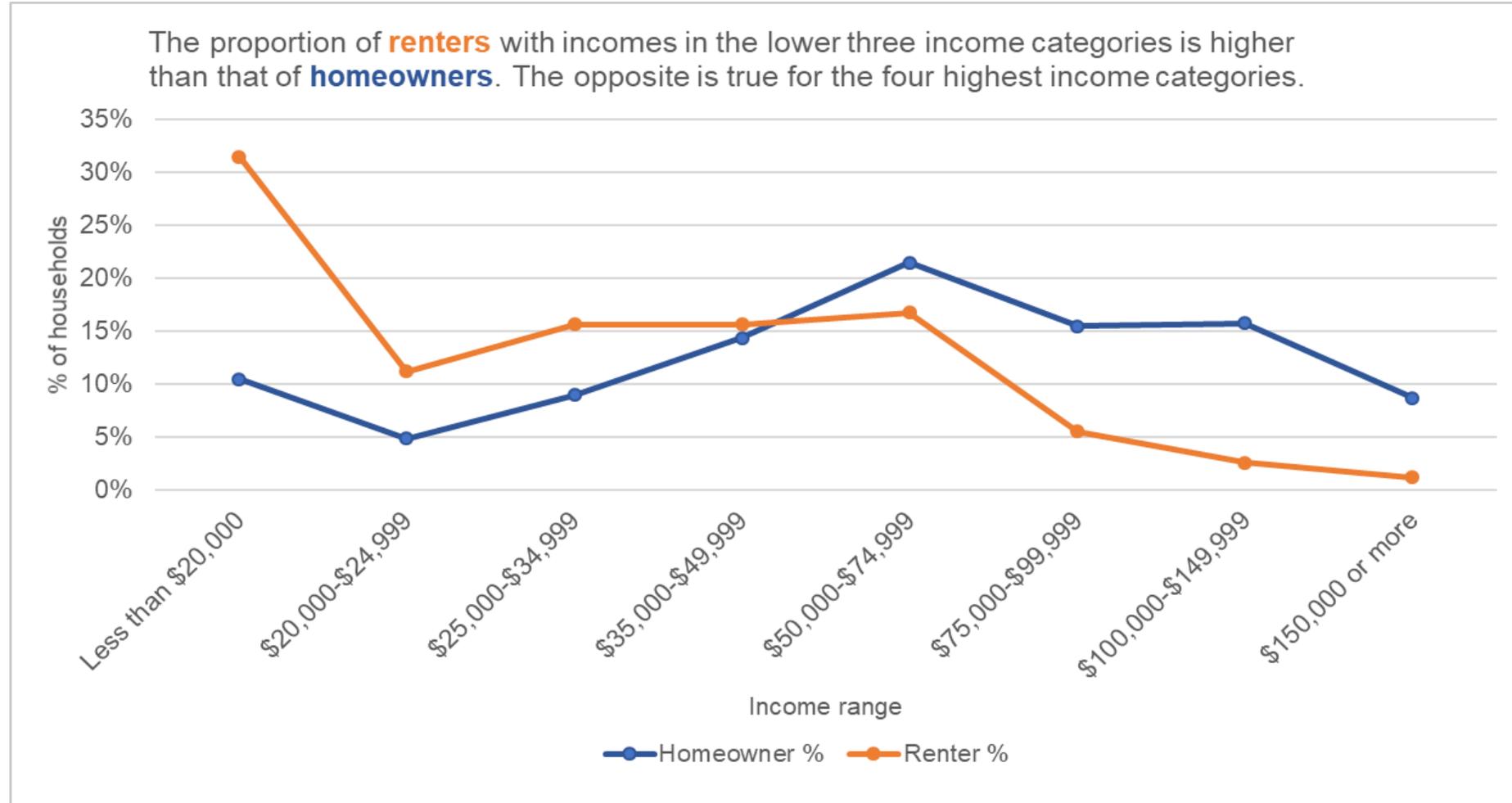
MIDDLE INCOME DEFINITION

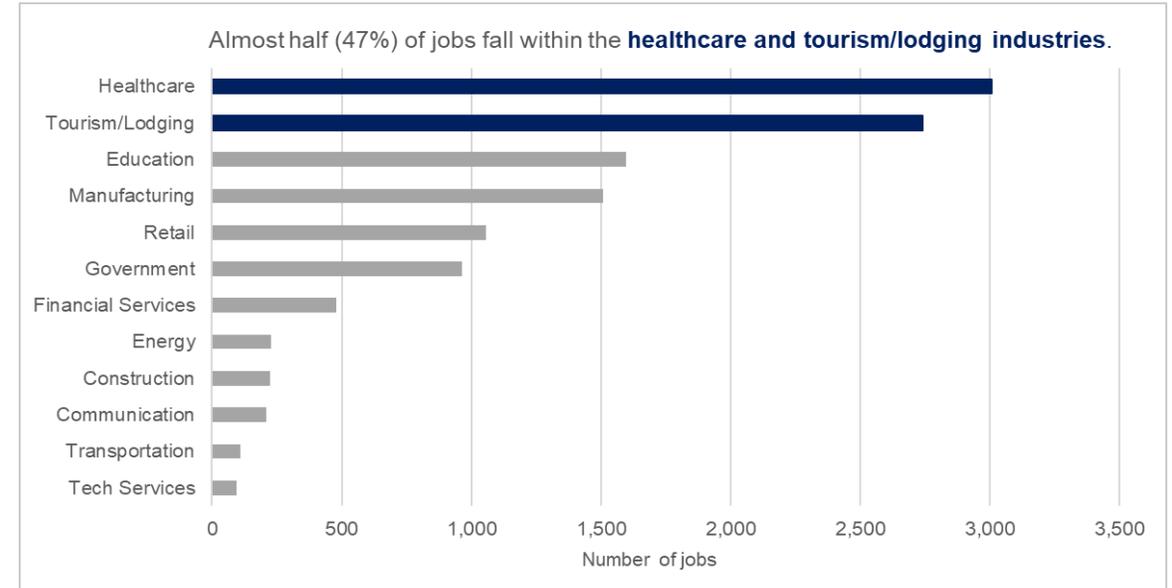
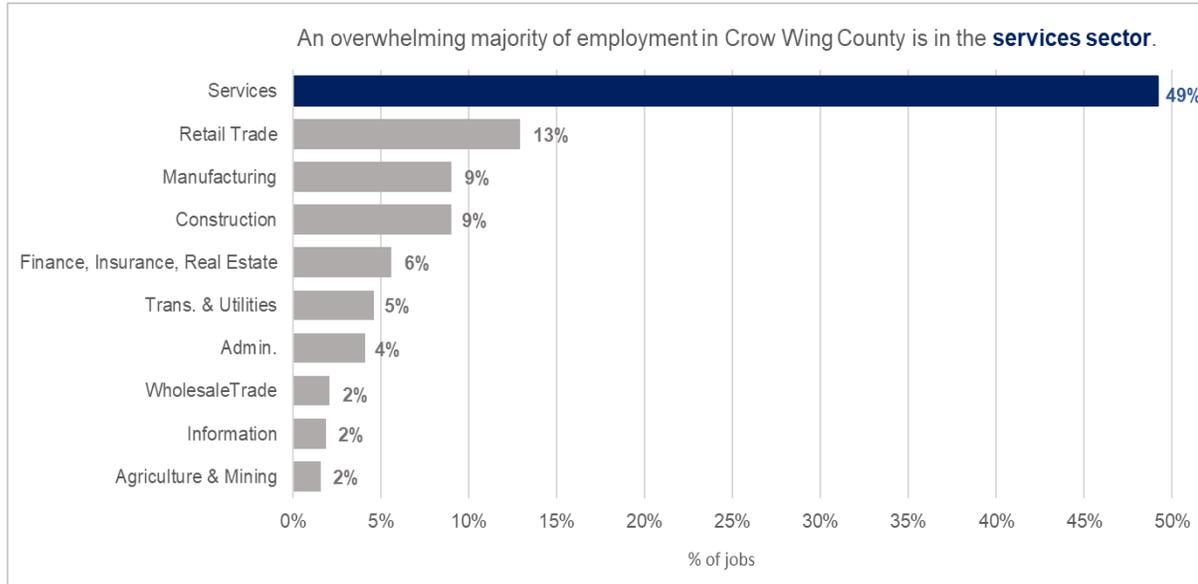
- Households making between \$20,000 and \$50,000 per year (or \$10-25/hour), representing those making approximately 40-80% of the county's median income.
- Workforce housing refers to housing units which are affordable (based on the definition above) to households with income in that same range.

