



Itasca County
Minnesota



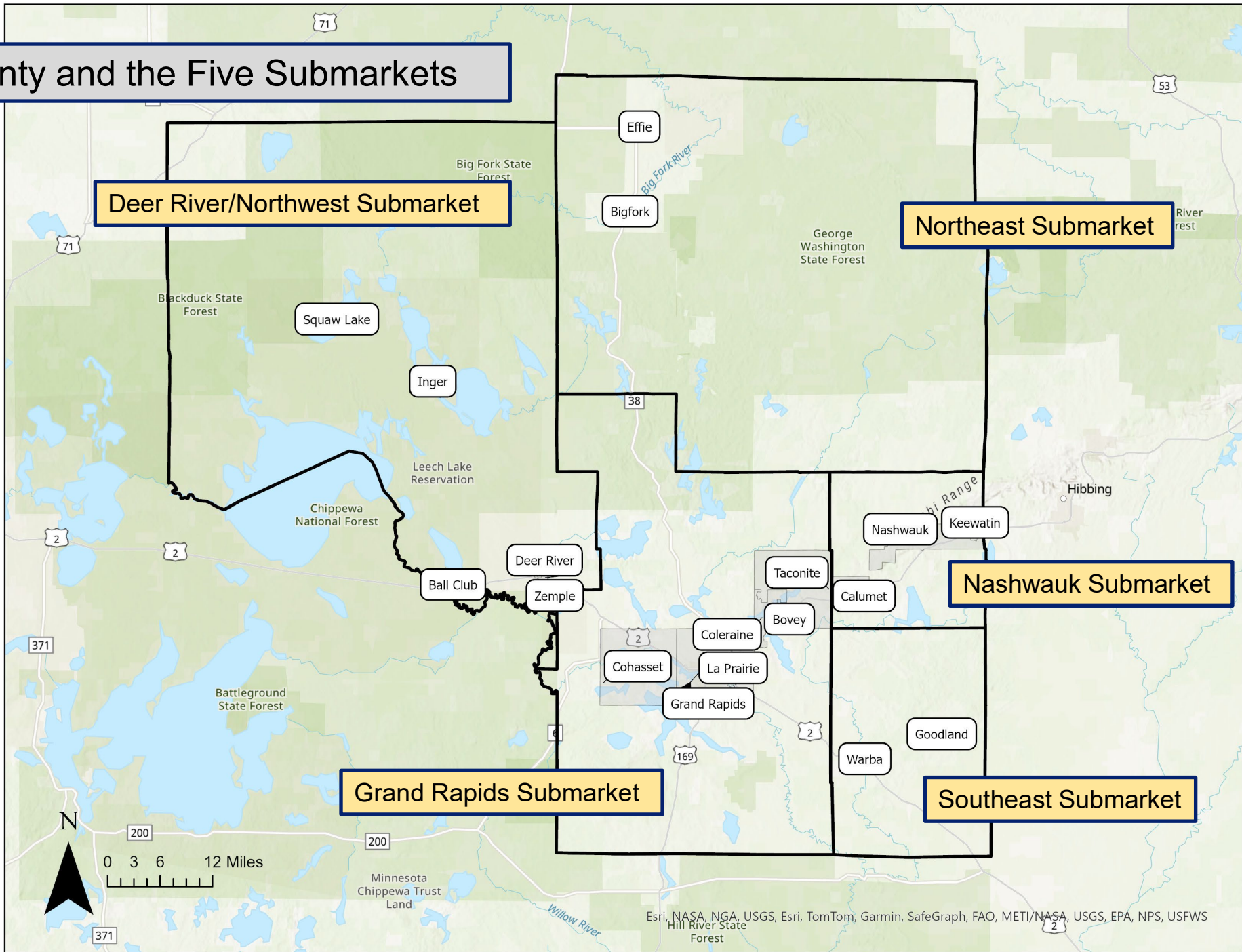
COMPREHENSIVE HOUSING STUDY

HOUSING NEEDS & LAND USE / ZONING ANALYSIS FOR ITASCA COUNTY, MN

September 2024



Itasca County and the Five Submarkets

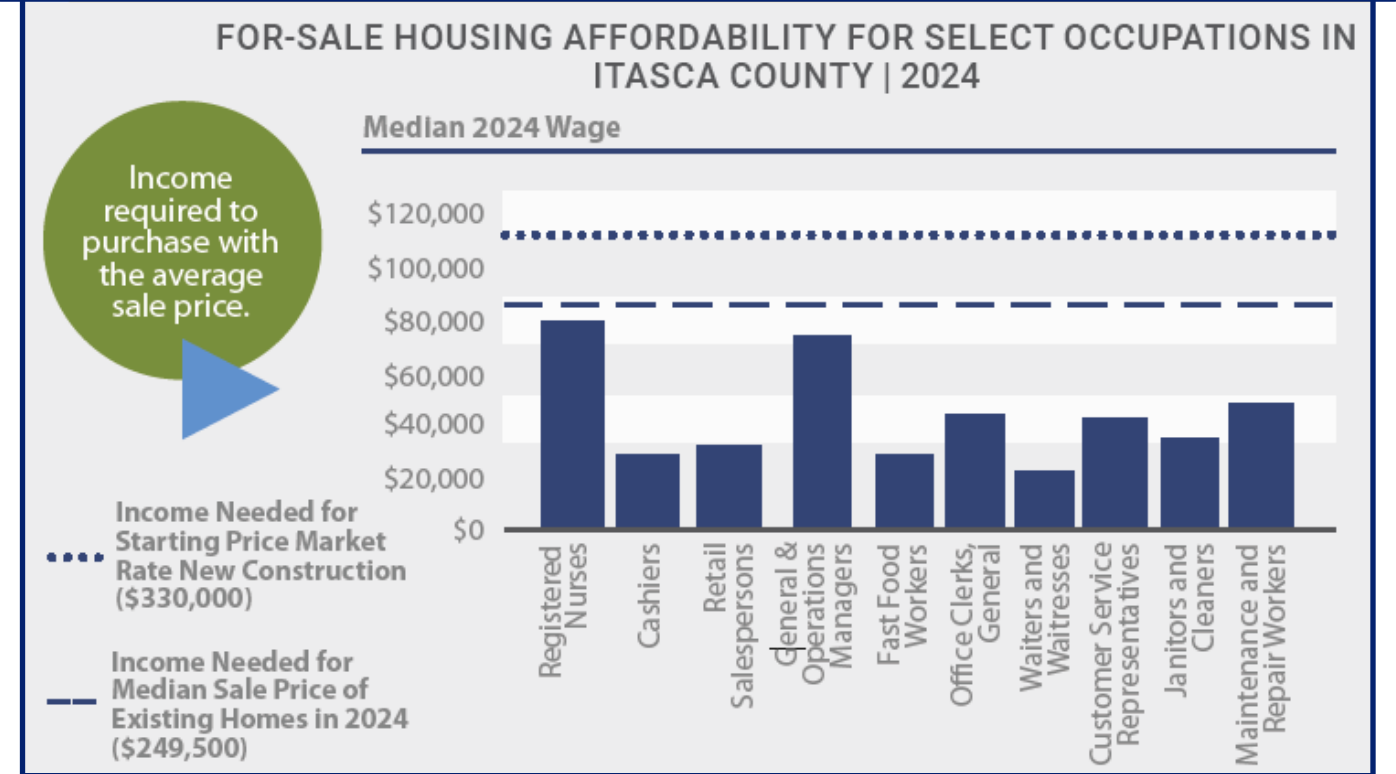


Source: ESRI; Itasca County HRA; LOci Consulting LLC

Esri, NASA, NGA, USGS, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, EPA, NPS, USFWS



Most workforce occupations do not have incomes high enough to support homeownership



* Median sale price is for Jan. – July 2024.

