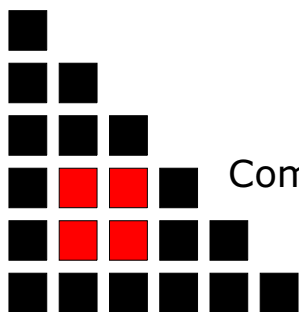


Grand Rapids and Cohasset HOUSING STUDIES LIMITED UPDATE

September 2022 Draft

A limited update of the 2019 Housing Studies completed for
the Cities of Grand Rapids and Cohasset, MN



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Overview

In 2019, Community Partners Research, Inc., was hired by the Itasca County Housing and Redevelopment Authority to complete housing studies for the Cities of Grand Rapids and Cohasset. In 2022, a limited update to this document was initiated to examine changes that have occurred in these communities over the past three years.

Methodology

For this Update, the analysts had access to the initial data release from the 2020 Census. Additional items that were reviewed include:

- Demographic estimates from the MN State Demographer's Office
- Demographic estimates and projections from Esri, Inc.
- American Community Survey estimates
- Building permit records from the Cities
- Building permit annual reports from the Census Bureau
- Residential sales records from Itasca County
- Employment and wage data from the MN Department of Employment and Economic Development
- Interviews with City and housing agency staff
- Telephone survey of select rental projects

It is important to state that the scope of the 2022 Update was limited and focused on the key changes that have occurred since 2019. No attempt was made to update all of the data or findings contained in the 2019 documents prepared for Grand Rapids and Cohasset.

Key Observations

The following observations are made concerning the updated research in 2022:

- ▶ The 2020 Census has released basic population and household counts. After reviewing the information on population and households, the analysts are of the opinion that a Census under count occurred for the City of Grand Rapids, and to a lesser extent in Cohasset. These under counts then impacted the Census total for the larger areas, including the Grand Rapids Market Area aggregation and all of Itasca County.
- ▶ The scale of the 2020 Census under count may not be large, probably in a range between 3% and 4% for Grand Rapids. However, the lower Census totals imply that slower growth had been occurring in the past.
- ▶ A better indicator of actual growth within the City of Grand Rapids is new housing unit construction. Over the past 13 years (including partial-year 2022) the City has averaged approximately 55 new units per year. Between 2010 and 2020, the Census totals showed average annual household growth of only 15 resident households per year.
- ▶ Some older housing has been lost from the inventory, but most of the new construction in Grand Rapids should have resulted in a net gain of unit availability, and occupancy rates in new housing are extremely high.
- ▶ A large number of new housing units were constructed in Grand Rapids in 2020 and 2021. The new rental projects have generally been successful in the marketplace and significant evidence of pent-up demand remains in both market rate and affordable segments.
- ▶ Grand Rapids and Cohasset continue to be major employment centers for the County and the surrounding region. The number of jobs based in Grand Rapids is significantly greater than the City's resident labor force. More than 70% of the jobs in the City are filled by people that commute, including many that travel more than 20 minutes to their job.
- ▶ For both Grand Rapids and Itasca County, the unemployment rates in 2021 were the lowest recorded back to 2010. Partial-year information for 2022 points to an even lower unemployment rate in the current year.
- ▶ Significant job expansion activity is anticipated in both Grand Rapids and Cohasset in the next few years. A decreased County labor force combined with a low rate of unemployment indicates that new workers will need to be attracted to the Grand Rapids area to fill available jobs.

Summary of Updated Recommendations

In general, the following housing targets have been used for Grand Rapids and Cohasset over the 5-year projection period extending from 2022 to 2027:

- ▶ 20 to 25 owner-occupancy units/year for 5-year total of 100 to 125 units
- ▶ 50 to 65 renter-occupancy units/year for 5-year total of 250 to 325 units
- ▶ 70 to 90 total housing units/year for 5-year total of 350 to 450 units

This document is an abbreviated update to the 2019 Housing Studies that had been prepared for Grand Rapids and Cohasset. The 2019 Studies had included specific recommendations for the Grand Rapids Market Area, which includes both Grand Rapids and Cohasset. The topics summarized in the 2019 Studies have been revised or modified in 2022 to reflect current market conditions.

Rental Housing

- 1. Promote Additional Market Rate Rental Development with 150 to 180 Total Units between 2022 and 2027** - The 2019 Studies had recommended that up to 130 conventional market rate units be developed in Grand Rapids/Cohasset by 2024. To date, 48 have been built of the 130 that had been recommended. The new project that was developed is successful with one-bedroom gross rents of approximately \$950/month and two-bedroom gross rents of \$1,150. This Update has proceeded with the expectation that most of the future housing developed in the Market Area through 2027 will be for renter-occupancy, and that conventional market rate housing will be the primary housing segment served. Production of 150 to 180 market rate rental units is recommended between 2022 and 2027. At least one possible project is in the preliminary planning phase in Grand Rapids that could add up to 145 conventional rental units including the potential of some more affordable units through State work force housing assistance programs.
- 2. Senior-Designated Housing** - The 2019 Studies had highlighted the growing number of Market Area households age 55 and older. The newest age-based projections show most growth occurring among households age 65 and older through 2027. Future rental housing development was recommended with age-appropriate design features, including the possibility of senior-designating some projects. The Pillars of Grand Rapids, a senior continuum of care project that opened in 2022, offers an option for largely independent senior living and based on initial occupancy, this has been their most successful housing segment.

- 3. Promote the Development of Tax Credit/Moderate Income Rental Housing with 75 to 90 Units Between 2022 and 2027** - The low income housing tax credit program remains as the primary federal incentive for the creation of affordable housing. Unless other subsidy sources are used, tax credit projects generally serve more moderate income renters (typically at or below 60% of median income) with a below-market rent structure (often at or below 50% of median income). Since the completion of the 2019 Studies, one project has been built in Grand Rapids, with 42 general occupancy units and 14 units with supportive services. This new project, Aurora Heights, was very well received and had more than 700 applications for the 42 general occupancy units. With evidence of significant pent-up demand, an additional 75 to 90 moderate rent units would be recommended between 2022 and 2027. While this may appear to be a modest goal, given the length of current waiting lists, it will probably require two successful applications for highly competitive financial resources. Over the past 10 years only two new construction projects have been built in Itasca County with a combined total of 104 tax credit units, including 34 that include supportive housing.

- 4. Develop Additional Subsidized Rental Housing as Resources Allow with a Goal to Add 25 to 50 Units** - Consistent with the finding in the 2019 Studies, we would encourage the communities to pursue resources to create subsidized housing which can serve very low income renters, with rent based on a percentage of the tenant's income. Since 2019, no expansion can be identified in this most affordable rental segment, although some additional tenant-based rent assistance has been secured. Resources for new project construction continue to be very limited in 2022. This recommendation is advanced as a goal for the communities. If larger-scale subsidized resources become available in the future, an even larger number of units should be pursued.

Senior Housing with Services

- 5. Monitor Demand for Additional Light Services Housing** - The 2019 Studies had supported the development of 55 to 75 senior units serving more independent households needing only light supportive services. This was viewed in 2019 as the most under-represented senior segment. In early 2022, The Pillars of Grand Rapids opened and is in its initial lease-up phase. To date approximately 60 units have been occupied by seniors that are living largely independently or acquiring only light services. Some units remain available in The Pillars at the time of this Update. Once stabilized occupancy has been reached in The Pillars, this housing segment should be monitored for indications of unmet demand. Some additional limited production may be needed by 2027.

- 6. Potential Demand for Assisted Living Units Serving Lower Income Segments** - Assisted living is a more service-intensive form of senior housing that provides 24-hour staffing, meals and assistance with daily living. The 2019 Studies had identified potential demand for 60 to 70 units to address all income segments, including lower income seniors. Since that time, The Pillars of Grand Rapids has been constructed and is in its initial lease-up phase. The Pillars can offer a range of care options with 90 units available for either assisted living or lighter services needs. At the time of this Update, approximately 10 units had been occupied by seniors requiring assisted living, but as many as 20 additional units remain unoccupied. It is important to note that The Pillars is a private-pay facility and would not typically serve lower income seniors. The area does have a number of other assisted living providers, including some that can serve lower income households. Once stabilized occupancy has been reached in The Pillars, this housing segment should be monitored for unmet demand. While demand for private-pay assisted living appears to have been met, the communities should encourage development of assisted living options that can serve lower income seniors. The release of age-based demographic data from the 2020 Census next year will also allow for a more accurate analysis of the area's aging patterns.
- 7. Potential Demand for Additional Memory Care Rooms/Beds by Addressing Lower Income Segments** - People with memory loss may be housed in a range of options, but in the advanced stages of the disease some will live in specialized care facilities. The 2019 Studies had identified potential demand for 38 to 45 units/beds to address all income segments, including lower income seniors. Since that time, The Pillars of Grand Rapids has been constructed and is in its initial lease-up phase. The Pillars has 20 units available for memory care in a secured wing. To date most of these memory care rooms remain available but should be gradually filled over time. It is important to note that The Pillars is a private-pay facility and would not typically serve lower income seniors. The Market Area has other memory care providers, including some that can serve lower income households. Once stabilized occupancy has been reached in The Pillars, this housing segment should be monitored for unmet demand. While it appears that the near-term demand for private-pay memory care has been met, the communities should encourage development of options that can serve lower income seniors. The release of age-based demographic data from the 2020 Census next year will also allow for a more accurate analysis of the area's aging patterns. It is also important to state that the Covid pandemic has directly impacted all types of senior housing by discouraging some seniors from moving into congregate facilities. While this impact is less significant in 2022, the longer-term effects do need to be monitored.