MEDIAN ANNUAL HOUSEHOLD INCOME



RENTERS AND HOMEOWNERS

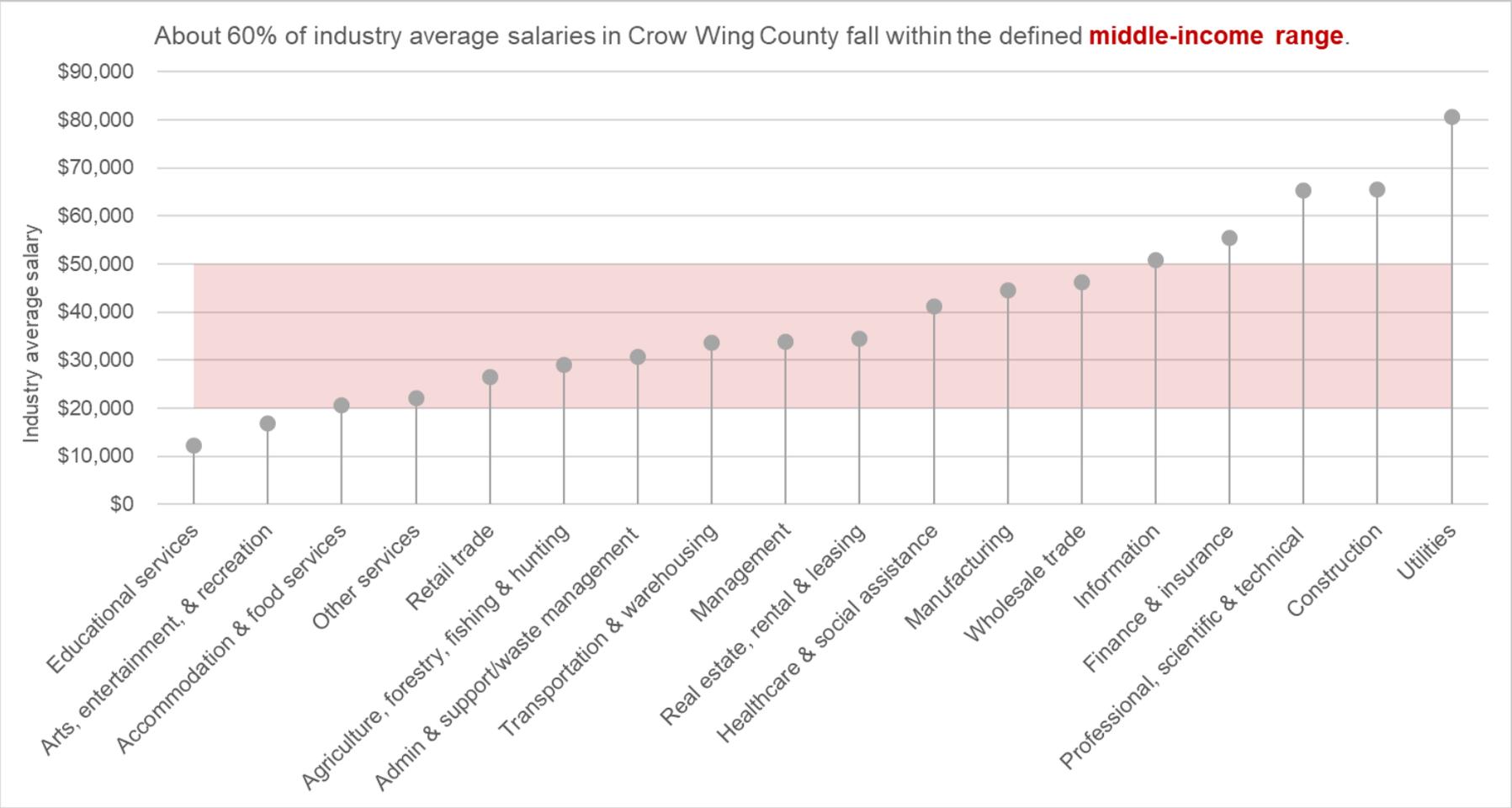




Source: Brainerd Lakes Area EDC

