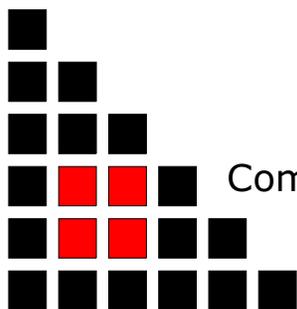


Cook County Workforce HOUSING STUDY

January 2015 Draft

An analysis of the workforce
housing needs of Cook County



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Introduction

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Cook County are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

Community Partners Research, Inc., was hired by The Northspan Group, Inc., to conduct a study of the workforce housing needs and conditions in Cook County.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2010 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet workforce housing needs
- ▶ Examine future housing trends that the area can expect to address in the coming years
- ▶ Provide a market analysis for workforce housing development
- ▶ Provide workforce housing recommendations and findings

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from October 2014, to January 2015. Data sources included:

- U.S. Census Bureau
- American Community Survey
- ESRI, a private data reporting service
- Records and data from Grand Marais and the Townships
- Records and data maintained by Cook County
- Interviews with housing stakeholders
- Area housing agencies
- State and Federal housing agencies
- Rental property owner surveys

Limitations

This Housing Study represents an analysis performed with the data available at the time of the Study. The findings and recommendations 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 related factors could change the conclusions and recommendations contained in this Housing Study.

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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 for the Townships of Lutsen, Schroeder and Tofte, the City of Grand Marais and Cook County. The 2010 Census provides much of the base data for population and household trends. However, the 2010 Census was more limited in scope than in the past. As a result, some of the demographic variables, such as income and housing cost information, were not collected.

To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey provides detailed demographic characteristics, replacing information once collected by the decennial Census. However, because the American Survey is based on sampling data, there is a margin of error that exists for each estimate. In small cities and towns, limited sampling can result in unreliable information. The following tables incorporate the 2010 Census data, when available, or the American Community Survey data.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. For most jurisdictions in Minnesota, the 2013 estimates were derived from sampling that was done over a five-year period, between 2009 and 2013. Unless otherwise noted, the American Community Survey estimates are based on the five-year survey data.

Additionally, Community Partners Research, Inc., has obtained information from ESRI, a private company based in California that generates demographic and projection data. ESRI estimates and projections are included in this demographic data section.

Population Data and Trends

Table 1 Population Trends - 1980 to 2014						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2014 ESRI Estimates
Lutsen Twp	240	360	50.0%	415	15.3%	419
Schroeder Twp	174	187	7.5%	205	9.6%	207
Tofte Twp	231	226	-2.2%	249	10.2%	251
Grand Marais	1,171	1,353	15.5%	1,351	-0.15%	1,379
Cook County	3,868	5,168	33.6%	5,176	0.15%	5,287

Source: U.S. Census; ESRI

- ▶ According to the 2010 U.S. Census, Lutsen, Schroeder and Tofte Townships and Cook County had population gains from 2000 to 2010. Grand Marais had a slight population loss from 2000 to 2010.
- ▶ Lutsen Township's population was 415 people in 2010. The 55-person increase from 2000 was a population gain of 15.3%.
- ▶ Schroeder Township's population was 205 people in 2010, which was a gain of 18 people (9.6%) from 2000.
- ▶ Tofte Township's 2010 population was 249 people in 2010, which was a gain of 23 people (10.2%) from 2000.
- ▶ Cook County's population was 5,176 in 2010. This was an increase of eight people from 2000, for a population gain of 0.15%.
- ▶ Grand Marais' population was 1,351 in 2010. This was a loss of two people from 2000, for a population decrease of 0.15%.
- ▶ Lutsen and Schroeder Townships, the City of Grand Marais and all of Cook County experienced population increases in the 1990s. Lutsen Township's population increased by 120 people, Schroeder Township's population increased by 13 people, Grand Marais' population increased by 182 people and Cook County increased by 1,300 people from 1990 to 2000. Tofte Township's population decreased by five people from 1990 to 2000.

- ▶ ESRI's 2014 estimates that all five jurisdictions have experienced population gains from 2010 to 2014.
- ▶ The U.S. Census estimates that Lutsen Township's population was 554 in 2013, substantially higher than ESRI's 2014 population estimate of 419. Also, the 2013 U.S. Census estimate for Schroeder Township was 223, higher than ESRI's 2014 estimate of 207. The 2013 U.S. Census estimate for Tofte Township was 225, a loss of 24 people from 2010. ESRI's 2014 estimate for Tofte Township is 251, a gain of two people from 2010. The U.S. Census also estimates that Grand Marais experienced a population loss from 2010 to 2013. The U.S. Census estimate for 2013 was 1,340, a loss of 11 people from 2010. ESRI's estimate for 2014 is 1,379, a gain of 28 people. The U.S. Census estimates that Cook County gained 19 people from 2010 to 2013 and ESRI estimates that Cook County gained 111 people from 2010 to 2014.
- ▶ Approximately 88% of the residents in Cook County identified their race as White, 8.6% residents in identified themselves as American Indian, 0.3% identified themselves as Black or African American, and 0.5% identified themselves as Asian in 2010.
- ▶ There were 51 group quarter's residents living in Cook County in 2010, 43 of which lived in Grand Marais.

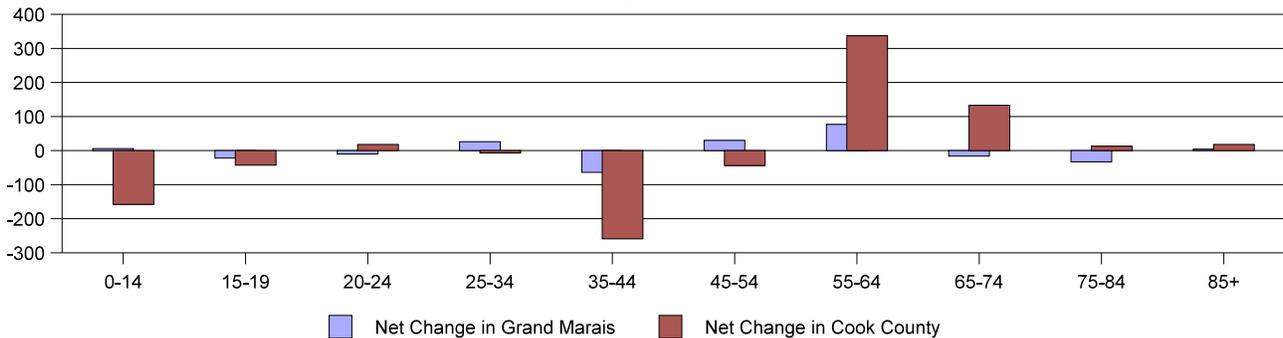
Population by Age Trends - Grand Marais: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Grand Marais and Cook County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 2 Population by Age - 2000 to 2010						
Age	Grand Marais			Cook County		
	2000	2010	Change	2000	2010	Change
0-14	194	200	6	849	691	-158
15-19	85	63	-22	302	259	-43
20-24	58	48	-10	182	200	18
25-34	133	159	26	496	489	-7
35-44	218	154	-64	839	580	-259
45-54	179	209	30	928	884	-44
55-64	130	207	77	685	1,022	337
65-74	134	118	-16	485	618	133
75-84	139	106	-33	278	291	13
85+	83	87	4	124	142	18
Total	1,353	1,351	-2	5,168	5,176	8

Source: U.S. Census

Population Change by Age Between 2000 and 2010



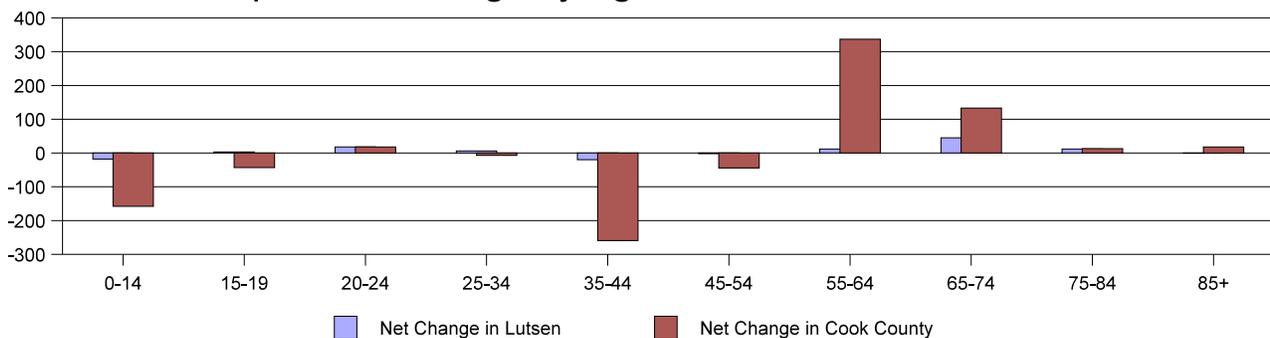
Population by Age Trends - Lutsen Township: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Lutsen Township and Cook County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 3 Population by Age - 2000 to 2010						
Age	Lutsen Township			Cook County		
	2000	2010	Change	2000	2010	Change
0-14	58	40	-18	849	691	-158
15-19	16	19	3	302	259	-43
20-24	7	25	18	182	200	18
25-34	32	38	6	496	489	-7
35-44	63	43	-20	839	580	-259
45-54	78	76	-2	928	884	-44
55-64	66	78	12	685	1,022	337
65-74	26	71	45	485	618	133
75-84	11	23	12	278	291	13
85+	3	2	-1	124	142	18
Total	360	415	55	5,168	5,176	8

Source: U.S. Census

Population Change by Age Between 2000 and 2010



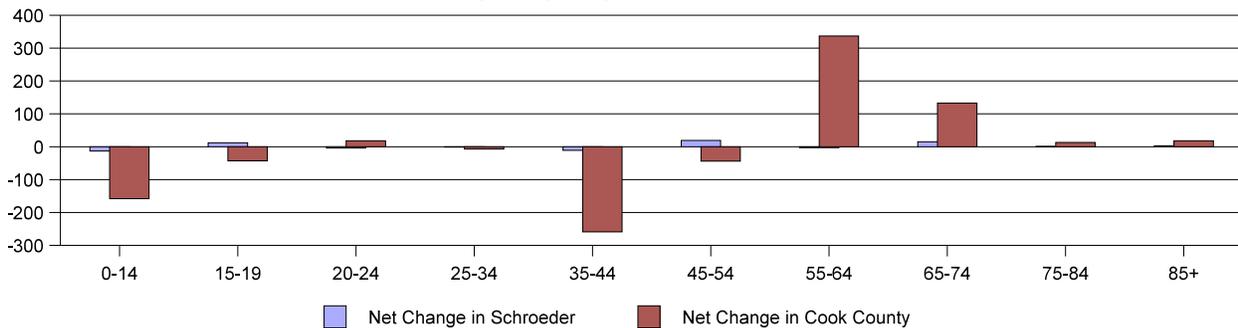
Population by Age Trends - Schroeder Township: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Schroeder and Cook County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 4 Population by Age - 2000 to 2010						
Age	Schroeder Township			Cook County		
	2000	2010	Change	2000	2010	Change
0-14	32	19	-13	849	691	-158
15-19	5	17	12	302	259	-43
20-24	9	5	-4	182	200	18
25-34	20	19	-1	496	489	-7
35-44	30	19	-11	839	580	-259
45-54	29	48	19	928	884	-44
55-64	33	30	-3	685	1,022	337
65-74	18	33	15	485	618	133
75-84	8	9	1	278	291	13
85+	3	6	3	124	142	18
Total	187	205	18	5,168	5,176	8

Source: U.S. Census

Population Change by Age Between 2000 and 2010



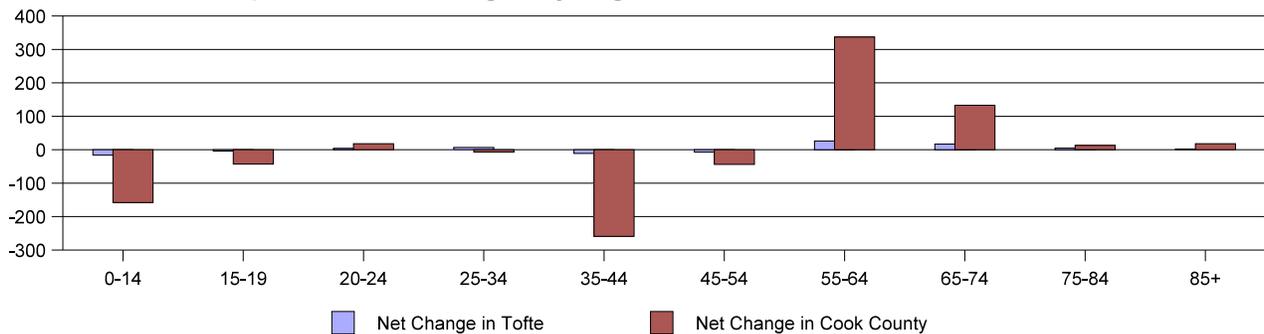
Population by Age Trends in Tofte Township: 2000 to 2010

The release of demographic information from the 2010 Census allows for some analysis of the changing age patterns for Tofte and Cook County. The following table compares population by age in 2000 and 2010, along with the numeric changes.

Table 5 Population by Age - 2000 to 2010						
Age	Tofte Township			Cook County		
	2000	2010	Change	2000	2010	Change
0-14	32	16	-16	849	691	-158
15-19	16	12	-4	302	259	-43
20-24	4	8	4	182	200	18
25-34	19	26	7	496	489	-7
35-44	38	27	-11	839	580	-259
45-54	47	40	-7	928	884	-44
55-64	35	61	26	685	1,022	337
65-74	21	38	17	485	618	133
75-84	12	17	5	278	291	13
85+	2	4	2	124	142	18
Total	226	249	23	5,168	5,176	8

Source: U.S. Census

Population Change by Age Between 2000 and 2010



For many years, demographic analysts have been talking about the impact that is occurring as the large “baby boom” generation moves through the aging cycle. This trend has been evident in Cook County. Between 2000 and 2010, Lutsen Township had a net gain of 10 people, Schroeder Township had a net gain of 16 people, Tofte Township had a gain of 19 people, Grand Marais had a gain of 107 people and Cook County had a net gain of 293 people in the age ranges between 45 and 64 years old. In 2010, nearly all of the baby boomers were within the 45 to 64 age ranges.

Cook County also had growth in the 20 to 24 age ranges, which had an increase of 18 people and a gain of 164 people in the 65 and older age ranges. Cook County had a substantial loss of 201 people in the 0 to 19 age ranges and a loss of 259 people in the 35 to 44 age range.

