City of Mizpah

January 2019

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Demographic Data Overview

Sources of Data

The following pages contain demographic data for the Cities of International Falls, Littlefork, Ranier, Big Falls, Northome and Mizpah; the Northwest, International Falls/Ranier, Littlefork/Big Falls and Northome/Mizpah Market Areas and Koochiching County.

Koochiching County was divided into four Market Areas. The jurisdictions located in the Market Areas are as follows:

▸ **Northwest Market Area** - Northwest Koochiching Unincorporated Territory
▸ **International Falls/Ranier Market Area** - International Falls, Ranier, Rainy Lake Unincorporated Territory
▸ **Littlefork/Big Falls Market Area** - Big Falls, Littlefork, Nett Lake Unincorporated Territory, East Koochiching County Unincorporated Territory, South Koochiching County Unincorporated Territory
▸ **Northome/Mizpah Market Area** - Northome, Mizpah, Northome Unincorporated Territory

The demographic data was obtained from a variety of local, state and national sources. At the time that research was completed for this Study, both the U.S. Census Bureau and the Minnesota State Demographer's Office had released basic demographic estimates for the year 2017. However, these annual estimates are generally limited to basic counts, such as population and household levels.

For some detailed demographic variables, the 2010 Census is still viewed as the most reliable data source. To supplement the decennial Census, the Census Bureau has created the American Community Survey, an annual sampling of households. The American Community Survey does provide detailed demographic characteristics. However, because the American Community Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate. The following tables incorporate the American Community Survey data, when it is viewed as reliable.

The frequency of American Community Survey estimates vary depending on the size of the jurisdiction. The 2016 estimates were the most current at the time of this Study. They were derived from sampling that was done over a five-year period, between 2012 and 2016.

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

Northome/Mizpah Market Area

Population Data and Trends

Esri, a private data reporting service, has issued demographic estimates for 2018 which are included in the table below. Other estimates from the MN State Demographer and the Census Bureau for 2017 are discussed in the text that follows.

Table 1 Population Trends - 1990 to 2018						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2018 Estimate Esri
Mizpah	100	78	-22.0%	56	-28.2%	59
International Falls	8,325	6,703	-19.5%	6,424	-4.2%	5,956
Littlefork	838	680	-18.9%	647	-4.9%	622
Big Falls	341	264	-22.6%	236	-11.9%	247
Ranier	199	188	-5.5%	145	-22.9%	503
Northome	283	230	-18.7%	200	-13.0%	210
Northome/Mizpah Market Area	879	804	-8.5%	703	-12.6%	738
International Falls/Ranier MA	12,872	11,360	-11.7%	10,617	-6.5%	10,147
Littlefork/Big Falls Market Area	1,954	1,650	-15.6%	1,528	-7.4%	1,509
Northwest Market Area	594	541	-8.9%	463	-14.4%	470
Koochiching County	16,299	14,355	-11.9%	13,311	-7.3%	12,864

Source: U.S. Census; Esri

‣ Esri has released 2018 population estimates for each city and market area and for the entire County. The State Demographer and the Census Bureau have released 2017 estimates for each city and the County.

‣ Esri estimates that International Falls, Littlefork, the International Falls/Ranier Market Area, the Littlefork/Big Falls Market Area and Koochiching County all had population losses from 2010 to 2018. Esri estimates that Big Falls, Ranier, Northome, Mizpah, the Northome Market Area and the Northwest Market Area each had small population gains from 2010 to 2018.

‣ The State Demographer and the U.S. Census Bureau's population estimates for 2017 showed population losses in all of the cities and in Koochiching County with the exception of Ranier. Ranier had substantial population gains due to an annexation.

‣ Esri's 2018 population estimate for Mizpah is 59 people. In comparison, the State Demographer's 2017 estimate for Mizpah was 55 people, and the Census Bureau's 2017 estimate was 52 people in Mizpah.

‣ According to the 2000 and 2010 U.S. Census, all of the cities and market areas and all of Koochiching County lost population from 1990 to 2000 and from 2000 to 2010.

‣ Koochiching County's population is primarily White and non-Hispanic/Latino. According to the 2010 U.S. Census, approximately 94.6% of the City's residents were White, 0.6% were Black or African American, 2.3% were American Indian and 0.3% were Asian. Additionally, 2.1% of the Koochiching County population identified themselves as some other race or two or more races. Also, 1.1% of the population identified themselves at Hispanic or Latino.

Population by Age Trends: 2010 to 2018

The release of 2018 demographic information from Esri allows for some analysis of the changing age patterns for the Northome/Mizpah Market Area. The following table compares population by age in 2010 and 2018, along with the numeric changes.

Table 2 Population by Age - 2010 to 2018			
Age	Northome/Mizpah Market Area		
	2010	2018	Change
0-14	116	93	-23
15-19	47	38	-9
20-24	26	23	-3
25-34	55	56	1
35-44	74	67	-7
45-54	115	115	0
55-64	134	154	20
65-74	73	119	46
75-84	42	49	7
85+	21	24	3
Total	703	738	35

Source: U.S. Census; Esri

Population Change by Age Between 2010 and 2018

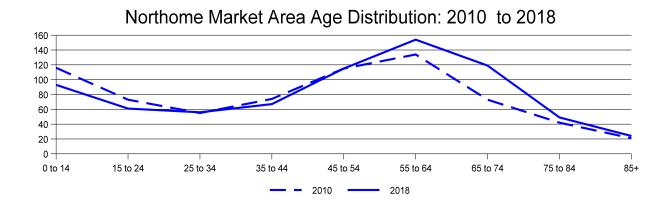For many years, demographic analysts have been talking about the impact that is occurring as the large "baby boom" generation moves through the aging cycle. This trend has been evident in the Northome/Mizpah Market Area.

Between 2010 and 2018, the Northome/Mizpah Market Area had a gain of 66 people in the age ranges between 55 and 74 years old. In addition to the population gain in the 55 to 74 age ranges, the Market Area had a gain of one household in the 25 to 34 year old age range and a gain of 10 people in the 75 and older age ranges. The Northome/Mizpah Market Area had a loss of 35 people in the 0 to 24 age ranges and a loss of seven people in the 35 to 44 age range.

The aging trends for the Northome/Mizpah Market Area can be traced back to see the advancing "wave" created by the movement of the baby boom generation through the aging cycle. One other noticeable trend is the decreased population of younger residents in 2018, age 19 and under.

Northome Market Area Age Distribution: 2010 to 2018

Population Projections

The following table presents population projections generated by Esri for the cities, the market area's and Koochiching County.

Table 3 Population Projections Through 2023				
	2010 Census	2018 Esri Estimate	2023 Esri Projection	Change 2018-2023
Mizpah	56	59	58	-1
International Falls	6,424	5,956	5,654	-302
Littlefork	647	622	592	-30
Big Falls	236	247	245	-2
Ranier	145	503	484	-19
Northome	200	210	208	-2
Northome/Mizpah Market Area	703	738	731	-7
International Falls/Ranier MA	10,617	10,147	9,744	-403
Littlefork/Big Falls Market Area	1,528	1,509	1,457	-52
Northwest Market Area	463	470	465	-5
Koochiching County	13,311	12,864	12,397	-467

Source: U.S. Census; Esri

▸ Esri projects that all of the cities, market areas and the County will lose population from 2018 to 2023.