Average Market-Rate Rent:

\$1,080



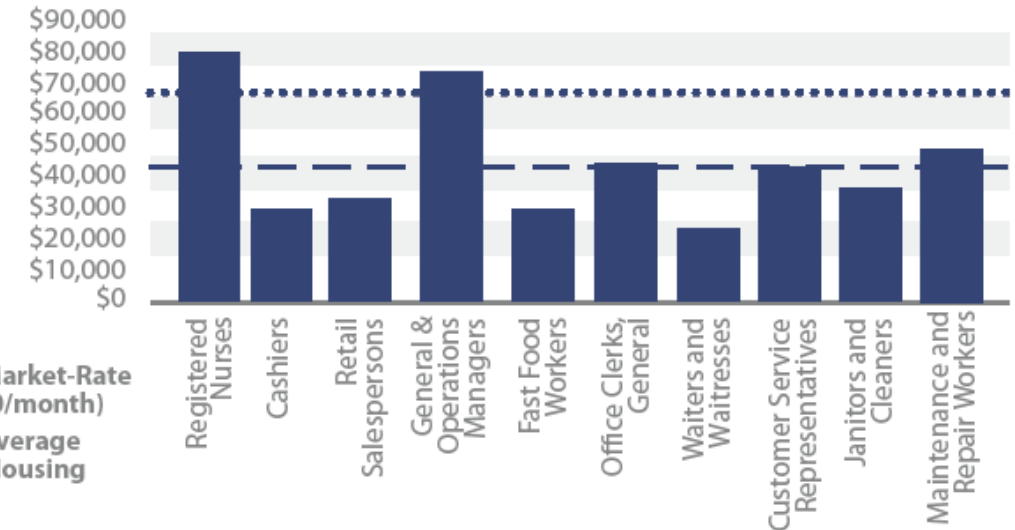
Rents have increased **3%** per year across northeastern Minnesota since 2020

Compared to 2.2% for the state as a whole

Most workforce occupations struggle to afford typical rents in the county.

RENTAL HOUSING AFFORDABILITY FOR SELECT OCCUPATIONS IN ITASCA COUNTY | 2024

Median 2024 Wage



- Income Needed for Market-Rate Housing Rent (\$1,650/month)
- - - Income Needed for Average Market-Rate Rental Housing (\$1,080/month)

“Cost-burdened” means at risk of being forced to choose between a home and other basic needs like food, clothing, and medicine. In 2022, 60% of renters paid greater than 30% of their income in rent, compared to 47% for the state as a whole. It is estimated that 28% of renters are “severely cost burdened,” meaning they pay more than 50% of their income in rent (versus 20% for the state as a whole).



60%
of renters in Itasca County paid greater than 30% of their income in rent



Compared To
47%
of renters in the State of Minnesota as a whole paid greater than 30% of their income in rent

The vacancy rate for market-rate rental housing is below 1%

In general, a healthy market should have a vacancy rate of 5%. That amount of vacancy allows for a healthy turnover of units. **Below 5% means that it is very difficult for renters to find units that meet their needs.** These low vacancy rates also tend to drive up rents.



FOR RENT

0.8%

Market-Rate Rentals



FOR RENT

1.6%

Affordable Rentals





Vacancy rates for senior housing are below the national average



6.5% Affordable Senior Housing

0.0% Active Adult For Sale

3.0% Active Adult Rental

3.8% Independent Living

8.3% Assisted Living

8.4% Memory Care

For the second quarter of 2024, the estimated **national vacancy rate for independent living senior housing was 12.4%**, according to the National Investment Center for Seniors Housing & Care (NIC). Over the same period, the national vacancy rate for assisted living was 15.7%.

ITASCA COUNTY

ESTIMATED HOUSING DEMAND | (2024-2029)

► For Sale Housing Units



95-105
Market-Rate
Single-Family



80-85
Affordable Single
and Multi-Family



35-45
Market-Rate
Townhomes

Total For-Sale
Housing Demand

210-235

Additional
potential demand
from economic
development
projects
500

► Rental Housing Units



210-220
Affordable
Rentals



85-90
Workforce
Rentals



50-60
Market-Rate
Rentals

Total Rental
Housing Demand

345-370

Additional
potential demand
from economic
development
projects
800

► Senior Housing Units



75-80
Affordable Senior
Housing



65-70
Market-Rate
Active Adult



25-30
Market-Rate Active
Adult Rentals

Total Senior
Housing Demand

240-270



25-30
Market-Rate
Independent Living



20-25
Market-Rate
Assisted Living



30-35
Memory Care

GRAND RAPIDS SUBMARKET

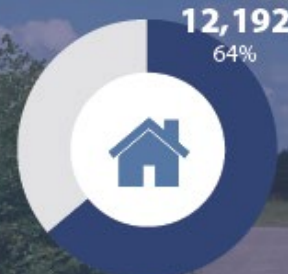
Grand Rapids
Submarket

Itasca
County

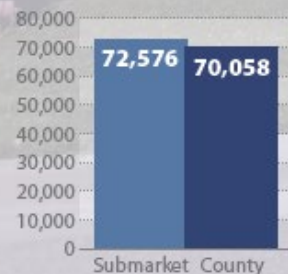
Population



Number of Households



Median Household Income



ESTIMATED HOUSING DEMAND

(2024-2029)