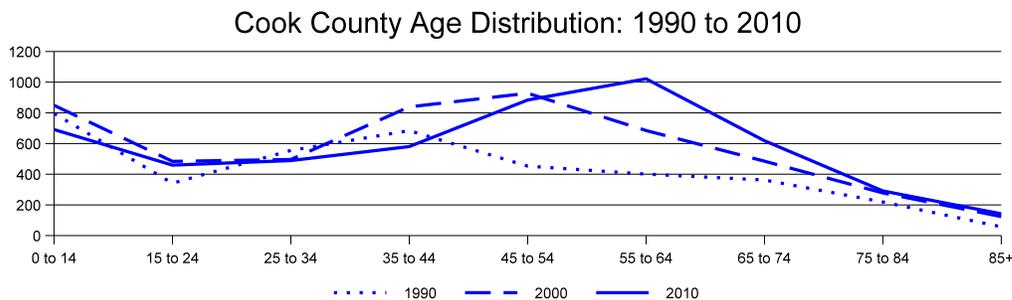
In addition to the gains in the 55 to 64 age range, Lutsen Township had a gain of 27 people in the 15 to 34 age ranges and a gain of 57 people in the 65 to 84 age ranges. Lutsen Township experienced a population loss of 18 people in the 0 to 14 age range, a loss of 20 people in the 35 to 44 age range and a loss of one person in the 85 and older age range.

Schroeder Township gained 12 people in the 15 to 19 age range and 19 people in the 65 and older age ranges. Schroeder Township had a loss of 13 people in the 0 to 14 age range and a loss of 15 people in the 20 to 24 age ranges.

Tofte Township gained 11 people in the 20 to 34 age ranges and 50 people in the 55 and older age ranges. Tofte Township had a loss of 20 people in the 0 to 19 age range and a loss of 11 people in the 35 to 44 age range.

Grand Marais had a gain of six people in the 0 to 14 age range, 26 people in the 25 to 34 age range and four people in the 85 and older age range. Grand Marais had a loss of 32 people in the 15 to 24 age ranges, a loss of 64 people in the 35 to 44 age range and a loss of 49 people in the 65 to 84 age ranges.

The aging trends present in the County can be traced over previous decades.



Population Projections

The following table presents population projections using two different sources. The Minnesota State Demographer has issued population projections for Cook County and Grand Marais to the year 2020. The Demographer’s Office has not issued projections at the township level.

The other set of projections has been created by ESRI, and span the five-year period from 2014 to 2019. ESRI projections exist for the Townships, Grand Marais and Cook County.

Table 6 Population Projections Through 2019/20				
	2010 Census	2014 Estimate ESRI	2019 Projection ESRI	2020 Projection State Demographer
Lutsen Township	415	419	424	N/A
Schroeder Township	205	207	210	N/A
Tofte Township	249	251	255	N/A
Grand Marais	1,351	1,379	1,411	1,463
Cook County	5,176	5,287	5,409	5,417

Source: U.S. Census; ESRI; State Demographer

- ▶ ESRI’s growth projections expect a gain of five people in Lutsen Township, a gain of three people in Schroeder Township, and a gain of four people in Tofte Township from 2014 to 2019.
- ▶ For Grand Marais, ESRI projects a gain of 32 people from 2014 to 2019. ESRI’s total population projection for Grand Marais in 2019, at 1,411 people, is lower than the projection from the State Demographer’s Office, which expects the City to have 1,463 residents by the year 2020.
- ▶ ESRI’s population projections for Cook County forecast an increase of 122 people from 2014 to 2019.
- ▶ The State Demographer projects that Cook County’s population will be 5,417 people in 2020, very similar to the ESRI forecast for 2019. When compared to the 2010 Census, these projections expect that Cook County will see an increase of 233 to 241 people during the current decade.

Household Data and Trends

Table 7 Household Trends - 1980 to 2014						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2014 ESRI Estimate
Lutsen Twp	102	172	68.6%	210	22.1%	214
Schroeder Twp	73	84	15.1%	99	17.9%	101
Tofte Twp	104	102	-1.9%	135	32.6%	137
Grand Marais	510	645	26.5%	673	4.3%	692
Cook County	1,632	2,350	44.0%	2,494	6.1%	2,569

Source: U.S. Census; ESRI

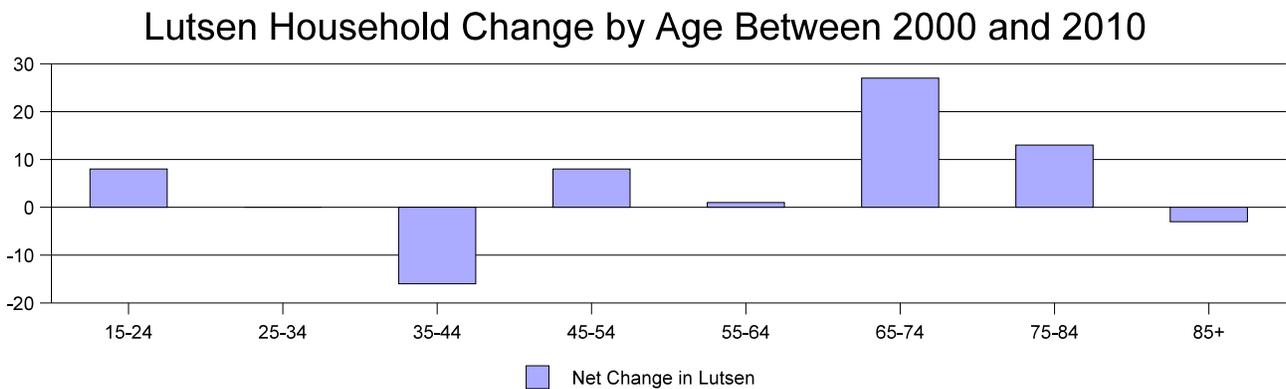
- ▶ According to the 2010 Census, Lutsen, Schroeder and Tofte Townships, the City of Grand Marais and Cook County all gained households from 2000 to 2010.
- ▶ Lutsen Township had a gain of 38 households (22.1%) from 2000 to 2010.
- ▶ Schroeder Township had a gain of 15 households (17.9%) from 2000 to 2010.
- ▶ Tofte Township had a gain of 33 households (32.6%) from 2000 to 2010.
- ▶ Grand Marais had a gain of 28 households (4.3%) from 2000 to 2010.
- ▶ Cook County had 2,494 households in 2010. This was an increase of 144 households or 6.1% from 2000 to 2010.
- ▶ During the 1990s, Lutsen Township had a gain of 70 households, Schroeder Township had a gain of 11 households, Grand Marais had a gain of 135 households and Cook County had a gain of 718 households. Tofte Township had a loss of two households from 1990 to 2000.
- ▶ The ESRI estimates for 2014 show that Lutsen Township had a gain of four households, Schroeder Township had a gain of two households, Tofte Township had a gain of two households, Grand Marais had a gain of 19 households and Cook County added 75 households from 2010 to 2014.

Household by Age Trends - Lutsen Township: 2000 to 2010

The 2010 Census allows for some analysis of Lutsen Township and Cook County's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 8 Households by Age - 2000 to 2010						
Age	Lutsen Township			Cook County		
	2000	2010	Change	2000	2010	Change
15-24	5	13	8	82	76	-6
25-34	20	20	0	246	250	4
35-44	38	22	-16	502	313	-189
45-54	39	47	8	528	549	21
55-64	42	43	1	416	623	207
65-74	18	45	27	312	388	76
75-84	7	20	13	191	210	19
85+	3	0	-3	73	85	12
Total	172	210	38	2,350	2,494	144

Source: U.S. Census



Lutsen Township added eight households in the 15 to 24 year old age range and 49 households in the 45 to 84 age ranges. Lutsen Township had a decrease of 16 households in the 35 to 44 age range and a loss of three households in the 85 and older age range.

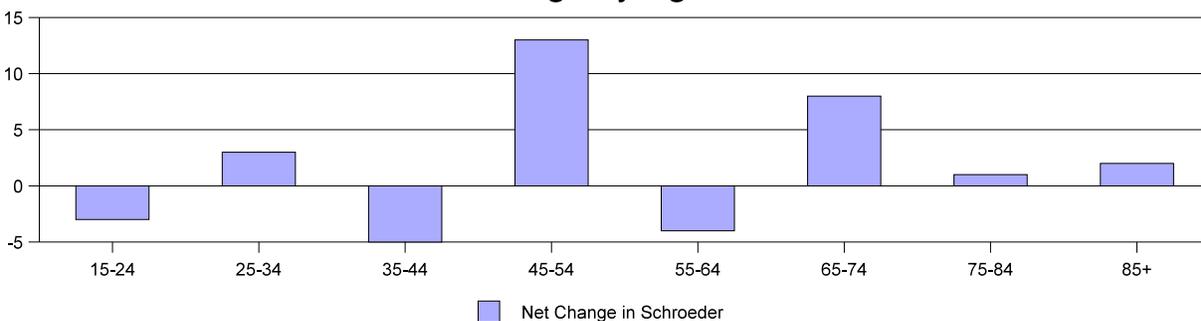
Household by Age Trends - Schroeder Township: 2000 to 2010

The 2010 Census allows for some analysis of Schroeder Township and Cook County’s changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 9 Households by Age - 2000 to 2010						
Age	Schroeder Township			Cook County		
	2000	2010	Change	2000	2010	Change
15-24	4	1	-3	82	76	-6
25-34	10	13	3	246	250	4
35-44	15	10	-5	502	313	-189
45-54	15	28	13	528	549	21
55-64	19	15	-4	416	623	207
65-74	14	22	8	312	388	76
75-84	5	6	1	191	210	19
85+	2	4	2	73	85	12
Total	84	99	15	2,350	2,494	144

Source: U.S. Census

Schroeder Household Change by Age Between 2000 and 2010



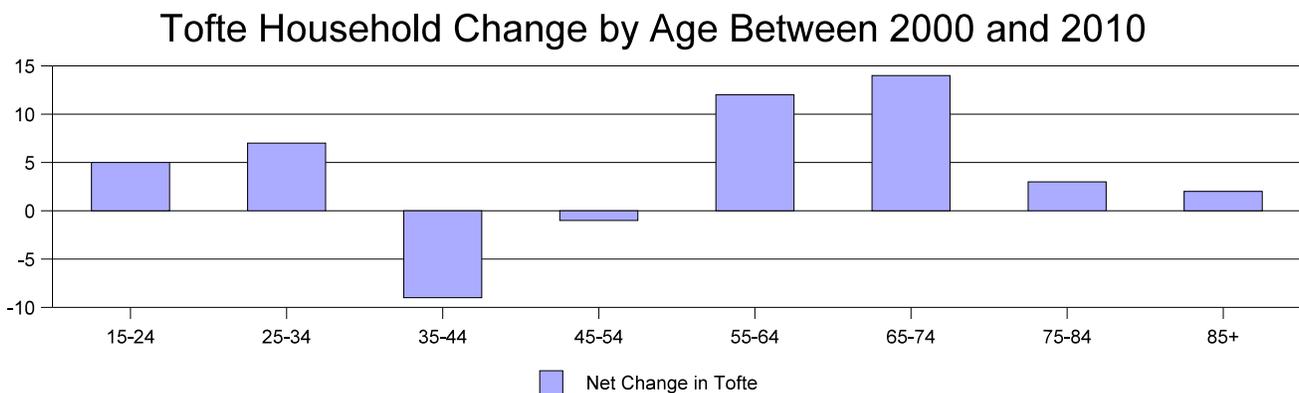
Schroeder Township had a gain of three households in the 25 to 34 age range, a gain of 13 households in the 45 to 54 age range and a gain of 11 households in the 65 and older age ranges. Schroeder Township had a loss of three households in the 15 to 24 age range, a loss of five households in the 35 to 44 age range and a loss of four households in the 55 to 64 age range.

Household by Age Trends - Tofte Township: 2000 to 2010

The 2010 Census allows for some analysis of Tofte Township and Cook County's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

Table 10 Households by Age - 2000 to 2010						
Age	Tofte Township			Cook County		
	2000	2010	Change	2000	2010	Change
15-24	1	6	5	82	76	-6
25-34	8	15	7	246	250	4
35-44	24	15	-9	502	313	-189
45-54	26	25	-1	528	549	21
55-64	21	33	12	416	623	207
65-74	11	25	14	312	388	76
75-84	9	12	3	191	210	19
85+	2	4	2	73	85	12
Total	102	135	33	2,350	2,494	144

Source: U.S. Census



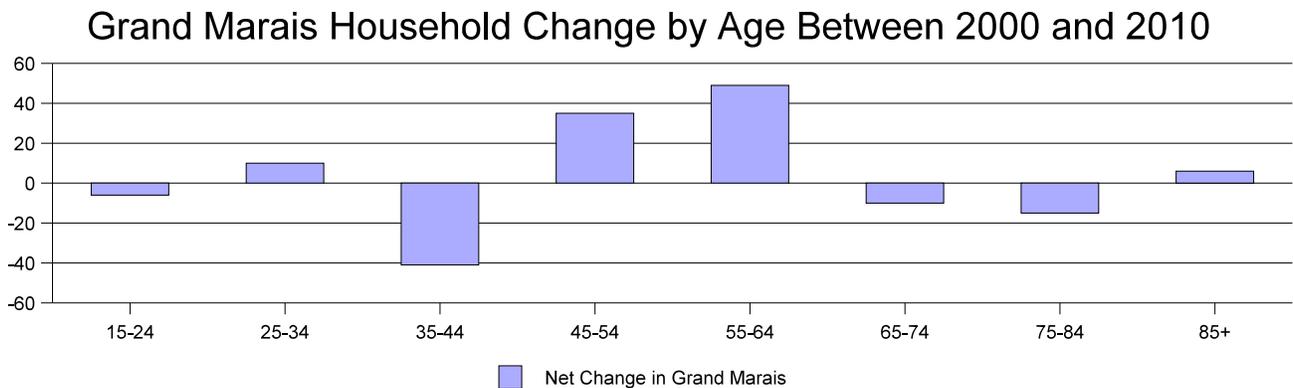
Tofte Township had an increase of 12 households in the 15 to 34 age range and a gain of 31 households in the 55 and older age ranges. Tofte Township had a loss of 10 households in the 35 to 54 year old age ranges.

Household by Age Trends - Grand Marais: 2000 to 2010

The 2010 Census allows for some analysis of Grand Marais and Cook County's changing age patterns. The following table compares households by age of householder in 2000 and 2010, along with the numeric changes.