Home Ownership

- 8. Demand for 10 to 12 Moderately-Priced Homes Constructed Annually** - Although most of the anticipated demand for housing over the next five years will be for rental units, this Update continues to see annual demand for owner-occupancy unit construction. Most of the Market Area demand for more moderately-priced homes would be expected to locate within the Cities of Grand Rapids and Cohasset. High amenity locations such as water front or large rural parcels will compete for the higher-priced homes. Since the 2019 Studies was completed there has been an escalation in costs for new home construction, contributing to suppressed home building activity in both Grand Rapids and Cohasset. More recently, rising mortgage interest rates have also negatively impacted demand for new units. As a result, Grand Rapids and Cohasset have tended to fall short of the projected unit production in 2021 and year-to-date in 2022. However as the impact of the Covid pandemic subsides and if materials and labor costs are lowered, we would expect to see increased activity in new home construction over the 5-year projection period.
- 9. Promote the Construction of 6 to 8 Affordable Homes Per Year** - Prior to the recent construction cost increases, it was already difficult to build affordable, entry-level houses. Production of affordable homes was recommended in the 2019 Studies including the possibility of offering locally-developed incentive or gap assistance programs to serve entry-level buyers. Other initiatives, including coordination with nonprofit groups was also encouraged. The research for this Update has pointed to decreased home construction activity over the past two years, probably due to rising construction costs. Going forward, it will be difficult to build new single family houses that sell for less than \$275,000. The Itasca County HRA may be developing up to eight new houses using a Community Land Trust model in the future, which would create some affordable options. A modular home subdivision is also being explored which could help to address the rising costs associated with traditional stick-built home construction.
- 10. Demand for 4 to 5 Higher-Priced Homes Constructed Annually** - Most of the new home construction in the two Cities would be expected in the more moderate price ranges, typically below \$450,000, but approximately 20% should be within the higher price ranges. This projection excludes lake home opportunities that may develop, particularly in Cohasset where water front parcels may exist. Higher-priced home construction within the cities will compete with high amenity sites that exist within the townships, including large-lot and lake parcels.

- 11. Attached Single Family Housing Should Continue to Gain Market Share** - Attached single family production, primarily in the form of twin homes or town houses, has been limited in recent years. In Grand Rapids, attached single family construction has primarily been in the form of twin homes. Since the 2019 Studies only eight attached single family units have been built. However, the aging patterns remain conducive to this type of housing demand over the next five years, as the number of households age 65 and older should grow significantly. We would expect that 20% or more of the future demand for owner-occupancy housing construction can be met through attached single family housing, or approximately 20 to 25 units over the 5-year projection period.
- 12. Promote Residential Lot Development** - There are some vacant lots in Grand Rapids in 2022, including lots in the Grand Rapids EDA's Great River Acres subdivision. However, the City continues to have a relatively small improved lot inventory, and no traditional subdivisions with single family lots exist in Cohasset. As stated in the 2019 Studies, the market crash of the late 2000s and the resulting slow absorption made private developers hesitant to advance new subdivisions. Based on projected absorption of 20 to 25 lots per year in Grand Rapids and Cohasset, additional subdivision development will be needed over the 5-year period. Preliminary planning is underway for a potential 60-lot development in Grand Rapids that would allow for the placement of modular homes. No proposed traditional subdivision development was identified in Cohasset.
- 13. Promote Affordable Home Ownership Programs** - Most of the demand for more affordable home ownership will be met by the area's supply of existing single family houses. However, existing home values in Grand Rapids and Cohasset tend to be higher than in most of the surrounding communities in the region. The median existing home sale price in Grand Rapids was \$185,000 in 2021, and \$198,000 in Cohasset for off-lake homes. Income levels for most home owners are relatively moderate, and most renter households have lower annual incomes. To move moderate income households into home ownership, financial assistance may be needed to bridge the gap between what is affordable and the prices being charged for homes in the area. Continued ownership assistance efforts are encouraged.

Housing Rehabilitation

- 14. Promote Owner-Occupied Housing Rehabilitation Programs** - Grand Rapids generally has an older housing stock, with an estimated median year of construction in the 1960s. Houses tend to be newer in Cohasset with a median year of construction in the 1980s. Older housing tends to need more maintenance and repair. At the time of the 2019 Studies, Grand Rapids had active SCDP grant that included housing rehabilitation. Ongoing attention to owner-occupancy rehab programs is encouraged to help preserve these most affordable ownership options.
- 15. Promote Rental Housing Rehabilitation Programs** - With a large inventory of rental housing, Grand Rapids has both newer and older buildings, but the American Community Survey estimate shows the median year of construction is 1991. While most of the rental stock is less than 25 years old, older structures also exist. Rental rehabilitation assistance programs should be promoted to maintain and improve any substandard rental units.
- 16. Consider Programs to Improve the Condition and Quality of Mobile Homes** - The most recent estimates from the American Community Survey show approximately 260 mobile homes in Grand Rapids and approximately 160 mobile homes in Cohasset. These represent a mix of owner-occupied, rental and unoccupied mobile homes, presumably intended for seasonal/recreational use. According to this same source, nearly all of these units in both communities are more than 20 years old. Improving older mobile homes is difficult, but some communities have initiated programs to improve both units and mobile home parks.
- 17. Continue to Demolish Dilapidated Structures** - According to City officials, approximately one or two houses are demolished annually in Grand Rapids. In Cohasset, some older unit demolition also occurs, often to allow for new construction sites. In the past, funding has been available from IRRRB to assist with removal costs. The Cities should continue to work with property owners to repair or demolish dilapidated structures. The appearance of the communities is enhanced when blighted buildings are removed.

Population Trends Analysis

The following table tracks population change over time, using the decennial census data back to the year 2000. The 2021 estimate is from the Minnesota State Demographer's Office. Other recent estimates are provided in the text that follows.

Table 1 Population Trends - 2000 to 2021						
	2000 Census	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020	2021 Estimate
Grand Rapids	7,764	10,869	40.0%	11,126	2.4%	11,283
Cohasset	2,481	2,698	8.7%	2,689	-0.3%	2,677
Market Area	31,350	32,936	4.6%	33,010	0.2%	33,133
Itasca County	43,992	45,058	2.4%	45,014	-0.1%	45,193

Source: U.S. Census; MN State Demographer

Grand Rapids

- ▶ The release of demographic data from the 2020 U.S. Census has provided a new benchmark for communities. On April 1, 2020, there were 11,126 permanent residents living in the City of Grand Rapids.
- ▶ When compared back to the 2010 Census, the City had added 257 people over the decade, or an average of approximately 26 additional residents per year.
- ▶ Previous estimates examined for the City, which were included in the 2019 Housing Studies, had expected a significantly higher level of population growth over the prior decade. Estimates available at that time had indicated that the City was potentially adding an average of approximately 65 people per year after 2010.
- ▶ Estimates that have been released following the 2020 Census reflect the new benchmark that was set for the City. In 2019, the Minnesota State Demographer's Office had estimated that there were 11,390 people living in Grand Rapids. In 2021, the State Demographer's estimate showed 11,283 residents in the City, a lower total that was two years forward from the previous estimate.

- ▶ Prior to the 2020 Census count, the State Demographer had been estimating an average of nearly 60 additional residents per year after 2010 in Grand Rapids. With the release of their 2021 estimate, the State Demographer had reduced this annual average to only 35 people per year after 2010.
- ▶ After examining the available information, it appears to the analysts that the 2020 Census represents an under count within the City of Grand Rapids. Impacted by the Covid pandemic and other factors, the Census had data collection challenges and in the City of Grand Rapids this seems to have resulted in an error in the number permanent residents living in the community.

Cohasset

- ▶ The 2020 Census count for the City of Cohasset showed 2,689 people, down by nine residents from the 2010 Census.
- ▶ Similar to Grand Rapids, the Minnesota State Demographer's Office had been estimating greater growth in Cohasset prior to the release of the 2020 Census count. In 2019, the Demographer's estimate had indicated growth of nearly five people per year after 2010. Following the 2020 Census, this estimated annual average dropped to a loss of approximately one person per year.
- ▶ Based on the available information, it also appears that the 2020 Census represented an under count of population in Cohasset. While this under count may not be large, it is probable that the City added some residents over the prior decade, rather than losing residents as reported by the Census.

Market Area/Itasca County

- ▶ The probable under count of people in Grand Rapids and Cohasset would directly impact the totals for the entire Grand Rapids Market Area and all of Itasca County. While the 2020 Census did track some limited population growth for the Market Area, the County had a minor loss of permanent residents between 2010 and 2020. However, the 2020 Census totals are believed to be low for permanent residents, especially since Grand Rapids is the largest single jurisdiction within Itasca County.

Household Trends Analysis

The following table tracks household change over time, using the decennial census data back to the year 2000. The 2021 estimate is from the Minnesota State Demographer's Office. Other recent estimates are provided in the text that follows.

Table 2 Household Trends - 2000 to 2021						
	2000 Census	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020	2021 Estimate
Grand Rapids	3,446	4,615	33.9%	4,761	3.2%	4,834
Cohasset	960	1,067	11.1%	1,090	1.2%	1,085
Market Area	12,667	13,562	7.1%	13,707	1.1%	13,765
Itasca County	17,789	18,773	5.5%	18,968	1.0%	19,055

Source: U.S. Census; MN State Demographer

Grand Rapids

- ▶ The release of demographic data from the 2020 U.S. Census has provided a new benchmark for communities. On April 1, 2020, there were 4,761 permanent resident households living in the City of Grand Rapids.
- ▶ When compared back to the 2010 Census, the City had added 146 households over the decade, or an average of approximately 15 additional households per year.
- ▶ Previous estimates examined for the City, which were included in the 2019 Housing Studies, had expected a significantly higher level of household growth over the past decade. Estimates available at that time had indicated that the City was potentially adding an average of nearly 50 households per year.
- ▶ Based on annual building permit issuance, the City had permitted as many as 466 new housing units between 2010 and 2019. Nearly all of these units should have been completed and available for occupancy at the time of the 2020 Census. Although it is probable that some level of older housing loss had occurred over the decade, the expected net gain in households had been significantly greater than the 146 households identified through the Census count.

- ▶ A separate 2020 Census data table exists for housing units. According to this table, the City added 232 total units between 2010 and 2020. This included both occupied and vacant units. This growth in the housing stock was well below the 466 units that had been permitted from 2010 to 2019.
- ▶ At the time of the research for this Update, there is no identified explanation for the apparent discrepancy between the 2020 Census count and the identified growth in housing based on building permits. To be accurate, 200 or more older housing units would have been removed from the City's usable inventory over the decade. There would also have been a number of units not occupied by resident households.
- ▶ Estimates that have been released following the 2020 Census reflect the new benchmark that was set for the City. In 2019, the Minnesota State Demographer's Office had estimated that there were 5,016 resident households in Grand Rapids. In 2021, the State Demographer's estimate showed 4,834 households in the City.
- ▶ Prior to the 2020 Census count, the State Demographer had been estimating growth at an average of nearly 45 households per year in Grand Rapids after 2010. With the release of their 2021 estimate, the State Demographer had reduced this annual average to only 20 households per year after 2010.
- ▶ After examining the available information, it appears to the analysts that the 2020 Census represents an under count within the City of Grand Rapids. Impacted by the Covid pandemic and other factors, the Census had data collection challenges and in the City of Grand Rapids this seems to have resulted in an error in both the number of housing units in the City and in the number of occupied housing units in the community.