► For Sale Housing Units



60-70
Market-Rate
Single-Family



35-40
Affordable Single
and Multi-Family



20-30
Market-Rate
Townhomes

Total For-Sale
Housing
Demand

115-140

► Rental Housing Units



135-145
Affordable
Rentals



65-70
Workforce
Rentals



40-50
Market-Rate
Rentals

240-265

► Senior Housing Units



35-40
Affordable Senior
Housing



30-35
Market-Rate
Active Adult



10-15
Market-Rate
Active Adult
Rentals

100-130



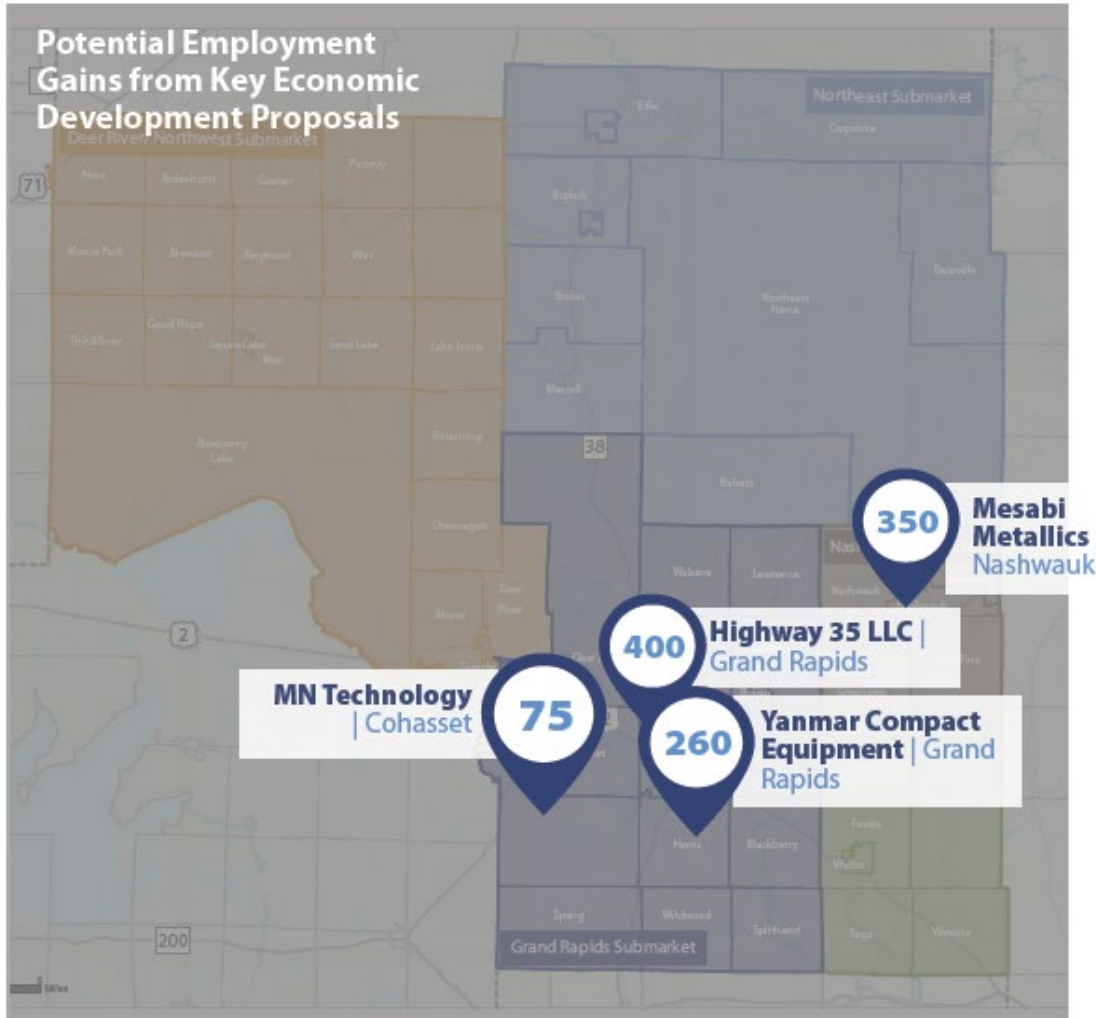