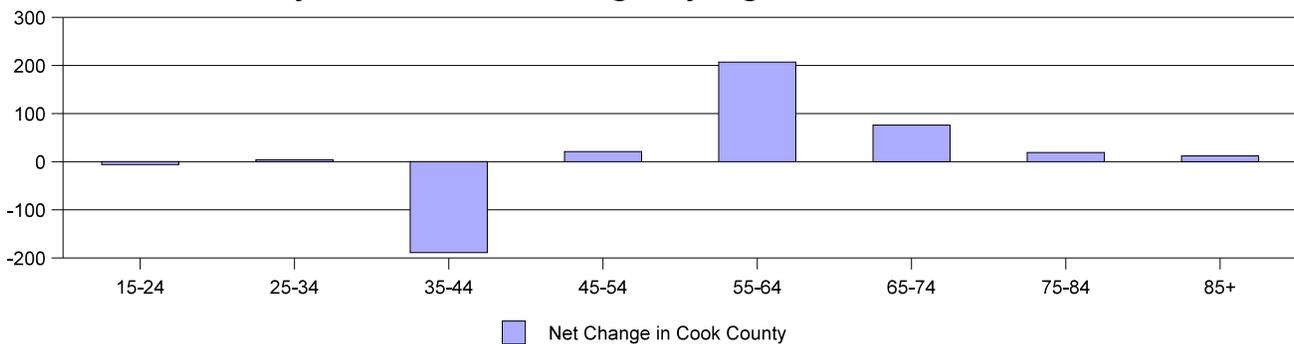
Table 11 Households by Age - 2000 to 2010						
Age	Grand Marais			Cook County		
	2000	2010	Change	2000	2010	Change
15-24	28	22	-6	82	76	-6
25-34	69	79	10	246	250	4
35-44	130	89	-41	502	313	-189
45-54	105	140	35	528	549	21
55-64	81	130	49	416	623	207
65-74	93	83	-10	312	388	76
75-84	95	80	-15	191	210	19
85+	44	50	6	73	85	12
Total	645	673	28	2,350	2,494	144

Source: U.S. Census



Grand Marais added 10 households in the 25 to 34 year old age ranges, 84 households in the 45 to 64 age ranges and six households in the age 85 and older age range from 2000 to 2010. Grand Marais had a loss of six households in the 15 to 24 age range, a loss of 41 households in the 35 to 44 age range and a loss of 25 households in the 65 to 84 age ranges.

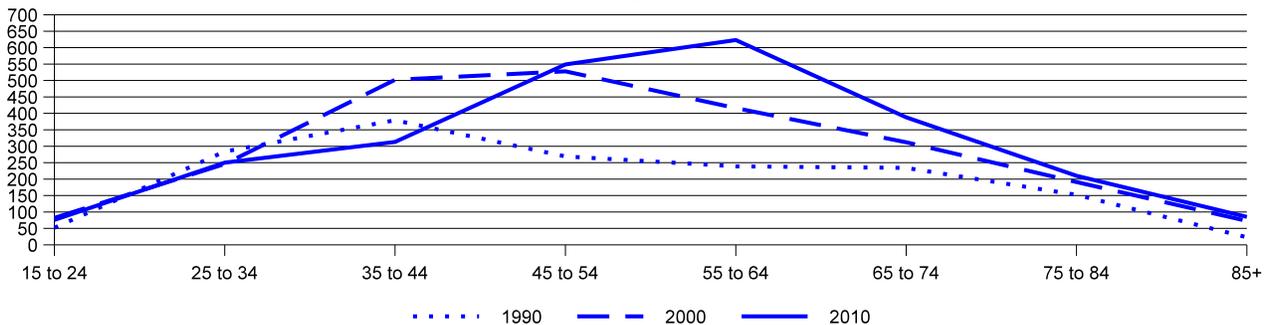
Cook County Household Change by Age Between 2000 and 2010



Cook County experienced a gain of four households in the 25 to 34 age range and a gain of 335 households in the 45 and older age ranges. Cook County had a loss of six households in the 15 to 24 age range and a significant loss of 189 households in the 35 to 44 age range.

As with the longer-term patterns for population, it is possible to track the age progression of over the past 20 years in Cook County, using Census information for households by the age of householder.

Cook County Households by Age of Householder: 1990 to 2010



One very noticeable trend in the household age progression patterns is the growing number of baby boomer households with each progressive decade. In addition to advancing through the aging cycle, Cook County has been adding baby boomer households, probably through in-migration.

However, one other trend is the sharp drop-off that tends to occur within the older senior ranges, as the number of households age 75 and older has not been very large in Cook County in recent decades.

Average Household Size

The following table provides decennial Census information on average household size, and a 2014 estimate from ESRI.

Table 12 Average Number of Persons Per Household: 1990 to 2014				
	1990 Census	2000 Census	2010 Census	2014 ESRI Estimate
Lutsen Township	2.35	2.09	1.98	1.96
Schroeder Township	2.38	2.23	2.07	2.05
Tofte Township	2.22	2.22	1.84	1.83
Grand Marais	2.17	2.01	1.94	1.97
Cook County	2.33	2.17	2.05	2.04

Source: U.S. Census; ESRI

Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

The average household size in Lutsen, Schroeder and Tofte Townships, the City of Grand Marais and Cook County decreased from 1990 to 2014.

Lutsen Township's average household size decreased from 2.35 to 1.96.

Schroeder Township's average household size decreased from 2.38 to 2.05.

Tofte Township's average household size decreased from 2.22 to 1.83.

Grand Marais' average household size decreased from 2.17 in 1990 to 1.97 in 2014.

Cook County's average household size decreased from 2.33 in 1990 to 2.04 in 2014.

Household Projections

The following table presents ESRI’s 2014 household estimates and 2019 household projections for Grand Marais, the three Townships and Cook County.

Table 13 Household Projections Through 2019				
	2010 Census	2014 Estimate ESRI	2019 Projection ESRI	Change 2010 to 2019
Lutsen Twp	210	214	219	9
Schroeder Twp	99	101	103	4
Tofte Twp	135	137	141	6
Grand Marais	673	692	713	40
Cook County	2,494	2,569	2,652	158

Source: U.S. Census; ESRI

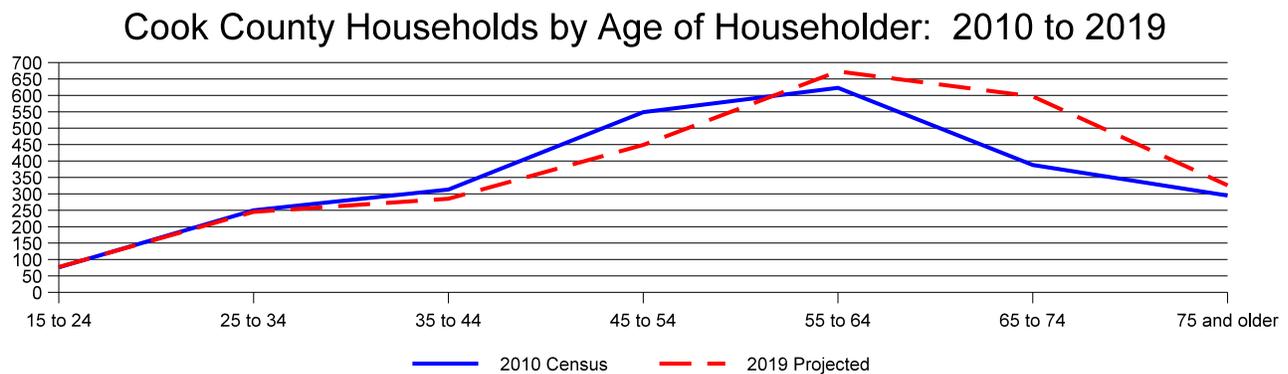
- ▶ The growth projections calculated by ESRI expect household gains for Tofte, Schroeder and Tofte Townships, Grand Marais and Cook County from 2010 to 2019. The projections show modest household gains in the townships and more significant growth in Grand Marais and all of Cook County from 2010 to 2019.
- ▶ ESRI estimates that Lutsen Township increased by four households from 2010 to 2014 and is projected to increase by five additional households from 2014 to 2019.
- ▶ ESRI estimates that Schroeder Township had a gain of two households from 2010 to 2014 and is projected to gain another two households from 2014 to 2019.
- ▶ ESRI estimates that Tofte Township had a gain of two households from 2010 to 2014 and will gain four households from 2014 to 2019.
- ▶ ESRI estimates that Grand Marais gained 19 households from 2010 to 2014 and will gain an additional 21 households from 2014 to 2019.
- ▶ ESRI’s 2014 estimate for Cook County shows a gain of 75 households from 2010. ESRI projects that Cook County will add an additional 83 households from 2014 to 2019.

Cook County Household by Age Projections: 2010 to 2019

ESRI has released household by age projections to the year 2019. The following table presents ESRI’s 2019 household by age projections for Cook County, and the household changes from 2010 to 2019.

	2010 Census	2019 Projection	Change from 2010
15-24	76	77	1
25-34	250	245	-5
35-44	313	285	-28
45-54	549	449	-100
55-64	623	673	50
65-74	388	597	209
75+	295	326	31
Total	2,494	2,652	158

Source: U.S. Census; ESRI



Consistent with the age distribution data presented earlier, the movement of the “baby boom” generation through the aging cycle should generate most of the County’s growth in households in the age ranges between 55 and 74 years old. ESRI’s projections expect a gain of 259 households in these age ranges in Cook County from 2010 to 2019.

ESRI’s projections expect a net decrease of 132 households age 54 and younger, and an increase of 290 households age 55 and older through the year 2019.

Households by Type - Lutsen Township

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Lutsen Township.

Table 15 Lutsen Township Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	29	24	-5
Single Parent with own children	11	4	-7
Married Couple without own children	63	82	19
Family Householder without spouse	2	4	2
Total Families	105	114	9
Non-Family Households			
Single Person	59	73	14
Two or more persons	8	23	15
Total Non-Families	67	96	29

Source: U.S. Census

Between 2000 and 2010, Lutsen Township experienced an overall net increase of nine “family” households. There was a decrease of five married couple families and seven single parent with children households. The City had an increase of 19 married couples without children and a loss of two family householder without spouse households.

Lutsen township had an increase of 29 “non-family” households. There was an increase of 14 one-person households. There was also an increase of 15 households that had unrelated individuals living together.

Households by Type - Schroeder Township

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Schroeder Township.

Table 16 Schroeder Township Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	16	16	0
Single Parent with own children	3	3	0
Married Couple without own children	37	40	3
Family Householder without spouse	1	3	2
Total Families	57	62	5
Non-Family Households			
Single Person	18	33	15
Two or more persons	9	4	-5
Total Non-Families	27	37	10

Source: U.S. Census

Between 2000 and 2010, Schroeder Township had a gain of five “family” households. There was an increase of two married couples without children and an increase of two family householder without spouse households.

Schroeder Township had an increase of 10 “non-family” households. There was an increase of 15 one-person households and a decrease of five households that had unrelated individuals living together.

Households by Type - Tofte Township

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Tofte Township.

Table 17 Tofte Township Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	25	10	-15
Single Parent with own children	2	4	2
Married Couple without own children	35	57	22
Family Householder without spouse	4	5	1
Total Families	66	76	10
Non-Family Households			
Single Person	33	48	15
Two or more persons	3	11	8
Total Non-Families	36	59	23

Source: U.S. Census

Between 2000 and 2010, Tofte Township had a net loss of 10 “family” households. Tofte Township had a decrease of 15 married couples with their own children. Tofte Township had a gain of two married couples without children, a gain of 22 married couples without children and a gain of one family householder without a spouse.

Tofte Township had a gain of 23 “non-family” households. There was a gain of 15 one-person households and a gain of eight households that had unrelated individuals living together.

Households by Type - Grand Marais

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within the City of Grand Marais.

Table 18 Grand Marais Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	106	85	-21
Single Parent with own children	44	47	3
Married Couple without own children	171	165	-6
Family Householder without spouse	20	34	14
Total Families	341	331	-10
Non-Family Households			
Single Person	271	294	23
Two or more persons	33	48	15
Total Non-Families	304	342	38

Source: U.S. Census

Between 2000 and 2010, Grand Marais experienced an overall net decrease of 10 “family” households. There was a decrease of 21 married couple families that had their own children and a loss of six married couples without children. The City had an increase of three single parent households with children and a gain of 14 family householder without spouse households.

The City of Grand Marais had an increase of 38 “non-family” households. There was an increase of 23 one-person households. There was also an increase of 15 households that had unrelated individuals living together.

Households by Type - Cook County

The 2010 Census can be compared to statistics from 2000 to examine changes in household composition. The following table looks at household trends within Cook County.

Table 19 Cook County Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	416	318	-98
Single Parent with own children	158	152	-6
Married Couple without own children	805	882	77
Family Householder without spouse	59	94	35
Total Families	1,438	1,446	8
Non-Family Households			
Single Person	763	862	99
Two or more persons	149	186	37
Total Non-Families	912	1,048	136

Source: U.S. Census

Between 2000 and 2010, Cook County experienced an overall net increase of eight “family” households. There was a decrease of six single parent with children households and a decrease of 98 married couples with their own children. The County had an increase of 77 married couples without children and an increase of 35 family householder without spouse households.

Cook County had an increase of 136 “non-family” households. There was an increase of 99 one-person households. There was also an increase of 37 households that had unrelated individuals living together.

Housing Tenure

The 2010 Census provided an updated look at housing tenure patterns. The following tables examine tenure rates, along with changes that have occurred.

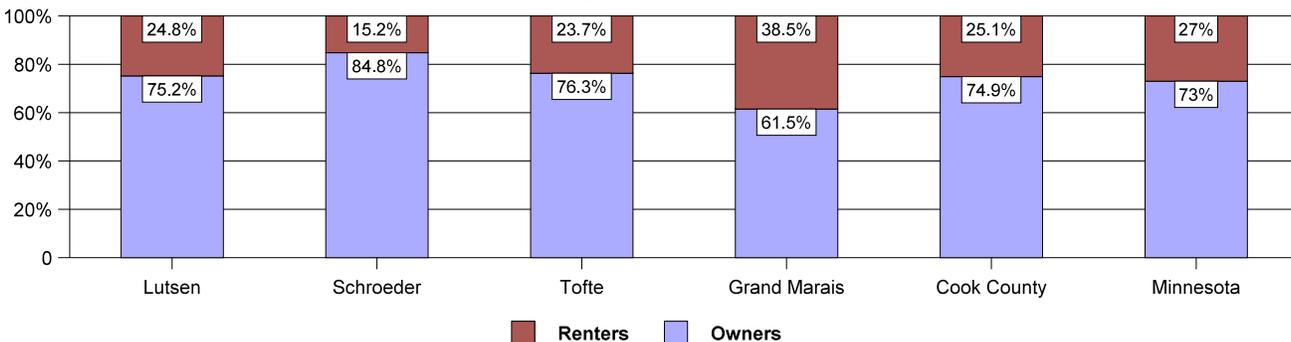
Table 20 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Lutsen Township	158	75.2%	52	24.8%
Schroeder Township	84	84.8%	15	15.2%
Tofte Township	103	76.3%	32	23.7%
Grand Marais	414	61.5%	259	38.5%
Cook County	1,868	74.9%	626	25.1%
State	-	73.0%	-	27.0%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate in Lutsen Township was 75.2%, Schroeder Township’s ownership rate was 84.8%, Tofte Township’s ownership rate was 76.3% and Grand Marais’ ownership rate was 61.5%. Cook County’s ownership rate was 74.9% in 2010.

The rental tenure rates of the three townships and Cook County were below the Statewide rate of 27.0 renter households. Grand Marais’ rental tenure rate was above the Statewide rate.

Housing Tenure in 2010



Changes in Housing Tenure - 2000 to 2010

Tenure patterns in 2000 and 2010 can be compared to see changes that have been occurring within each community.