Cohasset

- ▶ The 2020 Census count for the City of Cohasset showed 1,090 resident households, up by 23 households from the 2010 Census.
- ▶ Like Grand Rapids, the level of new housing unit construction in Cohasset was significantly greater than the recorded level of household growth. Between 2010 and 2019, at least 72 new houses were permitted in the City, well above the increase of 23 occupied housing units according to the Census. However, it is known that new housing construction in Cohasset often involves the removal and replacement of older housing, resulting in no net gain of unit availability.

- ▶ The reconciliation of total housing units between the 2010 Census and the 2020 Census in Cohasset showed a loss of 60 housing units in the City. To be accurate, there would have been a removal of more than 130 older housing units from the inventory over the decade.
- ▶ Similar to Grand Rapids, the Minnesota State Demographer’s Office had been estimating greater growth in Cohasset prior to the release of the 2020 Census count. In 2019, the Demographer’s estimate had indicated growth of nearly five households per year after 2010. Following the 2020 Census, this estimated annual average dropped to less than two households per year.
- ▶ Based on the available information, it also appears that the 2020 Census represented an under count of both housing units and permanent households in Cohasset. While the under count may not be large, it is probable that the City added more than 23 households between 2010 and 2020.

Market Area/Itasca County

- ▶ The probable under count of households in Grand Rapids and Cohasset would directly impact the totals for the entire Grand Rapids Market Area and all of Itasca County. While the 2020 Census did track some growth, after 2010, the 2020 total is believed to be low for resident households, especially since Grand Rapids is the largest single jurisdiction within Itasca County.

Projected Households by Age: 2022 to 2027

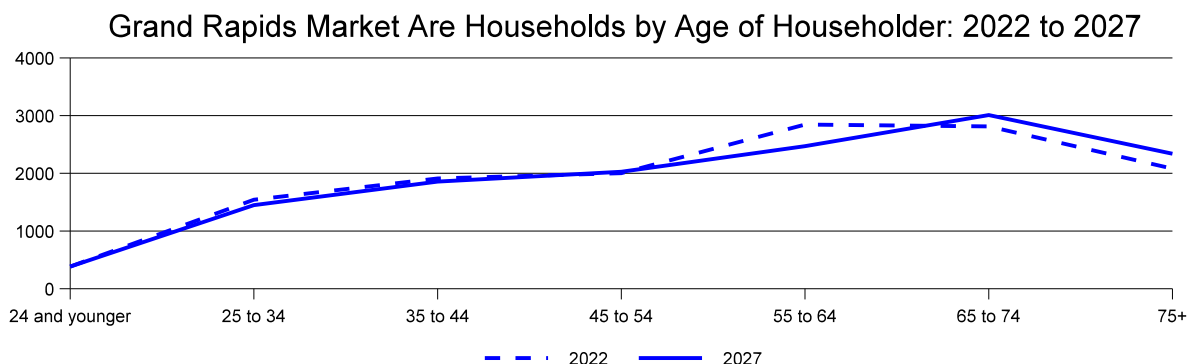
The 2020 Census has not yet released any age-based demographic data. With the absence of Census information, other estimating sources have been reviewed.

Esri has produced age-based household estimates for the year 2022, with projections to the year 2027. It is important for readers to note that Esri’s total household count for 2022 was created after the release of the 2020 Census. An under count of households would therefore be reflected in the subsequent reports produced by Esri.

While the total household estimate and projection from Esri are viewed by the analysts as overly conservative, this source presents the best available information on age-based changes for the Grand Rapids Market Area.

Table 3 Market Area Projected Households by Age: 2022 to 2027			
Age Range	2022 Estimate	2027 Projection	Change
24 and younger	383	384	+1
25-34	1,543	1,449	-94
35-44	1,912	1,857	-55
45-54	2,003	2,028	+25
55-64	2,846	2,470	-376
65-74	2,814	3,009	+195
75 and older	2,081	2,339	+258
Total	13,582	13,536	-46

Source: Esri



- ▶ The age-based projections from Esri show a minor reduction in households between 2022 and 2027 for the Market Area. As a result, only limited changes are expected in many of the defined age ranges, especially among households age 54 and younger.
- ▶ In broader terms, Esri is projecting an overall increase in households age 65 and older, but a decrease in the number of households age 64 and younger between 2022 and 2027.
- ▶ The largest increase is projected among households age 75 and older, followed by households in the 65 to 74 year old range. In total, more than 450 senior-headed households are projected to be added in the Market Area over the 5-year time period.
- ▶ The largest projected decrease is expected in the age range between 55 and 64 years old, with 376 fewer households by 2027. This would largely reflect the age progression of the baby boom generation. By 2027, nearly all of the baby boomers will be age 65 or older. The demographic cohort trailing behind the baby boom was much smaller in size and will not replace the advancing age group.
- ▶ Limited changes are projected among younger households, with a projected decrease of fewer than 125 households age 44 and younger.
- ▶ It is important to note that these projections represent an informed prediction based on past patterns. The Grand Rapids area is adding a significant number of jobs in the future and is working on developing work force housing options to help attract more younger residents.

Median Income Data

Annual median income estimates are available through the American Community Survey. Since the Market Area represents an aggregation of individual jurisdictions, including an Unorganized Territory, no median estimates are available. The latest estimates are for 2020.

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. Family incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners, while many non-family households have only one household member.

Median income information is also provided for both owner and renter households.

Grand Rapids

Median household income - \$48,247
Median owner household income - \$63,097
Median renter household income - \$19,882

Cohasset

Median household income - \$67,924
Median owner household income - \$68,963
Median renter household income - \$37,639

Itasca County

Median household income - \$55,744
Median owner household income - \$63,304
Median renter household income - \$22,264

- ▶ The median income levels in Grand Rapids were lower than in Cohasset or the remainder of Itasca County in 2020.
- ▶ The estimated median income for renter households in Grand Rapids remained low in 2020, at less than \$20,000.

Building Permit Trends: Grand Rapids

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

Table 4 Grand Rapids Housing Construction Activity: 2010 to 2022*						
Year	Single Family	Single Family Attached	Mobile Homes	Multifamily Rental	Specialized/ Senior Housing	TOTAL
2022	5	0	1	0	0	6
2021	8	0	0	0	0	8
2020	9	6	4	104	110	233
2019	10	2	5	0	0	17
2018	11	0	0	0	0	11
2017	10	0	0	0	16	26
2016	12	0	0	0	0	12
2015	13	0	0	83	10	106
2014	18	0	0	35	0	53
2013	12	0	0	65	83	160
2012	9	0	0	29	0	38
2011	7	0	0	29	8	44
2010	9	0	0	2	0	11
Total	133	8	10	347	227	725

Source: City of Grand Rapids; Census Bureau

- ▶ Over the past 13 years (including only partial information for 2022), there have been 715 new housing units permitted in Grand Rapids. This total excluded mobile home permits which are assumed to be replacement rather than new housing.
- ▶ Over this time period, the City has averaged an additional 55 units per year through new construction.

- ▶ It is important to recognize that more than 240 of these new units were constructed after the completion of the 2020 Census. However, more than 470 housing units were built between 2010 and 2019, and should have been available for occupancy at the time the Census was conducted. The Census reported an increase of only 146 occupied housing units during the decade. Unless a substantial amount of older housing was removed during the decade, the limited housing increase would seem to indicate an under count in the 2020 Census.
- ▶ Between 2010 and August 2022 there were 133 detached single family houses permitted, or an average of approximately 10 houses per year.
- ▶ Only limited construction can be tracked of attached single family units, such as twin homes. Only eight units can be identified from annual reporting dating back to 2010.
- ▶ In recent years there have been some mobile home placements identified in the annual reports. It is assumed that these units were largely moved in to replace older housing, and do not represent a net gain of housing units in the community.
- ▶ A number of larger-scale multifamily projects have been built, offering rental housing options serving various market segments, as follows:
 - ▶ **2105 SE 7th Avenue** - A 48-unit conventional market rate apartment project that was permitted in 2020 and opened for occupancy in 2021.
 - ▶ **Aurora Heights** - A 56-unit affordable rental project that was permitted in 2020 and opened in 2021. It was assisted with federal low income tax credits and includes 14 one-bedroom units that offer supportive services and replaced an existing facility.
 - ▶ **The Pillars of Grand Rapids** - A senior housing continuum of care complex that was permitted in 2020 and opened for occupancy in 2022. Offering a range of care options including assisted living and memory care, most current occupants are living in independent living apartments.
 - ▶ **Majestic Pines** - Three construction phases of a senior 'continuum of care' housing complex that provides independent living, assisted living and memory care options. A 16-unit phase was permitted in 2017, a 10-unit phase in 2013 and a 73-unit phase in 2013.

- ▶ **Beacon Hill** - A 48-unit affordable rental project that was permitted in 2015. It was assisted with federal low income tax credits and includes 20 units with supportive services available that are filled through a service provider referral.
- ▶ **River Hills** - A 70-unit project that was permitted in two construction phases in 2015 and 2014. This project provides conventional market rate rental housing.
- ▶ **Lakewood Heights** - An 87-unit conventional market rate apartment complex constructed in three phases, permitted in 2013, 2012 and 2011.
- ▶ **1st Avenue Condominiums** - A 36-unit conventional market rate apartment project permitted in 2013.
- ▶ **Oak Hill Assisted Living** - A senior assisted living project that was constructed in phases, with 10 units permitted in 2013. It is possible that another phase of construction was permitted in 2011 but this could not be confirmed with the reports that were reviewed.

- ▶ Based on the available information, the following unit totals would be represented in the larger multifamily construction projects permitted in Grand Rapids since 2010:
 - ▶ Market Rate - 241
 - ▶ Moderate Rent/Tax Credit - 70 units
 - ▶ Affordable with Supportive Services - 34 units
 - ▶ Specialized Senior - 227 units including some that are for independent living

- ▶ If viewed as an annual average over the past 13 years, the following breakdown of units by market segment has proceeded in Grand Rapids:
 - ▶ Market Rate - 19 units annual average
 - ▶ Moderate Rent/Tax Credit - 5 units annual average
 - ▶ Affordable with Supportive Services - 3 units annual average
 - ▶ Specialized Senior - 17 units annual average
 - ▶ All rental segments combined - 44 units annual average

Building Permit Trends: Cohasset

The following table identifies new housing units that have been issued a building permit in Cohasset from 2010 through August 2022.

