
Executive Summary

Overview

The purpose of the Morris Housing Study is to provide an independent analysis of the City's housing needs. To accomplish this, Community Partners Research, Inc., collected and analyzed demographic and housing data, interviewed City leaders and housing experts, completed a telephone survey of rental properties, and conducted a visual housing condition analysis. Research on housing issues completed by the University of Minnesota Morris was also incorporated into the Study. This Study identifies overall housing strategies for the community, and specific recommendations for future action.

Key Findings - Demographic Data

- ▶ **Population** - The most recent official estimates for Morris are from 2005. The State Demographer estimates that the City's population was 5,085 on April 1, 2005. Based on this estimate, the City has been losing population since the 2000 Census, continuing a trend that dates back to at least 1990. All of Stevens County also has a long-term pattern of population loss, which dates to at least 1980. Between 1980 and 2005, the County's population has decreased by more than 13%.
- ▶ **Households** - Although the City has been losing population, some modest household growth has occurred in recent years. Longer-term patterns for households are much more stable for the City, as the household count in 2005 is 63 households greater than the level reported by the 1980 Census. Much of this growth is recent, as 42 new households have been added between 2000 and 2005, according to the most recent official estimate. Countywide patterns have also been more stable, as Stevens County has lost only 2.3% of its households over the past 25 years.
- ▶ **Average Household Size** - The opposite movement of population and households in the City has largely been due to a continued reduction in the size of an average household in Morris. In 1980, the City's average household size was 2.43 persons. By 2005, the average household size had declined to 2.10 persons. The smaller average household size has allowed the City to add households while losing population. The smaller average household size is the result of fewer children in the population and the gradual aging of the City's residents.
- ▶ **Household Projections** - Projections have been calculated from recent growth trends. The household projection expects the City to add between eight and ten new households per year over the next five years. This growth would be in addition to any growth created by annexation activity. While we do forecast growth within the City, our projections would not show any significant growth in the remainder of Stevens County, outside of

Morris and its immediately adjacent Townships. Based on the age patterns projected, most of the household growth will result in demand for owner-occupancy housing.

- ▶ ***Growth is Projected Among Older Households*** - At the time of the 2000 Census, approximately 31% of the households in Morris, and 30% of all households Countywide, were headed by a person age 65 or older. Statewide, 20% of all households were headed by a senior citizen in 2000. While the City has a large number of senior households, these age groups are not projected to grow in size over the next five years. However, significant growth is projected in the 55 to 64 year old age group over the next few years. By the year 2010, projections indicate that nearly 43% of the households in the County will be age 55 and older, compared to approximately 40% of all households in 2000.

- ▶ ***Losses are Projected Among Younger Households*** - While the number of households age 55 and older is projected to grow, the number of households age 54 and younger is expected to decrease by a similar amount. As a result, the County’s total household count will remain relatively stable over the next five years. However, the changing age patterns will dictate some changes in housing demand, to accommodate life-cycle housing needs.

- ▶ ***County-wide Household Projections by Age*** - The projections used for this Study expect the following changes for all of Stevens County between the year 2005 and the year 2010. 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.

<u>Age Range</u>	<u>Projected Change in Households</u> <u>2005 to 2010</u>
24 and Younger	-9 to -5
25 to 34	+100 to +107
35 to 44	-101 to -100
45 to 54	-88 to -84
55 to 64	+142 to +150
65 to 74	+6 to +9
75 to 84	-42 to -40
85 and Older	0 to +2

- ▶ ***Median Household Income*** - According to the 2000 Census, Stevens County’s median household income was \$37,267. In 2006, the County’s estimated median household income had increased to \$44,996, an increase of 21%. A commonly used standard for affordable housing is that a household can apply 30% of gross income for housing expenses. The County’s median household income in 2006 translates into \$1,125 per month based on 30% of income.

- ▶ ***Housing Cost Burden*** - The best available information on housing cost burden is from the 2000 Census. At that time, nearly 41% of the City’s renters and nearly 16% of the

City's home owners reported paying more than 30% of income for housing. While the high percentage of renters was due in part to a student population, there were more than 350 renter households reporting a cost burden. Nearly all of these households had an annual income below \$20,000.