Table 21 Households by Housing Tenure - 2000 to 2010						
Tenure	Owners			Renters		
	2000	2010	Change	2000	2010	Change
Lutsen Twp	141/82.0%	158/75.2%	17	31/18.0%	52/24.8%	21
Schroeder Twp	76/90.5%	84/84.8%	8	8/9.5%	15/15.2%	7
Tofte Twp	86/84.3%	103/76.3%	17	16/15.7%	32/23.7%	16
Grand Marais	414/64.2%	414/61.5%	0	231/35.8%	259/38.5%	28
Cook County	1,839/78.3%	1,868/74.9%	29	511/21.7%	626/25.1%	115

Source: U.S. Census

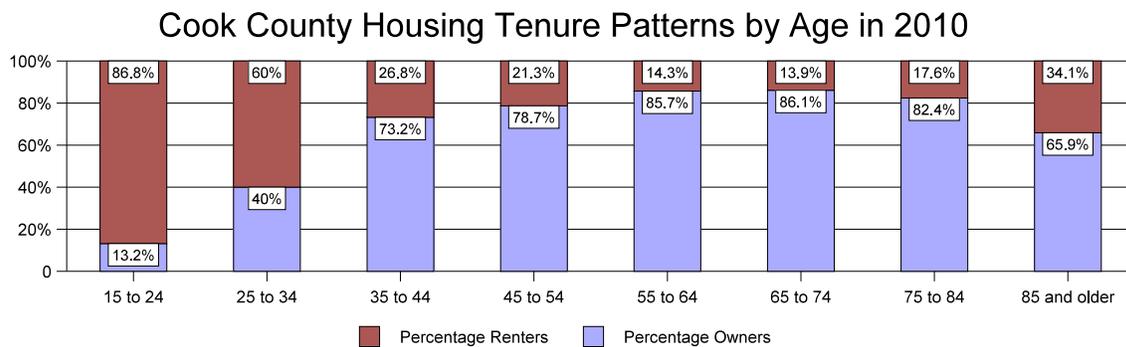
All of the jurisdictions had owner and renter household gains from 2000 to 2010. However, the percentage of owner households decreased and the percentage of renter households increased in all of the jurisdictions from 2000 to 2010.

Tenure by Age of Householder - Cook County

The 2010 Census provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Cook County.

Table 22 Cook County Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	10	13.2%	66	86.8%
25-34	100	40.0%	150	60.0%
35-44	229	73.2%	84	26.8%
45-54	432	78.7%	117	21.3%
55-64	534	85.7%	89	14.3%
65-74	334	86.1%	54	13.9%
75-84	173	82.4%	37	17.6%
85+	56	65.9%	29	34.1%
Total	1,868	74.9%	626	25.1%

Source: U.S. Census



Within the defined age ranges, typical tenure patterns were present. Households at the lowest and highest ends of the age spectrum showed a higher preference for rented housing, while middle-aged adult households were primarily homeowners. Approximately 87% of households age 24 and younger and 60% of the households in the 25 to 34 age range rented their unit. Approximately 35% of households age 85 and older were renters. Home ownership rates for each of the 10-year age cohorts between 35 and 84 years old were 73% or higher.

Tenure by Household Size - Cook County

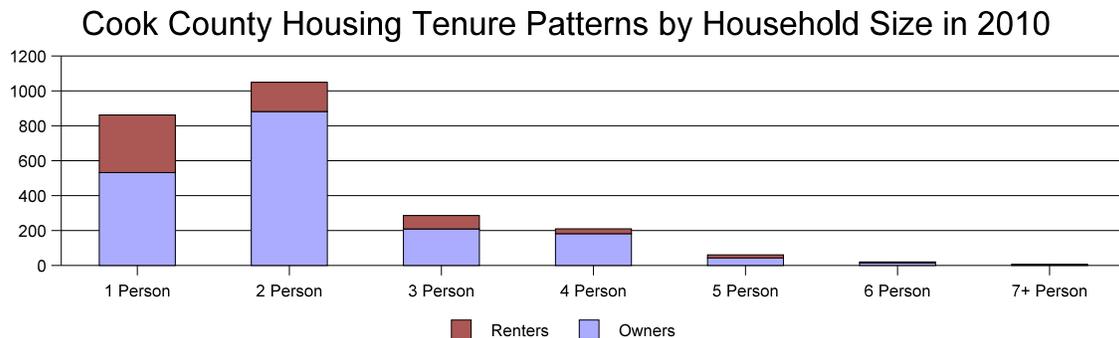
The 2010 Census provided information on housing tenure by household size. This can be compared to 2000 Census information to better understand changing trends. The following table provides information for Cook County.

Table 23 Cook County Tenure by Household Size - 2000 to 2010						
Household Size	Owners			Renters		
	2000	2010	Change	2000	2010	Change
1-Person	483	532	49	280	330	50
2-Person	826	882	56	132	167	35
3-Person	219	209	-10	56	77	21
4-Person	193	182	-11	26	28	2
5-Person	85	43	-42	12	18	4
6-Person	26	14	-12	4	6	2
7-Persons+	7	6	-1	1	0	-1
Total	1,839	1,868	29	511	626	115

Source: U.S. Census

From 2000 to 2010, there was an increase of 29 owner households and an increase of 115 renter households in Cook County. There was an increase of 105 owner households with one or two household members. There was a decrease of 76 households with three or more household members.

Renter households with one to three members had a gain of 106 households and renter households with four to six members had a gain of eight households. There was a loss of one renter household with seven or more members. Approximately 79% of the renter households in Cook County were one or two person households in 2010.



2013 Income Data

The 2010 Census did not collect information on household income. However, estimates are available at the town, city and county level through the 2013 American Community Survey. The number of households in Lutsen, Schroeder, and Tofte Townships is small, thus, the survey sample in each jurisdiction is small, which makes the margin of error large. This must be considered in analyzing the income data.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household.

Table 24 Median Household Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Lutsen Township	\$44,167	\$51,912	17.5%
Schroeder Township	\$33,250	\$46,786	40.7%
Tofte Township	\$47,188	\$43,571	-7.7%
Grand Marais	\$33,493	\$40,699	21.5%
Cook County	\$36,640	\$52,215	42.5%
Minnesota	\$47,111	\$59,126	25.5%

Source: U.S. Census; 2013 ACS 5-year survey

Table 25 Median Family Income - 2000 to 2013			
	2000 Median	2013 Median	% Change
Lutsen Township	\$50,917	\$63,542	24.8%
Schroeder Township	\$39,375	\$63,750	61.9%
Tofte Township	\$57,500	\$61,250	6.5%
Grand Marais	\$46,563	\$47,917	2.9%
Cook County	\$47,132	\$59,643	26.5%
Minnesota	\$56,874	\$74,032	30.2%

Source: U.S. Census; 2013 ACS 5-year survey

Information contained in the 2013 American Community Survey shows that the median household and family incomes have increased from 2000 to 2013 in all five jurisdictions with the exception of Tofte Township's median household income which decreased from 2000 to 2013. However, the median household and family incomes in all of the jurisdictions are below the Statewide medians.

Generally, family household incomes tend to be much higher than the overall household median, as families have at least two household members, and potentially more income-earners.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Cook County could afford approximately \$1,305 per month and a median income family household could afford \$1,490 per month for ownership or rental housing in 2013.

Household Income Distribution

The 2013 American Community Survey provides household income distribution estimates for the five jurisdictions.

Table 26 Household Income Distribution - 2013					
Household Income	Lutsen Township	Schroeder Township	Tofte Township	Grand Marais	Cook County
\$0 - \$14,999	41/14.1%	12/10.2%	19/14.6%	129/21.3%	309/11.8%
\$15,000 - \$24,999	38/13.0%	11/9.3%	13/10.0%	86/14.2%	264/10.1%
\$25,000 - \$34,999	23/7.9%	15/12.7%	9/6.9%	63/10.4%	219/8.4%
\$35,000 - \$49,999	31/10.6%	25/21.2%	40/30.8%	104/17.1%	414/15.8%
\$50,000 - \$74,999	62/21.2%	19/16.1%	22/16.9%	104/17.1%	628/24.0%
\$75,000 - \$99,999	36/12.3%	10/8.5%	9/6.9%	65/10.7%	264/10.1%
\$100,000+	61/20.9%	26/22.0%	18/13.9%	56/9.2%	516/19.8%
Total	292/100%	118/100%	130/100%	607/100%	2,614/100%

Source: 2000 Census; 2013 ACS

- ▶ In 2013, approximately 46% of Lutsen Township’s households, 53% of Schroeder Township’s households, 62% of Tofte Township’s households, 63% of Grand Marais’ households and 46% of Cook County’s households had annual incomes less than \$50,000.
- ▶ In 2013, approximately 54% of Lutsen Township’s households, 35% of Schroeder Township’s households, 38% of Tofte Township’s households, 37% of Grand Marais’ households and 54% of Cook County’s households had annual incomes more than \$50,000.
- ▶ Approximately 573 (22%) of the total households in the five jurisdictions had annual incomes less than \$25,000 in 2013.

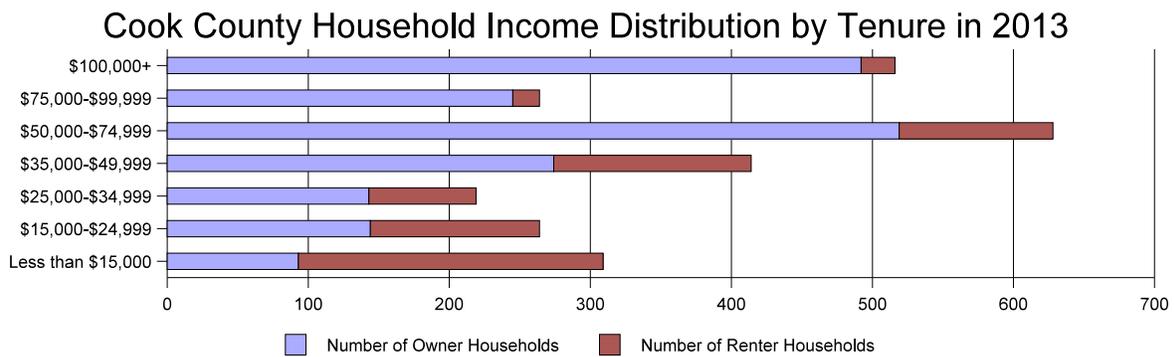
Cook County Income Distribution by Housing Tenure

The 2013 American Community Survey provides income data by owner and renter status. The following table examines income distribution in Cook County.

The American Community Survey is an estimate, based on limited sampling data, and there are some differences when compared to the 2010 Census. The 2013 American Community Survey reported income information on 2,614 households while the U.S. 2010 Census reported that there are 2,494 households in Cook County. It appears that the 2013 American Community Survey estimate of 2,494 is slightly lower than the actual number of households in 2013. However, the estimate is relatively accurate.

Table 27 Cook Co. Household Income Distribution by Tenure - 2013			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
\$0 - \$14,999	93/30.1%	216/69.9%	309
\$15,000 - \$24,999	144/54.5%	120/45.5%	264
\$25,000 - \$34,999	143/65.3%	76/34.7%	219
\$35,000 - \$49,999	274/66.2%	140/33.8%	414
\$50,000 - \$74,999	519/82.6%	109/17.4%	628
\$75,000 - \$99,999	245/92.8%	19/7.2%	264
\$100,000+	492/95.3%	24/4.7%	516
Total	1,910	704	2,614

Source: 2013 American Community Survey



Income and housing tenure are often linked for most households, with home owners generally having higher annual income levels, and renters having lower incomes.

In 2013, approximately 59% of all renter households in Cook County had an annual income below \$35,000. At 30% of income, these households would have \$875, or less, that could be applied to monthly housing costs. The median income for all renter households was approximately \$27,100 in 2013. At 30% of income, a renter at the median level could afford approximately \$677 per month or less for housing costs.

Most owner households had a higher income level than rental households. Approximately 66% of all owner households had an annual income of \$50,000 or more. The estimated median household income for owners in 2013 was approximately \$64,500. At 30% of income, an owner at the median income level could afford approximately \$1,613 per month for housing costs.

2013 Estimated Income and Housing Costs - Grand Marais Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in Grand Marais.

Table 28 Gross Rent as a Percentage of Household Income Grand Marais 2013			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	58/25.1%	11/22.9%	69/24.7%
20% to 29.9%	61/26.4%	26/54.2%	87/31.2%
30% to 34.9%	12/5.2%	6/12.5%	18/6.5%
35% or more	66/28.6%	5/10.4%	71/25.4%
Not Computed	34/14.7%	0/0%	34/12.2%
Total	231	48	279

Source: 2013 American Community Survey

According to the American Community Survey, approximately 32% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. 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 “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

A housing cost burden could be caused by either high housing costs or low household income, in Grand Marais it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 12% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 88% of all households with a rental cost burden.

2013 Estimated Income and Housing Costs - Cook County Renters

The American Community Survey also collected information on housing costs. The following table provides data on the number of renter households that are paying different percentages of their gross household income for housing in Cook County.

Table 29 Gross Rent as a Percentage of Household Income Cook County 2013			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	206/32.1%	22/34.9%	228/32.4%
20% to 29.9%	131/20.5%	28/44.5%	159/22.6%
30% to 34.9%	47/7.3%	6/9.5%	53/7.5%
35% or more	146/22.8%	6/9.5%	152/21.6%
Not Computed	111/17.3%	1/1.6%	112/15.9%
Total	641	63	704

Source: 2013 American Community Survey

According to the American Community Survey, approximately 29% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. 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 “rent burden”. When more than 35% is required, this can be considered a “severe rent burden”.

A housing cost burden could be caused by either high housing costs or low household income, in Cook County it was primarily due to low income levels for renters. A majority of the renter households with a housing cost burden had an annual household income below \$20,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of \$500 or less.

Senior citizen renters (age 65 and older) represented approximately 29% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 71% of all households with a rental cost burden.

2013 Estimated Income and Housing Costs - Grand Marais Owners

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

Table 30 Ownership Costs as a Percentage of Income Grand Marais 2013		
Percentage of Household Income for Housing Costs	Number of Owner Households 2013	Percent of All Owner Households 2013
0% to 19.9%	131	40.0%
20% to 29.9%	130	39.6%
30% to 34.9%	5	1.5%
35% or more	62	18.9%
Not Computed	0	0%
Total	328	100%

Source: 2013 ACS

Most owner-occupants in Grand Marais, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 20% of all home owners reported that they paid more than 30% of their income for housing. The large majority of these households were paying more than 35% of income for housing costs.

2013 Estimated Income and Housing Costs - Cook County Owners

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

Table 31 Ownership Costs as a Percentage of Income Cook County 2013		
Percentage of Household Income for Housing Costs	Number of Owner Households 2013	Percent of All Owner Households 2013
0% to 19.9%	1,038	54.3%
20% to 29.9%	504	26.4%
30% to 34.9%	68	3.6%
35% or more	297	15.5%
Not Computed	3	0.2%
Total	1,910	100%

Source: 2013 ACS

Most owner-occupants in Cook County, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 19% of all home owners reported that they paid more than 30% of their income for housing. The large majority of these households were paying more than 35% of income for housing costs.

