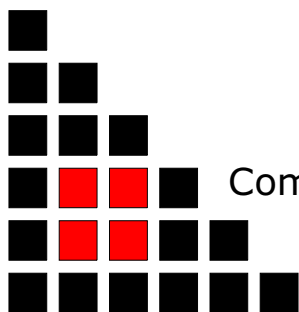


City of Crookston HOUSING STUDY UPDATE

April 2023

An updated analysis of the overall housing needs
of the City of Crookston, MN



Community Partners Research, Inc.

Faribault, MN

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Introduction

Overview

Local elected and public officials are often held responsible for conditions and circumstances over which they have limited control. This is particularly true of housing. Most of the housing units in Crookston are privately owned and were constructed with private funds. On an increasing scale, however, the public is demanding that public officials control what happens in this largely private housing market by eliminating blight, protecting individual investments, and generating new housing growth to meet economic development needs.

In 2022, Community Partners Research, Inc., was hired by the Crookston Housing and Economic Development Authority to update a 2018 Housing Study for the City of Crookston.

Goals

The multiple goals of the study include:

- ▶ Provide updated demographic data including the 2020 Census
- ▶ Provide an analysis of the current housing stock and inventory
- ▶ Determine gaps or unmet housing needs
- ▶ Examine future housing trends that Crookston expects to address in the coming years
- ▶ Provide a market analysis for housing development
- ▶ Provide housing recommendations and findings

Methodology

A variety of resources were utilized to obtain information for the Housing Study. Community Partners Research, Inc., collected and analyzed data from November 2022 to March 2023. Data sources included:

- U.S. Census Bureau
- American Community Survey
- Esri, a private data reporting service
- Records and data from the City
- Records and data maintained by Polk County
- Minnesota State Demographer
- MN Dept. of Employment and Economic Development
- Interviews with City officials and staff
- Area and State housing agencies
- Interviews with housing stakeholders
- Rental property surveys

Limitations

This Update represents an analysis performed with the data available at the time of the Study. The findings and recommendations are based upon current solutions and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, federal or State tax policy or other related factors could change the conclusions and recommendations contained in this Housing Study.

The global pandemic that started in 2020 had widespread impacts, including on economic, housing and educational conditions. The longer-term impacts of the pandemic cannot be predicted, and the analysts have proceeded with the best information available at the time of the research.

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Demographic Data Overview

Sources of Data

The following pages contain demographic data for Crookston and a defined Crookston Market Area that includes small cities and rural townships that immediately surround the City. In some cases, demographic information has also been provided for all of Polk County for comparison. Information has been obtained from a variety of local, state and national sources. At the time that research was completed for this Update there was some information available from the 2020 Census. However, some additional data tables will not become available until later in 2023.

The global pandemic had not only impacted the Census release schedule, but it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

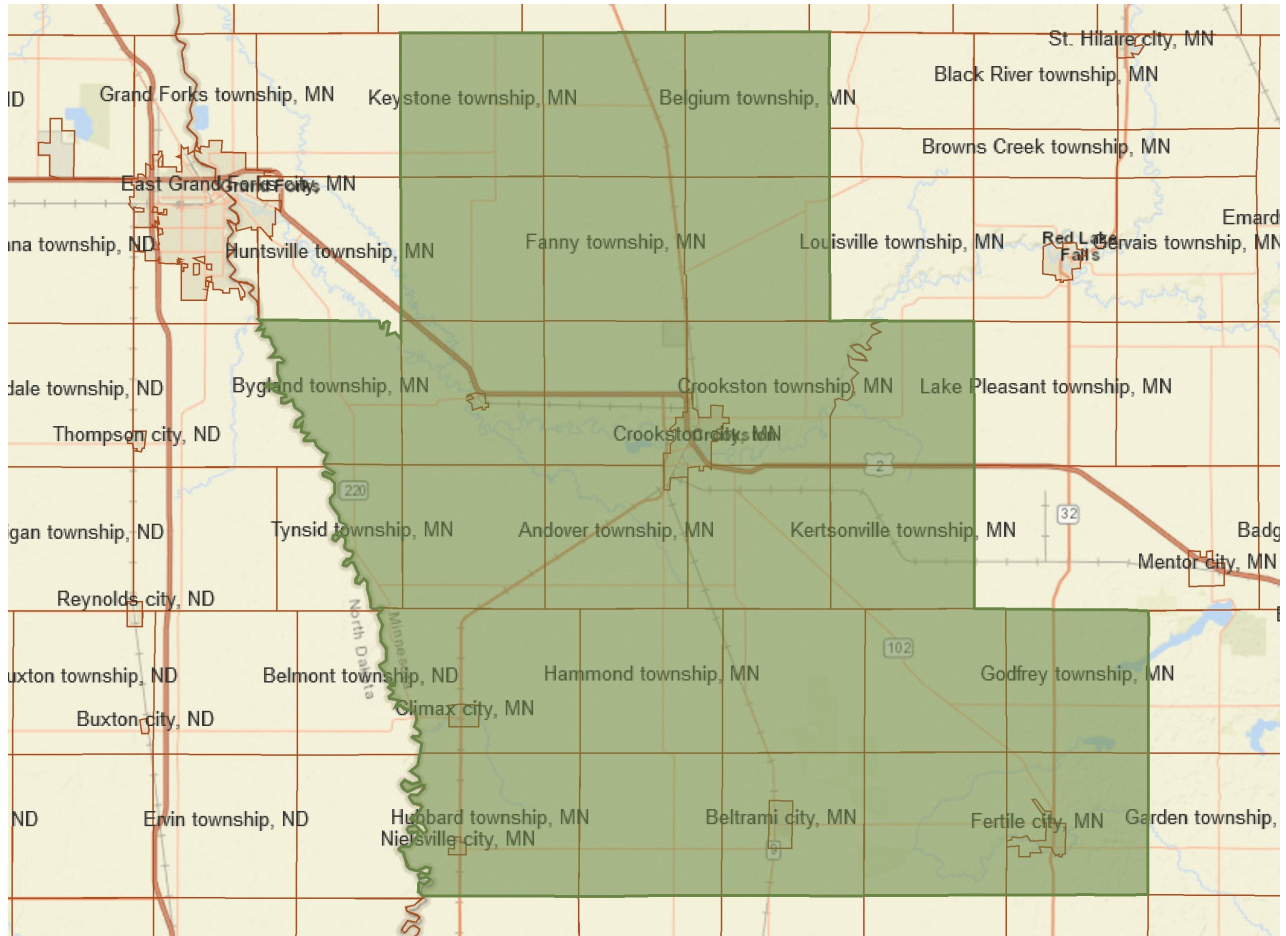
With the absence of some data from the 2020 Census, this Update has proceeded with the best available estimates from secondary sources, including the Census Bureau's American Community Survey, an annual sampling of households. However, because the American Survey is an estimate, based on sampling data, there is a margin of error that exists for each estimate. The American Community Survey estimates have an effective date in 2021. The estimates were derived from five-year sampling, obtained between 2017 and 2021.

This Update has also utilized demographic estimates and projections that have been generated by Esri, Inc., a private data reporting service that is widely used by financial and government entities.

Market Area

Previous housing studies completed for Crookston had also examined a surrounding Market Area. The boundaries for the Market Area include the townships of Andover, Belgium, Bygland, Crookston, Euclid, Fairfax, Fanny, Fisher, Garfield, Gentilly, Godfrey, Hammond, Hubbard, Kertsonville, Keystone, Liberty, Lowell, Nesbit, Onstad, Parnell, Reis, Roome, Russia, Scandia, Tynsid, and Vineland, and the Cities of Crookston, Beltrami, Climax, Fertile, Fisher, and Nielsville. Demographic information for this Market Area has also been provided.

Crookston Market Area



Population Data and Trends

The following table tracks population change over time, using the decennial census data back to the year 1990. Other recent estimates are provided in the text that follows.

Table 1 Population Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Crookston	8,119	8,192	0.9%	7,891	-3.7%	7,482
Market Area	14,394	14,322	-0.5%	13,672	-4.5%	13,037
Polk County	32,498	31,369	-3.5%	31,600	0.7%	31,192

Source: U.S. Census

Crookston

- ▶ The release of demographic data from the 2020 Census has provided a new benchmark for communities. On April 1, 2020, there were 7,482 permanent residents living in the City of Crookston.
- ▶ When compared back to the 2010 Census, the City had lost 408 people over the decade, or an average of approximately 41 fewer residents per year.
- ▶ As reported by the Census, the City has lost population over the past two decades, with a population loss of 5.2% in the 2010s, and a decrease of 3.7% between 2000 and 2010. The City did add residents in the 1990s, but the increase in that decade was less than 1%.
- ▶ Previous estimates examined for the City, which were included in the 2018 Housing Study, had expected a significantly higher population level in 2020. In 2019, the Minnesota State Demographer’s Office had estimated that there were 8,019 people living in Crookston. The Demographer had been estimating that the City was adding an average of approximately 14 people per year after 2010.
- ▶ Estimates that have been released following the 2020 Census reflect the new benchmark that was set for the City. In 2021, the State Demographer’s estimate showed 7,322 residents in the City, a total that was even lower than the 2020 Census count, and well below the Demographer’s pre-Census estimate in 2019.

- ▶ After examining the available data, it appears to the analysts that the 2020 Census may have under counted the number of people living in Crookston. Impacted by the Covid pandemic and other factors, the Census had data collection challenges, and this may have resulted in an error in the number permanent residents living in the City.
- ▶ It is also possible that post-secondary students in Crookston may have contributed to the reported population loss. The start of the Covid pandemic in 2020 may have caused some students to depart the City prior to the April 1 start date for the Census.
- ▶ Esri has produced estimates for 2022 which were generated after the release of the 2020 Census. This information is generally consistent with Census totals. For Crookston, Esri's 2022 estimate showed 7,426 people living in the community, down slightly from the 2020 Census count of 7,482 residents, with a two-year difference in the effective date.