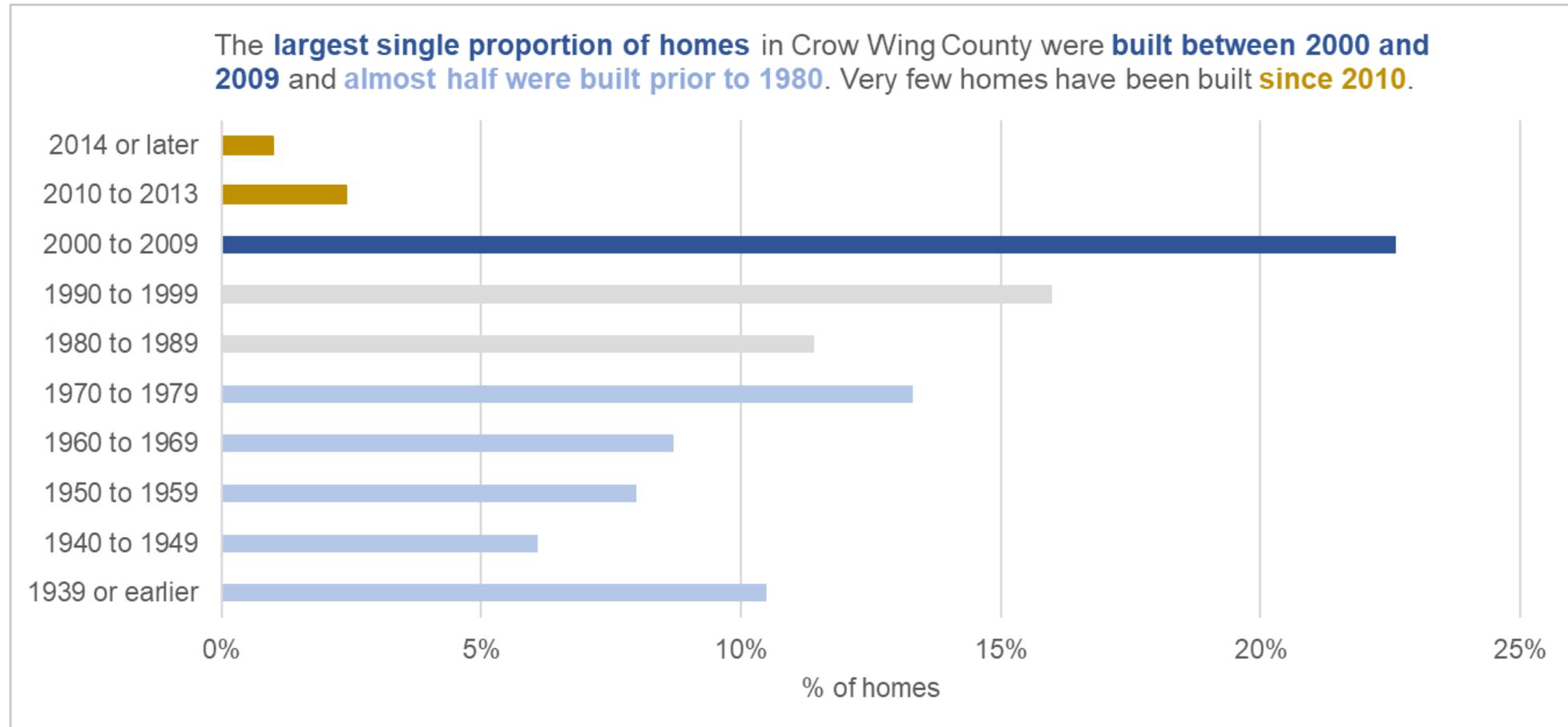
EMPLOYMENT AND JOBS

AVERAGE SALARIES

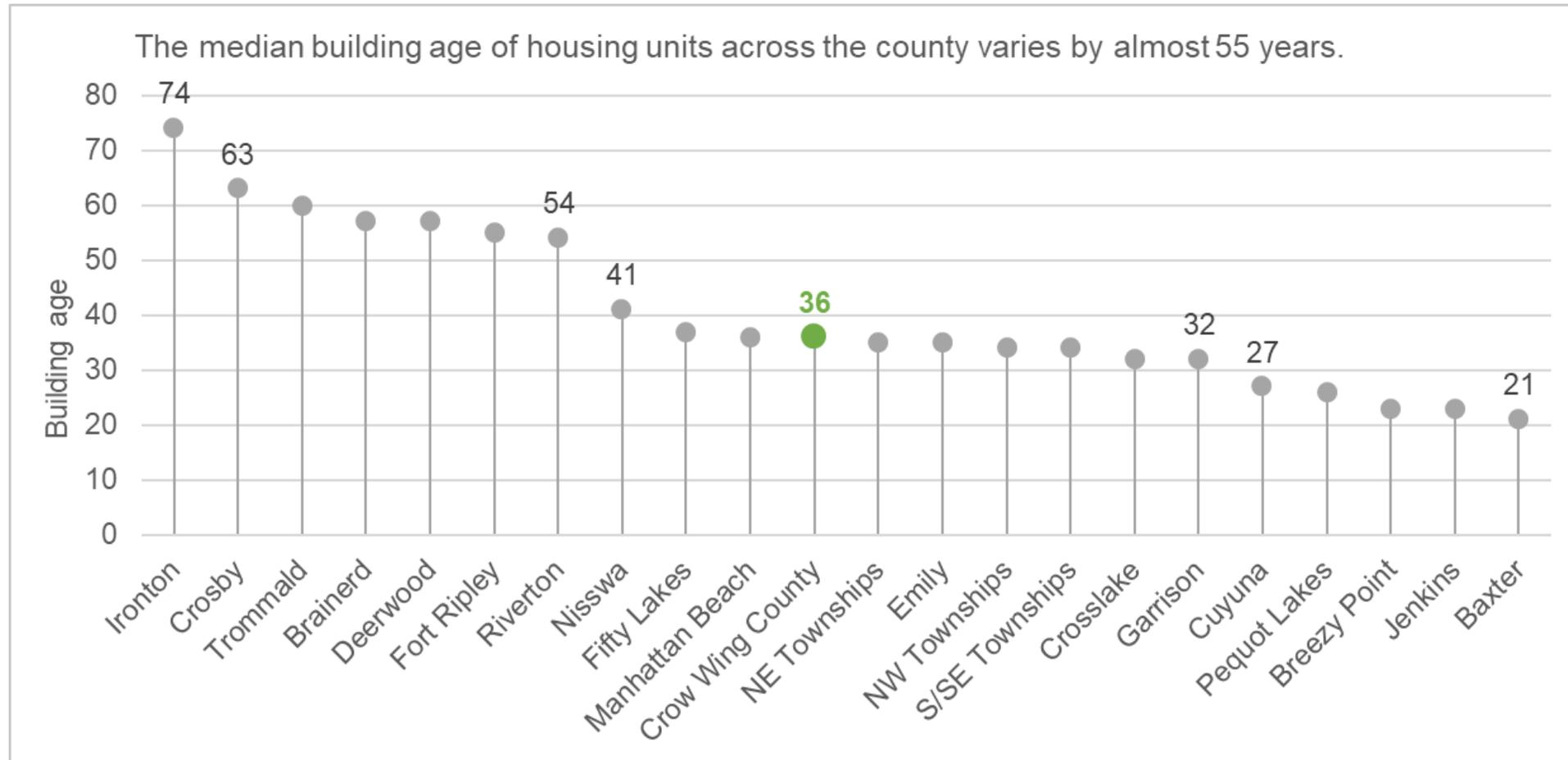


HOUSING LANDSCAPE

HOUSING STOCK IS AGING SIGNIFICANTLY