Occupancy Status of Housing Units - 2010

Table 32 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Lutsen Twp	158	52	7	2	617	20
Schroeder Twp	84	15	7	0	212	5
Tofte Twp	103	32	11	5	166	5
Grand Marais	414	259	35	7	115	33
Cook County	1,868	626	105	39	3,061	140

Source: U.S. Census

- ▶ In 2010, according to the U.S. Census, there were 3,061 seasonal housing units in Cook County including 617 units in Lutsen Township, 212 units in Schroeder Township, 166 units in Tofte Township, and 115 units in the City of Grand Marais.
- ▶ In addition to the seasonal units in 2010, there were 284 vacant housing units in Cook County, including 29 units in Lutsen Township, 12 units in Schroeder Township, 21 units in Tofte Township, and 75 units in Grand Marais.

Existing Home Sales - Lutsen, Schroeder and Tofte Townships

This section examines houses that have been sold in Lutsen, Schroeder and Tofte Townships in 2012, 2013 and 2014 from January through September. It is important to note that the number of houses sold is very limited and may not be an accurate indicator of overall home values in each city or town. However, this sample does provide some insight into those units that have turned-over during this time period. This table primarily reflects existing home sales. New construction sales would generally not be recorded in the data that was used for this analysis.

Only the "fair market" transactions have been reviewed for this study. Sales that are not "fair market" transactions include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Also, these sales exclude any lake shore properties.

Table 33 Median Value of Recent Residential Sales - Lutsen, Schroeder and Tofte Townships			
	Number of Good Sales	Median Sale Price	Average Sales Price
2014, Jan. - Sept.	6	\$230,900	\$209,300
2013	13	\$168,000	\$174,600
2012	14	\$160,000	\$183,500

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

- ▶ From January to September, 2014, there were only six residential sales of single family houses in the three townships that were considered to be "good" transactions. The median sales price was \$230,900 and the average sales price was \$209,300.
- ▶ There were 13 good sales in the three townships in 2013. The median sales price of the 13 sales was \$168,000 and the average sales price was \$174,600.
- ▶ There were 14 good sales in the three townships in 2012. The median sales price was \$160,000 and the average sales price was \$183,500.

Existing Home Sales - Grand Marais

This section examines houses that have been sold in Grand Marais in 2012, 2013 and 2014 through September. This table primarily reflects existing home sales. New construction sales would generally not be recorded in the data that was used for this analysis.

Only the “fair market” transactions have been reviewed for this study. Sales that are not “fair market” transactions include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

Table 34 Median Value of Recent Residential Sales - Grand Marais			
	Number of Good Sales	Median Sale Price	Average Sales Price
2014, Jan. - Sept.	11	\$185,000	\$204,800
2013	35	\$219,000	\$208,940
2012	22	\$146,500	\$145,700

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

- ▶ From January to September, 2014, there were 11 residential sales of single family houses in Grand Marais that were considered to be “good” transactions. The median sales price was \$185,000 and the average sales price was \$204,800.
- ▶ In 2013, there were 35 good residential sales in Grand Marais. The median sales price for the 35 residential sales was \$219,000 and the average sales price was \$208,940.
- ▶ In 2012, there were 22 good residential sales in Grand Marais. The median sales price of the 22 sales was \$146,500 and the average sales price was \$145,700.

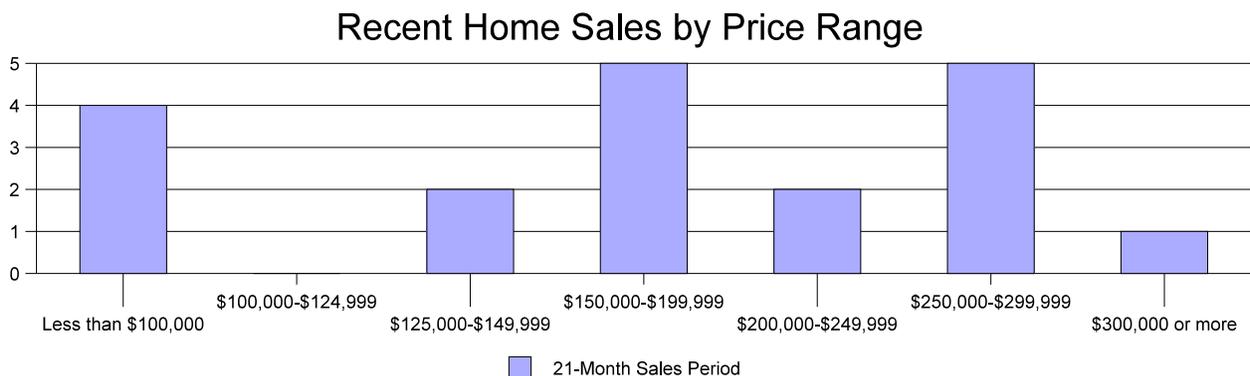
Home Sales by Price Range - Lutsen, Schroeder and Tofte Townships

The following table looks at single family houses that sold within defined price ranges in the four towns during the 21-month time period from January 1, 2013, to September 30, 2014, using the information that was available from the County Assessor's Office.

Table 35 Lutsen, Schroeder and Tofte Townships Home Sales by Price Range - 21-month period		
Sale Price	Number of Sales	Percent of Sales
Less than \$100,000	4	21.1%
\$100,000 - \$124,999	0	0%
\$125,000 - \$149,999	2	10.5%
\$150,000 - \$199,999	5	26.3%
\$200,000 - \$249,999	2	10.5%
\$250,000 - \$299,999	5	26.3%
\$300,000 or more	1	5.3%
Total	19	0%

Source: Cook County; Community Partners Research, Inc.

Recent home sales in the three townships have been distributed in different price ranges. Approximately 21% of sales from January 1, 2013, to September 30, 2014, were priced below \$100,000 and approximately 37% of the sales were in the \$100,000 to \$200,000 range. Approximately 42% of existing homes sold for \$200,000 or more.



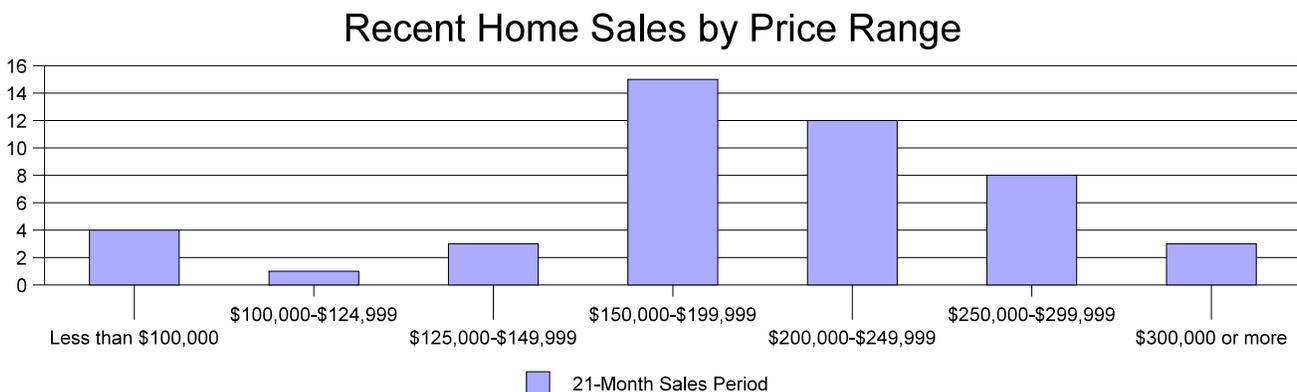
Home Sales by Price Range - Grand Marais

The following table looks at single family houses that sold within defined price ranges in the four towns during the 21-month time period from January 1, 2013, to September 30, 2014, using the information that was available from the County Assessor's Office.

Sale Price	Number of Sales	Percent of Sales
Less than \$100,000	4	8.7%
\$100,000 - \$124,999	1	2.2%
\$125,000 - \$149,999	3	6.5%
\$150,000 - \$199,999	15	32.6%
\$200,000 - \$249,999	12	26.1%
\$250,000 - \$299,999	8	17.4%
\$300,000 or more	3	6.5%
Total	46	100%

Source: Cook County; Community Partners Research, Inc.

Recent home sales in Grand Marais have been distributed in different price ranges. Approximately 9% of sales from January 1, 2013, to September 30, 2014, were priced below \$100,000 and 41% of the sales were in the \$100,000 to \$200,000 range. Approximately 50% of existing homes sold for \$200,000 or more.



New Housing Construction

Over the past 14 years, from 2000 to 2013, Grand Marais had 50 new housing units constructed. There were 1,247 housing units constructed in Cook County from 2000 to 2013, including seasonal/recreational use properties.

The following charts identify new housing construction annually in Grand Marais and Cook County.

Grand Marais Building Permit Trends

Grand Marais has experienced some new housing construction activity in recent years. The following table identifies the units that have been constructed from 2000 to 2013.

Table 37 Grand Marais Housing Unit Construction Activity: 2000 to 2013			
Year	Single Family	Two or More Units	Total Units Constructed
2013	1	0	1
2012	2	0	2
2011	2	0	2
2010	3	0	3
2009	1	0	1
2008	2	0	2
2007	1	0	1
2006	2	0	2
2005	6	0	6
2004	3	0	3
2003	6	0	6
2002	6	0	6
2001	9	2	11
2000	4	0	4
TOTAL	48	2	50

Source: Census Bureau; Community Partners Research, Inc.

Over the past 14 years, 50 new housing units have been constructed in Grand Marais, based on building permit issuance and U.S. Census information. The units include 48 single family homes and one twinhome.

During this seven-year period from 2000 to 2007, Grand Marais averaged 5.4 new housing units per year. From 2008 to 2013, Grand Marais averaged approximately 1.7 new housing units per year.

Cook County Building Permit Trends

Cook County has experienced a significant amount of new housing construction activity in recent years. The following table identifies the units that have been constructed from 2000 to 2013.

Table 38 Cook County Housing Unit Construction Activity: 2000 to 2013			
Year	Single Family	Two or More Units	Total Units Constructed
2013	36	0	36
2012	49	4	53
2011	38	0	38
2010	37	0	37
2009	42	0	42
2008	70	0	70
2007	133	0	133
2006	120	0	120
2005	114	0	114
2004	141	0	141
2003	110	0	110
2002	115	5	120
2001	108	8	116
2000	106	11	117
TOTAL	1,219	28	1,247

Source: Census Bureau; Community Partners Research, Inc.

Over the past 14 years, 1,247 new housing units have been constructed in Cook County, based on building permit issuance and U.S. Census information. The units include 1,219 single family homes and 28 units in buildings with two or more units.

During this seven-year period from 2000 to 2006, the County averaged approximately 120 new housing units per year. Cook County has averaged 58 new units per year from 2007 to 2013.

Rental Housing

U.S. Census Inventory

According to the 2010 U.S. Census, there were 626 occupied rental housing units and 124 vacant rental units in Cook County for a total estimated rental inventory of 750 units.

At the time of the 2000 Census, Cook County had 511 occupied rental units and 35 vacant units, for a total estimated inventory of 546 units. Between the 2000 Census and the 2010 Census, the City added 115 renter households and 204 rental units to the total inventory. With only 26 rental units constructed in the 2000s, the additional rental units were created through housing units converting from owner to rental occupancy. Also, at the time of the 2010 Census some seasonal and vacation rentals may have been classified as permanent rentals.

Rental Projects in Planning Phase

Tofte Township will begin construction on a 12-unit independent senior market rate rental project in the spring. The units will be townhome style. The rental project will be located on the charter school site.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily rental buildings in Cook County. The survey focused on larger rental projects with eight or more units. Information was collected in January 2015. We did not attempt to collect information from smaller rental properties, such as single family homes, mobile homes and duplexes.

Market Rate Summary

There are three multifamily rental projects in the three Townships that provide market rate housing. One of these projects, Tofte Homestead Apartments, does have income limits for occupancy, due to funding assistance from the Minnesota Housing Finance Agency, but rental rates in this project are comparable to other market rate housing in the area.

Including the Tofte Homestead Apartments, we collected information from 22 market rate rental units. The market rate units are all in the townships. There were no market rate multifamily units identified in Grand Marais, so no comparative information is available from this community.

Occupancy/Vacancy

There was one unit that was vacant at the time of our survey. There was one vacant three-bedroom unit in Tofte Homestead Apartments. The one vacancy represents a vacancy rate of 4.5%.

According to the manager of the Tofte Homestead Apartments, demand is seasonal. In the high tourism months the units are typically full, but in the off-season, there occasionally are vacancies.

Rental Rates

With very few properties to survey, only limited information is available on rental rates. It appears the prevailing gross rent for a one bedroom unit is approximately \$600 to \$700 per month, a two-bedroom unit is approximately \$700 to \$790 per month, and a three-bedroom unit is approximately \$900 per month.

Employee Housing

In addition to the supply of traditional rental units, a number of area resorts provide seasonal housing for employees. In most cases, this housing is a bedroom or sleeping room in a shared living facility. This type of housing is not available to the general market.

Tax Credit Summary

There is one rental project in Cook County that was developed using federal low income housing tax credits. This project, Birchwood Apartments in Grand Marais, received a tax credit allocation in 1992. However, this project also received development subsidies from USDA Rural Development, and operates as a subsidized housing project. We have included Birchwood Apartments in our analysis of subsidized housing that follows.

Subsidized Summary

There are four federally subsidized apartment projects in Grand Marais. Combined, these projects have 93 units of subsidized rental housing. Three of the projects, Grand Marais Apartments, Harbor View Apartments, and Sawtooth Ridges, with a combined 69 total units, are designated for senior and disabled occupancy. The fourth subsidized project, Birchwood Apartments, with 24 units, is designated for general occupancy.

Occupancy/Vacancy

At the time of our survey, there were six vacant units in Harbor View Apartments. The other three subsidized projects had no vacancies. For all subsidized rental units, this represented a vacancy rate of 6.5%.

The six vacancies in Harbor View were all one-bedroom apartments designated for senior or disabled occupancy. The other two senior/disabled projects, Grand Marais Apartments and Sawtooth Ridges, both reported full occupancy. The vacancies in Harbor View represented a vacancy rate of 8.7% in the senior/disabled segment of the subsidized inventory.

Birchwood Apartments, which is the only general occupancy project, has no vacancies, thus, there is a 0% vacancy rate in the general occupancy segment of the subsidized market.

Rental Rates

The subsidized units in Grand Marais have rent assistance available for tenants, thus, lower income households pay rent based on 30% of income up to a market rent.

Subsidized Unit Gains and Losses

Some subsidized projects around the State have met their contractual obligations to provide affordable housing and have been converting to market rate housing. At the time of this study, none of the subsidized projects had started the procedure to opt-out of the subsidy program.