Key Findings - Housing Data

- ▶ ***Housing Unit Production Since 2000*** - Between 2000 and 2006, 76 owner occupied housing units were constructed in Morris, including 50 single family detached houses and 26 twin home or town house units. The only multifamily rental unit construction that has occurred is the 39-unit Skyview Plaza project, which is scheduled to open for occupancy in 2007.
- ▶ ***Housing Unit Production in Recent Decades*** - Total unit production by decade has been in a gradual decline since 1970, according to the Census Bureau. In the 1970s, there were 366 total units constructed in the City. In the 1980s, unit production declined to 210 total units. In the 1990s, 198 units were constructed in Morris. Since 2000, we believe that 117 units have been constructed in Morris. From the 1960s to the 1990s, rental housing production exceeded owner-occupancy housing construction. However, since 2000, owner-occupancy construction in Morris has been greater than rental construction.
- ▶ ***Existing Home Sales*** - During the 12 month sales period ending September 30, 2006, there were 73 existing home sales in Morris. The median sales price was \$89,700. The highest valued sale was for \$360,000. Approximately 18% of the sales were for \$150,000 or more. In the 2005 sales period, the median price was \$84,500.
- ▶ ***Existing Housing Stock*** - A detailed analysis was completed on the single family housing stock in three of the City's older neighborhoods. This analysis utilized property tax data from the County Assessor's Office at the parcel level. This section of the Study allows for a comparison of housing and property attributes in the older neighborhoods and for the entire City. In addition to the Assessor's information, a visual housing condition analysis was also completed in the three older neighborhoods.
- ▶ ***Rental Housing Inventory*** - A telephone survey was completed of multifamily rental buildings with six or more units. The survey collected information from 231 market rate units, and found a vacancy rate of 7.4%. The survey of the City's 38 tax credit-assisted units found a vacancy rate of 5.3%. In the City's 189 subsidized housing units the vacancy rate was 19%. However, most of the subsidized vacancies were in a single project, which could no longer admit student tenants due to a federal rule change. Excluding this single project, the subsidized housing vacancy rate was only 3%. Information was also collected from the senior housing with services providers.
- ▶ ***Residential Lot Availability*** - Our research indicated that between 60 and 65 improved residential lots were available for single family detached and attached housing

construction. This inventory exceeded our projection of near-term need, so overall lot availability was not viewed as an immediate need for the City. However, while the total inventory appears adequate in size, there may be gaps in certain price ranges, locations in the community, and in the mix of detached and attached single family lots.

Summary of Findings and Recommendations

We have made specific findings and recommendations for the City of Morris using the analysis of the information collected through the research for this project. Recommendations have been grouped together based on overall strategies that were identified for the City. These strategies are:

- ▶ **Focus on the preservation, maintenance and improvement of the housing stock that already exists in the community**
- ▶ **Demolish dilapidated and obsolete housing to promote community stability**
- ▶ **Promote home ownership**
- ▶ **Promote new housing construction within the City limits**
- ▶ **Promote the availability of life-cycle housing options to serve residents in all age ranges**
- ▶ **Assist with affordable development as needed**
- ▶ **Prioritize community housing goals and establish a plan to meet the goals**

We have provided 27 recommendations which address one or more of these community strategies. Please refer to the Findings and Recommendations section of the Study for detailed discussion of each of the specific recommendations.

A summary of the recommendations follows:

Preservation and Improvement of the Existing Housing Stock Including Demolition of Substandard and Obsolete Housing

1. Promote owner-occupied housing rehabilitation programs
2. Acquire and demolish dilapidated structures
3. Promote rental housing rehabilitation programs
4. Continue the Rental Housing Licensing Program
5. Develop a Neighborhood Revitalization Program
6. Consider a mobile home park improvement program
7. Consider the submission of applications for Minnesota Small Cities Development Program funds

Promote Home Ownership

8. Utilize and promote all programs that assist with home ownership
9. Utilize the MURL and purchase/rehabilitation programs
10. Develop a lease to purchase program
11. Initiate employer involvement in home ownership programs

Promote New Housing Construction

12. Lot availability and development
13. Monitor the need to develop an affordable residential subdivision
14. Promote town house and twin home development
15. Utilize Infill lots for affordable housing development
16. Develop home ownership awareness programs
17. Recommendations regarding the reuse plan for the Elementary School site

Promote Life-Cycle Housing Options

18. Develop 16 to 20 general occupancy market rate rental housing units
19. Monitor the need for additional senior-designated market rate rental housing units
20. Senior housing with services recommendations
21. Student housing recommendations

Assist with Affordable Housing as Needed

22. Monitor the need for additional subsidized/affordable rental housing units
23. Maintain and preserve the existing supply of subsidized housing
24. Continue to Utilize the Housing Choice Voucher Program allocations from HUD
25. Housing assistance for the homeless and hard to house

Prioritize and Plan to Achieve Housing Goals

26. Support the establishment of a Rental Housing Commission
27. Create a plan and a coordinated effort among housing agencies