HOME AGE BY COMMUNITY



AVERAGE HOUSING COST

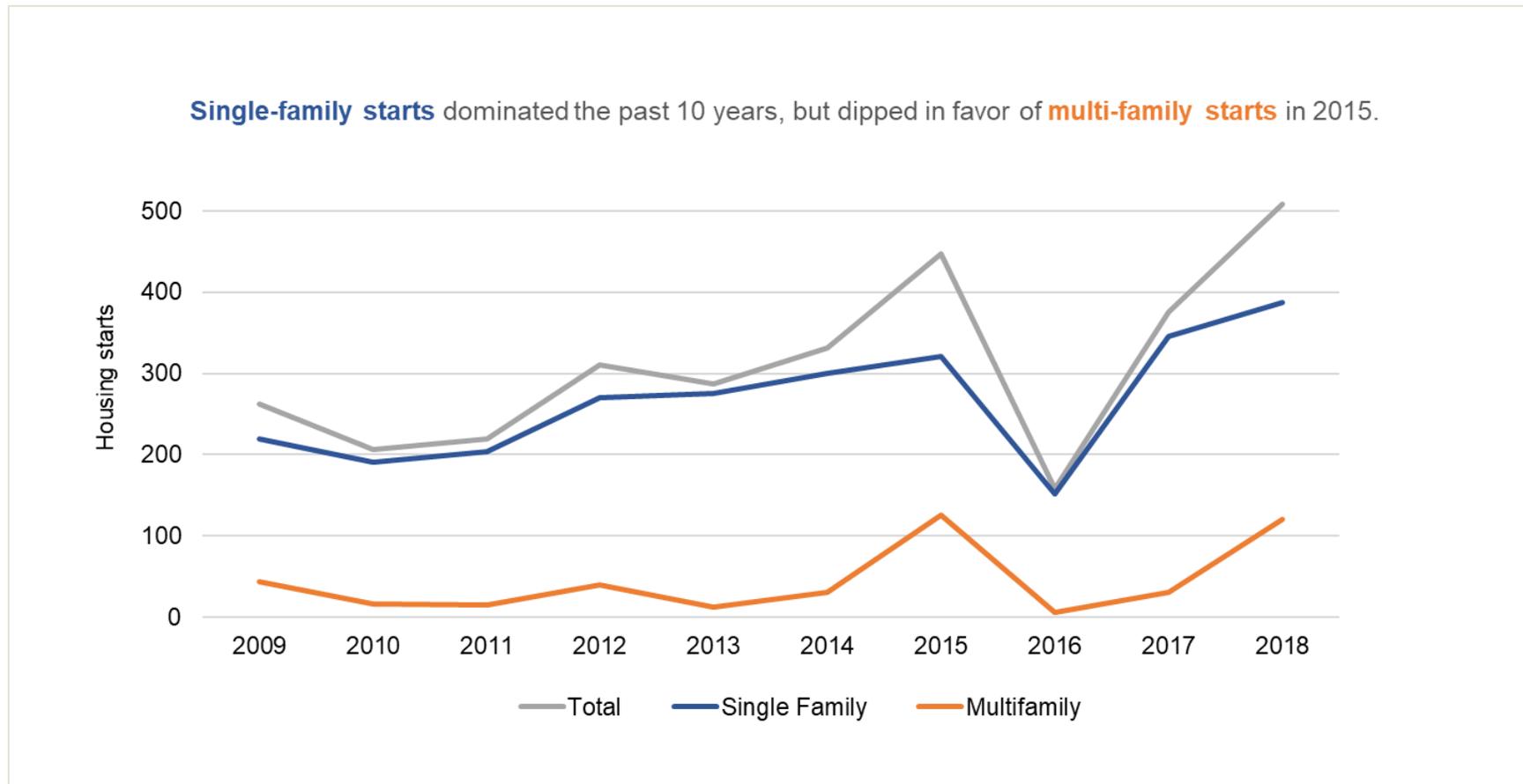
Ownership

- Average price of a single-family home: \$245,696
- Average size: 1,940 square feet
- Value per sq. ft.: \$130 /sq. ft.
- Average home: 3 bedrooms, 2 bathrooms
- Average home built in 1979