10-15
Market-Rate
Independent
Living



5-10
Market-Rate
Assisted Living



10-15
Memory Care
Unit

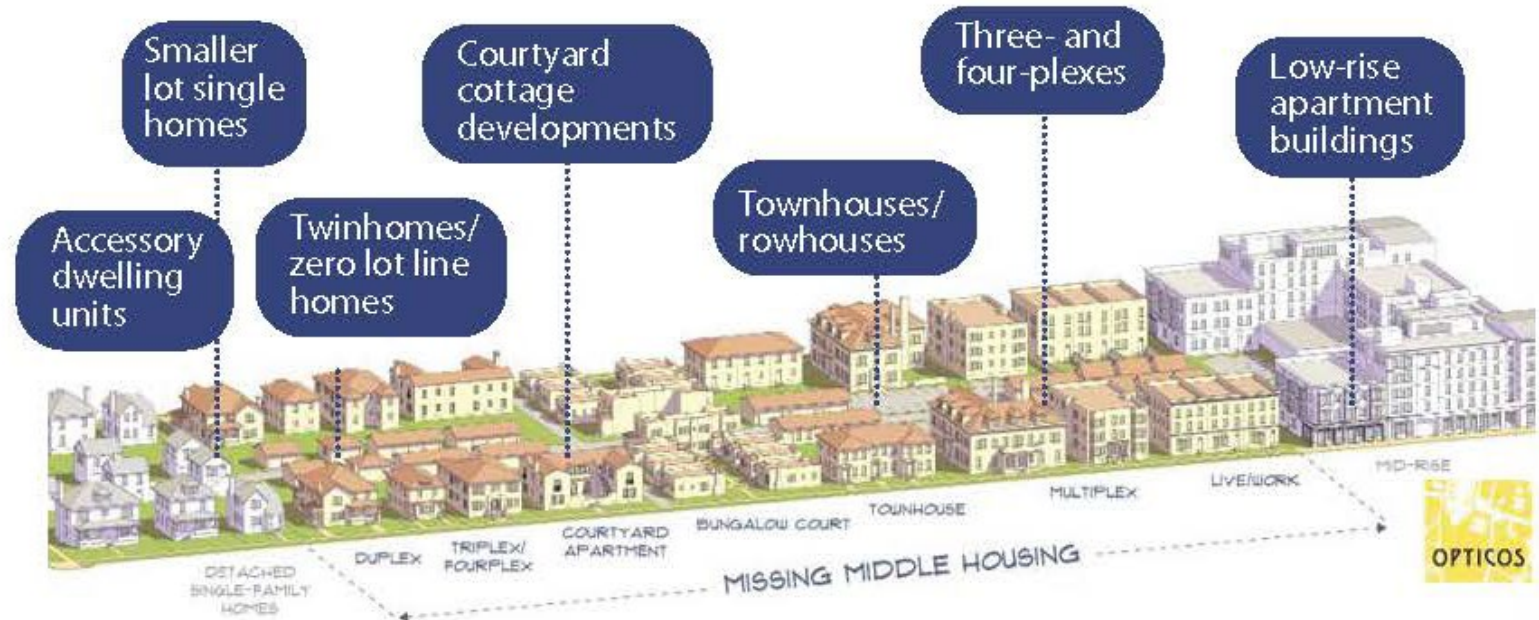


Based on identified economic development projects proposed in Itasca County, there could be an additional 1,500 jobs added to the workforce.

Assuming all of these jobs are added, these employees would create demand for an additional 1,300 housing units above the demand estimated in the analysis.