Table 5 Cohasset Housing Construction Activity: 2010 to 2022*			
Year	Single Family	Multifamily Rental	TOTAL
2022*	5	0	5
2021	5	0	5
2020	9	0	9
2019	8	0	8
2018	6	0	6
2017	7	0	7
2016	8	0	8
2015	6	0	6
2014	6	0	6
2013	5	0	5
2012	6	0	6
2011	13	0	13
2010	7	0	7
TOTAL	91	0	91

Source: City of Cohasset; Census Bureau

*2022 is through August

- ▶ There has been ongoing new single family housing construction in the City in recent years. Based on available reports, there have been 91 houses constructed in Cohasset from 2010 through August 2022. This represents an average of seven houses per year.
- ▶ However, according to City staff, most of this construction activity occurred on lake shore parcels, and in some cases an older housing unit was removed. As a result, the actual net gain in the City's housing stock would be less than 91 units. There are very few vacant parcels remaining on lakes in the community, and future lake front construction will almost always involve the removal of an existing unit.

- ▶ There has been no new construction of multifamily rental housing in Cohasset in many years. There has been some development of specialized senior housing, including 14 memory care rooms in Maplewoods Assisted Living in 2013, but these would not represent units for independent living with features such as a kitchen.
- ▶ In both 2019 and in 2022, there has been some preliminary planning underway for a larger-scale mixed-use development project in Cohasset that would include a marina as well as housing and commercial development. Specific information on the scope of this project was not obtained.
- ▶ In 2022, there are still few improved residential lot options in Cohasset. This is due in part to limited access to municipal infrastructure.

2020 Census Housing Unit Data

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

Table 6 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Grand Rapids	4,910	5,142	+232	4,615	4,761	+146	295	381	+86
Cohasset	1,324	1,264	-60	1,067	1,090	+23	257	174	-83
Market Area	16,683	16,358	-325	13,562	13,707	+145	3,121	2,651	-470

Source: U.S. Census

- ▶ According a reconciliation of decennial Census data, Grand Rapids added 232 housing units between 2010 and 2020.
- ▶ Annual building permits were reported earlier in this document. From 2010 through 2019, records indicate that approximately 466 new construction units were permitted in Grand Rapids, a number that is well above the growth in the City's housing stock as tracked by the Census.
- ▶ It is not clear why the Census in 2020 counted fewer housing units than would have been expected from other data sources. Some of the units tracked through building permits were in mobile homes, and these may have been replacement units. There were also more than 100 specialized senior units permitted. It is possible that the Census Bureau did not track these as truly independent housing. However, even with these possible adjustments, the newly built housing should have added nearly 350 units to the inventory.
- ▶ For the Census reconciliation to be correct, there would have been a substantial number of older housing units that would have been removed from the City's inventory between 2010 and 2020.
- ▶ Grand Rapids added 146 occupied housing units between 2010 and 2020, along with 86 unoccupied/vacant units. No further details have been released on the type of housing that was unoccupied in 2020, but it is possible that some of this housing was used for seasonal/recreation occupancy rather than permanent resident occupancy.

- ▶ In Cohasset, the 2020 Census showed a reduction of housing units when compared to 2010. There were 60 fewer units according to this data.
- ▶ As reported earlier, annual building permits show that more than 70 new housing units were constructed in Cohasset between 2010 and 2019, and should have been completed when the Census was conducted. The reported net loss in housing would have required a substantial loss of older housing in the community. While some of the new construction would have involved the demolition of an existing unit, there is no readily available explanation for the large-scale loss of housing in the community.

American Community Survey Housing Data

Age of Housing

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

For owner-occupancy units in Grand Rapids, the estimated median year of construction is 1966. In Cohasset, the estimated median year of construction is 1987.

For rental housing, the estimated median year of construction was listed as 1991 in both Grand Rapids and Cohasset.

Mobile Home Data

The American Community Survey also provides some details on the mobile homes in the City.

According to this source, there were 153 owner-occupied mobile homes in Grand Rapids in 2020, 44 renter-occupied units and 64 vacant/unoccupied units for a total inventory of 261 mobile homes. Presumably, some of the unoccupied units were used as seasonal/recreational housing. All of the mobile homes in Grand Rapids were manufactured before the year 2000, although recent building permit records do show the possibility that some newer units have been moved into the community.

In Cohasset, there were an estimated 130 owner-occupancy mobile homes, 20 renter-occupancy units and nine vacant/unoccupied mobile homes. Most of the mobile homes in Cohasset were manufactured before the year 2000.

Existing Home Sales: Grand Rapids

This section examines houses that have been sold in recent years in the City of Grand Rapids. Information was obtained from the Itasca County Assessor's Office.

Itasca County collects and utilizes information from residential sales for the County's sales ratio study. The County compares the fair market sale price to the estimated taxable value for each home. As a result, the County information for sales primarily reflects existing homes that have an established tax value. New construction sales activity would generally not be recorded in the data that was used for this analysis, unless the house had been constructed some time ago and did have an established tax value.

The County also sorts the sales data into "qualified" and "unqualified" groupings. Qualified sales are also referred to as good sales, because they are fair market transactions. Unqualified sales are rejected because they are not considered to be fair market transactions. There are multiple reasons for rejecting a sale, including sales of "bank-owned" properties and foreclosures/short sales. Additional reasons for rejection would include transfers between related parties, or sales that were not conducted in the open market.

It is important to note that the sales records that are available do not contain detailed information on each recorded transaction. The sales were identified as "improved residential" parcels, but this does not guarantee that an actual house was sold. Sales that appeared to be property other than a house have been excluded.

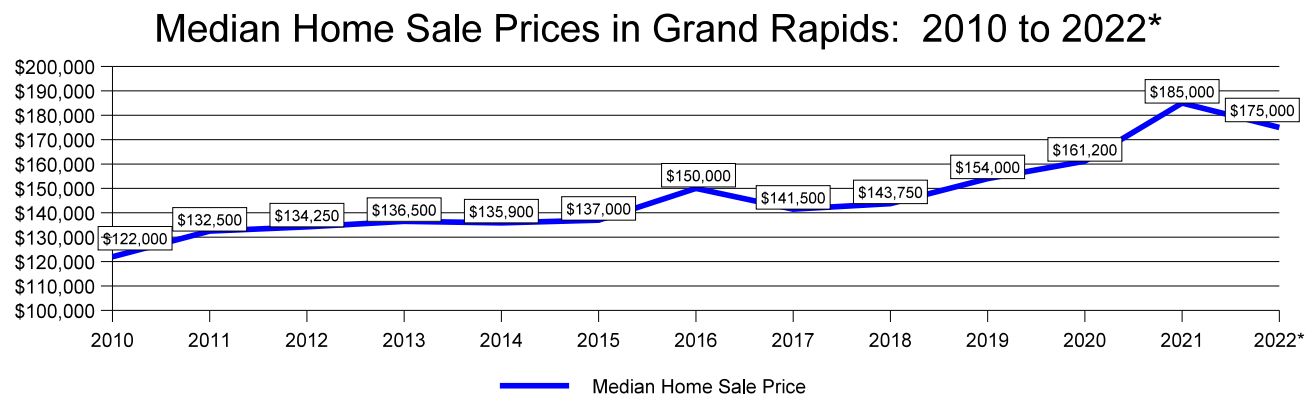
In Grand Rapids, some of the sales are identified as lake shore properties, but this represents a relatively small share of the annual activity. Lake shore sales have been included in the tables that follow.

Information was available for each calendar year, from 2010 through 2021. Partial-year information was also available for 2022, and has been presented, although this will change as additional sales are recorded.

Table 7 Grand Rapids Residential Sales Activity - 2010 to 2022*				
Year	Number of Good Sales	Median Sale Price	Highest Sale	Lowest Sale
2022*	107	\$175,000	\$555,000	\$28,000
2021	151	\$185,000	\$425,000	\$45,000
2020	165	\$161,200	\$370,000	\$47,600
2019	112	\$154,000	\$330,000	\$20,000
2018	149	\$143,750	\$375,000	\$45,000
2017	150	\$141,500	\$385,000	\$27,000
2016	138	\$150,000	\$328,000	\$21,000
2015	142	\$137,000	\$475,000	\$40,000
2014	127	\$135,900	\$420,000	\$45,800
2013	94	\$136,500	\$357,000	\$38,500
2012	106	\$134,250	\$292,000	\$21,500
2011	67	\$132,500	\$300,000	\$44,000
2010	78	\$122,000	\$260,000	\$41,500

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

* 2022 is through August 5



- ▶ With some changes in the number of good sales occurring within each year, there can be some variation in the annual median price. However, from 2014 through 2021, Grand Rapids had more than 100 good sales recorded each year.

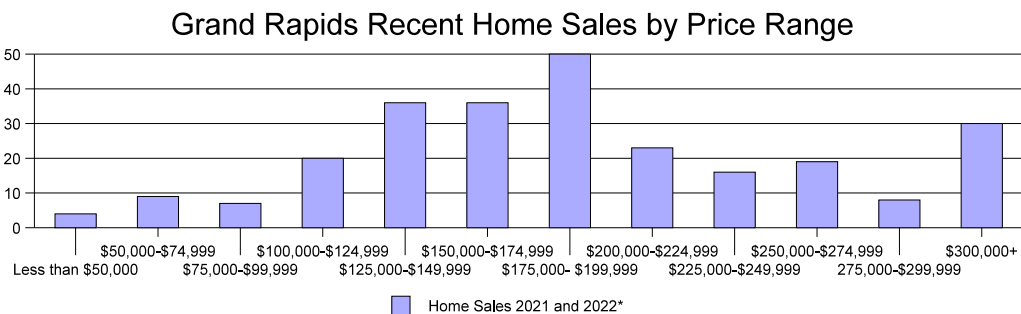
- ▶ Since 2019, the annual median sale price has been \$154,000 or higher.
- ▶ In 2021, the annual median price reached an annual high of \$185,000, based on 151 open market sales. Through the first seven months of 2022 the median was slightly lower, at \$175,000, but will change as additional sales are recorded.