▸ Esri projects that from 2018 to 2023, International Falls will lose 302 people, Littlefork will lose 30 people, Big Falls will lose two people, Ranier will lose 19 people, Northome will lose two people and Mizpah will lose one person.

▸ Esri projects that Koochiching County's population will decrease by 467 people from 2018 to 2023.

Household Data and Trends

Table 4 Household Trends - 1990 to 2018						
	1990 Households	2000 Households	% Change 1990-2000	2010 Households	% Change 2000-2010	2018 Estimate Esri
Mizpah	34	31	-8.8%	28	-9.7%	29
International Falls	3,126	2,959	-5.3%	2,903	-1.9%	2,678
Littlefork	303	268	-11.6%	258	-3.7%	246
Big Falls	156	134	-14.1%	130	-3.0%	136
Ranier	76	76	0%	70	-7.9%	238
Northome	103	87	-15.5%	89	2.3%	93
Northome/Mizpah Market Area	312	310	-0.6%	305	-1.6%	318
International Falls/Ranier MA	4,746	4,809	1.3%	4,686	-2.6%	4,452
Littlefork/Big Falls Market Area	747	691	-7.5%	674	-2.5%	664
Northwest Market Area	220	230	4.5%	209	-9.1%	211
Koochiching County	6,025	6,040	0.2%	5,874	-2.7%	5,454

Source: U.S. Census; Esri

▸ Esri has released 2018 household estimates for the cities, market areas and Koochiching County. The State Demographer has released 2017 household estimates for the cities and Koochiching County. The U.S. Census does not provide household estimates.

▸ Esri estimates that International Falls, the Littlefork/Big Falls Market Area, the International Falls/Ranier Market Area and Koochiching County had household losses from 2010 to 2018. Esri estimates that Big Falls, Ranier, Northome, Mizpah, the Northome Market Area and the Northwest Market Area had household gains from 2010 to 2018.

▸ Esri estimates that Mizpah had 29 households in 2018, up by one household from the 2010 Census count. The estimate from the State Demographer also showed 29 households in Mizpah in 2017.

▸ The State Demographer estimates that from 2010 to 2017, International Falls, Big Falls, Northome and Koochiching County had household decreases. The State Demographer estimates that Littlefork, Ranier and Mizpah had household increases from 2010 to 2017.

▸ The U.S. Census reported that from 1990 to 2000, Ranier had no change in its number of households, and the International Falls/Ranier Market Area, the Northwest Market Area and Koochiching County had household gains. The remaining jurisdictions all had household losses.

▸ The U.S. Census reported that from 2000 to 2010, all of the jurisdictions in Koochiching County had household losses with the exception of Northome, which had a gain of two households.

Average Household Size

The following table provides decennial Census information on average household size.

Table 5 Average Number of Persons Per Household: 1990 to 2018				
	1990 Census	2000 Census	2010 Census	2018 Esri
Mizpah	2.94	2.52	2.00	2.00
International Falls	2.45	2.20	2.16	2.18
Littlefork	2.63	2.37	2.33	2.43
Big Falls	2.19	1.97	1.82	1.81
Ranier	2.62	2.30	1.83	2.11
Northome	2.16	2.21	2.20	2.25
Northome/Mizpah Market Area	N/A	N/A	2.29	2.31
International Falls/Ranier MA	N/A	N/A	2.22	2.23
Littlefork/Big Falls Market Area	N/A	N/A	2.20	2.22
Northwest Market Area	N/A	N/A	2.22	2.23
Koochiching County	2.58	2.33	2.23	2.22

Source: U.S. Census; Esri

▸ Esri estimates that from 1990 to 2018, all of the cities in Koochiching County, with the exception of Northome, had a substantial decrease in average household size.

▸ Esri estimates that Northome's average household size has increased from 1990 to 2018.

▸ Esri projects that the four market areas remained relatively stable from 2010 to 2018.
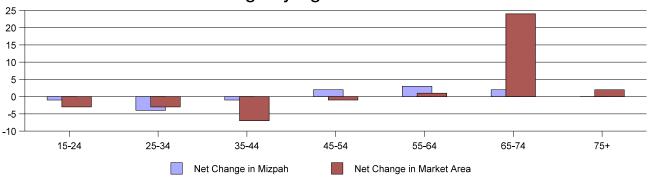
Household by Age Trends: 2010 to 2018

The 2018 Esri age data allows for some analysis of Mizpah and the Northome/Mizpah Market Area's changing age patterns. The following table compares households by age of householder in 2010 and 2018, along with the numeric changes.

Table 6 Households by Age - 2010 to 2018						
Age	Mizpah			Northome/Mizpah Market Area		
	2010	2018	Change	2010	2018	Change
15-24	1	0	-1	6	3	-3
25-34	5	1	-4	26	23	-3
35-44	4	3	-1	42	35	-7
45-54	4	6	2	58	57	-1
55-64	5	8	3	80	81	1
65-74	4	6	2	47	71	24
75+	5	5	0	46	48	2
Total	28	29	1	305	318	13

Source: U.S. Census; Esri

Consistent with the population by age data presented earlier, the household patterns show much of the change occurring in the baby boomer age groups. Mizpah had an increase of five households and the Northome/Mizpah Market Area had an increase of 25 households in the 55 to 74 year age ranges.

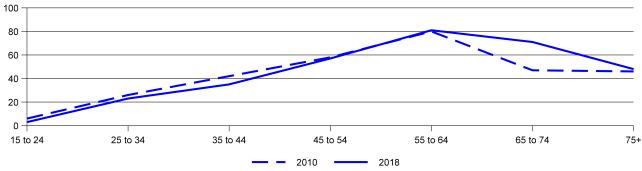Household Change by Age Between 2010 and 2018

Mizpah also had a gain of two households in the 45 to 54 age range. Mizpah had a decrease of six households in the 44 and younger age ranges. In addition to the household gains in the 55 to 74 age range, the Northome/Mizpah Market Area had a gain of two households in the 75 and older age range. The Northome/Mizpah Market Area had a reduction of 14 households in the 54 and younger age ranges.

As with the longer-term patterns for population, it is possible to track the "wave" progression of the baby boomer households so far this decade in the Northome/Mizpah Market Area using information by the age of householder.

Market Area Households by Age of Householder: 2010 to 2018

Household Projections

The following table presents household projections generated by Esri for the cities, market areas and Koochiching County.