Market Area

- ▶ The 32 cities and townships that form the Crookston Market Area had a total population of 13,037 according to the 2020 Census, down from a population of 13,672 residents in 2010. Excluding the reduction in Crookston, the remainder of the Market Area lost 227 residents between 2010 and 2020.
- ▶ The entire Market Area has experienced a longer-term loss of population, with a decreasing number of residents record over each of the past three decades. Over the 30-year time period between 1990 and 2020, the average annual population loss has been approximately 45 people per year for the combined Market Area jurisdictions.
- ▶ Esri has generated population estimates for the Crookston Market Area. In 2022, the Market Area had 12,951 residents, slightly below the 2020 Census count of 13,037 people.

Polk County

- ▶ The 2020 Census reported 31,192 permanent residents in Polk County, down from 31,600 people in 2010. Although population changes occurred within each of the individual jurisdictions in the County, in general, the County's population loss over the last decade can be attributed to those jurisdictions within the Crookston Market Area. Countywide, there were 408 fewer residents between 2010 and 2020, with a reduction of 635 people within the Market Area.
- ▶ For Polk County, the State Demographer's 2021 estimate showed the population at 30,835, a decrease of 357 people from 2020 to 2021. This was a significant population loss for a one year time period.

Group Quarters Population

Crookston has a number of people residing in “group quarters” housing. The following table displays changes in this population subset over the past 30 years based on the Census reporting.

Table 2 Group Quarters Populations in Crookston: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Crookston	700	901	848	639

Source: U.S. Census

- ▶ According to the 2020 Census, Crookston had 639 people living in group quarters housing. This total was down by 209 people from 2010, and represented more than half of the City’s overall population reduction that occurred over the decade.

Table 3 Group Quarters Housing Types: 2010 to 2020			
	2010 Census	2020 Census	Change
Skilled Nursing Facilities	151	117	-34
Other Institutional Facilities	8	21	13
Student Housing	540	392	-148
Other Noninstitutionalized Facilities	149	109	-40
Total	848	639	-209

Source: U.S. Census

- ▶ The largest group quarters decrease was from people living in student housing, presumably at the University of Minnesota Crookston. This population had decreased by 148 people from 2010 to 2020. Given the timing of the Covid pandemic shortly before the 2020 Census date, it is possible that some students that would have otherwise been living in student housing had departed shortly before the Census was conducted.
- ▶ The number of people living in undefined noninstitutional facilities decreased by 40 people from 2010 to 2020. This category would include residential group homes. The number of people living in skilled nursing facilities decreased by 34 people from 2010 to 2020.

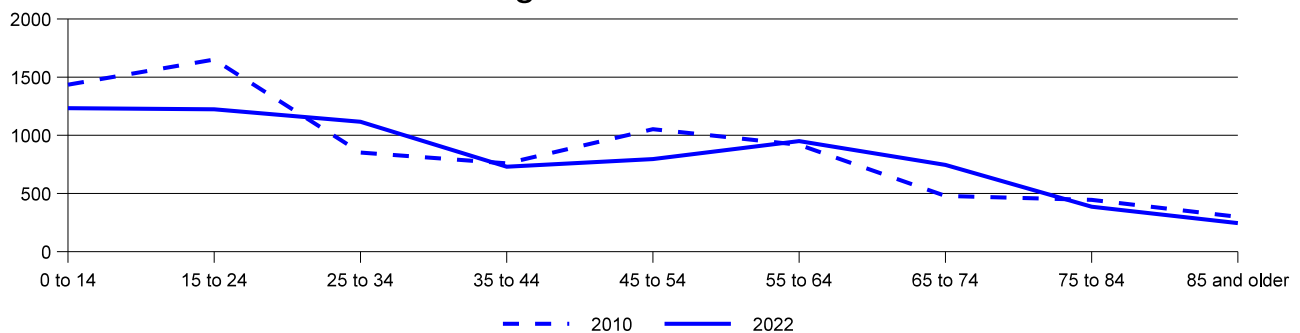
Population by Age Trends: 2010 to 2022

No age-based population details are yet available from the 2020 Census. Esri has produced age-based estimates for 2022. These have been compared to the 2010 Census data for analysis of the changing age patterns in the recent past.

Table 4 Population by Age - 2010 to 2022						
Age	Crookston			Market Area		
	2010	2022	Change	2010	2022	Change
0-14	1,435	1,233	-202	2,562	2,172	-390
15-19	751	608	-143	1,135	937	-198
20-24	900	616	-284	1,172	876	-296
25-34	852	1,116	264	1,461	1,745	284
35-44	759	730	-29	1,450	1,328	-122
45-54	1,053	796	-257	2,038	1,529	-509
55-64	918	950	32	1,700	1,831	131
65-74	479	746	267	939	1,412	473
75-84	445	386	-59	770	725	-45
85+	299	245	-54	445	396	-49
Total	7,891	7,426	-465	13,672	12,951	-721

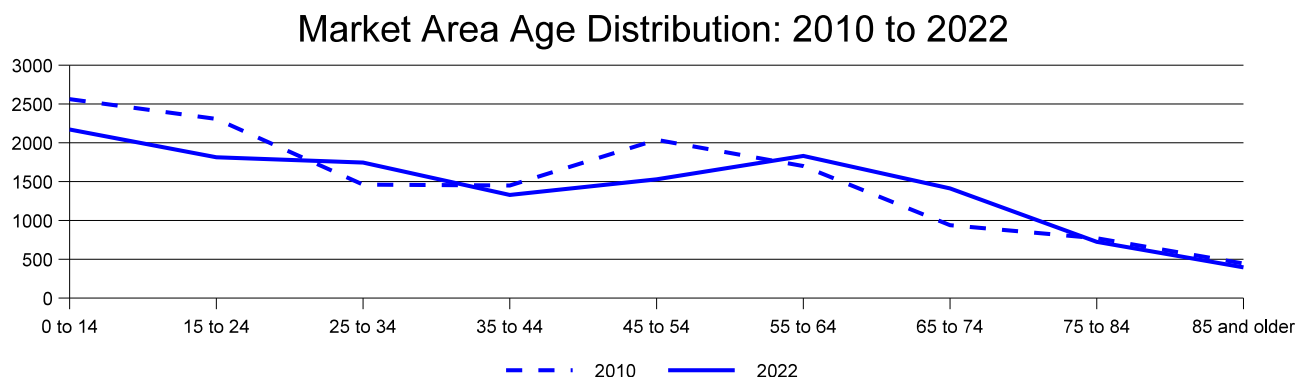
Source: U.S. Census; Esri

Crookston Age Distribution: 2010 to 2022



- ▶ Based on Esri’s estimates, there have been some significant shifts in the age distribution patterns of the population in Crookston. In general, the City experienced a decrease in the number of people within most of the defined age ranges between 2010 and 2022.

- ▶ Each of the age groups 24 and younger decreased in size, as the City experienced a reduction in the number of children and young adults. This included a decreased population in the 20 to 24 year old group which would often represent traditional college students.
- ▶ The City did have a large estimated increase of more than 260 people in the young adult range between 25 and 34 years old. However, this was the only defined age group below age 54 that increased in size over the time period reviewed.
- ▶ The estimates show a large increase of nearly 270 people in the 65 to 74 year old age range. There was also some growth in the near-senior group, age 55 to 64 years old. Combined, the 20-year range between 55 and 74 years old added nearly 300 people between 2010 and 2022. This would largely reflect the movement of the “baby boom” generation through the aging cycle.
- ▶ According to Esri, there was a decrease of seniors age 75 and older. With a reduction of nearly 60 people in the 75 to 84 year old group and a decrease of nearly 55 people age 85 and older.
- ▶ The age progression patterns present in Crookston between 2010 and 2022 were also generally evident in the entire Market Area. In broad terms, the Market Area added population in the 55 to 74 year old age range, but had a large loss of residents age 54 and younger and a small reduction in the age groups 75 and older.



Population Projections

The following table presents population projections generated by Esri for the City of Crookston and the Market Area.

Table 5 Population Projections Through 2022				
	2020 Census	2022 Estimate	2027 Projection	Change 2022-2027
Crookston	7,482	7,426	7,396	-30
Market Area	13,037	12,951	12,772	-179

Source: U.S. Census; Esri

- ▶ Esri is projecting that the population level for the City of Crookston will generally remain stable between 2022 and 2027 with a reduction of only 30 people, or an average loss of six people per year. This projected rate of loss would be significantly lower than recorded in the prior decade, as Crookston had an average annual loss of nearly 41 people per year between 2010 and 2020 according to Census totals.
- ▶ Esri’s projection for the combined jurisdictions that form the Market Area shows a loss of 179 people over the 5-year period, or an average of approximately 36 people per year. This annual average rate of loss would be greater than the reduction that was recorded between 2010 and 2020.
- ▶ Although these projections are somewhat consistent with the population change patterns reported in the 2020 Census, the forecasts do assume that the Census was accurate. If an under count occurred in Crookston, then it is very possible that the City could add residents going forward.

Household Data and Trends

Table 6 Household Trends - 1990 to 2020						
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census
Crookston	2,981	3,078	3.3%	3,109	1.0%	3,087
Market Area	5,233	5,364	2.5%	5,358	-0.2%	5,302
Polk County	11,984	12,070	0.7%	12,704	5.3%	12,534

Source: U.S. Census; Esri

Crookston

- ▶ According to the 2020 Census, Crookston had 3,087 permanent resident households, down by 22 households, or -0.7% from 2010.
- ▶ Although the City may have lost some households over the last decade, the actual decrease was small and averaged approximately two households per year. Longer-term, the annual average change has been limited. In the 1990s, average annual growth in the City was approximately 10 households per year. However, growth then slowed to approximately three households per year between 2010 and 2020. With the minor loss of households after 2010, the City’s total household count was up by fewer than 10 households between 2000 and 2020.
- ▶ In 2021, the MN State Demographer’s Office estimated that there were 3,045 households in Crookston, down from 3,087 in 2020. As stated previously, the Demographer had been tracking both household and population growth in Crookston prior to the release of 2020 Census data, but then revised their estimates downward to match the Census. In 2019, the Demographer had estimated that there were 3,246 resident households in the City. This estimate had been showing consistent growth in the number of households after 2010, but was reversed following the Census release.
- ▶ Esri’s estimate for Crookston showed 3,097 households in 2022, compared to 3,087 reported in the 2020 Census. Although Esri is estimating some reduction in the City’s population after 2020, they do show a minor increase of 10 households between 2020 and 2022.

