

# **Koochiching County Summary**

January 2019

## **Introduction**

The Koochiching County Comprehensive Study was conducted in 2018. The study can be utilized by housing and economic development agencies, Koochiching County, the cities in the County, and the private sector as follows:

- ▶ Provides demographic and housing data and findings and recommendations to develop a master housing implementation plan
- ▶ Identifies housing needs and gaps in the housing stock
- ▶ Supports programs and projects that address housing needs
- ▶ Publicizes housing needs
- ▶ Provides information for agency/county/city decision-making process
- ▶ Assists in identifying the public sector's role in housing
- ▶ Identifies existing housing agencies, programs and projects
- ▶ Assists in obtaining grants/funding
- ▶ Provides housing strategies and recommendations
- ▶ Mobilizes developers, builders and housing agencies

This section provides the following information and data for Koochiching County:

- ▶ Summary of demographic and housing data
- ▶ Summary of housing recommendations for Koochiching County cities
- ▶ Housing recommendations for the rural portions of Koochiching County (unorganized territories)

# **Summary of Demographic Data**

## Koochiching County Demographic Data Summary

The following table provides a summary of the population, household, housing tenure and income data for Koochiching County and the cities in Koochiching County. Information was obtained from the 2010 U.S. Census, 2016 American Community Survey and Esri, Inc., for 2018 demographic data.

<b>Koochiching County Demographic Data Summary</b>							
City	Population 2010/2018	Households 2010/2018	Average Household Size 2000/2018	Population Projections 2018 to 2023	Household Projections 2018 to 2023	Household Tenure 2010 (owner/% renter/%)	Median Household Income 2016
Big Falls	236/247 4.7%	130/136 4.6%	1.97/1.81	247 to 245 -2	136 to 134 -2	94/72.3% 36/27.7%	\$31,131
International Falls	6,424/5,956 -7.3%	2,903/2,678 -7.8%	2.20/2.18	5,956 to 5,654 -302	2,678 to 2,534 -144	1,946/67.0% 957/33.0%	\$38,750
Littlefork	64/622 -3.9%	258/246 -4.7%	2.37/2.43	622 to 592 -30	246 to 234 -12	180/69.8% 78/30.2%	\$36,953
Mizpah	56/59 5.4%	28/29 3.6%	2.52/2.00	59 to 58 -1	29 to 29 0	26/92.9% 2/7.1%	\$25,250
Northome	200/210 5.0%	89/93 4.5%	2.21/2.25	210 to 208 -2	318 to 315 -3	64/71.9% 25/28.1%	\$29,583
Ranier	145/503 246.9%	70/238 240%	2.30/2.11	503 to 484 -19	238 to 228 -10	56/80.0% 14/20.0%	\$54,750
Koochiching County	13,311/12,864 -3.4%	5,874/5,454 -7.2%	2.33/2.22	12,864 to 12,397 -467	5,645 to 5,426 -219	4,551/72.5% 1,323/22.5%	\$44,929

Source: U.S. Census, American Community Survey, Esri

\* Please note that the population and household growth in Ranier is based on an annexation.

# **Summary of Housing Recommendations for Koochiching County Cities**

Following is a summary of the housing recommendations that have been made for each of the cities in Koochiching County. The recommendations are divided into five categories:

- ▶ Rental housing development
- ▶ Home ownership
- ▶ Single family new construction
- ▶ Housing rehabilitation
- ▶ Other housing initiatives

Readers are encouraged to review the detailed recommendations contained in each city section to better understand the specific findings and research that were used in making these recommendations.

## **Rental Housing Development**

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.

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

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

The following table provides a concise summary of the rental housing development recommendation made for each of the cities in Koochiching County.