- Housing uses too simplified:
 - ✓ one-family, two-family, multi-family
- Missing Middle Housing
- More focus on form and scale of housing than number of units
- Need to have definitions of each housing type

OVERALL, ZONING AND LAND USE REGULATIONS DO NOT ALLOW FOR THE RANGE OF HOUSING OPTIONS TO MEET FUTURE DEMAND



Urban residential districts:

- Grand Rapids – 5
- Nashwauk - 5
- Cohasset - 2
- Coleraine - 2
- Deer River - 1
- Keewatin - 1

Cities with just one or two residential districts should add a new district that is oriented toward allowing middle- and high-density housing options.

Cities with zoning districts oriented to middle- and high-density housing should apply the districts to more land on the zoning map.

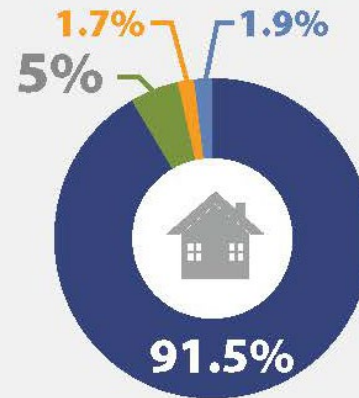


NEED MORE ZONING DISTRICTS THAT ALLOW MIDDLE AND HIGHER DENSITY HOUSING OPTIONS

Current zoning codes typically have just one district that allows more than two-unit dwellings

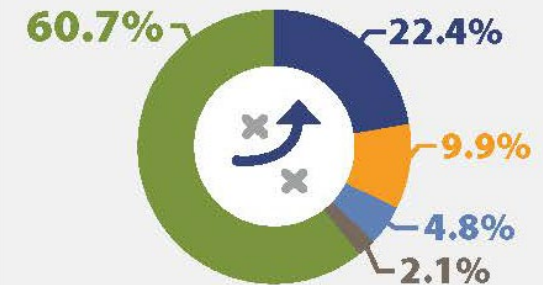
Current zoning maps do not zone enough land for districts allowing middle and higher density housing

Grand Rapids Existing Residential Land Uses



- SF Residential
- MF Residential
- Seasonal Residential
- Manufactured Home Park

Grand Rapids Residential Zoning Districts



- R-1 One-Family Residence
- R-3 Multi-Family Residence (Medium Density)
- R-2 One-and-Two-Family Residence
- R-4 Multi-Family Residence (High Density)
- RR Rural Residential

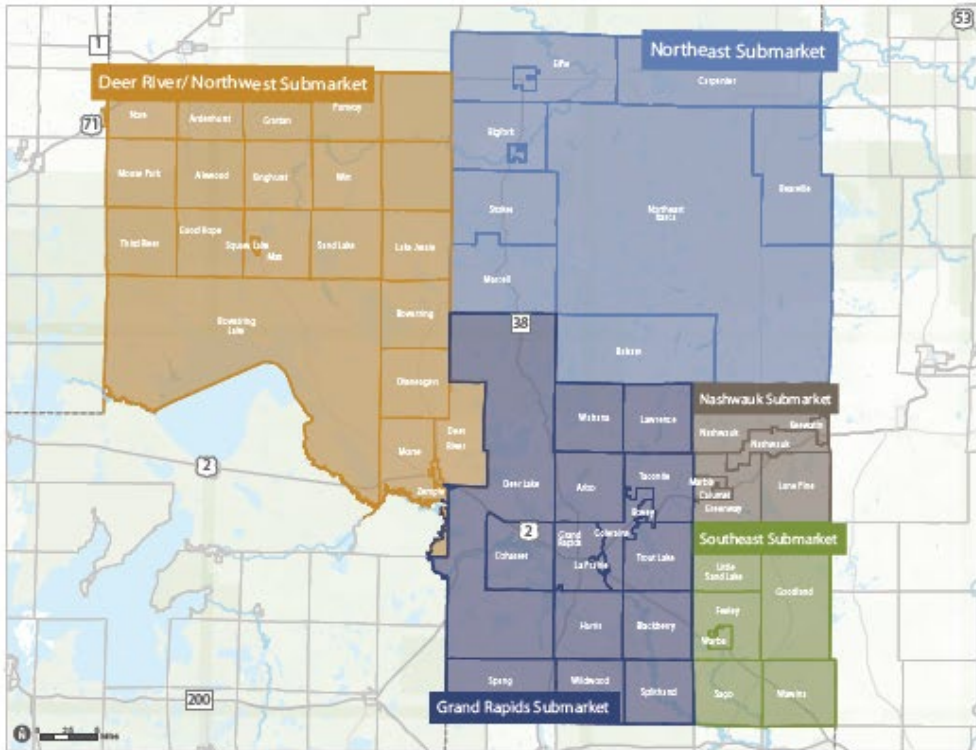
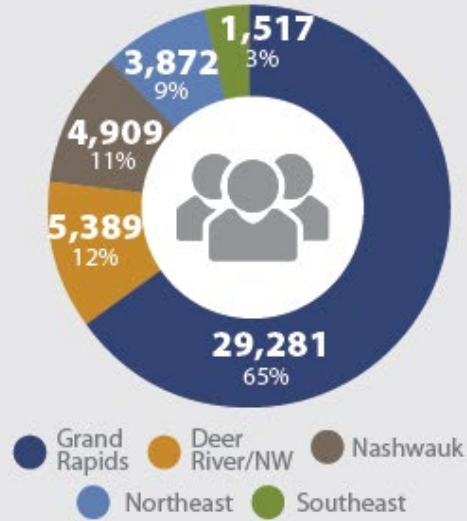