Market Area

- ▶ According to the 2020 Census, the Market Area had 5,302 permanent resident households, down by 56 households, or -1.0% from 2010. The Market Area loss included 22 fewer households in Crookston and 34 fewer households in the remaining jurisdictions.
- ▶ Longer-term patterns show only limited changes from decade to decade. While the Market Area added 131 households in the 1990s, it then lost six households between 2000 and 2010. With a reduction of 56 households after 2010, the total household count in 2020 was only 69 households higher than the Census count in 1990.
- ▶ Esri's 2022 estimate for the Market Area showed 5,273 households, down slightly from 5,302 households counted in the 2020 Census. If accurate, the combined Market Area jurisdictions have lost an average of nearly 15 households per year since the 2020 Census was conducted.

Polk County

- ▶ The 2020 Census reported 12,534 households in Polk County, down from 12,704 in 2010, for a reduction of 1.3%. The Countywide loss included 56 fewer households in the Crookston Market Area jurisdictions and 114 fewer households in the remainder of the County.
- ▶ Polk County had added households in the 1990s, and between 2000 and 2010, before the household loss over the most recent decade.

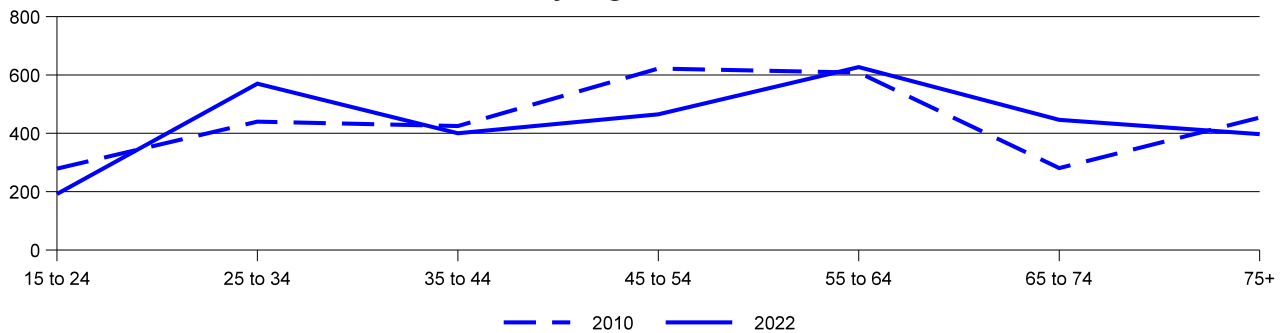
Household by Age Trends: 2010 to 2022

Age-based information has not yet been released from the 2020 Census, but estimates for 2022 are available from Esri. These have been compared to the 2010 Census information to examine changing age patterns in the area.

Table 7 Households by Age - 2010 to 2022						
Age	Crookston			Market Area		
	2010	2022	Change	2010	2022	Change
24 and younger	279	192	-87	338	231	-107
25-34	440	570	130	712	866	154
35-44	425	400	-25	767	689	-78
45-54	622	465	-157	1,151	847	-304
55-64	608	627	19	1,060	1,133	73
65-74	281	446	165	547	799	252
75 and older	454	397	-57	783	708	-75
Total	3,109	3,097	-12	5,358	5,273	-85

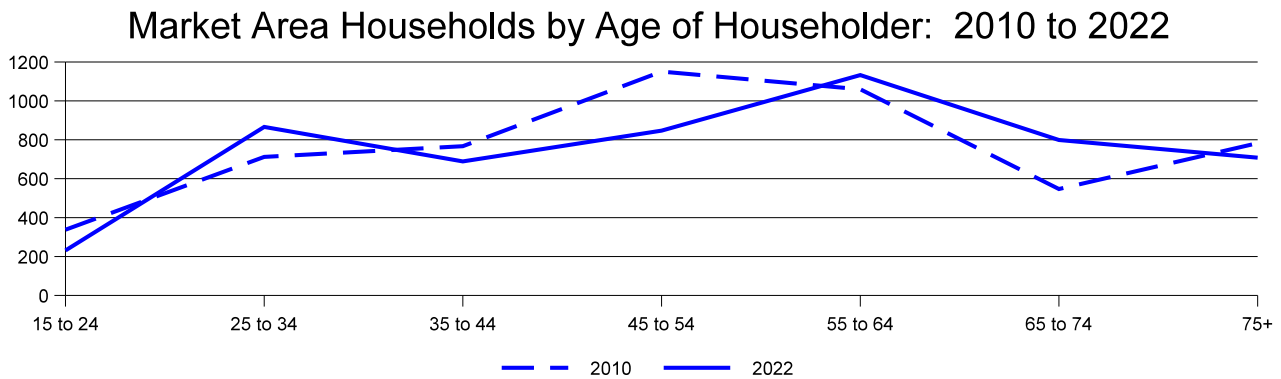
Source: U.S. Census; Esri

Crookston Households by Age of Householder: 2010 to 2022



- ▶ Although the total household count in Crookston changed by only 12 households between 2010 and 2022, there were larger numeric changes within all of the defined age ranges.

- ▶ A substantial household increase was estimated in two of the age groups, with a gain of 165 households in the 65 to 74 year old range, and an increase of 130 households in the 25 to 34 year old group. The only other age range to add households was in the 55 to 64 year old range, which added fewer than 20 households according to Esri.
- ▶ The largest estimated decrease in households occurred in the 45 to 54 year old group, with a reduction of 157 households. A fairly large decrease also occurred in the young adult range, age 24 and under, and among older seniors, age 75 and above.
- ▶ The age progression patterns for the entire Market Area were generally similar to those in Crookston between 2010 and 2022. Reflecting the impact that Crookston had as the largest single jurisdiction, the Market Area added households in the same ranges as Crookston while losing households in the remaining age groups.



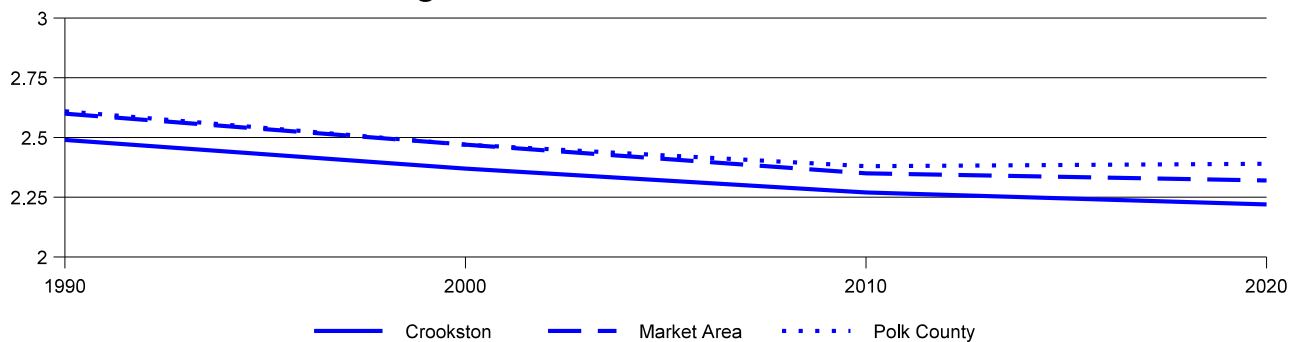
Average Household Size

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

Table 8 Average Number of Persons Per Household: 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Crookston	2.49	2.37	2.27	2.22
Market Area	2.60	2.47	2.35	2.32
Polk County	2.61	2.47	2.38	2.39

Source: U.S. Census

Average Household Size: 1990 to 2020



- ▶ Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.
- ▶ There has been a long-term pattern of smaller household sizes in Crookston. Based on the 2020 Census, the average household size in Crookston was 2.22 people, down from 2.27 people in 2010, and well below the average of 2.47 persons per household in 1990.
- ▶ The same pattern of smaller households has also been present in the Market Area since 1990, with an average household size of 2.32 persons in 2020 compared to 2.60 persons per household in 1990.
- ▶ While the County’s average household size had been decreasing, it then stabilized and was at 2.39 persons in 2020 compared to 2.38 in 2010.

Household Projections

Household projections for the five-year time period spanning the years 2022 through 2027 are available from AGS and Esri. In addition, Community Partners Research, Inc., has also issued household forecasts based on the housing unit construction patterns and growth potential for Crookston.

Table 9 Household Projections Through 2027				
	2020 Census	2022 Estimate	2027 Projection	Change 2022 to 2027
Crookston - Esri	3,087	3,097	3,081	-16
Crookston - CPR, Inc.	3,087	3,097	3,172	75
Market Area - Esri	5,302	5,273	5,196	-77
Market Area - CPR, Inc.	5,302	5,273	5,271	-2

Source: US Census; Esri; Community Partners Research, Inc.