<b>Rental Housing Development</b>							
	<b>Big Falls</b>	<b>International Falls</b>	<b>Littlefork</b>	<b>Mizpah</b>	<b>Northome</b>	<b>Ranier</b>	<b>Total</b>
Develop market rate units	3-4	20-24	6-8	0	3-4	8-10	40-50
Develop subsidized/moderate rent units	0	18-20	0	0	0	0	18-20
Affordable market rate conversion units	2-3	8-10	3-4	1-2	2-3	3-4	19-26
Develop senior with services units	0	14-16 (light services)	0		6-8 (light services)	0	20-24
Develop a mixed-use downtown project	no	yes	yes	no	yes	yes	N/A
Monitor MHFA Opt-Out List and preserve existing project-based subsidized housing as needed	yes	yes	yes	N/A	yes	N/A	N/A
<b>Total</b>	<b>5-7</b>	<b>60-70</b>	<b>9-12</b>	<b>1-2</b>	<b>11-15</b>	<b>11-14</b>	<b>97-120</b>

## **Home Ownership**

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.

In all six Koochiching County cities, we are recommending the utilization and promotion of home ownership programs including first-time home buyer assistance, down payment assistance, low interest loans, home ownership counseling, etc.

In all of the Koochiching cities, with the exception of Mizpah, we are recommending participation in a purchase/rehab program. A purchase/rehab program promotes home ownership and rehabilitates homes in the community.



## **Single Family New Construction**

The cities in Koochiching County experienced minimal single family home construction from 2010 to 2018. However, with a coordinated effort by housing stakeholders, the availability of buildable lots, and a marketing strategy, a modest number of houses can be constructed in the cities in the County over the next five years.

The single family new construction recommendations for each city are as follows:

### **Big Falls**

- ▶ Inventory the vacant lots and parcels in the City to determine their availability
- ▶ 3-4 new housing units from 2019 to 2024
  - ▶ 1-2 affordable homes
  - ▶ 2 twinhome units
  - ▶ Develop strategies and incentives for new home construction

### **International Falls**

- ▶ Develop 14 to 16 lots
- ▶ 15-19 new housing units from 2019 to 2024
  - ▶ 4-5 higher and medium price homes
  - ▶ 5-6 affordable homes
  - ▶ 6-8 twinhome/townhome units
- ▶ Develop strategies and incentives for new home construction
- ▶ Coordinate with nonprofits and housing agencies to develop affordable homes

### **Littlefork**

- ▶ Inventory the vacant lots and parcels in the City to determine their availability
- ▶ 5-7 new housing units from 2019 to 2024
  - ▶ 1-2 higher and medium price homes
  - ▶ 2-3 affordable homes
  - ▶ 2 twinhome units
- ▶ Develop strategies and incentives for new home construction

### **Mizpah**

- ▶ 1-2 new affordable housing units from 2019 to 2024

**Northome**

- ▶ Inventory the vacant lots and parcels in the City to determine their availability
- ▶ 4-6 new housing units from 2019 to 2024
  - ▶ 1 higher or medium price home
  - ▶ 1 affordable home
  - ▶ 2-4 twin/town homes
- ▶ Develop strategies and incentives for new home construction

**Ranier**

- ▶ Inventory the vacant lots and parcels in the City to determine their availability
- ▶ 12-16 new housing units from 2019 to 2024
  - ▶ 2-3 higher or medium price homes
  - ▶ 2-3 affordable homes
  - ▶ 8-10 twin/townhome units
- ▶ Develop strategies and incentives for new home construction

## Housing Rehabilitation

The Koochiching County cities have an asset in their existing housing stock. Existing units now and in the future, will represent the large majority of the affordable housing opportunities. Investment in housing rehabilitation activities will be critical to offering affordable housing opportunities in the future.

Following is the condition analysis for each Koochiching County city:

<b>Windshield Survey Condition Estimate - 2018</b>					
	Sound	Minor Repair	Major Repair	Dilapidated	Total
<b>International Falls</b>					
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
<b>Littlefork</b>					
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
<b>Ranier</b>					
Ranier Neighborhood	27/31.4%	34/39.5%	15/17.5%	10/11.6%	86
<b>Big Falls</b>					
Big Falls	24/28.6%	23/27.4%	22/26.2%	15/17.8%	84
<b>Mizpah</b>					
Mizpah	11/45.8%	8/33.3%	2/8.4%	3/12.5%	24
<b>Northome</b>					
Northome	28/43.1%	24/36.9%	11/16.9%	2/3.1%	65
<b>Combined Total</b>					
Total - All Cities	330/32.6%	398/39.3%	221/21.8%	64/6.3%	1,013

Source: Community Partners Research, Inc.