Home Sales by Price Range

The following table looks at the price distribution of 258 single family houses that sold in Grand Rapids in 2021 and 2022 (partial).

Table 8 Home Sales by Price Range: 2021-2022*		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	4	1.6%
\$50,000 - \$74,999	9	3.5%
\$75,000 - \$99,999	7	2.7%
\$100,000 - \$124,999	20	7.8%
\$125,000 - \$149,999	36	14.0%
\$150,000 - \$174,999	36	14.0%
\$175,000 - \$199,999	50	19.4%
\$200,000 - \$224,999	23	8.9%
\$225,000 - \$249,999	16	6.2%
\$250,000 - \$274,999	19	7.4%
\$275,000 - \$299,999	8	3.1%
\$300,000+	30	11.6%
Total	258	1.002

Source: Itasca County Assessor; Community Partners Research, Inc. * Partial-year



- ▶ Most of the recent sales activity in occurred within the moderate price ranges, as more than 54% of the sales were in the ranges between \$100,000 and \$174,999. Approximately 31% of the recent sales were for \$175,000 or more.

Existing Home Sales: Cohasset

The same County sales records were used to review annual home sales in the City of Cohasset.

Cohasset covers a large geographical area, and includes a number of lakes and lake shore living options. At the time of the 2010 Census, there were more than 200 housing units identified as seasonal/recreational use properties. To help define home values for permanent residents, lake shore home sales have been excluded in some of the tables that follow.

Information was available for each calendar year, from 2010 through 2021. Partial-year information was also available for 2022, and has been presented, although this will change as additional sales are recorded.

Table 9 Cohasset Off-Lake Residential Sales Activity - 2010 to 2022*				
Year	Number of Good Sales	Median Sale Price	Highest Sale	Lowest Sale
2022*	5	\$245,000	\$280,000	\$164,000
2021	7	\$198,000	\$285,000	\$52,000
2020	9	\$115,000	\$232,900	\$23,000
2019	9	\$94,000	\$255,000	\$59,900
2018	10	\$141,000**	\$300,000	\$60,000
2017	14	\$115,000**	\$290,000	\$45,000
2016	11	\$95,000	\$240,000	\$60,000
2015	11	\$149,585	\$268,876	\$35,000
2014	15	\$95,000	\$285,000	\$38,000
2013	11	\$126,000	\$255,000	\$32,000
2012	6	\$86,360**	\$205,000	\$25,000
2011	3	\$108,000	\$120,000	\$92,000
2010	3	\$170,000	\$215,000	\$124,500

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

* 2022 is through August 1

** Calculated median from the two nearest sales

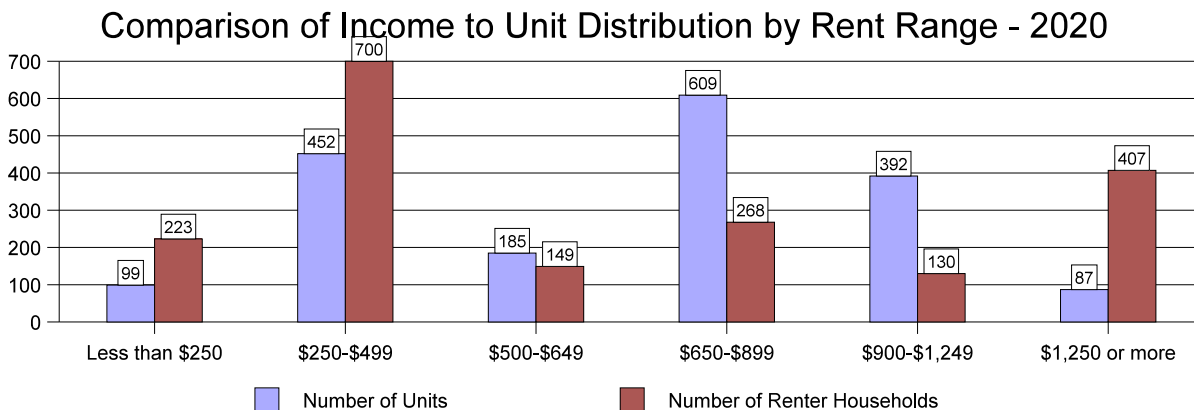
- ▶ With a limited number of good sales occurring within any single year, there can be wide variation in the annual median price. For example, through early August 2022 only five good sales had been recorded in Cohasset, with a median price of \$245,000. All of the good sales of off-lake homes recorded in 2022 were for \$164,000 or more.
- ▶ In 2021, the median was at \$198,000 based on seven good sales.
- ▶ If all or the home sales between January 1, 2020 and August 1, 2022 are combined, the median sale price would be \$164,500.

ACS Rental Unit and Renter Income Comparison

The annual American Community Survey includes information about renter household incomes and rental housing costs, making it possible to compare rents and income.

The following chart displays the overall rent distribution within defined price ranges as estimated for all rental units in Grand Rapids. Rental rate information can then be compared to the number of renter households that would need a unit within this same basic price range, using a standard that 30% of income can be applied to housing costs.

Comparing supply and demand, based on the price needed versus unit rent distribution, shows some distinct trends.



- ▶ There were more lower income renter households in 2020 than units in the local inventory with a low gross rent. The combined communities of Grand Rapids and Cohasset had 923 renter households with an income below \$20,000, but only 551 rental units with a gross monthly rent below \$500.
- ▶ The mismatch between very affordable units and renter households with an income below \$20,000 would be mitigated somewhat by rent assistance Vouchers or other public assistance programs. In 2022, the Itasca County HRA has 350 tenant-based vouchers in different rent assistance programs. However, even with some assistance available, there were many lower income households that were applying more than 30% of their income for rent.
- ▶ Within the income range between \$20,000 and \$36,000, the supply of rental units slightly exceeded the number of households. The combined cities had 185 units priced between \$500 and \$649 per month.

- ▶ The supply of units in the more moderate rent range between \$650 and \$899 greatly exceeded the number of renter households with an annual income between \$26,000 and \$36,000 in 2020. Much of the area's older rental stock was probably in this price range. Higher income households that rented a less expensive unit would potentially have been within this moderate range.
- ▶ In the higher rent ranges of \$900 or more, the overall supply of units was smaller than the number of renter households with moderate to higher incomes. Overall, the American Community Survey estimates showed that approximately 29% of all renter households in Grand Rapids and Cohasset in 2020 had an annual income of \$36,000 or more, but approximately 26% of all rental units were priced at \$900 or more for gross rent. Since 2020, there has been some addition to this higher price range in newly constructed projects in Grand Rapids.

Rental Housing Data

Census Bureau Rental Inventory

The 2020 Census has not yet released the more detailed tables on housing occupancy patterns, including owner versus renter status. This information will become available in May 2023.

At the time of the 2010 Census, there were 1,751 occupied rental units, and at least 76 unoccupied rental units identified in Grand Rapids, for a total estimated rental inventory of 1,827 units. The City's rental tenure rate, was 37.9%, based on renter-occupancy households, well above the Statewide rate in 2010 of 27% rental.

There were 123 occupied rental units and 10 unoccupied rental units in Cohasset at the time of the 2010 Census, for a total estimated rental inventory of 133 units. The City's rental tenure rate was only 11.5%, well below the Statewide rental rate of 27.0% in 2010.

Recent Rental Construction

The following larger-scale rental projects have been built in Grand Rapids since 2010:

- ▶ 2105 SE 7th Avenue - 48 conventional market rate apartments
- ▶ Aurora Heights - 56 affordable tax credit units including 14 with supports
- ▶ The Pillars of Grand Rapids - 110 specialized senior units/rooms
- ▶ Majestic Pines - 99 specialized senior units/rooms in three phases
- ▶ Beacon Hill - 48 affordable tax credit units including 20 with supports
- ▶ River Hills - 70 conventional market rate apartments
- ▶ Lakewood Heights - 87 conventional market rate apartments in phases
- ▶ 1st Avenue Condominiums - 36 conventional market rate apartments
- ▶ Oak Hill Assisted Living - A 10-unit addition of specialized senior housing

Based on the available information, the following unit totals would be represented in the larger multifamily construction projects permitted in Grand Rapids since 2010:

- ▶ Market Rate - 241
- ▶ Moderate Rent/Tax Credit - 70 units
- ▶ Affordable with Supportive Services - 34 units
- ▶ Specialized Senior - 227 units including some that are for independent living

Rental Housing Survey

As part of the limited scope of this Update, only the most recently constructed market rate and affordable tax credit projects were contacted in the telephone survey. The Pillars of Grand Rapids, the newest specialized senior project was also contacted.

Market Rate Summary

Four of the newest conventional market rate projects, with 241 combined units, were contacted in August 2022. Only two units were unoccupied, for a vacancy rate of less than 1%. In general, these projects reported strong demand. Details on each property are contained in the table that follows.

Moderate Rent/Tax Credit

The two newest affordable tax credit projects were contacted. These projects have 104 total units, but 34 of these are for targeted populations and are filled through service provider referrals. The 70 moderate rent units available for general occupancy were fully occupied, and waiting lists exist.

The newest tax credit project, Aurora Heights which opened in 2022, reported that more than 700 applications were received for the 42 general occupancy units in this project. Details on each property are contained in the table that follows.

Specialized Senior Housing

The newest specialized senior complex, The Pillars of Grand Rapids, was contacted in the survey. This project opened in 2022 and is still in its initial occupancy phase. A range of care is offered, from largely independent housing to higher levels of care including assisted living. Details are contained in the table that follows.