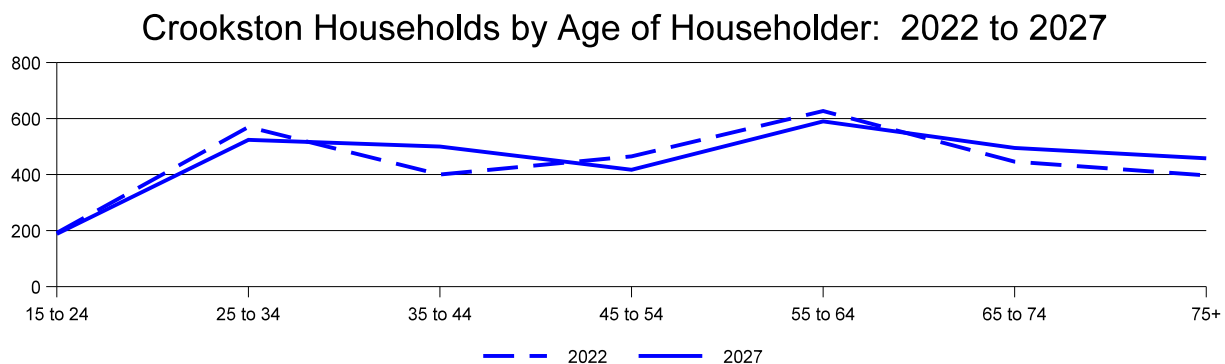
- ▶ Esri’s projection for the City of Crookston shows a minor loss of households through 2027, with an average annual reduction of approximately three households per year. For comparison, between 2010 and 2020, the City had an average reduction of approximately two households per year.
- ▶ Using information about recent trends in expansion of the available housing stock, Community Partners Research, Inc., believes that Crookston has the potential to add approximately 15 households in a typical year, or 75 total households over the 5-year projection period.
- ▶ Esri’s projection for the entire Market Area shows an expected reduction of 77 households between 2022 and 2027, for an annual average decrease of approximately 15 households per year. This projected rate of annual loss going forward would be significantly greater than in the recent past as the Market Area lost an average of fewer than six households per year between 2010 and 2020.
- ▶ Community Partners Research, Inc., believes that the household count for the combined Market Area jurisdictions is likely to remain relatively stable through 2027. While it is probable that some of the rural communities and townships will lose households over this time, the probable growth within Crookston will result in a very limited net change in households.

Crookston Household by Age Projections: 2022 to 2027

Esri has generated age-based projections for households to the year 2027. However, in the opinion of the analysts, Esri’s growth forecast for Crookston is too low. Community Partners Research, Inc., has adjusted the original Esri data up by approximately 3% to better match the probable total household count in Crookston in 2027.

Table 10 Crookston Projected Households by Age - 2022 to 2027			
Age Range	2022 Estimate	2027 Projection	Change 2022 to 2027
24 and younger	192	188	-4
25-34	570	524	-46
35-44	400	500	100
45-54	465	417	-48
55-64	627	590	-37
65-74	446	495	49
75 and older	397	458	61
Total	3,097	3,172	75

Source: Esri; Community Partners Research, Inc.



- ▶ Overall, the adjusted projections expect an increase of 75 households in Crookston over the 5-year period.
- ▶ The largest numeric increase of any single age group is projected in the 35 to 44 year old range, with an increase of 100 households. However, this is the only younger age group expected to increase in size. As a result, these projections expect a net decrease of households in the combined ranges age 64 and younger.

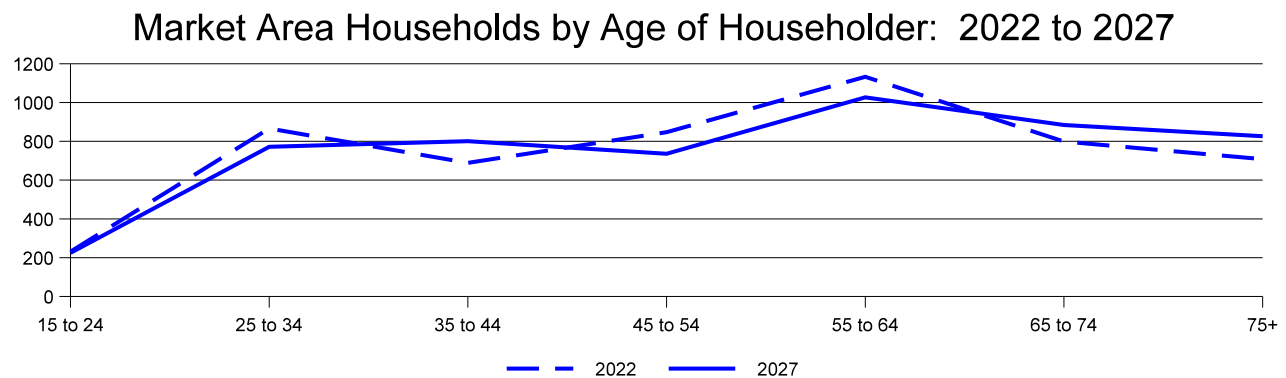
- ▶ Consistent with the movement of the large baby boom generation through the aging cycle, the projections show an increasing number of households in the senior citizen ranges, age 65 and older. By 2027, nearly all of the baby boomers will be in these age groups. The adjusted projections expect an increase of 49 households age 65 to 74, and 61 households age 75 and older.

Market Area Household by Age Projections: 2022 to 2027

The following table presents Market Area household by age projections. These are based on the projections created by Esri, but have been adjusted upward to reflect the information presented previously for the City of Crookston. The adjustment to the total household count is less than 1.5%.

Table 11 Market Area Projected Households by Age - 2022 to 2027			
Age Range	2022 Estimate	2027 Projection	Change 2022 to 2027
15-24	231	225	-6
25-34	866	772	-94
35-44	689	801	112
45-54	847	736	-111
55-64	1,133	1,027	-106
65-74	799	884	85
75+	708	826	118
Total	5,273	5,271	-2

Source: Esri; Community Partners Research, Inc.



- ▶ Overall, the adjusted projections expect a reduction of only two total households in the Market Area over the next five years. Despite the stability in the total number of households, there are fairly large numeric changes expected in most of the defined age ranges during this time.

- ▶ The largest projected increase would be among older senior households, age 75 and above. Growth is also being projected in the younger senior range. Based on these projections the Market Area could add 118 households age 75 and older by 2027.
- ▶ Growth is also projected in the younger senior range, age 65 to 74 years old. In total, more than 200 senior-headed households, age 65 and older would be expected by 2027. This would be consistent with the movement of the baby boom generation through the aging cycle. By 2027, nearly all of the baby boomers will be age 65 or older.
- ▶ While solid growth of 112 households is being projected in the younger adult range between 35 and 44 years old, all of the other non-senior age ranges are expected to remain relatively stable or decrease in size. According to these projections there may be a net reduction of more than 200 households age 64 and younger in the Market Area by the year 2027.
- ▶ The largest projected reductions would occur within the 45 to 54, and 55 to 64 year old groups. This 20-year range is projected to see a decrease of 217 households by 2027. Much of this would represent the impact of the advancing baby boom generation, as the age cohorts trailing behind were not as large and will not fully replace the advancing baby boomers.

Housing Tenure

The 2020 Census has not yet released any information on home owner and renter status. The American Community Survey does provide an estimate of the tenure distribution patterns. In the following table, the 2021 estimates have been presented, along with the 2010 Census data for comparison.

Table 12 Household Tenure				
	2010		2021	
	Percent Owners	Percent Renters	Percent Owners	Percent Renters
Crookston	61.5%	38.5%	55.9%	44.1%
Market Area	71.6%	28.4%	67.4%	32.6%

Source: U.S. Census; American Community Survey

- ▶ According to the 2021 American Community Survey, the home ownership tenure rate in the City of Crookston was at 55.9%, down from 61.5% in 2010. Although the rate of home ownership in the City may have decreased after 2010, it is doubtful that the change has been as large as estimated in the American Community Survey. When the 2020 Census information is released later in 2023, a more accurate benchmark will be established for housing occupancy tenure patterns.
- ▶ The American Community Survey is also estimating that the entire Market Area has experienced a decreasing rate of home ownership. However, this would be directly impacted by the changes in Crookston and may once again overstate the change that has occurred after 2010.

Median Income Data

Household and family income estimates are available at the City and State level through the American Community Survey. No median income information exists for the aggregated Market Area designation but an approximate median can be extrapolated from the distribution data.

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 13 Median Income - 2010 to 2021			
	2010 Median	2021 Median	% Change
Households			
Crookston	\$40,858	\$49,128	20.2%
Market Area	\$47,519	\$58,852	23.8%
Minnesota	\$57,243	\$77,706	35.7%
Families			
Crookston	\$60,942	\$69,021	13.3%
Market Area	\$62,149	\$82,106	32.1%
Minnesota	\$71,307	\$98,356	37.9%

Source: American Community Survey

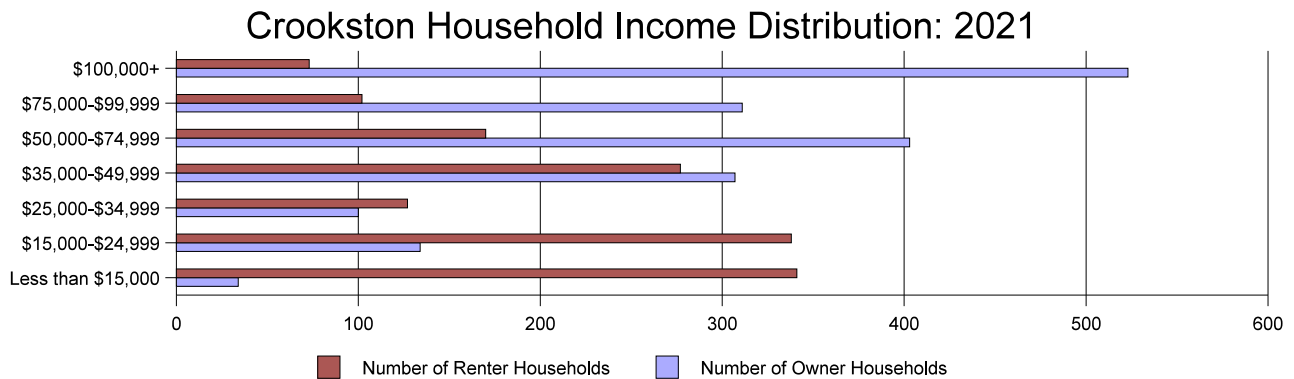
- ▶ According to the American Community Survey, the median household income in Crookston was \$49,128 in 2021. The City’s median household income had increased by more than 20% from 2010, but still remained well below the comparable medians for the Market Area and the State.
- ▶ The City’s median family income, at \$69,021 in 2021, had increased by only 13.3% from 2010. The median family income for Crookston was well below the estimated Market Area median of \$82,106, and was more than \$29,000 below the family median for the State of Minnesota.
- ▶ Using the commonly accepted standard that up to 30% of gross income can be applied to housing expenses, a median income household in Crookston could afford approximately \$1,228 per month while a median income family could afford \$1,726 per month.