Rental

- Median rent: \$781/month
- 57% renters paying between \$500 and \$999/month
- 19% renters paying between \$1,000 and \$1,499/month
- Average unit rents for \$815/month
- Average size apartment is 1,012 sq. ft

HOUSING DEMAND



DEMAND PROJECTIONS

Market stays as in recent history

Year	Total Demand	Single-family	Multi-family	
			For rent	For sale
2018 - 2023	1,650	1,315	300	35
2023 - 2028	1,600	1,265	300	35
2028 - 2033	1,550	1,220	300	30
Total	4,800	3,800	900	100

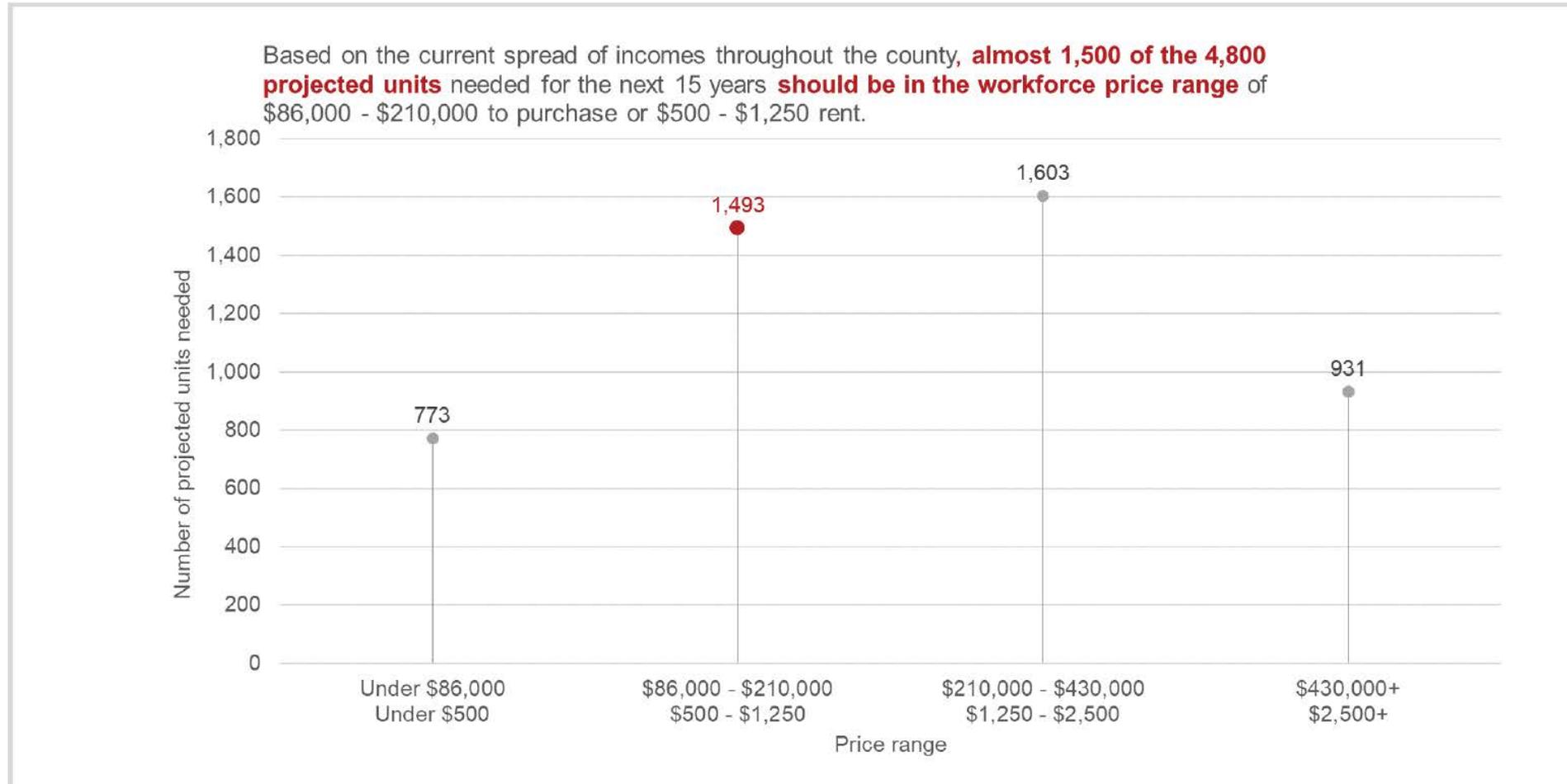
Source: The Windward Group, Inc.