Table 24 Grand Marais Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Subsidized					
Birchwood Apartments	18 - 2 bedroom <u>6 - 3 bedroom</u> 24 Total Units	30% of income	No vacancies	General occupancy	Apartments constructed in 1992 using Rural Development subsidies and low income housing tax credits. All tenants have access to rent assistance that allows rent based on 30% of income. Manager reports no vacancies.
Grand Marais Apartments	4 - 1 bedroom <u>12 - 2 bedroom</u> 16 Total Units	30% of income	No vacancies	Senior and disabled occupancy	Rural Development subsidized project constructed in the 1970s for senior and disabled occupancy. Tenants pay 30% of income but not more than a market rent. Currently five tenants are paying the market rent of \$550. Manager reported full occupancy.
Sawtooth Ridges	<u>23 - 1 bedroom</u> 23 total units	30% of income	No vacancies	Senior occupancy	HUD Section 202/PRAC subsidized project for seniors. All tenants have rent assistance available that allows for rent based on 30% of income. Tenants must be very low income - below 30% of County median income. Manager reports full occupancy, but usually there are one or two vacancies.
Harbor View Apartments	27 - 1 bedroom <u>3 - 2 bedroom</u> 30 Total Units	30% of income	6 vacant one bedroom units	Senior and disabled occupancy	MHFA/Section 8 New Construction subsidized apartments built in 1978 for senior and disabled occupancy. All units have rent assistance available that allows rent based on 30% of income. Manager reported six vacant one-bedroom apartments, and ongoing vacancy problems in recent years. Many inquiries do not qualify for occupancy.

Source: Community Partners Research, Inc.

Table 28 Cook County Townships Multifamily Rental Housing Inventory

Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
Tofte Homestead Apartments Tofte	4 - 1 bedroom 5 - 2 bedroom <u>7 - 3 bedroom</u> 16 Total Units	\$525 \$690 \$795	1 vacant three-bedroom unit	Mix of tenants	Eight duplexes constructed in 2001 using financial assistance from MHFA and IRRRB. Units have income limits for tenants. Manager reported one vacant unit at time of survey - units are usually full during the summer but vacancies can occur in winter. In addition to rent, tenants pay heat and electricity. Although there are income limits, rents are some of the highest in the area, thus, we have included the project in the market rate section.
County Plumbing Apartments Lutsen	1 - 1 bedroom <u>2 - 2 bedroom</u> 3 Total Units	N/A	No vacancies	Mix of tenants	Three apartment units in a mixed-use commercial and residential building constructed in 2003. Owner reports that units are always fully occupied, but rents were not disclosed. Rent includes all utilities.
Clearview General Store Apartments Lutsen	2 - 2 bedroom <u>1 - 3 bedroom</u> 3 Total Units	\$700 \$800 + utilities	No vacancies	Mix of tenants	Three apartment units created in a 1990 building renovation. Owner reports that units are always fully occupied - another unit is being created through a cabin renovation. Tenants pay utilities in addition to rent.

Source: Community Partners Research, Inc.

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 limited. Employment opportunities are provided by a broad range of private and public business sectors. 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.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector in 2013. It is important to note that the major employment sectors listed do not represent all employment in the County. Some groups, including self-employment, are not represented. This information is for all of Cook County.

Table 39 Cook County Average Annual Wages by Industry - 2013		
Industry	2013 Employment	2013 Average Annual Wage
Total All Industry	2,791	\$28,652
Natural Resources and Mining	N/A	N/A
Construction	165	\$31,876
Manufacturing	N/A	N/A
Trade, Transportation, Utilities	483	\$29,120
Information	31	\$29,068
Financial Activities	74	\$34,684
Professional and Business Services	50	\$26,468
Education and Health Services	384	\$36,712
Leisure and Hospitality	1,119	\$20,644
Other Services	35	\$11,804
Public Administration	400	\$41,652

Source: MN Department of Employment and Economic Development

The average annual wage for all industry in calendar year 2013 was \$28,652. This assumes full-time employment at the average weekly wage rate. The highest paying wage sector was Public Administration, at \$41,652. Public Administration was also the third large employment sector.

The largest single employment sector was Leisure and Hospitality, which represented 40% of all employment Countywide. The average annual wage in this sector was \$20,644, well below the Countywide average.

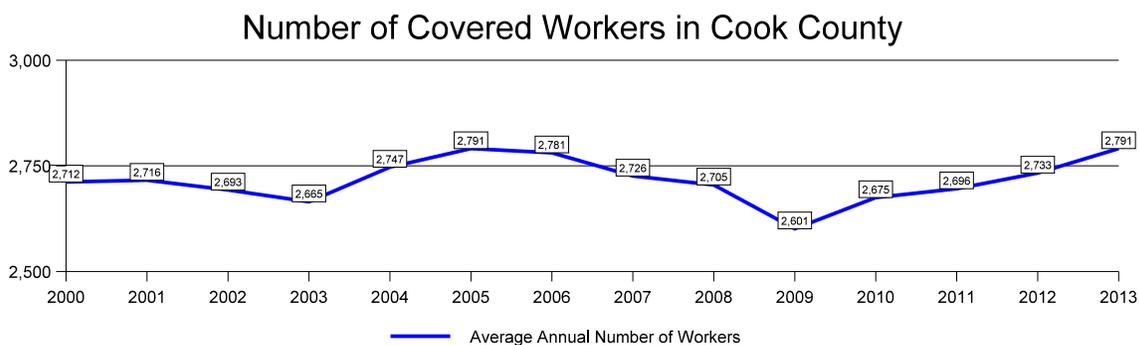
The lowest paying wage sector was Other Services, with an annual average wage below \$12,000.

Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location of the worker, it is possible to examine longer-term patterns. The following table displays the total number of workers reported in Cook County from 2000 to 2013, the last full year of data.

Table 40 County Average Annual Employment: 2000 to 2013			
Year	Total Covered Employment	Year	Total Covered Employment
2000	2,712	2007	2,726
2001	2,716	2008	2,705
2002	2,693	2009	2,601
2003	2,665	2010	2,675
2004	2,747	2011	2,696
2005	2,791	2012	2,733
2006	2,781	2013	2,791

Source: QCEW - MN Department of Employment and Economic Development



When viewed over a longer-term period, there has been some limited growth in the number of employees covered by unemployment insurance that are working in Cook County. If 2013 is compared to 2000, there were 79 more workers covered by unemployment insurance, or an increase of 2.9%.

However, over the 14-year period there has been both upward and downward movement from year to year in the number of covered workers. The highest level of employment was reached in 2005, but then gradually decreased through 2009. After 2009, the employment level began to rise again, and in 2013, reached the number of covered workers that had been achieved in 2005. Through the first two quarters of 2014 the number of covered workers was lower than the 2013 annual average, but this may change when reports are available for all of 2014.

Labor Force, Work Force and Unemployment

The Minnesota Department of Employment and Economic Development provides employment information at the county level only. The following table looks at statistics since 2000 for all of Cook County.

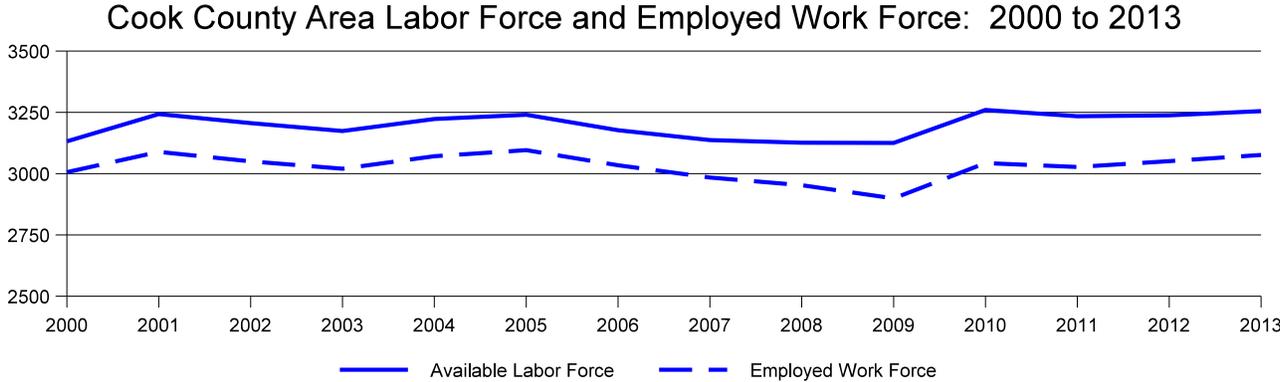
Table 41 County Labor Force and Employment: 2000 to 2014*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2000	3,132	3,006	126	4.0%	3.1%	4.0%
2001	3,243	3,089	154	4.7%	3.8%	4.7%
2002	3,206	3,050	156	4.9%	4.5%	5.8%
2003	3,174	3,020	154	4.9%	4.8%	6.0%
2004	3,223	3,071	152	4.7%	4.6%	5.6%
2005	3,240	3,096	144	4.4%	4.0%	5.1%
2006	3,177	3,034	143	4.5%	4.1%	4.6%
2007	3,137	2,984	153	4.9%	4.7%	4.6%
2008	3,126	2,953	173	5.5%	5.4%	5.8%
2009	3,125	2,899	226	7.2%	8.0%	9.3%
2010	3,260	3,043	217	6.7%	7.4%	9.6%
2011	3,234	3,027	207	6.4%	6.5%	8.9%
2012	3,238	3,051	187	5.8%	5.6%	8.1%
2013	3,255	3,076	179	5.5%	5.1%	7.4%
2014*	3,313	3,136	177	5.3%	4.4%	6.2%

Source: MN Department of Employment and Economic Development

* 2014 is through November

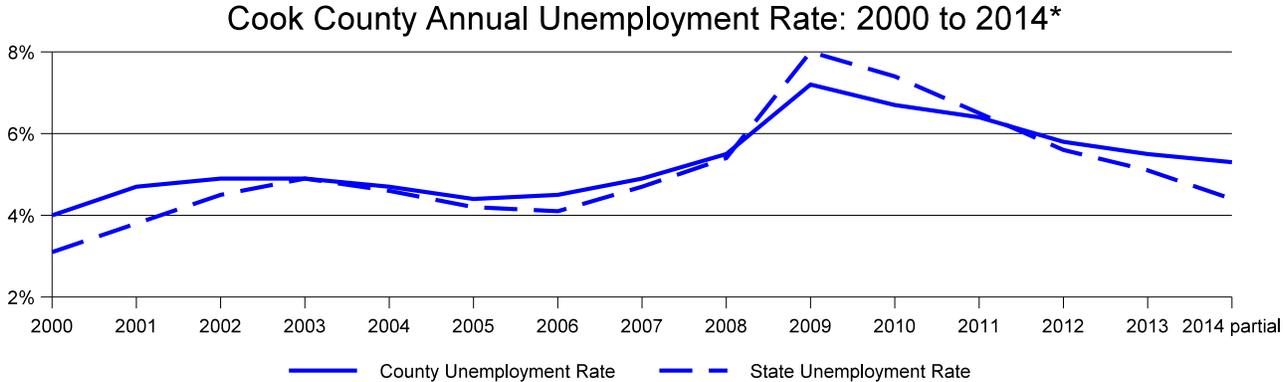
The Local Area Unemployment Statistics data (LAUS) tracks employment by place of residence. It shows how many residents are actively in the labor force, and their employment status, regardless of where they actually work.

There has been limited long-term growth in the size of the County’s available labor force. When comparing 2000 to 2013 (the last full year of data) the total labor force increased by 123 people, or 3.9%. Partial-year information for 2014 indicates some recent increase in the size of the resident labor force.



Although the long-term pattern shows some minor growth in the labor and work force, there has been some up and down movement over time. Between 2005 and 2009, both the overall labor force and the number of employed County residents decreased in size. But after 2009, growth began to occur.

The County’s unemployment rate has also fluctuated from year to year. The lowest rate was reached in the year 2000 at 4.0%. The highest rate was reached in 2009 at 7.2%. Since 2009 the unemployment rate has been gradually decreasing, and should be below 5.5% in 2014, based on partial-year information.



Commuting Patterns of Area Workers

Some information is available on area workers that commute for employment. The best information is from the Census Bureau, including the 2013 American Community Survey. Travel time information has been examined for the City of Grand Marais, the largest city in Cook County. The first table only examines people living in Grand Marais that traveled to work and excludes people that work at home.

Table 42 Travel Times for Grand Marais Residents - 2013		
Travel Time	Number	Percent
Less than 10 minutes	339	68.6%
10 to 19 minutes	63	12.8%
20 to 29 minutes	48	9.7%
30 minutes or more	44	8.9%
Total	494	100%

Source: 2013 American Community Survey 5-year estimates

A large majority of Grand Marais residents were commuting less than 10 minutes to work in 2013. Presumably, most residents commuting fewer than 10 minutes were working in the City or just outside the City limits. Overall, nearly 69% of Grand Marais residents commuted less than 10 minutes to work and more than 81% of City residents traveled less than 20 minutes.

The American Community Survey also identifies travel time by location of employment. For people that worked in Grand Marais, the following travel times were identified.

Table 43 Commuting Times for Grand Marais-based Employees - 2013		
Travel Time	Number	Percent
Less than 10 minutes	587	48.8%
10 to 19 minutes	362	30.1%
20 to 29 minutes	73	6.1%
30 minutes +	180	15.0%
Total	1,202	100%

Source: 2013 American Community Survey 5-year estimates

For people that worked in Grand Marais, more than 51% traveled 10 minutes or more, and probably lived outside of the city limits. However, most people still lived in the immediate region. Only 15% of the people working in Grand Marais had a commute 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 reports for the year 2011, but provides a further breakdown of worker movement patterns. Information is available for all of Cook County.

According to the report, there were 2,246 people that were employed within the County in 2011. Of the County-based employees, 1,735 (77.2%) also lived within Cook County. The remaining 511 employees (22.8%) lived outside the County and commuted in for employment.

While most of the jobs in the County are filled by County residents, some people also leave for employment. As tracked by ***On the Map*** there were 455 Cook County residents that worked outside of the County borders.

Findings on Growth Trends

Growth patterns for the City of Grand Marais show strong population and household growth from 1990 to 2000. In the 1990s, the population increased by nearly 16% and the household count increased by nearly 27%. While the rate of growth in the 1990s was relatively strong, it was partly due to the losses that had occurred in the 1980s. Over the 20-year time period between the 1980 Census and the 2000 Census, the City added 109 new households, but only 64 new residents.

From 2000 to 2010, Grand Marais had a slight loss of two people, but experienced a gain of 28 households. ESRI estimates that from 2010 to 2014, Grand Marais added 28 people and 19 households.

Although all three Townships are contiguous, and relatively small in size, they have had different growth trends in recent years. The patterns for each Township will be discussed separately.

Lutsen Township has shown significant growth over the past two decades. Between 1990 and 2000 the number of households increased by almost 87% and the population increased by 50%. From 2000 to 2010, Lutsen Township added 38 households and 55 people. ESRI estimates that Lutsen Township added four people and four households from 2010 to 2014.

Schroeder Township has had a more modest pattern of growth. In the 1990s, the population increased by 7.5% and the household count increased by 15.1%. From 2000 to 2010, Schroeder Township added 15 households and 18 new residents. ESRI estimates that from 2010 to 2014, Schroeder Township added two people and two households. While growth has been occurring since 1990, the Township has only recently recovered from the significant losses experienced in the 1980s. The Township's population of 207 people in 2014 was still well below the level of 325 people in 1980, and the household count of 101 households in 2014 is still below the level of 108 households in 1980.