Table 7 Household Projections Through 2023				
	2010 Census	2018 Esri Estimate	2023 Esri Projection	Change 2018-2023
Mizpah	28	29	29	0
International Falls	2,903	2,678	2,534	-144
Littlefork	258	246	234	-12
Big Falls	130	136	134	-2
Ranier	70	238	228	-10
Northome	89	93	92	-1
Northome/Mizpah Market Area	305	318	315	-3
International Falls/Ranier MA	4,686	4,452	4,261	-191
Littlefork/Big Falls Market Area	674	664	642	-22
Northwest Market Area	209	211	208	-3
Koochiching County	5,874	5,645	5,426	-219

Source: US Census; Esri

▸ Esri projects that all of the cities, market areas and all of Koochiching County, with the exception of Mizpah, will have household losses from 2018 to 2023. Esri projects that Mizpah's number of households will not change.

▸ Koochiching County is projected to lose 219 households from 2018 to 2023 and the largest city in the county, International Falls, is projected to lose 144 households.

Mizpah Household by Age Projections: 2018 to 2023

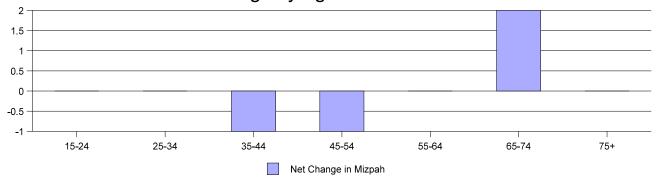The Mizpah household by age projections were created by Esri.

Table 8 Mizpah Projected Households by Age: 2018-2023			
Age Range	2018 Estimate	2023 Projection	Change 2018 to 2023
15-24	0	0	0
25-34	1	1	0
35-44	3	2	-1
45-54	6	5	-1
55-64	8	8	0
65-74	6	8	2
75+	5	5	0
Total	29	29	0

Source: Esri

Esri is projecting no change in the number of households in Mizpah from 2018 to 2023. From 2018 to 2023, Esri projects a gain of two households in the 65 to 74 age range.

Conversely, from 2018 to 2023, Esri estimates a loss of two households in the 35 to 54 age ranges. Esri projects that there will be no change in the number of households in the 15 to 24, 25 to 34, 55 to 64 and 75 and older age range.

Household Change by Age Between 2018 and 2023

Northome/Mizpah Market Area Household by Age Projections: 2018 to 2023

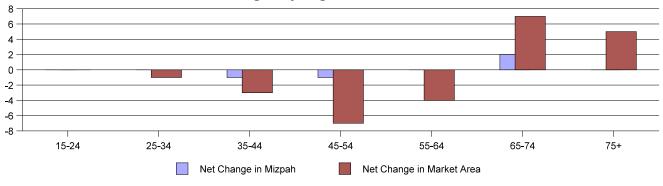The Market Area household by age projections were created by Esri.

Table 9 Market Area Projected Households by Age: 2018-2023			
Age Range	2018 Estimate	2023 Projection	Change 2018 to 2023
15-24	3	3	0
25-34	23	22	-1
35-44	35	32	-3
45-54	57	50	-7
55-64	81	77	-4
65-74	71	78	7
75+	48	53	5
Total	318	315	-3

Source: Esri

The Northome/Mizpah Market Area is projected to lose three households from 2018 to 2023. However, Esri does project a gain of 12 households in the 65 and older age ranges.

Conversely, from 2018 to 2023, Esri estimates a loss of 15 households in the 25 to 64 age ranges.

Household Change by Age Between 2018 and 2023

Households by Type

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

Table 10 Mizpah Household Composition - 2000 to 2010			
	2000 Census	2010 Census	Change
Family Households			
Married Couple with own children	8	2	-6
Single Parent with own children	1	6	5
Married Couple without own children	9	6	-3
Family Householder without spouse	2	1	-1
Total Families	20	15	-5
Non-Family Households			
Single Person	9	10	1
Two or more persons	2	3	1
Total Non-Families	11	13	2

Source: U.S. Census

Between 2000 and 2010, Mizpah experienced a net loss of five family households. The net loss was primarily due to a decrease of married couples with and without children.

The City had a two-household increase of "non-family" households. This was due to an increase of one single person household and an increase of one household with two or more unrelated individuals.

Housing Tenure

The 2010 Census provided data on housing tenure patterns. The following table examines tenure rates for the cities, Koochiching County and the State of Minnesota.

Table 11 Household Tenure - 2010				
	Number of Owners	Percent of all Households	Number of Renters	Percent of all Households
Mizpah	26	92.9%	2	7.1%
International Falls	1,946	67.0%	957	33.0%
Littlefork	180	69.8%	78	30.2%
Big Falls	94	72.3%	36	27.7%
Ranier	56	80.0%	14	20.0%
Northome	64	71.9%	25	28.1%
Koochiching County	4,551	77.5%	1,323	22.5%
State of Minnesota	-	73.0%	-	27.0%

Source: U.S. Census

According to the 2010 Census, the ownership tenure rate for Koochiching County cities ranged from a low of 67% in International Falls to a high of 92.9% in Mizpah.

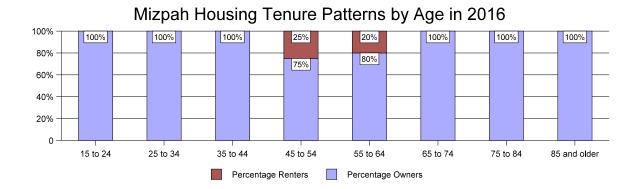Koochiching County's ownership rate was 77.5% in 2010.

In 2010, International Falls, Littlefork, Big Falls and Northome all had rental tenure rates above the State of Minnesota's rental rate of 27%.

Mizpah Tenure by Age of Householder

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

Table 12 Mizpah Tenure by Age of Householder - 2010				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	1	100%	0	0%
25-34	5	100%	0	0%
35-44	4	100%	0	0%
45-54	3	75.0%	1	25.0%
55-64	4	80.0%	1	20.0%
65-74	4	100%	0	0%
75-84	3	100%	0	0%
85+	2	100%	0	0%
Total	26	92.9%	2	7.1%

Source: American Community Survey

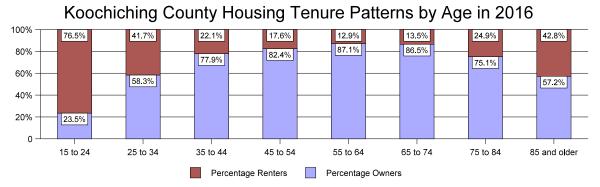### Mizpah Housing Tenure Patterns by Age in 2016

In 2010, Mizpah had only two renter households. One household was in the 45 to 54 age range and one household was in the 55 to 64 age range.

Koochiching County Tenure by Age of Householder

The 2016 American Community Survey provided information on the tenure distribution of households within each defined age range. The following table examines the number and percentage of renters and owners in each age group in Koochiching County.

Table 13 Koochiching County Tenure by Age of Householder - 2016				
Age	Owners		Renters	
	Number	Percent within age	Number	Percent within age
15-24	44	45.6%	83	65.4%
25-34	372	57.9%	270	42.1%
35-44	528	67.2%	258	32.8%
45-54	961	89.1%	117	10.9%
55-64	1,192	88.5%	155	11.5%
65-74	815	90.0%	91	10.0%
75-84	466	74.2%	162	25.8%
85+	167	76.6%	51	23.4%
Total	4,545	79.3%	1,187	20.7%

Source: American Community Survey

Koochiching County Housing Tenure Patterns by Age in 2016

Within the defined age ranges, households in the youngest age ranges showed a high percentage rental occupancy, while middle-aged and older adult households were primarily home owners. Approximately 65% of households age 24 and younger and 42% of households in the 25 to 34 age range rented their unit. Home ownership rates for each of the 10-year age cohorts age 35 and older were approximately 67% or higher.