Crookston Household Income Distribution by Tenure

The American Community Survey household income estimates for the City of Crookston are available by housing occupancy tenure. The American Community Survey provided data on 3,240 households in 2021, compared to a 2020 Census count of 3,087 households in Crookston. Therefore, there may be an over count of households in this table, however, it is still a good indicator of household income distribution in the City.

Household Income	Owner Households	Renter Households	All Households
\$0 - \$14,999	34 / 1.9%	341 / 23.9%	375 / 11.6%
\$15,000 - \$24,999	134 / 7.4%	338 / 23.7%	472 / 14.6%
\$25,000 - \$34,999	100 / 5.5%	127 / 8.9%	227 / 7.0%
\$35,000 - \$49,999	307 / 16.9%	277 / 19.4%	584 / 18.0%
\$50,000 - \$74,999	403 / 22.2%	170 / 11.9%	573 / 17.7%
\$75,000 - \$99,999	311 / 17.2%	102 / 7.1%	413 / 12.7%
\$100,000+	523 / 28.9%	73 / 5.1%	596 / 18.4%
Total	1,812	1,428	3,240

Source: American Community Survey



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

- ▶ In 2021, more than 56% of renter households in Crookston had an annual income below \$35,000.
- ▶ For home owners, more than 68% had an annual income of \$50,000 or more.
- ▶ The American Community Survey also included an estimate for the median household income by housing tenure. For all renters in Crookston, the estimated median was \$28,167 in 2020. At 30% of income, these households would have \$704, or less, that could be applied to monthly housing costs.
- ▶ The estimated median annual income for all home owners in Crookston was \$68,214 in 2021. At 30% of income, a household at the median could apply \$1,705 per month toward housing costs.

Estimated Income and Housing Costs - Renters

In addition to household income, the American Community Survey also collects information on housing costs. The following table provides data on renter households that were paying different percentages of their gross household income for housing in Crookston in 2021.

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”.

Table 15 Gross Rent as a Percentage of Household Income - 2021				
Percent of Income for Housing	Households Age 24 and Younger	Households Age 25 to 64	Households Age 65 and Older	Total
Less than 20%	13 / 25.0%	295 / 27.5%	21 / 6.9%	329 / 23.0%
20% to 29.9%	13 / 25.0%	303 / 28.3%	73 / 23.9%	389 / 27.2%
30% to 34.9%	0 / 0%	28 / 2.6%	55 / 18.0%	83 / 5.8%
35% or more	26 / 50.0%	292 / 27.3%	150 / 49.2%	468 / 32.8%
Not Computed	0 / 0%	153 / 14.3%	6 / 2.0%	159 / 11.1%
Total	52	1,071	305	1,428

Source: American Community Survey

- ▶ According to the American Community Survey, nearly 39% of all renters in the City were paying 30% or more of their household income for rent in 2021. The large majority of these households were actually paying 35% or more of their income for housing. Although a housing cost burden could be caused by either high housing costs or low household income, in Crookston it was primarily due to low income levels for renters, with an annual income below \$35,000.
- ▶ The frequency of experiencing a rent burden varied by age with more than 67% of senior renters age 65 and older reporting a rent burden.
- ▶ Among younger renters, age 24 and under, 50% of households were paying 30% or more of their income for rent. This younger age group may reflect a post-secondary student population living in the City.
- ▶ Fewer than 30% of all renter households in the age ranges between 25 and 64 years old reported a rent burden in 2021.

Estimated Income and Housing Costs - Owners

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

It is important to note that mortgage lending practices also tend to limit the amount of monthly income that can be used for mortgage repayment to less than 30%.

Table 16 Ownership Costs as a Percentage of Income - 2021		
Percentage of Household Income for Housing Costs	Number of Owner Households	Percent of All Owner Households
0% to 19.9%	1,262	69.6%
20% to 29.9%	237	13.1%
30% to 34.9%	147	8.1%
35% or more	157	8.7%
Not Computed	9	0.5%
Total	1,812	100%

Source: American Community Survey

- ▶ The large majority of owner-occupants, which would include both households with and without a mortgage, reported paying less than 30% of their income for housing. However, nearly 17% of all home owners reported that they paid more than 30% of their income for housing. More than half 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. However, some cost burdened home owners did not have a mortgage.

Building Permit Trends

Crookston has had ongoing new housing development activity since the year 2010. The following table identifies the units that have been issued a building permit from 2010 to 2022.

Table 17 Crookston Housing Unit Construction Activity: 2010 to 2022				
Year	Single Family Detached	Single Family Attached	Multifamily	Total Units
2022	6	0	0	6
2021	1	2	0	3
2020	1	0	0	1
2019	7	0	0	7
2018	4	2	0	6
2017	10	0	73	83
2016	0	0	0	0
2015	3	0	2	5
2014	6	0	12	18
2013	10	0	0	10
2012	4	2	7	13
2011	7	2	0	9
2010	7	0	0	7
Total	66	8	94	168

Source: City of Crookston; Census Bureau

- ▶ Over the 13-year time period from 2010 through 2022, building permits were issued for 168 new housing units in Crookston, or an annual average of nearly 13 units per year.
- ▶ There have been 66 single family houses permitted since 2010, for an annual average of five houses per year.

- ▶ There has been some construction of attached housing units, primarily in the form of twin homes or duplexes. While the actual occupancy tenure of most of these units is not known by the analysts, it is assumed that a majority of these units were intended for owner-occupancy. At least three duplexes were constructed for rental use in the Herkenoff Twin Homes project and these have been included in the multifamily unit construction totals in the previous table. The remaining 8 attached single family units that can be tracked from building permit reporting are listed as two-unit structures in the table and represented approximately 11% of all single family housing starts since 2010.

- ▶ Most of the permitted units since 2010 were in multifamily rental projects, including:
 - ▶ Riverside Apartments conversion in 2012 with 7 units
 - ▶ Main Suites conversion in 2014 with 12 units
 - ▶ Herkenoff Twin Homes in 2015 and 2017 with 6 units
 - ▶ The Meadows Apartments in 2017 with 41 units
 - ▶ Agassiz Townhomes in 2017 with 30 units

Occupancy Status of Housing Units - 2010 and 2020

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

Table 18 Housing Units, Occupancy and Vacancy - 2010 to 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Crookston	3,303	3,445	142	3,109	3,087	-22	194	358	164
Market Area	5,916	6,006	90	5,358	5,302	-56	558	704	146

Source: U.S. Census

- ▶ According to a reconciliation of decennial Census data, Crookston had 142 more housing units in 2020 than were present at the time of the 2010 Census.
- ▶ The building permit reporting presented on a previous page indicated that approximately 158 new housing units may have been developed in Crookston between 2010 and 2019. A net gain of 142 housing units, as reported by the Census, would indicate that approximately 15 to 20 older units were removed from the City's housing inventory over the decade.
- ▶ Despite the growth in housing unit availability in Crookston between 2010 and 2020, the City had a small decrease in the number of occupied housing units during this time, according to the Census. The number of vacant housing units recorded in 2020 had increased substantially when compared to 2010. While impossible to verify, it is possible that some of the increase in vacant housing represented units that were unoccupied on April 1, 2020 due to the Covid pandemic, such as University students that may have moved when the campus went to remote learning in March 2020.
- ▶ For the entire Market Area, there was a reduction of available housing units between 2010 and 2020, once Crookston is removed from the aggregated area. It is doubtful that much new home construction has occurred outside of Crookston, and over time, some older housing has probably been lost in the small cities and rural townships that surround Crookston.

American Community Survey Housing Data

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates for communities are based on limited sampling, which can result in a margin of error within the data being presented.

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units an estimated median year of construction is provided. In Crookston, the estimated median year of construction was 1963.

More than 57% of the owner-occupied houses in the City were constructed before 1960.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Crookston, the estimated median year of construction was also 1963.

According to this source, nearly 79% of all rental units in the City were constructed before 1980.

Existing Home Sales

This section examines home sales in recent years in the City of Crookston. Information was obtained from the Polk County Assessor’s Office.

Polk County collects information from residential sales for the annual sales ratio study, which compares the fair market sale price to the estimated taxable value for each home. As a result, this information primarily reflects existing homes that have an established tax value. New construction sales would generally not be recorded in the data that was used for this analysis, unless the house had been constructed in a prior year and already had an established tax value.

Home sales are divided into “qualified” and “unqualified” groupings. Qualified sales are also referred to as good sales, because they are fair market transactions. Unqualified sales are rejected because they are not considered to be fair market transactions. There are multiple reasons for rejecting a sale, including foreclosures/short sales, transfers between related parties, or sales that were not conducted in the open market.

Previous studies had used an “adjusted sale price”, which attempted to make adjustments for personal property that was included in the sale, any financing concessions, or similar items that are not part of the real property transfer. The adjustments were made by the Polk County Assessor’s Office. However, the data set obtained for sales since 2018 did not include an adjusted sale price. In most cases, the actual sales price and the adjusted sales price are not different, but there are some transactions where the adjusted price is lower.

Information was available for the calendar year from 2018 through 2021. For 2022, the last recorded sale was September 15th. The following data table includes detached single family homes that could be renter-occupied or owner-occupied, but excludes twin home, town home and condominium sales.