Trending toward multi-family

Year	Total Demand	Single-family	Multi-family	
			For rent	For sale
2018 - 2023	1,650	1,165	385	100
2023 - 2028	1,600	1,125	375	100
2028 - 2033	1,550	1,085	365	100
Total	4,800	3,375	1,125	300

Source: Redevelopment Resources

AFFORDABILITY AND DEMAND



WORKFORCE HOUSING NEEDS BY OCCUPATION

Projected Workforce Housing Needs	Projected Employment Growth 2016-2026	Average Annual Wages	Corresponding Affordable Housing Cost
Education and Health Services	870	\$43,576	\$150,000 - \$210,000 \$875 - \$1,250
Trade, Transportation, and Utilities	402	\$31,408	\$110,000 - \$150,000 \$625 - \$875
Leisure and Hospitality	198	\$16,848	< \$86,000 < \$500
Professional and Business Services	184	\$42,588	\$150,000 - \$210,000 \$875 - \$1,250
Construction	180	\$53,924	\$210,000 - \$320,000 \$1,250 - \$1,875
Total workforce-range additions:	1,654		

COST OF CONSTRUCTION

Cost to Build a New Single-Family Home

2,800 sq. ft.	
Lot	\$ 60,000
Site Work	\$ 16,000
Foundation	\$ 26,000
Framing	\$ 41,000
Exterior Finishes	\$ 33,000
Major Systems	\$ 33,000
Interior Finishes	\$ 68,000
Landscaping	\$ 6,000
Driveway	\$ 5,000
Porch/Patio/Deck	\$ 3,000
Cleanup	\$ 3,000
Contingency	\$ 4,000
Total	\$ 298,000

Source: National Association of Home Builders 2017

AFFORDABILITY

A large percentage of county housing units are cost-burdened and **the problem is more significant for renters**, with half being cost-burdened.



RECOMMENDATIONS

TOP PRIORITIES

- Identify opportunity sites
- Create or enhance a down payment assistance program
- Assist with rehabbing older homes
- Amend tax-forfeited property policy
- Use the Housing Trust Fund to incent new construction
- Host developers onsite to build interest

POLICY & REGULATION RECOMMENDATIONS

- Encourage municipalities to expedite development approval process
- Consider flexible, less restrictive zoning to allow for more (and more affordable) housing types
- Explore a premier resort tax to fund housing for seasonal workers
- Grant density bonuses for small-footprint developments

RECOMMENDATIONS FOR PROGRAMS AND INCENTIVES

- Work with employers to create a Down Payment Assistance Program to boost home ownership
- Supplement a program to support housing rehabilitation
- Encourage large seasonal employers to provide housing for employees. Encourage them to create a program for roommate and host-family pairing
- Assist small businesses with pooling resources to increase options for seasonal workers
- Incent developers who provide a mix of housing price-points within their developments

SUPPORT DEVELOPMENT OF CREATIVE HOUSING TYPES

- Accessory dwelling units
- Pocket neighborhoods
- Co-op housing
- Campgrounds with cabins for seasonal workers
- Dormitory-style housing
- Container homes or tiny-home Villages

QUESTIONS?

Thank you!

www.redevelopment-resources.com

715-581-1452



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