2016 Income Data

Household and family income estimates are available at the City, County and State level through the 2016 American Community Survey. No median income information exists for the Market Areas.

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

Table 14 Median Income - 2010 to 2016						
	Households			Families		
	2010 Median	2016 Median	% Change	2010 Median	2016 Median	% Change
Mizpah	$25,750	$25,250	-1.9%	$19,167	$25,500	33.0%
International Falls	$30,214	$38,750	28.3%	$53,848	$52,045	-3.3%
Littlefork	$43,409	$36,953	-14.9%	$51,154	$54,500	6.5%
Big Falls	$30,833	$31,131	1.0%	$40,625	$46,250	13.8%
Ranier	$41,250	$54,750	32.7%	$61,458	$64,000	4.1%
Northome	$38,036	$29,583	-22.2%	$43,958	$38,750	-11.8%
Koochiching Co.	$39,571	$44,929	12.4%	$57,963	$62,976	8.6%
State of Minnesota	$57,253	$63,217	10.4%	$71,307	$79,595	11.6%

Source: American Community Survey

Income information contained in the 2016 American Community Survey shows household income growth from 2010 to 2016 in International Falls, Big Falls, Ranier and Koochiching County. The remaining jurisdictions had a decrease in their median household income levels.

Littlefork, Big Falls, Ranier, Mizpah and Koochiching County all had family median income growth from 2010 to 2016. The remaining jurisdictions had a decrease in their median family income levels.

The Cities' and County's median household and family incomes were all lower than the Minnesota median household and family incomes in 2016.

Family household incomes tend to be higher than the overall household medians, as families have at least two households members and potentially more income earners.

Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses without experiencing a cost burden, a median income household in Mizpah could afford approximately $631 per month for ownership or rental housing in 2016. A family at the median income level for the City could afford approximately $638 for housing costs.

Although households at or near the median levels do have some buying power for housing, the overall medians can be somewhat deceptive. In general, renter households tend to have incomes that are well below the overall median levels, while home owners tend to be above the medians for households or families.

In 2016, the median income level for owner households in Koochiching County was $54,507. At 30% of income, a median income owner household could apply approximately $1,367 to a mortgage without experiencing a housing cost burden.

In 2016, the estimated median household income for renters in Koochiching County was $18,092. At 30% of income, a median income renter in the City could apply approximately $452 to gross rent without experiencing a housing cost burden.
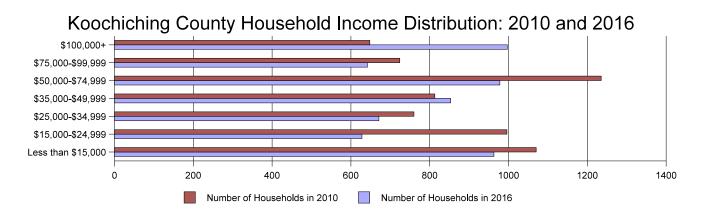
Koochiching County Household Income Distribution

The 2016 American Community Survey household income estimates for Koochiching County can be compared to the same distribution information from 2010 to examine changes that have occurred from 2010 to 2016.

Table 15 Koochiching County Income Distribution - 2010 to 2016			
Household Income	Number of Households 2010	Number of Households in 2016	Change 2010 to 2016
$0 - $14,999	1,070	963	-107
$15,000 - $24,999	996	628	-368
$25,000 - $34,999	760	671	-89
$35,000 - $49,999	813	853	40
$50,000 - $74,999	1,235	978	-257
$75,000 - $99,999	724	642	-82
$100,000+	648	997	349
Total	6,246	5,732	-514

Source: American Community Survey

The 2010 American Community Survey provided data on 6,246 households, compared to 5,874 households in Koochiching County counted in the 2010 U.S. Census. Therefore, it appears that the American Community Survey overestimated the number of households, but this is still the best available information on household income distribution.

Koochiching County Household Income Distribution: 2010 and 2016

According to income estimates contained in the 2016 American Community Survey, household incomes have improved in Koochiching County. When compared to the 2010 American Community Survey, there was a net increase of 50 households with an income of $35,000, or more. Conversely, there was a decrease of 564 households with incomes below $35,000. However, there were still 1,591 households in Koochiching County that had an annual income below $25,000 in 2016. This is approximately 28% of all households in Koochiching County.

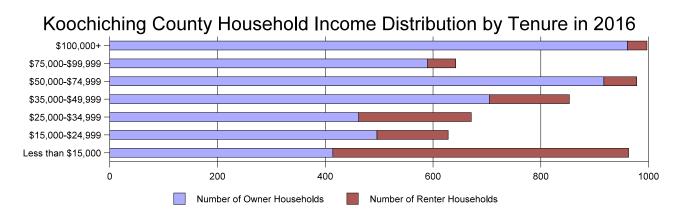## Koochiching County Income Distribution by Housing Tenure

The 2016 American Community Survey provides an income estimate by owner and renter status. The following table examines income distribution within Koochiching County.

Table 16 Market Area Household Income by Tenure - 2016			
Household Income	Number of Owner Households	Number of Renter Households	Total Households
$0 - $14,999	414/43.0%	549/57.0%	963
$15,000 - $24,999	496/79.0%	132/21.0%	628
$25,000 - $34,999	462/68.9%	209/31.1%	671
$35,000 - $49,999	705/82.6%	148/17.4%	853
$50,000 - $74,999	917/93.8%	61/6.2%	978
$75,000 - $99,999	590/91.9%	52/8.1%	642
$100,000+	961/96.4%	36/3.6%	997
Total	4,545	1,187	5,732

Source: American Community Survey

It appears that the 2016 American Community Survey has undercounted the number of renter households in Koochiching County. However, it is still a good indicator of renter household income distribution.

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

Koochiching County Household Income Distribution by Tenure in 2016

Legend: Number of Owner Households Number of Renter Households

In 2016, approximately 75% of all renter households in the Koochiching County had an annual income below $35,000. At 30% of income, these households would have $875, or less, that could be applied to monthly housing costs.

Conversely, a majority of the owner households had a substantially higher income level. Approximately 54% of all owner households had an annual income of $50,000 or more. At 30% of income, these owners could afford approximately $1,365 or more per month for housing costs.