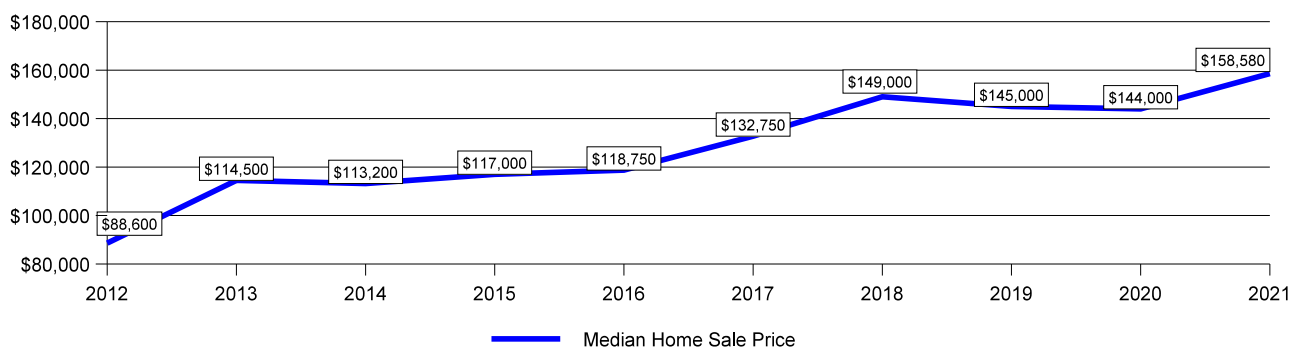
Table 19 Crookston Residential Sales Activity - 2018 to 2022*				
Year	Number of Good Sales	Median Sale Price	Highest Sale	Lowest Sale
2022*	47	\$134,500	\$293,000	\$30,500
2021	105	\$158,580	\$420,000	\$28,000
2020	74	\$144,000	\$308,250	\$20,000
2019	59	\$145,000	\$289,900	\$27,000
2018	79	\$149,000	\$340,000	\$15,000

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

* 2022 sales are partial-year

- ▶ There has been a relatively wide variation in the number of good sales recorded each year, and the annual median may vary based on the number of sales reviewed.
- ▶ In 2021, when the largest number of sales occurred, the median price was \$158,580, the highest annual median of the years reviewed.
- ▶ Only partial-year information was available for 2022, with fewer than nine months of sales recorded. However, the information showed a much smaller number of good sales in 2022, with a lower median price when compared to 2021.
- ▶ The highest-valued home sale in Crookston over the time period reviewed was in 2021 when a sale for \$420,000 was recorded. This is the only sale since 2018 for more than \$400,000.
- ▶ In each of the years reviewed, at least one house was sold for less than \$31,000.
- ▶ Using information contained in previous studies for Crookston, the following chart depicts a 10-year sales history.

Median Home Sale Prices in Crookston: 2012 to 2021



- ▶ In general, there has been a longer-term pattern of a gradual annual increase in the median home sale price in Crookston. Fairly large increases were recorded between 2012 and 2013, 2016 and 2018, and between 2020 and 2021. However, partial-year information for 2022 indicates that the rapid rise in the median price in 2021 may be reversed, and the year-to-date median in 2022 is similar to the median in 2020.

Home Sales by Price Range

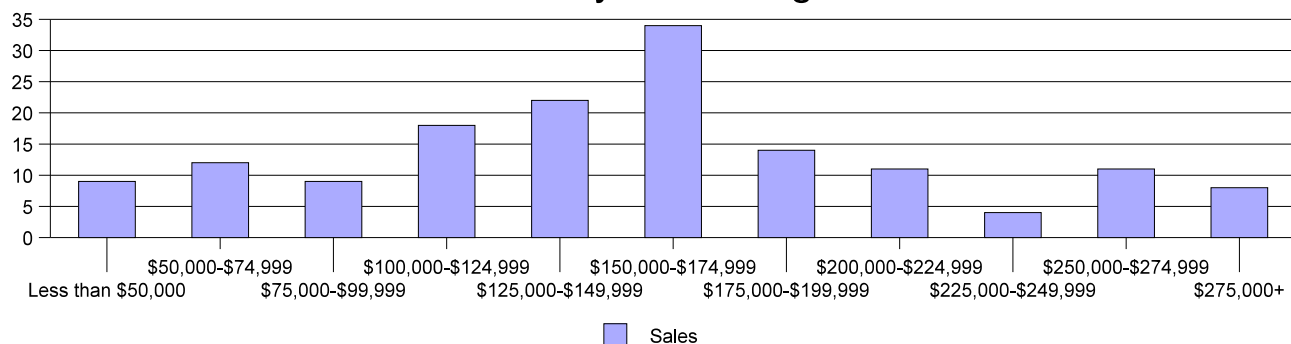
The following table categorizes the single family houses by defined price ranges that sold in 2021 and 2022 (partial-year). This information is from Polk County's sales records.

Table 20 Home Sales by Price Range: 2021-2022*		
Sale Price	Number of Sales	Percent of Sales
Less than \$50,000	9	5.9%
\$50,000 - \$74,999	12	7.9%
\$75,000 - \$99,999	9	5.9%
\$100,000 - \$124,999	18	11.8%
\$125,000 - \$149,999	22	14.5%
\$150,000 - \$174,999	34	22.4%
\$175,000 - \$199,999	14	9.2%
\$200,000 - \$224,999	11	7.2%
\$225,000 - \$249,999	4	2.6%
\$250,000 - \$274,999	11	7.2%
\$275,000 - \$299,999	3	2.0%
\$300,000+	5	3.3%
Total	152	100%

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

*2022 sales are through September 15

Crookston Home Sales by Price Range: 2021 and 2022*



- ▶ Home sales in 2021 and partial-year 2022 have been distributed in a wide range of prices. However, nearly 58% of recent sales were in the price ranges between \$100,000 and \$199,999.
- ▶ Fewer than 23% of the recent sales were at or above \$200,000, while fewer than 20% of sales were for less than \$100,000.

Rental Housing Inventory

U.S. Census Inventory

The 2020 Census has not yet released any of the more detailed tables on housing occupancy patterns, including owner versus renter status. Recent estimates do exist in the American Community Survey.

At the time of the 2010 U.S. Census, there were 1,196 occupied rental housing units and at least 86 vacant rental units in Crookston. There were a few additional vacant units in the City that were not identified as either rental or owner housing, but it would appear that the total rental unit inventory was approximately 1,282 units in Crookston in 2010.

The 2021 American Community Survey estimated that there were 1,428 occupied rental units in Crookston, and 116 unoccupied rental units, for a total inventory of 1,544 units. If accurate, the City had added 262 total rental units when compared to 2010 and had added 232 renter-occupancy households.

As reported previously, the annual building permit reports would indicate that at least 126 rental units were created in the City after 2010. The estimated growth in the rental stock, as reported in the American Community Survey, would imply that some level of tenure conversion has also occurred, as houses previously used for owner-occupancy may have shifted to rental use over the decade. It is also possible that the American Community Survey has somewhat over estimated the distribution of rental housing units in the City.

Recent Rental Construction

Since 2010, the following multifamily rental development projects can be identified:

- ▶ Agassiz Townhomes - a 30-unit moderate rent tax credit project was permitted in 2017
- ▶ The Meadows - a 41-unit market rate project was permitted in 2017
- ▶ Herkenoff Twin Homes - three duplexes permitted in 2015 and 2017 with 6 rental units
- ▶ Riverside Apartments - conversion of a former funeral home into 7 rental units in 2012

- ▶ Main Suites - conversion of a former grocery store into 12 rental units in 2014

It is possible that additional rental housing was created through building conversion projects, especially in the City's downtown area. These projects could not be specifically identified from annual building permit summary reports. Previous research has indicated that six units were created on the upper floors of a downtown mixed-use building, but the year of this project is not known.

Rental Registration Inventory

The City of Crookston has a Rental Housing Registration Program that requires all rental units to be registered with the City.

In 2022, there were 1,267 registered rental units in Crookston. This total is lower than the estimated inventory in the American Community Survey. This may indicate that the American Community Survey estimate is too high, or it may indicate that some rental housing in Crookston is not registered with the City.

At the time of the 2018 Housing Study there were 1,220 registered units. The increase of 47 registered units in 2022 would largely reflect the addition of the Agassiz Townhomes project with 30 units which opened for occupancy after the date of the 2018 Housing Study.

In 2014, there were 1,180 registered units in Crookston. Between 2014 and 2022 there was a net gain of 87 rental units. In addition to the Agassiz Townhomes, The Meadows, with 41 units, would also have been constructed after 2014.

Rental Housing Survey

As part of this housing study, a telephone survey was conducted of multifamily rental projects in Crookston. The survey focused on larger rental developments with six or more units. For the purposes of future new construction, we believe that the larger rental properties provide the best comparison. However, some information was also collected from smaller rental properties, including single family homes and buildings with four or fewer units.

The survey was primarily conducted in December 2022, although the specialized senior housing projects were surveyed in January 2023. Multiple attempts were made to contact each identified project. Information was tallied separately for different types of rental housing, including market rate units, moderate rent tax credit units, subsidized housing, and specialized senior housing with services.

There were 768 rental units of all types that were contacted in the survey. This represents approximately 61% of all registered rental units in the City. All of the income-restricted rental projects and all of the specialized senior housing projects were successfully contacted, along with many of the conventional market rate properties. The breakdown of surveyed units by housing segment is as follows:

- ▶ 408 market rate units
- ▶ 60 moderate rent tax credit units
- ▶ 247 subsidized units for senior/disabled or general occupancy
- ▶ 53 senior assisted living units

Two nursing homes, with a combined 128 beds, were also included in the survey but these do not represent independent living units.

The findings of the survey by market segment are provided below.

Market Rate Summary

Usable information was obtained from 20 rental projects with a combined 408 market rate rental units. While most of the surveyed rental units were in multifamily structures, some clusters of single family houses and smaller buildings were also included in the total.