Table 10 Grand Rapids Newest Multifamily Rental Housing Inventory					
Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
1 st Avenue Condominiums 613 NW 1 st Ave	4 - 1 bedroom 22 - 2 bedroom <u>10 - 3 bedroom</u> 36 total units	\$950 \$1055-\$1420 \$1600-\$1650 +heat, electric	No vacant units, waiting list	Mix of tenants but primarily retirees	Luxury apartment project constructed in 2014 with Two 4-level elevator buildings with 18 units each. Rent includes water, sewer and garbage, with tenant paying heat (electric) and electricity. Unit features include granite countertops, stainless steel appliances, dishwasher, in-unit laundry, balcony/patio and master bedroom. Detached garage parking for extra fee. One-bedrooms have 661 sq ft and 1 bathroom, 2-bedrooms have 808-1214 sq ft and 1 or 2 bathrooms, 3-bedrooms have 1389-1490 sq ft and 2 bathrooms. Manager report full occupancy, good demand and low turnover - waiting list is maintained. Most tenants are retirees but also working-age residents. 12-month lease requirement discourages students. Unit rents have increased by \$50 to \$75 from 2019 survey.
Lakewood Heights 1240 Golf Course Rd	30 - 1 bedroom <u>57 - 2 bedroom</u> 87 total units	\$775 \$875 +electric	No vacant units	Mix of tenants	Project constructed in phases between 2012 and 2014. Three buildings with 29 units each - 2-level walkups. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include dishwasher and AC. Detached garage parking for additional fee. One-bedrooms have 600 sq ft and 1 bathroom, 2-bedrooms have 820 sq ft and 1 bathroom. Manager reported full occupancy and good demand. Mix of tenants including some students. Twelve-month lease but shorter lease is possible with higher monthly rent. Rents have increased by \$65 from 2019 survey.

Table 10 Grand Rapids Newest Multifamily Rental Housing Inventory					
Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Market Rate					
River Hills 2095 SE 7 th Ave	24 - 1 bedroom 30 - 2bdrm/1bath <u>16 - 2bdrm/2bath</u> 70 total units	\$895 \$1035 \$1085 +electric	No vacant units	Mix of tenants	Rental project with 2 buildings constructed in 2015 and 2016. Buildings are 3-level with elevator. Rent includes heat, water, sewer and garbage, with tenant paying electric. Detached garage parking for additional fee. Amenities include dishwasher and AC. Project amenities include fitness center and library. One-bedrooms have 725 sq ft and 1 bathroom, 2-bedrooms have 1000 sq ft and 1 bathroom or 1025 sq ft and 2 bathrooms. Manager reported full occupancy and good demand. Mix of tenants including some students. Twelve month lease required but shorter lease is possible with higher monthly rent. Rents have increased by \$100 to \$120 from 2019 survey.
2105 SE 7 th Ave	1 bedroom <u>2 bedroom</u> 48 total units	\$895 \$1095 +electric	2 open units 2 - 2 bdrm	Mix of tenants	Rental project that opened for occupancy in 2021. Building is 3-level without elevator. Tenant pays electric in addition to rent. Detached garage parking for additional \$75. Amenities include dishwasher, microwave, wall AC, in-unit laundry and balcony. Two-bedrooms have 900 sq ft and 1 bathroom. Manager reported 2 open units due to turnover. Mix of tenants.

Table 10 Grand Rapids Newest Multifamily Rental Housing Inventory					
Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Tax Credit/Moderate Rent					
Beacon Hill 415 SE 21 st St	20 - 1 bdrm apt. 12 - 2 bdrm TH <u>16 - 3 bdrm TH</u> 48 total units	\$665 \$735 \$805 +heat, hot water, electric	Open units in process of being filled, waiting list	20 units of supportive housing, all units at 60% of median	Tax credit project that opened for occupancy in 2016. Ten 1-bedroom units are supportive housing for homeless and 10 1-bedroom units are housing with supports and may be filled through a referral system with services providers; remaining 28 units are in town homes and available for general occupancy. All units serve households at or below 60% of median - 12 Project Based Vouchers (PBV) allowing rent based on 30% of income. Town house unit amenities include dishwasher, AC, in-unit laundry hookup and attached garage. Manager reported some open units due to turnover but processing underway from long waiting list of 320 names. Supportive housing units are filled through service provider referral. Rents have increased by \$65 from 2019 survey.
Aurora Heights 200 SE 4 th St	14 - 1 bedroom 20 - 2 bedroom 4 - 3 bdrm apt 16 - 3 bedroom <u>2 - 4 bedroom</u> 56 total units	\$693 \$710 \$825 \$825 \$1000 +electric or +heat, electric, hot water	Open units in process of being filled, waiting list	14 units with supportive services, all units at 60% or 80% of median	Tax credit project that opened for occupancy in 2022. Fourteen 1-bedroom units have rent assistance and supportive services. Remaining 42 units are in apartments or town homes and available for general occupancy. Most units serve households at or below 60% of median, but some units are at 80%. Unit amenities include dishwasher, AC, in-unit laundry hookup. Town houses have attached garage. Apartments have community garage for extra fee. Town house tenants pay heat and electric while apartment tenants have heat included in rent. some open units due to turnover but processing underway from long waiting list of 750 names. Supportive housing was also fully occupied but service provider works with finding eligible tenants.

Table 10 Grand Rapids Newest Multifamily Rental Housing Inventory					
Name	Number of Units/ Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Senior Housing with Services					
The Pillars of Grand Rapids Independent and Assisted Living	12 - studio 43 - 1 bedroom 18 - 1 bdrm+den <u>17 - 2 bedroom</u> 90 total units	\$2000-\$4000 depending on unit	initial occupancy phase	Range of care from independent to assisted living	Senior housing continuum of care complex that opened for occupancy in Jan. 2022. A range of care is offered from completely independent senior housing to assisted living with memory care in a separate secure wing. Independent living includes all utilities, wifi and cable and starts at \$2000 for a studio, with largest 2-bedroom at \$4000/month. Studios have 390-540 sq ft; 1-bedrooms have 593-869 sq ft; 1-bedroom+den have 821-927 sq ft; 2-bedrooms have 973-1113 sq ft and 2 bathrooms. Project is still in initial occupancy phase with 50 independent tenants, 6 independent plus with some level of services, 9 assisted living residents and 4 memory care residents. Nine additional units are committed but not yet occupied. Facility is private-pay.
The Pillars of Grand Rapids Memory Care	17 - studio <u>3 - 1 bedroom</u> 20 total units	N/A	initial occupancy phase	Memory care	Memory care units in the Pillars senior continuum of care complex - memory care units are in a secure wing. Studio units have 395-459 sq ft; 1-bedrooms have 589-721 sq ft. All units have private bathroom. Project is still in initial occupancy phase 4 memory care residents. Some additional units are committed but not yet occupied. Facility is private-pay.

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.

Planned Job Growth

There are two identified economic development projects that will add a substantial number of jobs in the Grand Rapids/Cohasset area.

Huber Engineered Woods LLC - In 2021, this company announced plans to construct a new oriented strand board production facility in Cohasset. The facility is projected to add more than 150 direct jobs to the area. As many as 300 to 400 construction jobs will also be involved. This project was required to prepare an Environmental Assessment Worksheet, which is being challenged and no time line for planned construction is available.

ASV/Yanmar - A facility expansion is underway in Grand Rapids for the production of compact track loaders. The Company already has operations in the City but the expansion will add both production/assembly and administrative jobs to the community. The three-year hiring goal is to add 176 jobs in Grand Rapids.

Labor Force, Work Force and Unemployment

The Minnesota Department of Employment and Economic Development provides employment information at the city level for Grand Rapids. The following table looks at statistics since 2010 for the City. A later table provides information for all of Itasca County.

Table 11 Grand Rapids Labor Force and Employment: 2010 to 2022*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - City	Unemployment Rate - MN	Unemployment Rate - US
2010	5,370	4,626	744	13.9%	7.4%	9.6%
2011	5,349	4,688	661	12.4%	6.5%	8.9%
2012	5,232	4,691	541	10.3%	5.6%	8.1%
2013	5,155	4,629	526	10.2%	5.0%	7.4%
2014	5,179	4,732	447	8.6%	4.3%	6.2%
2015	5,110	4,842	268	5.2%	3.8%	5.3%
2016	5,114	4,747	367	7.2%	3.9%	4.9%
2017	5,112	4,798	314	6.1%	3.5%	4.4%
2018	5,134	4,872	262	5.1%	3.1%	3.9%
2019	5,194	4,906	288	5.5%	3.4%	3.7%
2020	5,202	4,779	423	8.1%	6.3%	8.1%
2021	4,957	4,736	221	4.5%	3.4%	5.3%
2022*	4,943	4,747	196	4.0%	2.7%	4.4%

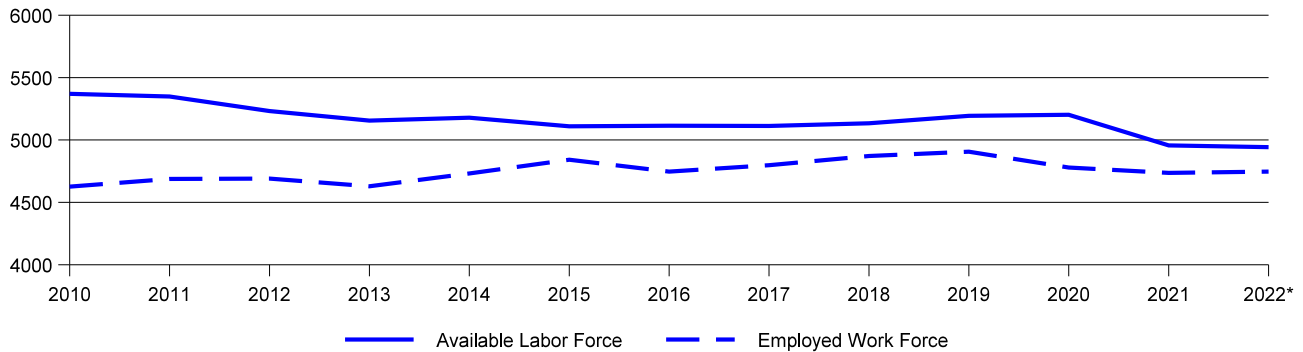
Source: MN Department of Employment and Economic Development

*2022 is through June

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

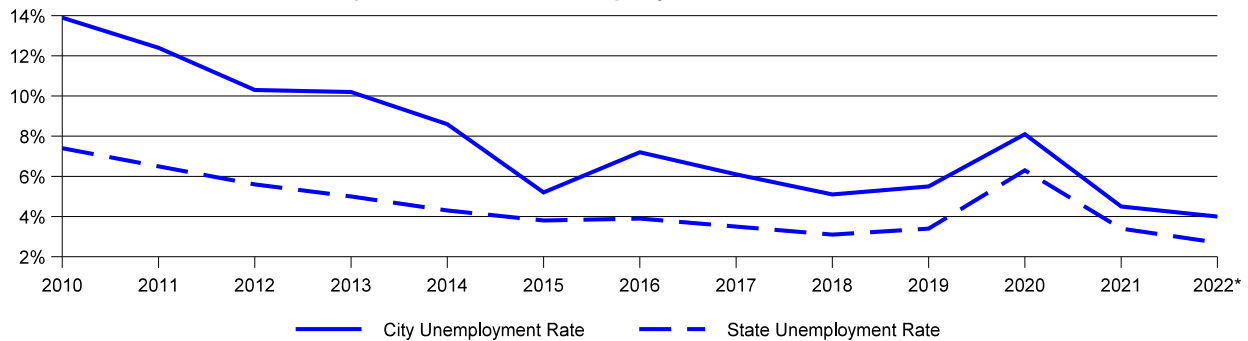
When viewed over a longer term back to 2010, there has been some decrease in the size of the City’s available labor force. If 2021 is compared to 2010, the total resident labor force decreased by 413 people, or -7.7%. Although only partial-year statistics exist for 2022, the number of City residents in the labor force is very similar to the annual average in 2021.