Tofte Township had a loss of four people and a loss of two households from 1990 to 2000. From 2000 to 2010, Tofte Township's pattern of losses reversed and Tofte Township gained 23 people and 28 households. ESRI estimates that Tofte Township gained two people and two households from 2010 to 2014.

Growth trends for all of Cook County are somewhat similar to the experience of Grand Marais. In the 1980s, the County lost population, although it did experience some household growth. In the 1990s, growth was strong, as the County's population increased by nearly 34% and the household count increased by 44%.

From 2000 to 2010, the County continued to add permanent residents, but growth slowed considerably. Between 2000 and 2010, all of Cook County added only eight people, but 144 new households. ESRI estimates that from 2010 to 2014, Cook County gained 111 people and 75 households.

Findings on Growth Projections

As part of this Study, we have utilized household projections to the year 2019. These projections have either been calculated by ESRI, a private data reporting company.

ESRI expects the City of Grand Marais to add approximately five new households from 2014 to 2019. ESRI projects that from 2014 to 2019, Lutsen Township will add five households, Schroeder Township will add two households and Tofte Township will increase by four households. While these projections are consistent with recent patterns, it could prove to be conservative. Cook County is a very popular area for tourism and seasonal/recreational activity. As exposure of the area increases, it is possible that visitors will choose to make the County their year-round residence, and actual growth could exceed our expectations. Also, additional employment and housing would increase household growth.

However, it is also possible that the County's popularity among tourists and recreational users could result in smaller growth from permanent households. As seasonal users continue to acquire available housing, the unit supply decreases and prices continue to escalate. As a result, it is possible that year-round residents could be displaced, and permanent household growth will not meet our forecasts.

Our household growth projection for all of Cook County would indicate average annual growth of 16 to 17 households per year, including growth that will occur within Grand Marais and the Townships. Cook County has a very large supply of seasonal use housing. At the time of the 2010 Census, more than 50% of all housing units in the County were only occupied for seasonal/recreational use.

This large inventory of under-utilized housing holds the potential for a faster than expected rate of future growth. If an increasing number of seasonal residents occupy a unit on a permanent basis, household growth could well exceed our projections. However, this transition would often occur without any need to construct additional housing, by instead utilizing existing housing around the County.

Findings on Growth Projections by Age Group - Cook County

The chart on this page provides ESRI’s age-based household projections. These projections reflect growth from both new households that will be formed, and from households that will move into Cook County. The projections also reflect the aging-in-place of the existing households during the decade. Projections by age can be very informative for calculating future housing demand, as strong preferences in tenure, style, price and features are evident within defined age ranges.

Our projections assume that within defined age groups, household formation and average household size will remain relatively consistent throughout the decade. On the page that follows, we have used these household by age projections to form projections on future demand by tenure.

The projections and changes by age range are for all of Cook County between the year 2010 and the year 2019. It is very important to note that these age-based projections represent an informed prediction of future growth. Actual market activity and economic growth could substantially alter these expectations.

These same aging trends may or may not be present in the City of Grand Marais. The City represents approximately 27% of all households in the County. As a result, these same trends may not fully apply to changes within Grand Marais.

<u>Age Range</u>	<u>Projected Change in Households 2010 to 2019</u>
24 and Younger	1
25 to 34	-5
35 to 44	-28
45 to 54	-100
55 to 64	50
65 to 74	209
75 to Older	31

ESRI projects that from 2010 to 2019, Cook County will have a net loss of 132 households in the 54 and younger age ranges and a gain of 290 households in the 55 and older age ranges.

Findings on Unit Demand by Type of Housing

Findings: Based on the household by age projections presented earlier, the changing age composition of Cook County's population through the remainder of the decade will have an impact on demand for housing. We have examined the projected changes by age group in Cook County in the descriptions that follow.

Age 24 and Younger - ESRI expects a stable number of younger households in the County through the year 2019. Past tenure patterns indicate that as many as 87% of these households will rent their housing. Households in this age range tend to have a median income that is well below the overall median. A stable number of households in this age range should mean that rental demand from younger households continue for the remainder of the decade.

25 to 34 Years Old - The projections show a slight loss of households in this age cohort, with an expected decrease of five households in the County by 2019. Within this age range, households often move from rental to ownership housing. The ownership rate among these households was 40% in 2010. The projected relatively stable number of households within this age range will generate continued demand for both rental and first-time home buyer opportunities.

35 to 44 Years Old - This 10-year age cohort is expected to decrease through the year 2019. The projections show a probable loss of 28 households in the County between 2010 and 2019. In the past, this age group has had a high rate of home ownership, approximately 73%. Households within this range often represent both first-time buyers or households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - This age cohort represents the "baby bust" generation that follows behind the "baby boomers." This age group represents a much smaller segment of the population than the immediately older age ranges. Our projections show a loss of 100 households in the County from 2010 to 2019. This age group historically has had a high rate of home ownership, at nearly 79% in 2010, and will often look for trade-up housing opportunities.

55 to 64 Years Old - By the end of this decade, this age cohort will represent the tail end of the "baby boom" generation. The projections show an expected increase of 50 additional households in this 10-year age range in the County by the year 2019. This age range has traditionally had a very high rate of home ownership, at nearly 86%. Attached housing construction, such as town houses or twin homes, is often well suited to the life-cycle preferences of this age

group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Trade-up housing will also appeal to this age group, as they will generally have equity from the sale of their previous home, as well as higher incomes and asset accumulation.

65 to 74 Years Old - This leading edge of the “baby boom” generation will be in this age cohort by the end of the decade. This age group should increase substantially in size by the year 2019, with the projected addition of 209 households. Households in this younger senior range will typically begin moving to other life-cycle housing options as they age. However, younger seniors are still predominantly home owners. At the time of the 2010 Census, more than 86% of households in this age range owned their housing, the highest rate of ownership among any age group. Once again, ownership preferences for low maintenance housing, such as town house units, should grow as these types of units gain greater acceptance within the marketplace.

75 Years and Older - Household growth is expected to occur within this age range, with a projected increase of 31 households in the County between 2010 and 2019. In the past, households within this 10-year age range have had a high rate of home ownership. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors. The older seniors in this age range will increasingly look for senior housing with services options.

These demographic trends will be incorporated into the recommendations that follow.

Findings on Housing Unit Demand and Tenure

Comparing the projected age-based household changes through the remainder of this decade with expected tenure preferences results in a forecast of the tenure mix that will be needed for new housing unit demand between 2015 and 2020. Our calculations are based largely on the tenure preferences by age group that were evident in the 2010 Census, with some adjustment for a greater acceptance of certain housing types as people become more familiar with newer housing options.

It is important to note that our calculations are based on demand for housing generated by permanent residents. There will be additional demand created by seasonal/recreational users. The best available evidence suggests that demand from seasonal/recreational users is as much as two times greater than demand generated by permanent residents of Cook County.

Calculations for total future housing need are largely based on three demand generators, household growth, replacement of lost housing units, and pent-up, or existing demand for units that already exists but is not being served.

Demand from Growth - Using our projections by age for Cook County, we would expect demand for owner-occupied housing to exceed demand for rental housing through the remainder of this decade. We project that the demand for housing caused by overall household growth will be approximately 65% for owner occupancy and 35% for renter occupancy housing. With approximately 16 to 17 new households expected per year in the County due to net household growth, this results in annual demand for approximately 10 to 11 owner occupancy units, and between five to six renter occupancy units.

Replacement of Lost Rental Units - It is often difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. It is also probable that some rental unit losses have also occurred due to conversion, as single family houses or mobile homes once used for renter-occupancy have been sold and are now owner-occupied housing. Comparing Census data from 2000 to 2010, it appears that a significant number of owner-occupied units converted to rental units from 2000 to 2010. We are expecting that some of these units will convert back to owner-occupancy. Therefore, with the conversions and loss of rental units due to other causes, we are estimating that four to five rental units will be lost annually over the next five years.

Replacement of Lost Owner Occupancy Units - While it does not appear that many owner-occupancy units are lost from the housing inventory, it is probable that some units are annually removed from the supply of units for year-round residents. As seasonal/recreational users acquire existing property in the City and County, it potentially removes a housing option for permanent residents.

Pent-Up Demand - The third primary demand-generator for new housing is caused by current, unmet demand from existing households, referred to as pent-up demand. We believe that certain segments of the rental housing stock do show evidence of pent-up demand, including workforce housing. Pent-up demand will be addressed in the specific recommendations that follow.

Recommendations, Strategies and Housing Opportunities

Based on the research contained in this Study, we believe that the following recommendations are realistic options for Cook County. They are based on the following strategies:

- ▶ **Focus heavily on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that a significant percentage of the existing stock is not being well maintained and needs repair. Emphasis on continued housing rehabilitation will be important to meet future housing needs.
- ▶ **Develop life cycle housing** - It is vital to provide housing opportunities for all ages and household types. These housing opportunities enable an area to thrive, promote economic development and allow households to stay in the area throughout their lives.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. New construction provides Cook County households with housing options and assures a healthy housing stock.
- ▶ **Promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in ownership, if an affordable opportunity is available.
- ▶ **The market for new housing development will generally not occur without proactive community involvement** - Much of the housing development that has occurred in the recent past has involved some form of public involvement or subsidy. To compete in the home ownership segment of the market and to attract a substantial amount of new housing unit construction, continued public involvement may also be required.

- ▶ **Prioritize housing goals and establish a plan** - Many of the recommendations in the Study will require staff-intensive efforts. Cook County should prioritize its housing goals, establish a plan to achieve its goals and designate the agency that is responsible for achieving each of the County's housing goals.

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Rental Housing Recommendations

Findings: Cook County has only one incorporated City, Grand Marais. Most of the County's rental housing exists in Grand Marais. At the time of the 2010 Census, there were 259 renter households living in the City. This represented approximately 41% of all renter households.

In the three Townships of Lutsen, Schroeder and Tofte, there were 99 occupied rental housing units in 2010, or approximately 16% of the Countywide total.

Since 2000, the multifamily rental construction that has occurred in Cook County is the Tofte Homestead Apartments, which is a 16-unit market rate project located in Tofte Township. Additionally, several resorts have constructed employee housing.

As part of this Study, we completed a telephone survey of multifamily rental properties in the Townships and in the City of Grand Marais. We found only one vacancy in market rate rental housing. Although it appears that demand for rental units is always high, demand for rental units during the off-season tends to lessen.

We could not identify any market rate apartment projects in Grand Marais. We did identify four subsidized multifamily rental projects in Grand Marais with a total of 93 units. In the subsidized units designated for senior and disabled occupancy, we found six vacant one-bedroom units, for a vacancy rate of 8.7%. While this vacancy rate is relatively high, all of the available units were in a single project, Harbor View Apartments. The other two senior buildings, Grand Marais Apartments and Sawtooth Ridges, both reported full occupancy. The only general occupancy subsidized project, Birchwood Apartments, had no vacancies.

Demand for new rental housing is typically generated from three factors, growth from new households, pent-up demand from existing households, and from replacement of lost units.

Our household projections for Cook County expect some household growth, but we believe that most of the growth-generated demand will be for owner-occupied housing. Through the end of this decade, our projections for the County expect that the demand for housing caused by overall household growth will be 65% owner occupancy and 35% for renter occupancy housing. With approximately 16 to 17 new households expected per year in the County due to net household growth, this results in annual demand for approximately

10 to 11 owner occupancy units, and five to six renter occupancy units. Over our five-year projection period, rental demand caused by household growth should be 25 to 30 additional units Countywide.

Rental unit replacement should represent the need for an additional four to five rental units annually. We believe that some rental units will be lost annually due to deterioration, however, most rental units lost over the next five years will be due to rentals converting to owner-occupied units.

Pent-up demand exists for workforce rental housing including market rate, affordable and subsidized housing.

The three 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 2015 to 2020.

▶ General Occupancy Market Rate	25-30 units
▶ Tax Credit/Affordable	16-20 units
▶ Subsidized/Low Income	<u>14-16 units</u>
Total	56-66 units

It is important to recognize that this is the potential demand within all of the various market segments. If this level of unit production is achieved, the total household growth within Cook County would exceed the expected growth projection presented earlier in this Study. The analysts recognize that production of all of these units may not actually occur at the recommended level.

1. Develop 25 to 30 Market Rate Rental Housing Units

Findings: The majority of the rental housing in Cook County can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as age requirements or income limits. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

Most of the market rate rental units are in single family homes, mobile homes, duplexes or rental buildings with two to four units. The Tofte Homestead Apartments is the only market rate multifamily rental project in Cook County.

The rental survey completed for this Study attempted to contact multifamily buildings with six or more units. Grand Marais has no market rate projects. Tofte Homestead Apartments, located in Tofte Township, reported one vacancy.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of 25 to 30 market rate rental units over the next five years or approximately five to six units annually.

We view the City of Grand Marais as the appropriate location for most of this additional rental unit construction, thus, approximately 65% of the units should be constructed in Grand Marais, with the remaining units constructed in the Townships.

Based on our research, the majority of the new units constructed over the next five years should be two-bedroom units.

Town home style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. It may be advantageous for new units to be constructed in smaller project phases. This strategy allows the new units to be absorbed into the market.

There are two market rate rental segments in Cook County. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized or tax credit rental units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing, thus, there is a relatively wide rent range in the following table reflecting the two segments. To construct the workforce housing and charge affordable rents, land donations, financial assistance, tax increment financing and other resources may be needed.

The first option to developing market rate rental housing would be to encourage private developers to construct market rate rental housing. If private developers do not proceed, the Economic Development Authority 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 Cook County
Market Rate Housing Units:**

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size/Sq. Ft.</u>	<u>Rent</u>
One Bedroom	5-6	700 - 850	\$625 - \$755
Two Bedroom	16-19	900 - 1,000	\$675 - \$900
Three Bedroom	4-5	1,100 - 1,200	\$725 - \$1,000
Total	25-30		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2015 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 - \$538
- ▶ 2 bedroom - \$721
- ▶ 3 bedroom - \$922

2. Consider the Development of 16 to 20 Tax Credit/Affordable Rental Housing Units

Findings: Cook County has no true tax credit rental projects. Birchwood Apartments, which was constructed in 1992, utilized tax credit assistance, but primarily functions as subsidized housing, since this project also has Rural Development subsidies and rent assistance.

Since the late 1980s, tax credits have been the primary federal production incentive for the creation of housing to serve moderate income people. Because tax credits only provide a 'shallow subsidy', this type of housing does not generally serve lower income renters, but does serve households at or below 60% of the median income level.

The use of federal tax credits places both income restrictions on tenants, and gross rent caps on the rental units. The 60% of income gross rent limits and with income limits in Cook County for 2015 are as follows:

<u>Rent Limits</u> (50% of Median Income)
One Bedroom - \$569
Two Bedroom - \$683
Three Bedroom - \$789

<u>Household Income Limits</u> (60% of Median Income)
1 person - \$25,500
2 person - \$29,160
3 person - \$32,820
4 person - \$36,420
5 person - \$39,360

The maximum rent levels allowed for the tax credit program exceed the prevailing rates for the area in market rate housing. It would be advantageous for a new tax credit project to have lower rents than the maximum. Allowing this would increase the number of households who are eligible and can afford a new tax credit unit.