2016 Estimated Income and Rental Housing Costs - Koochiching County

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

Table 17 Gross Rent as a Percentage of Household Income - 2016			
Percent of Income for Housing	Households Age 64 and Younger	Households Age 65 and Older	Total
Less than 20%	161/18.2%	43/14.1%	204/17.2%
20% to 29.9%	194/22.0%	41/13.5%	235/19.8%
30% to 34.9%	62/7.0%	79/26.0%	141/11.9%
35% or more	391/44.3%	68/22.4%	459/38.7%
Not Computed	75/8.5%	73/24.0%	148/12.4%
Total	883/100%	304/100%	1,187/100%

Source: American Community Survey

According to the American Community Survey, approximately 51% of all renters in the County were paying 30% or more of their income for rent. The large majority of these households were actually paying 35% or more of their income for housing. Federal standards for rent subsidy programs generally identify 30% of household income as the maximum household contribution. When more than 30% of income is required, this is often called a "rent burden". When more than 35% is required, this can be considered a "severe rent burden".

Although a housing cost burden could be caused by either high housing costs or low household income, in Koochiching County it was primarily due to low income levels for renters. The majority of the renter households with a housing cost burden had an annual household income below $25,000. To avoid a cost burden, these lower income households would have needed a unit with a gross monthly rent of $625 or less.

Senior citizen renters (age 65 and older) represented approximately 24% of all households with a rental cost burden. Households in the age ranges between 15 and 64 years old represented approximately 75% of all households with a rental cost burden.

2016 Estimated Income and Ownership Housing Costs - Koochiching County

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

Table 18 Ownership Costs as a Percentage of Income - Koochiching County		
Percentage of Household Income for Housing Costs	Number of Owner Households 2016	Percent of All Owner Households 2016
0% to 19.9%	2,877	63.3%
20% to 29.9%	852	18.8%
30% to 34.9%	179	3.9%
35% or more	601	13.2%
Not Computed	36	0.8%
Total	4,545	100%

Source: American Community Survey

Most owner-occupants, which would include households with and without a mortgage, reported paying less than 30% of their income for housing. However, approximately 17% of all home owners reported that they paid more than 30% of their income for housing. The majority of these households were paying more than 35% of income for housing costs.

As would be expected, most of the cost-burdened home owners had a mortgage on their home.

New Housing Construction

Based on information provided by the City of Mizpah, no single family homes, attached (twinhome/townhome) units or multi-family units were constructed in Mizpah from 2010 to October 2018.

Koochiching County Housing Condition

Community Partners Research, Inc. representatives conducted a visual 'windshield' survey of a total of 1,013 single family/duplex houses in International Falls, Littlefork, Ranier, Big Falls, Mizpah and Northome. All of the houses in Littlefork, Big Falls, Mizpah and Northome were surveyed. The houses in two of International Falls' oldest neighborhoods and one neighborhood in Ranier were surveyed. Except for International Falls, mobile homes were excluded from the analysis. Structures with more than two units were also excluded from the survey.

The boundaries of the two neighborhoods surveyed in International Falls are as follows:

▸   Neighborhood #1: North - 6th St.
                           South - 10th St.
                           East - 3rd Ave.
                           West - 9th Ave.

▸   Neighborhood #2: North - 6th St.
                           South - 10th St.
                           East - 9th Ave.
                           West - 13th Ave.

▸   The Ranier neighborhood that was surveyed includes all of the houses north of County Road 11. Although all of the houses in Littlefork were surveyed, the City was divided into two neighborhoods, north and south of Main St.

Houses that appeared to contain three or more residential units were excluded from the survey. Houses were categorized in one of four levels of physical condition, Sound, Minor Repair, Major Repair, and Dilapidated as defined below. The visual survey analyzed only the physical condition of the visible exterior of each structure. Exterior condition is assumed to be a reasonable indicator of the structure's interior quality.

Dilapidated was the lowest rating used. These houses need major renovation to become decent, safe and sanitary housing. Some Dilapidated properties may be abandoned and may be candidates for demolition and clearance.

Major Rehabilitation is defined as a house needing multiple major improvements such as roof, windows, sidings, structural/foundation, etc. Houses in this condition category may or may not be economically feasible to rehabilitate.

Minor Repair houses are judged to be generally in good condition and require less extensive repair, such as one major improvement. Houses in this condition category will generally be good candidates for rehabilitation programs because they are in a salable price range and are economically feasible to repair.

Sound houses are judged to be in good, 'move-in' condition. Sound houses may contain minor code violations and still be considered Sound.

Table 19 Windshield Survey Condition Estimate - 2018					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
Mizpah					
Mizpah	11/45.8%	8/33.3%	2/8.4%	3/12.5%	24
International Falls					
Neighborhood #1	74/23.4%	141/44.6%	84/26.6%	17/5.4%	316
Neighborhood #2	62/26.3%	98/41.5%	66/28.0%	10/4.2%	236
Total	136/24.6%	239/43.3%	150/27.2%	27/4.9%	552
Littlefork					
Neighborhood #1	48/56.4%	27/31.8%	9/10.6%	1/1.2%	85
Neighborhood #2	56/47.9%	43/36.8%	12/10.2%	6/5.1%	117
Total	104/51.5%	70/34.6%	21/10.4%	7/3.5%	202
Ranier					
Ranier Neighborhood	27/31.4%	34/39.5%	15/17.5%	10/11.6%	86
Big Falls					
Big Falls	24/28.6%	23/27.4%	22/26.2%	15/17.8%	84
Northome					
Northome	28/43.1%	24/36.9%	11/16.9%	2/3.1%	65
Combined Total					
Total - All Cities	330/32.6%	398/39.3%	221/21.8%	64/6.3%	1,013

Source: Community Partners Research, Inc.

▸ Approximately 33% of the houses in the six cities surveyed were sound, 39% need minor repair, 22% need major repair and 6% are dilapidated and beyond repair.

Home Sales

The Koochiching County Assessor's Office maintains annual residential sales records.   For the following analysis, sales were reviewed for each calendar year, dating back to the year 2010. Information for 2018 is partial-year.

For each year, only "qualified" sales were included. Qualified sales are considered to be "arms length" transactions, and exclude certain sales such as sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. The Assessor's Office makes the determination of qualified sales for their annual sales ratio study.

In some defined 12-month periods, the number of good sales that occur within the City may be limited, and may not be a good indicator of the typical home value. However, the annual sample does provide insight into units that become available for purchase.

The County's qualified sales data primarily look at existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not generally have a prior value, they are not typically included in the sales sample.

The sales records reviewed were for improved residential parcels with less than four units. While it is possible that some structures had more than one living unit, such as a duplex, it is assumed that the large majority of the sales are single family houses.

The sales price that has been used reflects an "adjusted" price which removes any personal property or seller contributions that are included in the final sale, such as financial contributions to closing costs, etc. These adjustments are made by the County Assessor.

Home Sales in Mizpah

Only a limited number of transactions were listed in Mizpah for the time period reviewed, and most of these were rejected as "unqualified sales". Rejected sales included estate transactions, forced sales and others. There were also no sales posted in 2017 or 2018.

Over the period, only three good sales were listed. In the following table, the entire time period has been aggregated.

Table 20 Values of Residential Sales in Mizpah: 2010-2018				
Year	Number of Sales	Median Price	Highest Price	Lowest Price
2010-2018	3	$20,000	$32,000	$16,000

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

Over the 8-year time period reviewed, the median home sale price was $20,000. Given the very limited number of sales, the median may not be an accurate reflection of overall home values but does represent the best local estimate that is available.