Unit Mix

Information on the bedroom mix was obtained from 354 of the 408 surveyed units, as follows:

- ▶ 39 efficiency/studio units (11.0% of total)
- ▶ 108 one-bedroom (30.5%)
- ▶ 183 two-bedroom (51.7%)
- ▶ 24 three-bedroom (6.8%)

Occupancy / Vacancy

Occupancy information was obtained from all of the 408 units that were successfully contacted in the market rate survey. However, there were 17 units that were intentionally vacant to allow for renovations/repairs and these units were excluded from the vacancy calculation.

At the time of the survey there were 15 vacant units in the market rate segment, for an estimated vacancy rate of 3.8%. While most rental property owners/managers reported good demand for units, others reported insufficient demand to fill available rentals.

The estimated vacancy rate in 2022 was well below the level recorded in a previous survey. In 2017, the vacancy rate was 11.6% in Crookston's market rate rental housing.

Rental Rates

Rental rates in the market rate segment are generally moderate. Many of the market rate rental properties in the City are more than 25 years' old and offer fewer unit amenities.

Some of the units include the primary utility payments with the rent, while in other cases, the tenant pays the major utilities in addition to rent. We have attempted to estimate tenant-paid utilities into a gross rent estimate for the following rent ranges:

	Unit Type	Identified Rent Range
▶	Efficiency/studio	\$375-\$750
▶	One-bedroom	\$450-\$1050
▶	Two-bedroom	\$580-\$1250
▶	Three-bedroom	\$811-\$1450

There is a wide range in gross rents based on the quality, size and age of the units. The upper end of the range presented above is generally defined by units in The Meadows, the City's newest market rate rental project which was constructed in 2017.

American Community Survey Estimated Rents

The American Community Survey includes an estimate of the median gross rents in Crookston. For 2021, the estimated medians were as follows:

	Unit Type	Median Rent
▶	Efficiency/studio	\$445
▶	One-bedroom	\$573
▶	Two-bedroom	\$758
▶	Three-bedroom	\$962

Tax Credit Summary

Since the late 1980s, the major federal production incentive for the development of affordable rental housing has been Low Income Housing Tax Credits. Since the program was created, three rental projects in Crookston have received a housing tax credit award.

The first tax credit award was made in 1992 to Greentree Square II, with 16 rental units. This project also received subsidy assistance from USDA Rural Development, with all of the units having rent assistance available to serve very low income people. As a result, this project primarily provides subsidized housing and has been included in the subsidized housing analysis that follows.

The remaining two tax credit awards were for new construction projects of moderate rent housing. No additional federal subsidy programs were utilized so the housing generally served more moderate income renter households, typically at or below 60% of the median income level.

Crookston Townhomes, with 30 rental units was initially awarded tax credits in 1997, but was not constructed until 2000.

Agassiz Townhomes, also with 30 units, received a tax credit award in 2017 and opened for occupancy in 2018. Both Agassiz and Crookston Townhomes were developed by Tri-Valley Opportunity Council, Inc., a regional nonprofit organization involved with affordable housing.

Unit Mix

The unit mix for the moderate rent tax credit units in Crookston is as follows:

- ▶ 26 - two bedroom units
- ▶ 34 - three bedroom units

Occupancy/Vacancy

At the time of our rental survey, there were five vacant units reported in the moderate rent tax credit segment, for an estimated vacancy rate of 8.3%. However, applications for some of these units had been received by the property manager and were in the certification process. It is important to note that tenants must be certified for eligibility which can delay the filling of turnover units.

Rental Rates

The federal tax credit program places maximum rent limitations on assisted units. In most cases, rents are capped at 60% of the median income level. At the time of the research for this Update, the following maximum rents applied to tax credit units in Polk County:

- ▶ Two-bedroom \$1257
- ▶ Three-bedroom \$1452

In Crookston, the actual rents being charged are well below the maximum allowable federal limits set at 60% of median income. All of the unit rents being charged in Crookston Townhomes and Lake Agassiz Townhomes are below the federal limits set for households at 45% of median income.

Subsidized Summary

In 2023 there are six federally subsidized rental projects in Crookston. Combined, these projects have 247 units of subsidized rental housing. These projects serve different segments of the rental market, and have been grouped by type of housing in the summary that follows.

General Occupancy Subsidized Housing Inventory

Five of the projects are designed for general occupancy housing:

- ▶ Nimens-Espegard Apartments has 98 units
- ▶ Broadway Apartments has 30 units
- ▶ Greentree Square has 18 units
- ▶ Greentree Square II has 16 units
- ▶ Prairie Land Duplexes has 20 units

Combined, there are 182 total units of general occupancy subsidized housing. Broadway Apartments has 30 additional units that serve the conventional market rate housing segment and do not have income or occupancy restrictions.

Another subsidized project, Oak Court Apartments can also serve the general occupancy segment but does offer a preference for senior/disabled applicants, as will be discussed below.

Senior/Disabled Occupancy Subsidized Housing Inventory

In 2023, only one subsidized project is oriented to the senior/disabled occupancy segment. Oak Court Apartments, with 65 total units, is designated as general occupancy housing but preference is given to seniors (age 62 and older) and/or disabled applicants.

Oak Court Apartments was constructed through HUD's Low Rent Public Housing Program and was originally intended for senior and disabled tenant occupancy. However, a later rule change made this property available for general occupancy. At the time of this Update, approximately 50% of the units in Oak Court were occupied by senior and/or disabled tenants. Since this project is oriented to seniors and disabled tenants, we have not included these units in our general occupancy analysis.

In previous housing studies completed for Crookston, a portion of the Nimens-Espegard project had also been identified as senior/disabled occupancy housing. However, in the most recent rental survey, the property manager stated that all 98 units in Nimens-Espegard are designated as general occupancy housing, and no units are specified for senior/disabled tenants.

Unit Mix - General Occupancy Housing

The general occupancy subsidized inventory in Crookston has the following mix of units by bedrooms:

- ▶ One-bedroom 67 units (36.8% of total)
- ▶ Two-bedroom 86 units (47.3%)
- ▶ Three-bedroom 25 units (13.7%)
- ▶ Four-bedroom 2 units (1.1%)
- ▶ Five-bedroom 2 units (1.1%)

Unit Mix - Senior/Disabled Housing

The subsidized inventory that is oriented to senior/disabled occupancy has the following mix of units by bedrooms:

- ▶ Efficiency 28 units (43.1% of total)
- ▶ One-bedroom 37 units (56.9%)

Occupancy/Vacancy - General Occupancy Housing

At the time of the rental survey in December 2022, there were 22 units reported as vacant in the 182 subsidized units specifically designated for general occupancy. This represented a vacancy rate of 12.1%.

At the time of the 2018 Housing Study, the estimated vacancy rate in general occupancy subsidized housing was 8.6%.

Occupancy/Vacancy - Senior/Disabled Subsidized Housing

At the time of the rental survey there were five vacant units reported in Oak Court Apartments, for an estimated vacancy rate of 7.7%.

At the time of the 2018 Housing Study, a very low vacancy rate was recorded in units oriented to senior/disabled tenant occupancy. However, at that time approximately 50% of the units in Oak Court were also being rented by younger tenants, indicating limited demand from senior/disabled tenants.

Subsidized Unit Gains and Losses

Some subsidized projects around the State have met their contractual obligations to provide affordable housing and have been converting to market rate housing. The Minnesota Housing Finance Agency maintains a federal “opt-out log” that tracks subsidized projects that are in the process of ending their subsidy agreements. In January 2023 there were no projects in Crookston that were listed in the opt-out log.

The analysts are not aware of any subsidized projects designated for either general occupancy or senior/disabled tenant occupancy that have converted from subsidized to market rate housing in the past 15 years.

Tenant-Based Rent Assistance

In addition to subsidized rental projects, Crookston has approximately 138 households being assisted with HUD Housing Choice Vouchers (formerly Section 8 Existing Program). Some of these households may actually be using their rent assistance in one of the subsidized or tax credit projects, if that project does not have rent assistance available for all tenants.

Housing Choice Voucher assistance is issued to income-eligible households for use in suitable, private market rental housing units. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts. The rent assistance is administered by the Crookston Housing and Economic Development Authority (CHEDA).

In December 2022, there was effectively no waiting list for a Voucher.

Senior Housing with Services

Crookston has specialized senior housing options that can provide a range of care for people needing supportive services with their housing. The following summaries are provided based on unit type.

Subsidized Housing with Services

Oak Court Apartments, a HUD Public Housing project, offers an assisted living option utilizing services provided through a home health care agency. The contract for services is directly between the tenant and the service provider. At the time of this Study, there were an unspecified number of senior and/or disabled tenants in Oak Court that were contracting for services.

Assisted Living

Crookston has one provider of assisted living services. The Villa St. Vincent Assisted Living is a 53-unit project offering efficiency, one-bedroom and two-bedroom apartments. The project was created in two phases in the mid-1990s and 2004 when a former hospital building was converted into rental housing.

When surveyed, there were 8 unoccupied assisted living units. Most of the units are private-pay, but up to 13 tenants can utilize County assistance programs, such as Elderly Waiver, to access services for lower income seniors.

Memory Care

Crookston has two facilities specifically serving seniors with memory loss issues that require specialized housing.

RiverView Nursing Home is licensed as a skilled nursing home with capacity for 24 beds in 2023. There are also 24 beds in a secured wing of the Villa St. Vincent Nursing Home.

Specific occupancy information was not obtained from RiverView. In Villa St. Vincent, typical bed occupancy ranges from approximately 82% to 89%. Unoccupied memory care beds were present when the facility was surveyed.

Nursing Homes

Crookston has two skilled nursing homes. However, RiverView focuses on memory care housing and has been included in that market segment.

The Villa St. Vincent Nursing Home is licensed for 104 beds in 2023, unchanged from the licensing in 2018. Beds are designated for specific uses, including 60 beds for long-term care, 20 beds for short-term transitional care and 24 beds for memory care in a secured wing. Despite these designations, there is flexibility in the use of beds depending on demand.

Typical bed occupancy ranges from approximately 82% to 89%. This would indicate that approximately 49 to 53 residents at any point in time are receiving long-term care in the facility.