The specific housing rehabilitation recommendations that have been made for the cities in Koochiching County are as follows:

**Big Falls, Littlefork, Mizpah, Northome, Ranier**

- ▶ Promote rental housing rehabilitation programs
- ▶ Promote owner-occupied housing programs

**International Falls**

- ▶ Promote rental housing rehabilitation programs
- ▶ Promote owner-occupied housing rehabilitation programs
- ▶ Develop a neighborhood revitalization program
- ▶ Develop a Rental Registration and Inspection Program

## **Other Housing Initiatives**

In addition to the rental housing development, home ownership, new single family construction and housing rehabilitation recommendations, additional housing initiatives have been recommended for each Koochiching County city.

### **Big Falls**

- ▶ Acquire and demolish dilapidated structures
- ▶ Create a plan and continue coordination among housing agencies
- ▶ Develop home ownership and new construction marketing programs and strategies

### **International Falls**

- ▶ Promote employer involvement in housing programs
- ▶ Acquire and demolish dilapidated structures
- ▶ Strategies for downtown redevelopment
- ▶ Develop mobile home programs
- ▶ Create a plan and continue coordination among housing agencies
- ▶ Develop home ownership and new construction marketing programs and strategies
- ▶ Housing Assistance for the homeless and hard to house
- ▶ Develop mobile home programs

### **Littlefork**

- ▶ Encourage employer involvement in housing programs
- ▶ Acquire and demolish dilapidated structures
- ▶ Strategies for downtown redevelopment
- ▶ Create a plan and continue coordination among housing agencies
- ▶ Develop home ownership and new construction marketing programs and strategies

### **Mizpah**

- ▶ Acquire and demolish dilapidated structures
- ▶ Create a plan and continue coordination among housing agencies

### **Northome**

- ▶ Encourage employer involvement in housing programs
- ▶ Acquire and demolish dilapidated structures
- ▶ Create a plan and continue coordination among housing agencies
- ▶ Strategies for downtown redevelopment
- ▶ Develop home ownership and new construction marketing programs and strategies

**Ranier**

- ▶ Acquire and demolish dilapidated structures
- ▶ Create a plan and continue coordination among housing agencies
- ▶ Develop home ownership and new construction marketing programs and strategies

# **Housing Recommendations for Rural Koochiching County (Unorganized Territories)**

## **Demographic Data**

The following demographic data is for Rural Koochiching County, which includes all of the County that is not in the six cities.

### **Population**

- ▶ 2010 Population - 5,603
- ▶ 2018 Population - 5,267
- ▶ 2010 to 2018 - Population loss of 336
- ▶ 2023 Population Projection - 5,156
- ▶ 2018 to 2023 - Projected Population loss of 111

### **Households**

- ▶ 2010 Households - 2,396
- ▶ 2018 Households - 2,225
- ▶ 2010 to 2018 - Household loss of 171
- ▶ 2023 Household Projection - 2,175
- ▶ 2018 to 2023 - Household loss of 50

\* Note: The City of Ranier annexed over 350 people and 165 households into the City. Therefore, minus the Ranier annexation, Ranier actually added population and households from 2010 to 2018.

## **Rural Koochiching County Recommendations**

### **1. Rental Housing Development**

The Cities in Koochiching County are the preferable locations for rental housing development. Cities have the infrastructure and services to accommodate rental housing.

Therefore, we are not recommending the construction of any rental housing in rural Koochiching County. The only exceptions are seasonal rental housing for tourists/vacationers and for seasonal work force housing.