The highest-valued sale that has been recorded was for $32,000. The lowest-valued sale was for $16,000.

An alternate home value estimate is available from the 2016 American Community Survey. This source places the midpoint owner-occupied house value at $56,500 in Mizpah, well above the recent median sale price of $20,000. The American Community Survey estimate is based on the survey respondent's estimate of the value of their home.

Occupancy Status of Housing Units - 2010

The following table provides data on the occupancy status of housing units including units utilized for seasonal use. Data was obtained from the 2010 U.S. Census as this data was determined to be the most reliable. Data is provided for the cities, unorganized territories and all of Koochiching County.

Table 21 Occupancy Status of Housing Units - 2010						
	Occupied Units		Vacant Units			
	Owner	Renter	For Rent	For Sale	Seasonal Use	Other Vacant
Mizpah	26	2	0	1	14	2
Big Falls	94	36	9	1	28	13
International Falls	1,946	957	62	55	31	106
Littlefork	180	78	14	2	18	4
Northome	64	25	6	2	4	3
Ranier (prior to annexation)	56	14	11	2	3	3
South UT	87	10	0	2	275	11
Rainy Lake UT	1,575	138	12	31	618	89
Northwest UT	190	19	0	6	233	20
Northome UT	171	17	0	3	154	9
Nett Lake UT	19	17	0	0	0	0
East UT	143	10	0	4	153	12
Rural Koochiching Co. (outside of Cities)	2,185	211	12	46	1,433	141
All of Koochiching Co.	4,551	1,323	106	88	1,531	272

Source: U.S. Census

◂   At the time of the 2010 U.S. Census, there were 1,531 seasonal use housing units including 98 seasonal units in the cities and 1,433 units in rural Koochiching County (the unorganized territories).

▸	There were also 272 vacant units in the County that were not for sale or for rent. Of this total, 131 units were in the cities and 141 units are in rural Koochiching County.

▸	Ranier's occupancy status data is based on the 2010 U.S. Census. Since the Census, Ranier has annexed additional housing into the City. It is estimated that in 2017, Ranier has approximately 19 seasonal housing units and 14 vacant housing units.

Rental Housing

U.S. Census Inventory

According to the 2010 U.S. Census, there were two occupied rental housing units in Mizpah in 2010.

At the time of the 2000 Census, the City had six occupied rental units. Between the 2000 Census and the 2010 Census, the City of Mizpah's number of rental households decreased by four households.

No rental units were constructed in Mizpah from 2010 to 2018.

A rental housing survey was not conducted in Mizpah as part of this Housing Study as there are no multi-family rental projects in the City.

Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined growth patterns for the City of Mizpah and Koochiching County over the past few decades. These historic growth trends have been used as a basis for projecting future demographic changes in the area.

Mizpah's, the Northome/Mizpah Market Area's and Koochiching County's populations decreased from 2000 to 2010. The City's population was 56 in 2010, which was a loss of 22 people, the Northome/Mizpah Market Area's population was 703, which was a loss of 101 people, and Koochiching County's population was 13,311, which was a loss of 1,044 people.

The State Demographer's Office estimates that Mizpah had a loss of one person from 2010 to 2017 and the Census Bureau shows a loss of four people during the same time period. Another source used in this Study, Esri, estimates that the City had a gain of three people over an eight-year period from 2010 to 2018. The State Demographer estimates that Koochiching County had a loss of 671 people and the U.S. Census estimates that the County had a loss of 783 people from 2010 to 2017. Esri's estimate shows Koochiching County losing 447 people from 2010 to 2018. Esri estimates that the Northome/Mizpah Market Area had a gain of 35 people from 2010 to 2018.

Mizpah, the Northome/Mizpah Market Area and Koochiching County had household losses from 2000 to 2010. The City of Mizpah had a loss of three households, the Northome/Mizpah Market Area had a loss of five households and Koochiching County had a loss of 166 households during that decade.

The 2018 Esri estimate shows Mizpah gaining one household from 2010 to 2018 and the 2017 State Demographer estimate also shows Mizpah gaining one household. Esri estimates that Koochiching County had a loss of 420 households from 2010 to 2018 and the State Demographer estimates that the County had a loss of 54 households from 2010 to 2017. Esri estimates that the Northome/Mizpah Market Area had a gain of 13 households from 2010 to 2018.

Findings on Projected Growth

Esri projects that Mizpah will lose one person and its number of households will not change from 2018 to 2023. Esri projects that Koochiching County will lose 467 people and 219 households from 2018 to 2023. Esri projects that the Northome/Mizpah Market Area will lose seven people and three households from 2010 to 2018.

Summary of the Northome/Mizpah Market Area Projections by Age: 2018 to 2023

The Demographic section of this Study presented projection information on anticipated changes in the Northome/Mizpah Market Area from 2018 to 2023. This information can be informative in determining the housing changes that may be needed due to age patterns of the area population.

The age-based projections from 2018 to 2023 for the Northome/Mizpah Market Area expect a loss of one household in the 25 to 34 age range and a loss of 14 households in the 35 to 64 age ranges. There is a projected gain of 12 households in the 65 and older age ranges.

The following forecast shows the expected net change in the number of Northome/Mizpah Market Area households in each 10-year age cohort between 2018 and 2023.

Age Range	Projected Change in Households 2018 to 2023
15 to 24	0
25 to 34	-1
35 to 44	-3
45 to 54	-7
55 to 64	-4
65 to 74	7
75 and Older	5
Total	-3

Findings on Unit Demand by Type of Housing

Based on the household by age projections presented earlier, the changing age composition of Northome/Mizpah Market Area households from 2018 to 2023 will have an impact on demand for housing.

Age 24 and Younger - The projection used for this Study expects no change in the number of households in the Northome/Mizpah Market Area in the 15 to 24 age range from 2018 to 2023. Past tenure patterns indicate that approximately 65% of the households in this younger range in the Koochiching County will rent their housing.

25 to 34 Years Old - The projection shows a loss of one household in this age cohort in the Northome/Mizpah Market Area by 2023. Within this age range, households often move from rental to ownership housing.

35 to 44 Years Old - This 10-year age cohort has a projected loss of three households between 2018 and 2023 in the Northome/Mizpah Market Area. In the past, this age group has had a relatively high rate of home ownership in the County of approximately 67%. Households within this range often represent both first-time buyers and households looking to trade-up in housing, selling their starter home for a more expensive house.

45 to 54 Years Old - By 2023, this age cohort will represent the front-end of the "baby bust" generation that followed behind the baby boomers. For the Market Area, the projection shows a significant decrease of seven households in this age range. This age group historically has had a high rate of home ownership and will often look for trade-up housing opportunities.

55 to 64 Years Old - The projection shows a loss of four households in this 10-year age range by the year 2023 in the Market Area. This age range has traditionally had a high rate of home ownership in the County at approximately 89%. Age-appropriate housing, such as town house or twin home units, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters.