In some projects, additional subsidy sources have been used along with tax credits to generate more affordable units. For example, the Nicollet Meadows project in St. Peter used additional funding sources from the Minnesota Housing Finance Agency (MHFA) along with tax credits to create seven units that serve households at or below 30% of County median income. A two-bedroom unit at the 30% of median income rent level would have a gross rent of \$410 per month. New rental housing in this price range could serve lower income renters and would expand the affordable choices available in the County.

Recommendation: We would recommend that 16 to 20 tax credit units be developed in the City over the next five years. These units would address the projected demand for additional rental housing caused by household growth and pent-up demand.

If tax credit units are developed in the future, we would recommend that mostly two-bedroom units be constructed, with a lower percentage of three-bedroom units. At the time of the 2010 Census, approximately 92% of the renter households in Cook County had three or fewer household members. Two-bedroom affordable units could serve these smaller rental households and allow for lower development costs.

We would recommend that unit rents be kept below the maximum allowable limits imposed by the tax credit program, which are generally above the prevailing rates for market rate housing in Cook County. Any new tax credit housing should attempt to be at or below the 50% median income rent limits.

It should be noted that the Low Income Tax Credit Program is very competitive and it is especially difficult for rural cities and counties to be awarded tax credits. Potentially other funding sources could be obtained such as Iron Range Resources and Rehabilitation Board (IRRRB) to develop moderate income

workforce rental housing. Use of different resources would potentially change the income and rent targets normally associated with tax credit housing.

3. Develop 14 to 16 subsidized general occupancy rental housing units

Findings: There are four subsidized rental projects in Cook County. All four projects are located in Grand Marais. Combined, these projects have 93 units of subsidized housing and serve different segments of the rental market. Only one of the projects is designed for general occupancy housing. Birchwood Apartments has 24 units, including 18 two-bedroom and six three-bedroom units.

Birchwood Apartments is fully occupied and has a high ongoing occupancy rate. Tenants pay 30% of income up to a market rent. The market rent is \$750 for a two-bedroom unit and \$961 for a three-bedroom unit. Currently, no tenants are paying the full market rent.

In addition to the project-based subsidized housing, Cook County households also have access to HUD Housing Choice Vouchers (formerly Section 8 Existing Program).

Despite the subsidized housing offerings in the County, there does appear to be unmet demand for rental housing for lower income households. At the time of the 2010 Census, more than 205 renter households reported that 30% or more of their income was required to pay housing costs. This represented approximately 35% of all renters that were surveyed. At that time, nearly all of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden. Also, the Voucher Program has a waiting list.

Recommendation: We would recommend that Cook County look for opportunities to expand the supply of very affordable rental housing. Although the need is greater, a realistic goal would be the construction of 14 to 16 general occupancy subsidized units over the next five years. The number of Cook County households with a housing cost burden has increased since 2000. Vacancy rates remain low for general occupancy subsidized housing. The Housing Choice Voucher Program, which provides tenant-based rent assistance, also maintains a long waiting list for participation and the number of vouchers has been reduced due to budget cuts.

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. The best available options are to layer various subsidies together in an attempt to produce some very affordable units.

4. Develop mixed use housing / commercial projects

Findings: There are currently several mixed use projects in the Townships including the Clearview General Store and County Plumbing. These developments have successfully combined commercial space and apartments. The rental units are always fully occupied.

Additionally, the mixed use projects are more financially feasible than separate developments, especially with the high land costs in the Townships.

There are also opportunities for new mixed-use projects in Grand Marais. Mixed-use projects can address housing needs while enhancing and serving as a catalyst of downtown redevelopment.

Recommendation: We recommend the development of mixed-use buildings over the next five years in Grand Marais and the Townships.

Please note that the rental units included in this recommendation are not in addition to the number of rental units proposed in recommendations one, two and three.

5. Utilize Housing Choice Vouchers/Section 8 Existing Program allocations when available from HUD

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 County, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the County.

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.

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 Cook County is administered by the Duluth HRA. The Program also serves the City of Duluth, St. Louis County and Lake County. Currently, there is only a minimal number of Cook County households utilizing the Housing Choice Voucher Program.

In 2013, there were 105 renter households in Cook County that were paying more than 30% of their annual income for rent. Most of these households had annual incomes below \$20,000. This further verifies Cook County's need for additional Housing Voucher Assistance.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Cook County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the County to work with the Duluth HRA, the agency that administers this program, to apply for additional units.

With the limited participation in Grand Marais and Cook County, the City should work with the Duluth HRA to assure that renter households in the community are fully aware of the Program's availability and have the opportunity to apply for assistance.

Additionally, the Housing Choice Voucher Program would increase the number of renter households that could afford new market rate units that may be constructed in the County.

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 Grand Marais is estimated to be \$208,250 and the median home value in the Townships is \$182,500 based on 2013 and 2014 sales activity. The median price is very high when compared to other small communities and counties in Greater Minnesota. Home prices are also high when compared to average wages and incomes for Grand Marais households.

Our analysis of area demographic trends shows an increasing population of households in the traditionally strong home ownership age ranges between 55 and 74 years old. While most households in these age ranges already own their housing, this group can represent a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group also look for lower maintenance housing options, such as twin homes or town house developments.

The households in the 25 to 54 age ranges are expected to decrease by 133 households from 2010 to 2019. Some of this loss is due to high home prices and households inability to find affordable housing. Households in these age ranges are typically first-time home buyers. While some of these 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: Affordable home ownership will continue to be one of the major issues facing Grand Marais in the immediate future. Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Cook County is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Cook County. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loan and home ownership training programs can help to address affordable housing issues. While Cook County's median home value is high, there are lower valued houses in the community that would appeal to first time buyers. Home ownership counseling and training programs can also 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: Cook County should utilize all available home ownership assistance programs to promote home ownership. The County should also explore the possibility of obtaining specific program set-asides 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.

Cook County should work with the area's housing agencies to continue to develop programs that provide financial assistance for households to purchase a home and to assure Cook County is receiving its share of resources that are available in the Region. Local financial institutions should also have a significant role in assisting households with purchasing a home.

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

7. Develop a local down payment assistance program

Findings: One of the largest identifiable barriers preventing Cook County households from owning a home is the inability to save money for down payment and closing costs. This is especially true now that lending institutions have tightened their lending criteria. There are several examples of cities providing down payment assistance to assist home owners with a down payment. For example, the City of Faribault developed a program that provides a maximum of \$4,000 in local funds to households for down payment assistance. Twenty-four local households utilized this program over a nine-month period, to purchase a home.

Recommendation: Cook County should consider the development of a local Down payment Assistance Program. A local Down payment Assistance Program is needed more now than in the past because of more stringent lending criteria.

Major local employers, the Federal Home Loan Bank, the Minnesota Housing Finance Agency and IRRRB may be additional sources that could contribute to the fund.

Single Family Housing Development

Findings: Cook County and Grand Marais have experienced some single family housing construction in recent years. Over the five-year period, from 2009 to 2013, 206 single family homes were constructed in Cook County, which is an average of approximately 41 homes annually. Of this total, nine homes were constructed in Grand Marais, which is an average of two homes annually. Many of the homes constructed in Cook County are seasonal and vacation homes. A breakdown of the homes in each of the Townships was not available.

The attractiveness of the County, pent-up demand and the County's high median home value should result in the continued construction of new homes annually. However, attractive residential site and lot options must be available for new home construction to continue at its current pace or to possibly expand. At the time of this Study, attractive residential lot and site options were not sufficient to address demand.

It is our opinion that if the Townships, Grand Marais, Cook County, local housing agencies, regional housing and economic development agencies and private developers are proactive, 20 to 25 owner-occupied affordable/workforce housing units could be constructed in Cook County annually from 2015 to 2020 to address demand. Our projection for single family housing starts includes homes built in new subdivisions and on infill lots, and includes single family attached housing units, such as twin homes and town houses. The following projections do not include higher priced homes, seasonal homes and vacation homes as this market demand can be addressed by the private sector.

The breakdown of our projection of 20 to 25 new owner-occupied housing units annually is as follows:

▶ Affordable homes \$175,000 or less	8-10 homes
▶ Modest priced homes \$175,000 to \$250,000	8-10 homes
▶ Twin homes/town homes \$175,000 or less	<u>4-5 units</u>
Total	20-25 homes/units

8. Strategies to develop 20 to 25 affordable/moderately priced homes

To construct 20 to 25 affordable and modest priced homes annually the following strategies should be considered:

- ▶ ***Develop lots and building sites*** - Currently, there is a shortage of lots and building sites in Grand Marais and the County. An Affordable Housing Site Review Team has been established to identify and evaluate building sites in Grand Marais and the Townships.
- ▶ ***In-fill lots*** - There are several lots in Grand Marais that have access to municipal services. These lots represent an affordable option for new home construction. Also, there are several dilapidated homes that could be demolished and the cleared lots could be used for new construction. An inventory of vacant lots and dilapidated houses should be created and maintained.
- ▶ ***Generate initial activity*** - The first households electing to build a home in a new development may have concerns about the long-term future of the development. It will be necessary to initially generate some level of attractive home construction to help assure future buyers. This may require very proactive efforts, such as the initial sale of some lots at discounted prices, provided the buyer agrees to build a home of a certain quality and style within one year. This will help create some momentum for more houses to be built.
- ▶ ***Consider developing an exclusive builder(s) relationship*** - A block of lots in a development could be sold to a builder(s). Momentum can be created when a builder has access to several lots. This allows for marketing opportunities and efficiencies in the home building process. The subdivision owners should assure, however, that the builder is obligated to constructing a minimum number of homes per year. Builders are more willing to enter a market when the lots are attractive and very affordable. A block of lots available to an exclusive builder or developer should be explored, even if significant price concessions are required.
- ▶ ***Consider partnerships that share and split financial risk to construct spec homes*** - Spec houses could potentially attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy. In an attempt to spur

spec home construction, some communities have formed partnerships with private home builders to share the financial risks. For example, subdivision owners have been willing to defer the payment for the lot until the spec home is sold. Another builder incentive is for the city to waive any water/sewer hook up fees, special assessment payments and building permit fees until the home is sold. A more aggressive approach is to become directly involved in helping cover the payments on a home builder's construction loan, if the house does not sell within a reasonable period of time. A community risk pool would need to be established for this type of activity. These types of approaches would somewhat reduce the builder's risk, by lowering the upfront development costs.

- ▶ ***Allow for a range of house prices*** - The lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivision. This broadens the lot buyer market. Smaller lots with fewer amenities could be marketed for affordable homes and the larger homes with more amenities could be marketed for medium priced homes.
- ▶ ***Incentives*** - Cook County, Grand Marais, the Economic Development Authority, local and regional housing agencies and area businesses, should consider incentives for households to construct homes including lots at reduced prices, reduced hookup and permit fees, downpayment assistance, discounts at area businesses, tax abatements, etc. Incentives should also be provided to encourage developers to develop lots and building sites.
- ▶ ***Marketing*** - The housing stakeholders will need to develop a comprehensive marketing strategy to sell the available lots and to promote new construction. All stakeholders including realtors, financial institutions, builders, employers, etc. should be included in marketing strategies. In addition to marketing the lots, Cook County and its amenities should be marketed.
- ▶ ***Competitive pricing*** - When lots are developed, lot prices should be as low as possible to encourage new construction and to keep the homes affordable.

- ▶ ***Small Home Concept*** - The concept of constructing 'small or tiny' homes in Cook County has been discussed. These homes are very affordable and could address the housing need of some first time home buyers. It is our opinion that there is a demand for 'small' homes, but the market may be limited. We recommend the implementation of a 'Pilot Program' that constructs a minimal number (five or less) of homes on a site to determine the acceptance of small homes in the market place. Pre-sale activity prior to the start of construction would be strongly encouraged.

- ▶ ***Affordable Land Trust Program*** - The Land Trust Program reduces the cost of a home and the homes maintain permanent affordability, because the buyers do not purchase the land beneath the homes. A Land Trust Program has been discussed previously in Grand Marais, but did not get implemented. We recommend starting with a small program to determine its viability. Also, existing substandard homes could be purchased, rehabilitated and sold as part of a Land Trust Program.

- ▶ ***Twin Home/Town Home Development*** - We recommend the development of twin homes and town homes in Cook County. A twin home/town home development should include:
 - ▶ Senior-friendly home designs - while the goal is to provide work force housing, attached homes often appeal to older buyers looking for age-appropriate home designs
 - ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
 - ▶ Cluster development of a significant number of homes which provides security
 - ▶ Homes at a price that is acceptable to the market

- ▶ ***Coordinate with agencies/nonprofits that develop affordable housing*** - With the difficulty of producing new housing units that are affordable to lower income people, it is important to take advantage of opportunities presented by housing agencies and nonprofit groups. Local and regional housing agencies, economic development agencies, nonprofits and private developers may also have the capacity to construct affordable housing in Cook County. These sources can help generate new homes for lower income families in Cook County.

We recommend that the County coordinate with housing agencies, nonprofit groups and private sector builders that help to produce housing units for lower income ownership. The County, Townships and Grand Marais may be able to contribute to the project through land donations, TIF, grant writing, or project coordination activities.

If dilapidated homes are demolished, some of the cleared lots may be suitable for redevelopment and these in-fill lots may be good sites for this type of new construction activity.

- ▶ **Employer Involvement** - The connection between economic development and housing availability is becoming an increasingly important issue. We recommend that employers become partners in addressing Cook County's housing needs.
- ▶ **Mixed-Use Development** - The concept of mixed-use development, commercial or industrial development on the first floor and residential on the upper floors, has been discussed in Grand Marais. We encourage zoning an area that allows mixed-use development. A mixed-use development would address the space needs of entrepreneurs and provide affordable housing.
- ▶ **City/County/Township Policies** - We recommend that the City of Grand Marais, Cook County and the Townships review their policies, zoning regulations, etc. to assure that there are not unnecessary impediments to developing 'workforce' housing. New affordable workforce housing will require innovative, non-traditional solutions.
- ▶ **Work Force Housing Legislation** - The Minnesota State Legislature is considering legislation to assist with the financing of work force housing projects. Cook County should support legislation that addresses work force housing. Cook County has high land and construction costs, high home prices and a large number of service jobs that pay lower wages, which makes the development of work force housing a significant challenge.

9. Create a plan and continue coordination among stakeholders

Findings: Cook County may need staff resources in addition to existing staff to plan and implement many of the housing recommendations advanced in this Study.

Recommendation: Cook County is fortunate to have access to several agencies that can address housing needs. It is our recommendation that Cook County work with the housing agencies, economic development agencies, non-profit organizations, employers, builders and developers to prioritize the recommendations of this Study and to develop a plan to address the County's housing needs. The plan should include strategies, time lines and the responsibilities of each stakeholder. It will be important that a coordinated approach be used to prioritize and assign responsibility for housing projects and programs.