### **2. Home Ownership**

We encourage rural households to utilize home ownership programs including first-time home buyer assistance, down payment assistance, low interest loans, home ownership counseling, etc. These home ownership assistance programs assist households with buying a home and becoming home owners.



### **3. New Housing Construction**

From 2010 to 2018, more than 80 single family homes have been constructed in rural Koochiching County. This is an average of approximately 10 homes annually. From 2010 to 2018, a total of only 15 single family homes were constructed in the six Koochiching County cities. Therefore, a significant majority of the new homes in the County are being constructed in rural Koochiching County. Many of these new homes are being constructed on lakes, rivers and on acreages.

We recommend that Koochiching County continue to encourage new housing construction in the rural areas of the County in a manner that is compatible with the environment and the County's natural amenities.

### **4. Housing Rehabilitation**

There are over 4,000 housing units in rural Koochiching County. A majority of these homes are over 40 years old and many of these homes need rehabilitation.

We encourage rural county households to utilize existing housing rehabilitation programs to rehabilitate their homes. KOOTASCA Community Action administers the housing rehabilitation programs in Koochiching County.

### **5. Seasonal Homes**

Koochiching County is a vacation and tourism destination. There are approximately 1,433 seasonal homes in rural Koochiching County.

We recommend the continued development of seasonal (vacation) homes. Also, we recommend that the County continue to provide and expand employment opportunities, retail/commercial options, educational opportunities, health care facilities, recreation and cultural opportunities, broadband internet, etc.

A small percentage of seasonal homes in rural Koochiching County convert to permanent residences annually. As the area continues to develop its amenities, it is probable that some seasonal homes will continue to convert to permanent homes. Based on past patterns, it is also probable that more seasonal/recreational houses will be constructed in the County over the next five years.

## **6. Marketing**

We recommend that Koochiching County continue to market home ownership and new construction opportunities in rural Koochiching County. Rural Koochiching County has the natural amenities and housing options to attract households to the area. Marketing activities and strategies should include:

- ▶ Identify the County's strengths and competitive advantages and heavily promote them
- ▶ Continue to create marketing materials that can be distributed regionally (including internet, TV, radio, etc.)
- ▶ Work closely with employers to provide employees (especially new employees) with housing opportunities in Koochiching County
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, home owner education and home owner counseling programs
- ▶ Work with builders to make the construction of a new home a very user friendly process
- ▶ Continue to work on the creation of jobs and the development of retail, commercial, service and recreational opportunities
- ▶ Identify attractive lots and parcels that are available for a variety of home sizes, styles and price ranges
- ▶ Preserve and improve the quality of the Rural County's housing through the rehabilitation of substandard housing and the demolition of dilapidated structures that are beyond repair
- ▶ Review the County's building policies and fees to assure that they are user-friendly, fair and reasonable for developers, builders and households.
- ▶ Develop a coordinated housing plan with area housing agencies.

## **7. Koochiching County's US/Canada border location**

Based on research conducted for this Study, it has been determined that the impact Canadian households have on housing in Koochiching County is limited. Housing stakeholders reported that, probably due to employment regulations and federal immigration laws, Canadians seeking housing in Koochiching County is minimal, as is Koochiching County households seeking housing in Canada.

However, it appears that Canadians do have a significant impact on commercial/retail and services in Koochiching County. Canadian households shop and utilize services offered on the U.S. side of the border (primarily International Falls).

Also, with three ports of entry in the International Falls/Ranier Market Area, tourists, vacationers, people conducting business, etc. pass through these ports of entry in both directions. This provides an opportunity for Koochiching County.

Koochiching County should continue to develop retail, services, and tourism opportunities that maximize the County's border with Canada.

## **8. Develop a Housing Plan**

We recommend that Koochiching County coordinate with the cities, the HRAs, KOOTASCA Community Action, KEDA, local financial institutions, developers and builders, realtors and all other housing stakeholders to develop a Housing Implementation Plan. The plan should prioritize housing needs and develop a coordinated approach to addressing the County's housing needs.