65 to 74 Years Old - Most of the baby boom generation will be in this age range in 2023. Growth of seven households is expected in the Market Area within this age range by the year 2023. While this group will begin moving to life-cycle housing options as they age, the younger seniors are still predominantly home owners. According to the 2016 American Community Survey, approximately 90% of households in this age range owned their housing in the County. Preferences for age-appropriate units should increase from household growth within this age cohort.

75 Years and Older - There is a projected gain of five households in the Market Area in this age range between 2018 and 2023. In the past, households age 75 and older, have had a rate of home ownership that is lower than the younger age ranges. An expansion of other housing options for seniors, including high quality rental housing, should appeal to this age group. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

These demographic trends will be incorporated into the recommendations that follow later in this section.

Mizpah - Strengths and Barriers for Housing Development

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research and an on-site review of the Community's local housing stock.

- ‣ **Affordable priced housing stock** - The City of Mizpah has a stock of affordable, existing houses. Our analysis shows that the City's median home value based on the 2016 American Community survey is approximately $56,000. This existing stock, when available for sale, provides an affordable option for home ownership.

- ‣ **Available lots** - There appear to be in-fill lots available for development, although the majority of these lots are not actively for sale.

- ‣ **Close Proximity to Northome** - Mizpah is approximately six miles from Northome, which has retail/commercial options, a K-12 public school, services, etc.

- ‣ **Recreational opportunities** - The Mizpah area provides recreational opportunities including hunting, hiking, fishing, snowmobiling, etc.

- ‣ **Small town atmosphere** - Mizpah has the real and perceived amenities of a small town. Small town living is attractive for some households.

- ‣ **Koochiching County Housing and Redevelopment Authority (HRA) and Koochiching Economic Development Authority (KEDA)** - The City has access to these agencies, which are active in addressing the County's housing, community development and economic development needs.

- ‣ **KOOTASCA Community Action** - KOOTASCA Community Action is the designated Community Action Agency for Koochiching County and is a certified Community Housing Development Organization (CHODO). KOOTASCA Community Action is active in addressing the area's housing needs and in providing funding for housing projects and programs.

- ‣ **Population and households** - Mizpah's population and number of households is projected to remain relatively stable over the next five years.

Barriers or Limitations to Housing Activities

Our research also identified the following barriers or limitations that hinder or prevent certain housing activities in the City of Mizpah.

- ▸ **Age and condition of the housing stock** - While the existing stock is very affordable, some of the housing is in need of improvements to meet expectations of potential buyers.

- ▸ **Lower incomes limit housing choices** - Household and family incomes for Mizpah and the Northome/Mizpah Market Area are lower than the Statewide medians. While this income level matches up well with prices for existing ownership and rental housing in the City, it is not as well matched to the prices for new housing construction.

- ▸ **Lower paying jobs** - Some jobs in the Northome/Mizpah Market Area are at the lower end of the pay scale and the employees with these jobs have limited housing choices.

- ▸ **Distance from a major regional center** - Many households desire to be near a regional center because of the many amenities and jobs it can offer its residents. Mizpah is approximately 48 miles from Bemidji and 65 miles from International Falls. Some households consider it too far for commuting on a regular basis.

- ▸ **Value gap deters new owner-occupied construction** - Based on market values for recent residential sales, we estimate that the median priced home in Mizpah is valued at approximately $56,000. This is below the comparable cost for new housing construction, which will generally be above $175,000 for a stick built home with commonly expected amenities. This creates a value gap between new construction and existing homes. This can be a disincentive for new housing construction, unless the owner is willing to accept a potential loss on their investment.

- ▸ **Commercial/Retail Options** - Mizpah does not have a commercial district to meet daily needs.

- ▸ **Lack of new housing construction** - New housing construction has not occurred over the past several years.

- ▸ **Infrastructure** - Mizpah does not have municipal water and sewer systems.

Mizpah's - Recommendations and Opportunities

Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for Mizpah. They are based on the following strategies.

▸ **Be realistic in expectations for housing development** - Large-scale residential growth has not occurred in the recent past and is not likely to occur in the near future. The scale of activities proposed for the future should be comparable with the area's potential for growth.

▸ **Proactive community involvement** - Mizpah's housing needs will more likely be addressed if there is proactive support from the City, as well as local and regional housing and economic development agencies.

▸ **Protect the existing housing stock** - The future of Mizpah will be heavily dependent on the City's appeal as a residential location. The condition of the existing housing stock is a major factor in determining the City's long-term viability. The existing housing stock is in good condition and is a major asset, however, rehabilitation efforts are needed to preserve the housing stock.

▸ **Develop a realistic action plan with goals and time lines** - The City should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.

▸ **Access all available resources for housing** - The City of Mizpah has other resources to draw on including the Koochiching County HRA, KEDA, KOOTASCA Community Action and USDA Rural Development. These resources should continue to be accessed as needed to assist with housing activities.

Summary of Findings/Recommendations

The findings/recommendations for the City of Mizpah have been formulated through the analysis of the information provided in the previous sections and include a total of eight recommendations divided into the following five categories:

- ▸ **Rental Housing Development**
- ▸ **Home Ownership**
- ▸ **Single Family New Construction**
- ▸ **Housing Rehabilitation**
- ▸ **Other Housing Initiatives**

The findings/recommendations for each category are as follows:

Findings and Recommendations for the City of Mizpah
Rental Housing Development
1. No demand for the construction of additional rental units
2. Promote the conversion of one to two seasonal homes to affordable permanent rental homes
3. Continue to utilize the Housing Choice Voucher Program
Home Ownership
4. Utilize and promote all programs that assist with home ownership
New Construction
5. New housing construction
Housing Rehabilitation
6. Promote owner-occupied housing rehabilitation programs
Other Housing Initiatives
7. Acquire and demolish dilapidated structures
8. Create a plan and continue coordination among housing agencies

Mizpah - Recommendations Rental Housing Development

Rental Housing Development

Overview: In recent decades it has been difficult to produce new rental housing units that are viewed as "affordable" when compared to existing rental housing. A number of factors, including federal tax policy, state property tax rates, high construction costs and a low rent structure, have all contributed to the difficulty in developing rental housing in most Minnesota communities. From 2010 to 2018, based on City data, no rental units have been constructed in Mizpah.

Demand for new rental housing is typically generated from three factors:

▸   Growth from new households
▸   Replacement of lost units
▸   Pent-up demand from existing households

Esri's household projections expect no change in the number of households in Mizpah from 2018 to 2023. Therefore, we are projecting no demand for rental housing in Mizpah due to household growth over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that Mizpah will not lose rental units over the next five years because Mizpah's rental inventory is very limited. In some cases, unit replacement is necessary as existing units are removed from the inventory through demolition. In other cases, this replacement is due to the deteriorating condition of older, substandard rental housing that is removed from the occupied stock. Also, some single family homes that converted to rentals during the recession will convert back to owner-occupied homes. It is estimated that Mizpah's rental housing stock consists of only two to four rental single family homes at any given time. Some of the homes being rented may change over the next five years, however, we are projecting that the inventory will remain at two to four homes.

Based on our research, we have identified no pent-up demand for rental units in Mizpah.