Figure 1.1 Boundaries of 5 Housing Submarkets

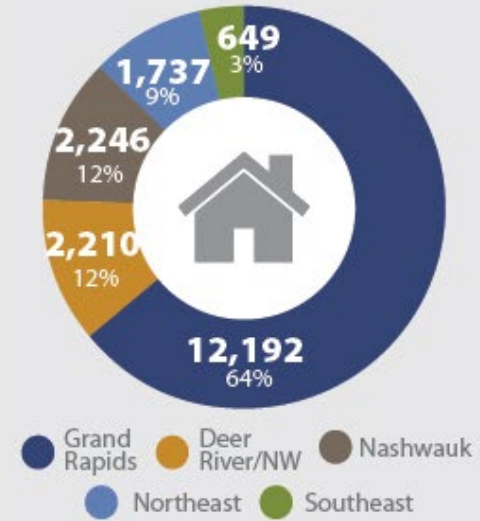
Population by Submarket (2024)

Itasca County: 44,968

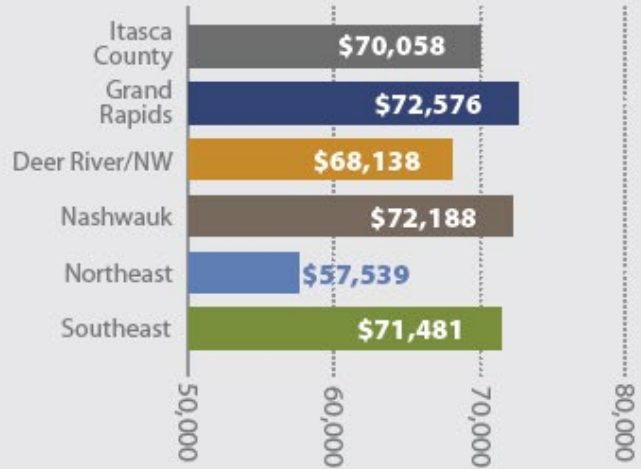


Number of Households by Submarket (2024)

Itasca County: 19,034



Median Household Income by Submarket (2024)



BUILDING PERMITS BY SUBMARKET | (2014-2023)

Single Family Building Permits in Cities

Itasca County: 252



Multi Family Building Permits in Cities

Itasca County: 372

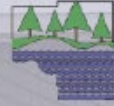


Potential New Jobs from Economic Development Projects

1,500

Submarket Breakdown:

1,100	Grand Rapids
45	Deer River/NW
350	Nashwauk
15	Northeast
0	Southeast



Itasca County
Minnesota

Contact Information

Diane Larson
Executive Director
Itasca County HRA
218-326-7978
diane@itascacountyhra.org

Isaac Meyer
Special Projects Program Director
Itasca County HRA
218-360-5561
Isaac@itascacountyhra.org