Grand Rapids Labor Force and Employed Work Force: 2010 to 2022*



While the City’s labor force has been decreasing over time, there has been some limited long-term growth in the number of employed City residents. If 2021 is compared to 2010, there were 110 more residents that were employed. Much of this was due to the high unemployment rate that existed in 2010.

Grand Rapids Annual Unemployment Rate: 2010 to 2022*



By 2021 the City’s unemployment rate had dropped 4.5%, the lowest annual rate over the time period reviewed. Partial-year information for 2022 shows an even lower unemployment rate through June.

There was some impact to employment statistics caused by the global health pandemic, but by the end of 2021, the employment information for the City had generally recovered.

The same information is available for all of Itasca County.

Table 12 County Labor Force and Employment: 2010 to 2022*						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	22,499	20,214	2,285	10.2%	7.4%	9.6%
2011	23,519	20,478	2,041	9.1%	6.5%	8.9%
2012	22,248	20,502	1,746	7.8%	5.6%	8.1%
2013	21,916	20,238	1,678	7.7%	5.0%	7.4%
2014	21,948	20,500	1,448	6.6%	4.3%	6.2%
2015	22,291	20,852	1,439	6.5%	3.8%	5.3%
2016	22,086	20,201	1,885	8.5%	3.9%	4.9%
2017	21,850	20,312	1,538	7.0%	3.5%	4.4%
2018	21,921	20,653	1,268	5.8%	3.1%	3.9%
2019	22,223	20,823	1,400	6.3%	3.4%	3.7%
2020	22,295	20,337	1,958	8.8%	6.3%	8.1%
2021	21,147	20,154	993	4.7%	3.4%	5.3%
2022	21,107	20,199	908	4.3%	2.7%	4.4%

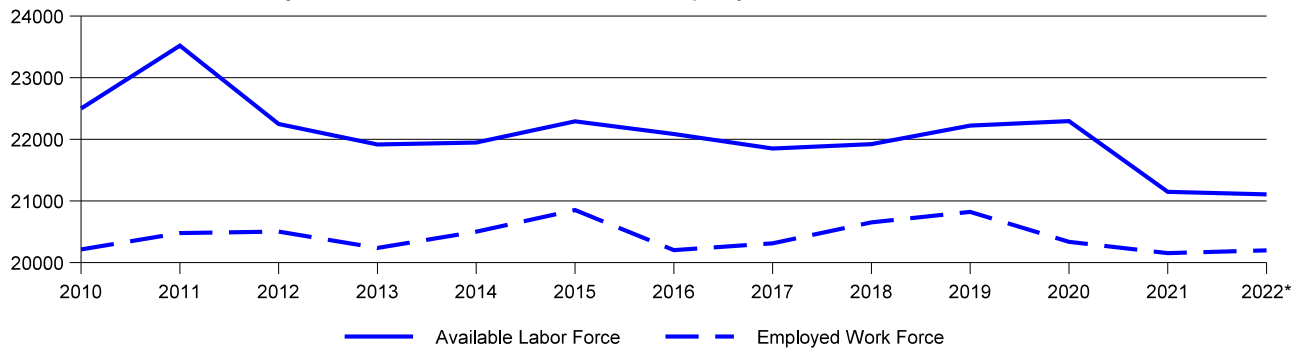
Source: MN Department of Employment and Economic Development
 *2022 is through June

The City of Grand Rapids is the largest single jurisdiction in Itasca County and the past patterns in the City are also present in Countywide statistics.

When viewed over a longer time period, there has also been some decrease in the size of Itasca County’s available labor force. When comparing 2018 to 2010, the total resident labor force decreased by 1,352 people, or -6.0%. However, the County’s labor force actually reached its recent peak in 2011, and since that time has decreased by nearly 2,400 people.

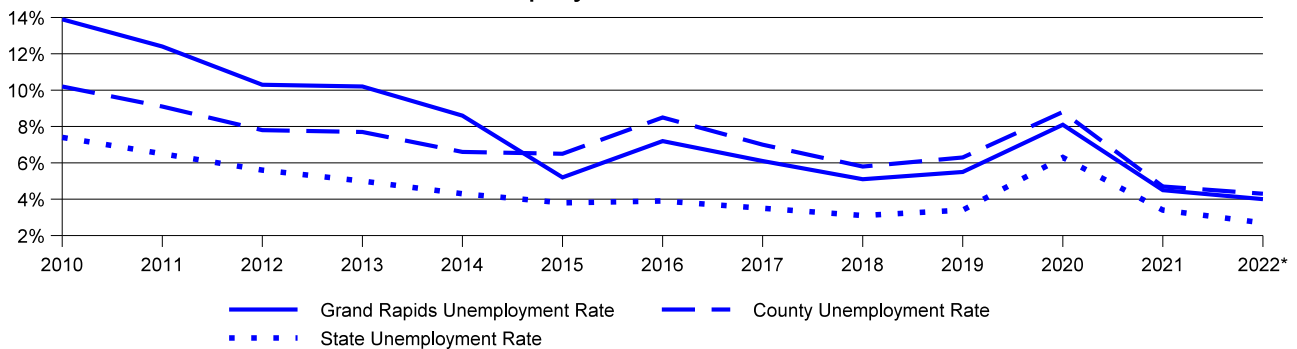
Although the County’s labor force has experienced a drop in available County residents, the employed resident work force has remained more stable. If 2021 is compared to 2010, there were only 60 fewer County residents that were employed. Partial-year statistics for 2022 show a slight increase in employment through June.

Itasca County Area Labor Force and Employed Work Force: 2010 to 2022*



The County’s unemployment rate has fluctuated from year to year, but has generally been on a downward trend. The lowest unemployment rate was reached in 2021 at 4.7%. Although only partial-year information exists for 2022, the County’s unemployment rate has moved even lower through June. Despite the decrease over time, Itasca County’s unemployment rate has remained higher than the Statewide average.

Annual Unemployment Rate: 2010 to 2022*



Employment and Wages by Industry: Grand Rapids

The following table shows the annual employment and average annual wages by major employment sector for 2021, the last full year of data.

The table only provides information for the City of Grand Rapids. The following table, represents the location of the job.

Table 13 Grand Rapids Employment and Wages by Industry: 2021		
Industry	Average Employment	Average Weekly Wage
Total All Industry	9,225	\$874
Manufacturing	506	\$1,406
Trade, Transportation, Utilities	1,723	\$760
Information	91	\$908
Financial Activities	304	\$1,234
Professional and Business Services	724	\$710
Education and Health Services	3,537	\$856
Leisure and Hospitality	835	\$358
Other Services	362	\$600
Public Administration	837	\$1,305

Source: MN Department of Employment and Economic Development

For all industry, the average weekly wage was \$874 in 2021. At full-time employment this would yield an average annual wage of approximately \$45,450.

In Grand Rapids, the two dominant industry sectors for total employment were Education and Health Services, and Trade/Transportation/Utilities. More than 57% of all reported jobs in Grand Rapids were in one of these industry sectors. The average annual pay in both sectors was below the overall average.

The highest paying wage sector was Manufacturing in 2021. At full-time employment, the average annual wage in this sector was above \$73,100.

Employment and Wages by Industry: Cohasset

The following table shows the annual employment and average annual wages by major employment sector for 2021, the last full year of data. Because of the size of the community, only a few industry sectors are listed.

The table only provides information for the City of Cohasset. The following table represents the location of the job.

Table 14 Cohasset Employment and Wages by Industry: 2021		
Industry	Average Employment	Average Weekly Wage
Total All Industry	914	\$1,281
Trade, Transportation, Utilities	364	\$1,855
Professional and Business Services	116	\$1,078
Education and Health Services	126	\$551
Leisure and Hospitality	72	\$251
Public Administration	35	\$588

Source: MN Department of Employment and Economic Development

For all industry, the average weekly wage was \$1,281 in 2021. At full-time employment this would yield an average annual wage of more than \$66,600.

In Cohasset, the largest industry sector for employment was Trade, Transportation and Utilities. Nearly 40% of all reported jobs in the City were in this industry sector. The average annual pay in this sector was well above the overall average. At full-time employment a worker in this sector would have an average annual wage of nearly \$96,500.

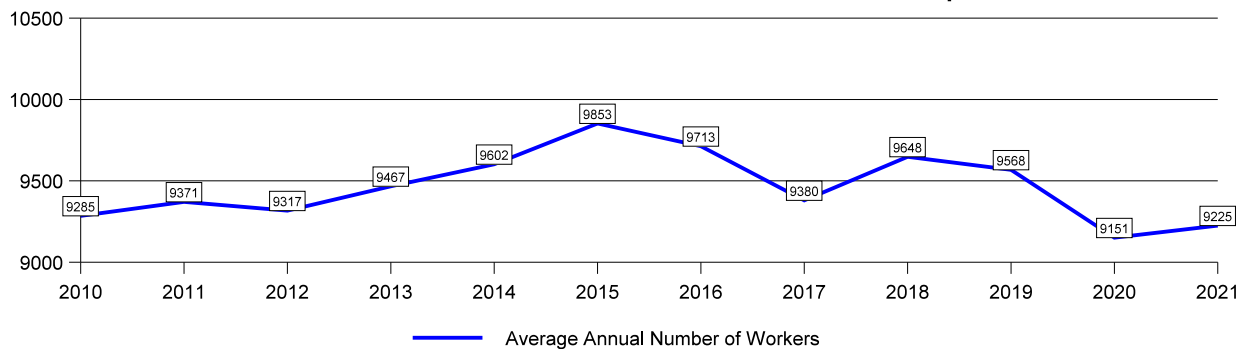
Grand Rapids Annual Covered Employment

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 in the employment level. The following table displays the total number of workers reported in Grand Rapids back to the year 2010.