1.   No demand for the construction of additional rental housing units

Findings: The City of Mizpah is a very small community that does not have the infrastructure to support a rental housing project. The City does not have municipal water and sewer systems, commercial/retail or other services.

Recommendation: We are not recommending the construction of any type of rental units in the City of Mizpah including market rate, subsidized, senior or senior with services.

2.   Promote the conversion of one to two seasonal homes to affordable permanent rental homes

Findings: It is estimated that there are approximately five to six seasonal homes in the City of Mizpah. These are homes that aren't occupied year round, but are utilized as vacation homes, hunting lodges, etc.

Typically, these homes have converted from permanent occupancy to seasonal-use because homes in Mizpah are very affordable and they are purchased as seasonal homes or the homes have been inherited by family members who have chosen to keep the homes for seasonal use.

Recommendation: We recommend the conversion of one to two seasonal homes to permanent rental occupancy over the next five years. Although seasonal homes bring people to the community, it would be advantageous to have more permanent households.

We recommend that the City of Mizpah monitor the status of the ownership of seasonal homes and when seasonal homes become available, they are evaluated to determine if they are suitable for permanent residency.

3.   Utilize the Housing Choice Voucher Program

Findings: The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Mizpah and Koochiching County is administered by the Koochiching County HRA. Currently, the HRA has funding for approximately 111 Vouchers for Koochiching County. Of the total 111 Vouchers, no Vouchers are being utilized by Mizpah households at this time. There is a waiting time of approximately 10 months for a Voucher.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Mizpah and Koochiching County can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, the Koochiching County HRA should be encouraged to continue to apply for additional Vouchers.

Also, the Koochiching County HRA should publicize the Housing Choice Voucher Program in Mizpah and Koochiching County to assure that City and County households have access to and are aware of the Program.

Mizpah -
Home Ownership
Recommendations

Home Ownership Recommendations

Findings: Expanding home ownership opportunities is one of the primary goals for most cities. High rates of home ownership promote stable communities and strengthen the local tax base.

The median owner-occupied home value in Mizpah is estimated to be $56,000 based on the 2016 American Community Survey. With approximately 50% of the homes in Mizpah valued less than $56,000, Mizpah has opportunities for first time home buyers and households seeking moderately priced homes.

While many of the households already own their housing, households in the Northome/Mizpah Market Area that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home.

To assist in promoting the goal of home ownership, the following activities are recommended:

4.   Utilize and promote all programs that assist with home ownership

Findings: Home ownership is generally the preferred housing option for most households and most communities. There are a number of strategies and programs that can be used to promote home ownership in Mizpah. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, and low interest loans help to address affordable housing issues. With the City's median home value at $56,000, there are lower valued houses in the community that appeal to first time buyers. Currently, KOOTASCA Community Action is administering a Downpayment Assistance Program to assist households with purchasing a home. Additionally, the Federal Home Loan Bank has funding for closing cost and down payment assistance.

Also, home ownership counseling and training programs are available to households and these programs can play a significant role in helping marginal buyers achieve home ownership.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

Recommendation: Mizpah and local financial institutions should utilize all available assistance programs to promote home ownership. The City should work with KOOTASCA Community Action to assure that their residents and households moving into the City have access to programs that provide financial assistance for home ownership. Local financial institutions should also have a significant role in assisting households with purchasing a home.

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

Mizpah -
New Housing Construction

New Housing Construction

5.   New Housing Construction

Findings: Mizpah has experienced no single family owner-occupied housing construction from 2010 to October 2018. Mizpah's number of households is projected to not change from 2018 to 2023. Currently, Esri estimates that Mizpah has 29 households.

Mizpah is not conducive to housing construction as it does not have municipal water and sewer systems and it does not have commercial/retail and other services. However, Mizpah is located six miles from Northome, which does have retail/commercial options to meet daily needs.

Mizpah does have considerable open space and lots, which could accommodate new housing construction.

We do not know the status and availability of these parcels and lots.

Recommendation: It is our opinion that one to two owner occupied homes could be constructed or moved into Mizpah over the next five years.

It is probable that these homes would be manufactured or modular homes.

We recommend that the City of Mizpah inventory all of the vacant lots and parcels in Mizpah to determine their availability, their sales price and if they are buildable sites. This would provide readily available information for potential buyers.

If City owned property is available, we recommend that the land be sold at a vary low price, with the stipulation that a new house is constructed or moved onto the property.

Mizpah -
Housing Rehabilitation

Housing Rehabilitation

6. Promote owner-occupied housing rehabilitation

Findings: The affordability of the existing housing stock in Mizpah will continue to be the major attraction for families that are seeking housing in the area. Investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

Approximately 79% of the owner occupied homes in Mizpah are over 40 years old and some of these homes need minor or major repairs. Our 2018 housing condition survey rated 24 houses in the City of Mizpah. Our survey found eight homes that need minor repair and two homes that need major repair.

KOOTASCA Community Action administers housing rehabilitation programs in Mizpah and Koochiching County. Housing rehabilitation programs include MHFA Programs, the SCDP Program, USDA Rural Development Programs and the Weatherization Program.

Recommendation: We recommend that the City of Mizpah utilize available funding sources to rehabilitate homes in Mizpah. USDA Rural Development, the Minnesota Housing Finance Agency (MHFA), the Greater Minnesota Housing Fund, the Federal Home Loan Bank and the Minnesota Small Cities Development Program (SCDP) are all potential funding sources.

We encourage the City of Mizpah to apply for SCDP funds to rehabilitate houses. It may be feasible for Mizpah to be included in a Northome or Koochiching County SCDP Grant Application.

Mizpah -
Other Housing Initiatives

Other Housing Initiatives

7.   Acquire and demolish dilapidated structures

Findings: The housing condition survey in Mizpah identified three houses that were dilapidated and viewed as too deteriorated to rehabilitate. We also identified two homes as needing major repair and these homes may be too dilapidated to rehabilitate. The City of Mizpah has worked with property owners in the past to demolish dilapidated structures.

Recommendation: We recommend that the City of Mizpah work with property owners to demolish and clear severely dilapidated structures. The City is enhanced when blighted and dilapidated structures are removed. It is possible that some of the cleared lots could be utilized for the construction of new affordable housing.

Also, we recommend that the City maintain an inventory of structures that may be candidates for future demolition. Additionally, an inventory of in-fill lots for future development should be maintained.

8.   Create a plan and continue coordination among housing agencies

Findings: The City of Mizpah needs resources to plan and implement the housing recommendations advanced in this Study. The City has access to KOOTASCA Community Action, the Koochiching County HRA and KEDA. The City also has access to the Minnesota Housing Finance Agency (MHFA) and the USDA Rural Development Office. These agencies all have experience with housing and community development programs.

Recommendation: The City of Mizpah is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the City work with the housing agencies to prioritize the recommendations of this Study and to develop a plan to address the City's housing needs.

It will also be important for the City to look for opportunities to work cooperatively with other surrounding cities to address housing issues. With the number of cities in the County, and limited staff capacity at both the City and County level, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.