Table 15 Grand Rapids Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	9,285	2016	9,713
2011	9,371	2017	9,380
2012	9,317	2018	9,648
2013	9,467	2019	9,568
2014	9,602	2020	9,151
2015	9,853	2021	9,225

Source: QCEW - MN Department of Employment and Economic Development

Number of Covered Workers in Grand Rapids



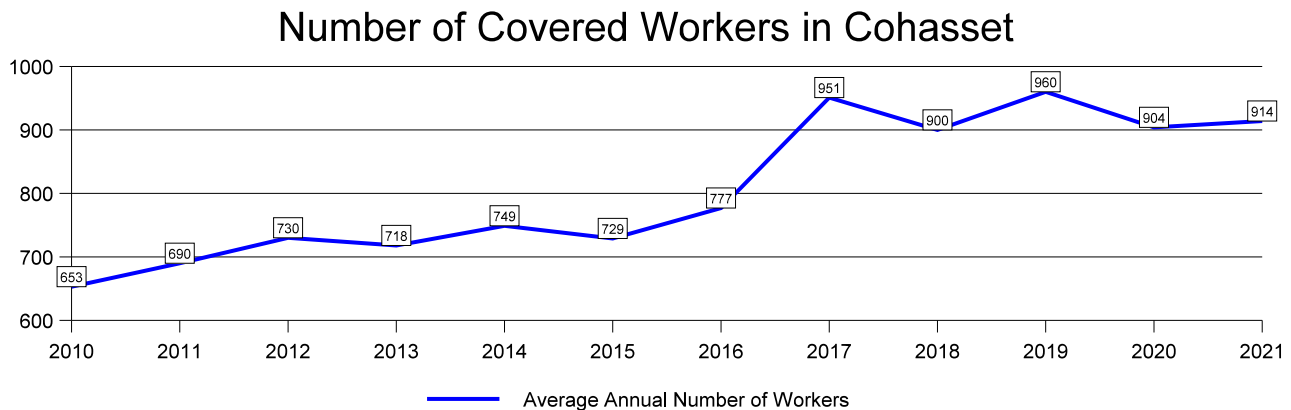
There has been up and down movement in past years in the number of workers in Grand Rapids that are covered by unemployment insurance. If 2021 is compared back to 2010, there has been almost no change in the number of workers. However, local employment reached a recent peak in 2015 and has decreased since that time. Much of the loss occurred between 2019 and 2020, presumably due to the Covid pandemic.

Cohasset 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 in the employment level. The following table displays the total number of workers reported in Cohasset back to the year 2010.

Table 16 Cohasset Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	653	2016	777
2011	690	2017	951
2012	730	2018	900
2013	718	2019	960
2014	749	2020	904
2015	729	2021	914

Source: QCEW - MN Department of Employment and Economic Development



When viewed over a longer time period, back to the year 2010, there has been an increase in the number of jobs in Cohasset that are covered by unemployment insurance. Local employment had reached a recent peak in 2019, before decreasing somewhat, presumably due to the Covid pandemic. However, since 2017, there has been an average of 900 or more covered jobs annually in Cohasset.

Commuting Patterns of Workers: Grand Rapids

Information on commuting patterns is from the 2020 American Community Survey, and has been examined for the City. The first table looks at travel time for City residents, excluding people that work at home.

Table 17 Commuting Times for Grand Rapids Residents - 2020		
Travel Time	Number	Percent
Less than 10 minute	1,865	41.9%
10 to 19 minutes	1,575	35.4%
20 to 29 minutes	391	8.8%
30 minutes +	617	13.9%
Total	4,448	100%

Source: American Community Survey

Most City residents were working locally in 2020 with more than 77% traveling less than 20 minutes for their primary job. Fewer than 14% were of the residents of Grand Rapids were traveling 30 minutes or more for employment.

Travel times are also listed by location of employment. For people that worked in Grand Rapids, the following travel times were identified.

Table 18 Commuting Times for Grand Rapids Employees - 2020		
Travel Time	Number	Percent
Less than 10 minutes	2,388	23.4%
10 to 19 minutes	3,830	37.5%
20 to 29 minutes	2,107	20.6%
30 minutes+	1,883	18.4%
Total	10,208	100%

Source: American Community Survey

Most people that work in Grand Rapids were traveling less than 20 minutes. Overall, nearly 61% of the jobs in the City were filled by people traveling 19 minutes or less, including the people that both live and work within Grand Rapids. However, nearly 1,900 of the jobs in the City were filled by people traveling 30 minutes or more.

Commuting Patterns of Workers: Cohasset

Information on commuting patterns is from the 2020 American Community Survey, and has been examined for the City. The first table looks at travel time for Cohasset residents, excluding people that work at home.

Table 19 Commuting Times for Cohasset Residents - 2020		
Travel Time	Number	Percent
Less than 10 minute	187	15.4%
10 to 19 minutes	661	54.3%
20 to 29 minutes	206	16.9%
30 minutes +	163	13.4%
Total	1,217	100%

Source: American Community Survey

Given the City’s size, it is assumed that residents that also worked in Cohasset would have a drive time that was less than 10 minutes. However, most City residents were traveling between 10 and 19 minutes, which would probably be consistent with working in Grand Rapids. Only 13.4% were traveling 30 minutes or more for their primary job in 2020.

Travel times are also listed by location of employment. For people that worked in Cohasset, the following travel times were identified.

Table 20 Commuting Times for Cohasset Employees - 2020		
Travel Time	Number	Percent
Less than 10 minutes	63	7.8%
10 to 19 minutes	280	34.8%
20 to 29 minutes	216	26.9%
30 minutes+	245	30.5%
Total	804	100%

Source: American Community Survey

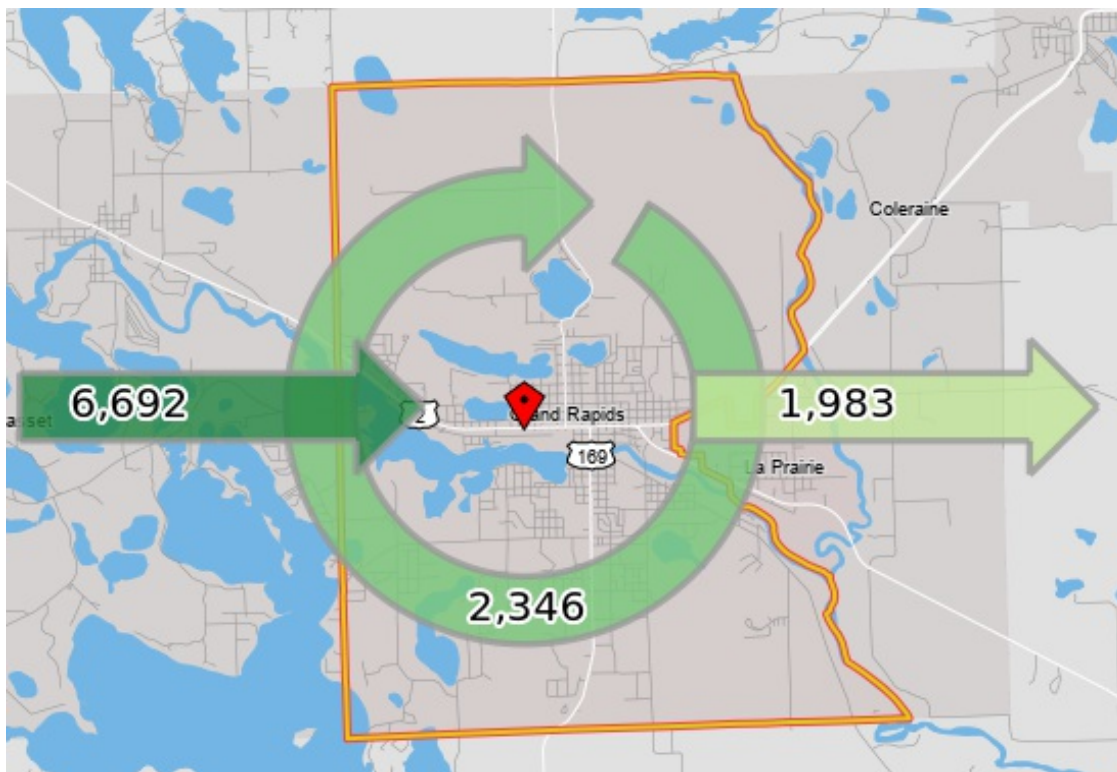
Most people that worked in Cohasset in 2020 were traveling more than 20 minutes. More than 57% of the jobs were filled by people traveling 20 minutes. Fewer than 8% of the jobs were filled by people traveling less than 10 minutes.

Census On the Map: Grand Rapids

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is also based on reports for the year 2019 but provides a further breakdown of worker movement patterns.

According to the report for Grand Rapids, there were 9,038 people that were employed within the city limits in 2019. Approximately 26% of these Grand Rapids-based employees also lived within the City, with nearly 6,700 employees commuting into the City. The primary identified jurisdictions supplying workers to the City were Harris Township, Cohasset, Deer Lake UT, Coleraine, Greenway Township, Hibbing and Trout Lake Township.

Many Grand Rapids residents left their home community to work elsewhere. In 2019, nearly 46% of the City's employed residents actually worked outside the city limits. The primary locations listed for outbound commuters were Cohasset, Duluth, Hibbing and Coleraine.



Census On the Map: Cohasset

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2019 but provides a further breakdown of worker movement patterns.

According to the report for Cohasset, there were 1,033 people that were employed within the city limits in 2019. However, only 71 of these Cohasset-based employees also lived within the City, with 962 employees commuting into the City. The primary identified jurisdictions supplying workers to the City were Grand Rapids, Harris Township, Deer Lake UT, Coleraine and La Prairie.

Most Cohasset residents left their home community to work elsewhere. In 2019, 94% of the City's employed residents actually worked outside the city limits. The primary location listed for outbound commuters was Grand Rapids, with more than 51% of all commuters working in that community. Other employment locations included Deer River, Duluth, Harris Township and Hibbing.