Specialized Senior Housing Utilization

Based on the market segments served by the inventory of specialized senior housing in Crookston, a comparison can be made between the overall target populations of senior citizens in the Crookston Market Area and the unit supply.

Target Market

For this analysis, the analysts have specifically focused on older senior citizens, age 75 and above, as the primary market for specialized housing with services. Based on Esri's estimates and projections, the Crookston Market Area had a total population of 1,121 older seniors in 2022. This age group is projected to grow by 139 people, or 12.4% by 2027. There were 700 older senior households in 2022, with a projection that this will increase by 101 households, or 14.4% by 2027.

Capture Rate for Nursing Homes

There are 60 beds designated for long-term care in Villa St. Vincent, with typical occupancy at 49 to 53 beds. When compared to the target population, a capture rate of approximately 4.4% to 4.7% was being achieved in 2022. To fill all 60 beds by 2027 would require a slightly higher capture rate of approximately 4.8%.

Capture Rate for Memory Care

There is an inventory of 48 beds specifically for memory care needs in the two facilities in Crookston. After adjusting for seniors living in long-term care nursing beds, there are approximately 1,070 older seniors in the primary target market in 2022. The estimated capture rate of the existing inventory would be approximately 4.0% in 2022. To fill all 48 beds by 2027 would require a similar capture rate of approximately 4.0%.

Capture Rate for Assisted Living

For assisted living, the primary target market is viewed as senior-headed households age 75 and older. These households would not be living in a group quarters facility such as a nursing home or memory care.

The assisted living inventory in Crookston has 53 apartment-style units. At the time of the rental survey, 45 units were occupied. The estimated capture rate being achieved in 2022 was approximately 6.4% of the primary target market. If the total inventory of 53 units is available in 2027, a slightly higher capture rate of 6.6% would be required to fill all assisted living units.

Table 21 Crookston Multifamily Rental Housing Inventory

Market Rate					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Alexander Street Apartments 1010/20 Alexander St	8 - 2 Bedroom 8 Total Units	\$660 +heat, electric, hot water	No vacant units	Mix of tenants	Two four-unit apartment buildings constructed in the 1970s. Rent includes water, sewer and garbage with tenant paying heat, electricity and hot water. Amenities include in-unit laundry in some units. Manager reported no vacancies at the time of the survey.
Applewood Rentals 625 W 7 th St	7 - Efficiency 2 - Studio 4 - 1 Bedroom 1 - 2 Bedroom 14 Total Units	\$550 \$575 \$700 \$900	1 vacant unit 1 - efficiency	Mix of tenants	Former motel that was converted to rental housing. The Rent includes all utilities. Efficiency and studio units are furnished - efficiencies do not have kitchens. Project amenities include private entrances, community laundry and off-street parking. Manager reported 1 vacant unit on date of survey plus 3 intentionally vacant units for rehab. Mix of tenants reported including former felons.
Barrette Arms Apartments 1200 Barrette St	2 - 1 Bedroom 22 - 2 Bedroom 24 Total Units	\$635 \$690-\$795 +heat, electric	No vacant units	Mix of tenants	Market rate apartments built in the 1970s. Tenants pay heat and electric in addition to rent. Amenities include AC, disposal, dishwasher and garage available for additional \$50 per month. Manager reported that any open units were leased for next month - but some vacancies in the past. General mix of tenants reported.
BGB Apartments 105 S Main St	3 - Efficiency 12 - 1 Bedroom 2 - 2 Bedroom 17 Total Units	\$315-\$395 \$375-\$440 \$480 +heat, electric	No vacant units	Mix of tenants	Historic downtown building that was renovated into rental housing in early 1990s. Tenants in 13 units pay electric and heat while tenants in 4 units pay only electric in addition to rent. Amenities include security entrance, community laundry facilities and elevator. Manager reported full occupancy and good demand.
Broadway Apartments 1500 N Broadway	24 - 1 Bedroom 3 - 2 Bedroom 3 - 3 Bedroom 30 Total Units with an additional 30 subsidized units	\$602 \$726 \$811	4 vacant units primarily subsidized 1 - 1 bdrm 1 - 2 bdrm 2 - 3 bdrm	Mix of tenants	HUD Section 8 New Construction/Section 236 mixed-income project constructed in 1973 with 30 market rate and 30 subsidized units - subsidized units listed separately. Tenants in market rate units pay rents listed. Manager reported 4 vacant units on date of survey, primarily subsidized units. Many subsidized applicants are rejected through tenant screening process for criminal backgrounds.

Table 21 Crookston Multifamily Rental Housing Inventory

Market Rate					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Cambridge Colonial Arms Apartments	12 - 1 Bedroom 4 - 2 Bedroom 16 Total Units	N/A	N/A	N/A	Unable to contact in 2022 survey - information provided is from prior surveys. Market rate apartments built in 1975. Rent includes heat, water, sewer and garbage with tenant paying electric. Amenities include AC, cable access, coin laundry; 10 garages available for additional fee.
Central Square Apartments 121 E 3 rd St	3 - 1 Bedroom 6 - 2 Bedroom 2 - 3 Bedroom 11 Total Units	\$500-\$550 \$750 \$900 +heat, electric	7 units intentionally vacant for renovation	Mix of tenants	Former school that was renovated and converted to rental housing in 2009. Units are very large with high ceilings and there is a large common area. Tenants pay heat and electricity. Amenities include dishwasher, microwave and community laundry. New owner reported that 7 units were intentionally vacant to allow for renovations - many tenants had been evicted in recent past. General mix of tenants reported including some with Vouchers. Building could be converted into 20 more apartments in the future.
Grandview Apartments 903 Barrette St 708-718 3 rd Ave	24 - 1 Bedroom 8 - 2 Bedroom 32 Total Units	N/A	N/A	N/A	Unable to contact in 2022 survey - information provided is from prior surveys. Market rate apartments built in 1977 and renovated in 2014. Tenants pay electricity in addition to rent.
Hoven Lane Apartments 1305 Hoven Ln	1 - Efficiency 5 - 1 Bedroom 12 - 2 Bedroom 18 Total Units	\$525 \$625-\$720 \$720-\$820 +electric	2 units intentionally vacant for renovations	Mix of tenants	Market rate apartments built in 1965. Tenants pay electricity in addition to rent. Amenities include AC and community laundry facilities. Manager reported 2 units intentionally vacant at the time of the survey for renovations. General mix of tenants reported.
Henry Amiot Apartments	2 - Efficiency 2 - 1 Bedroom 8 - 2 Bedroom 12 Total Units	N/A	N/A	N/A	Unable to contact in 2022 survey - information provided is from prior surveys. Project includes in two buildings. Tenants pay heat and electricity in addition to rent.

Table 21 Crookston Multifamily Rental Housing Inventory

Market Rate					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Herkenoff Twin Homes	6 - 3 Bedroom 6 Total Units	N/A	N/A	N/A	Unable to contact in 2022 survey - information provided is from prior surveys. Three twin homes constructed in 2015 and 2017. The units offer single family living including an attached garage. Tenants pay all utilities.
Kresl Management houses and duplexes	1 to 5 Bedroom 54 Total Units	Range from \$450-\$925 +utilities	No vacant units	Mix of tenants	Management of 54 units in single family houses and duplexes - units range from 1 to 5 bedrooms. Tenant pays all utilities. Manager reported full occupancy and limited turnover.
Main Suites 217 S Main	11 - 2 Bedroom 1 - 3 Bedroom 12 Total Units	\$1025 \$1125 +heat, electric	No vacant units	Primarily seniors	Former grocery store that was renovated and converted into rental housing in about 2014. Rent includes water, sewer, garbage and hot water with tenant paying electric heat and electricity. Project amenities include community room, fitness room and garage parking. Owner reported no vacant units at time of survey. Mix of tenants reported but most tenants are seniors.
McKinley Arms Apartments	7 - 1 Bedroom 1 - 2 Bedroom 8 Total Units	N/A	N/A	N/A	Unable to contact in 2022 survey - information provided is from prior surveys. Former school building converted to rental housing in mid-2000s. Rent includes heat and electric. Attached parking facility has six stalls for additional fee.
The Meadows 1901 Pirate Dr	6 - Studio 12 - 1 Bedroom 17 - 2 Bedroom 6 - 3 Bedroom 41 Total Units	\$715 \$900-\$1000 \$1090-\$1190 \$1390 +electric	No vacant units	Mix of tenants including students	Three-level apartment building that opened for occupancy in 2017. Rent includes heat, water, sewer and garbage with tenant paying electric. Unit amenities include granite counters, nine-foot ceilings, stainless steel appliances, in-unit laundry, central AC and detached garage parking is included in the rent. Studios have 441 sq ft and 1 bathroom; 1-bedrooms have 601-850 sq ft and 1 bathroom; 2-bedrooms have 949-1053 sq ft and 2 bathrooms; 3-bedrooms have 1376 sq ft and 2 bathrooms. The manager reported full occupancy and good demand. Mix of tenants reported including students.

Table 21 Crookston Multifamily Rental Housing Inventory

Market Rate					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Moen Apartments 615 Steven Dr	1 - 1 Bedroom 7 - 2 Bedroom 8 Total Units	\$500 \$625 +electric	No vacant units	Mix of tenants	Split-level apartment building constructed in the 1960s. Rent includes heat, water, sewer and garbage but most tenants pay electric in addition to rent. Garage parking included in rent. Owner reported no vacant units and general mix of tenants including seniors.
TK Properties 116-122 W Fletcher 123 Main	1 - Efficiency 7 - 1 Bedroom 1 - 2 Bedroom 9 Total Units	\$500 \$650 \$750	5 units intentionally vacant for renovation	Mostly singles and couples	Two downtown mixed-use buildings. Rent includes all utilities. Owner reported 4 occupied units and 5 units intentionally vacant for renovations - units are affordable and should have good demand when available for rent. Most tenants are singles or couples and many have Vouchers.
Park Apartments 1220 N Front St	15 - Efficiency 15 Total Units	\$400 +electric	3 units intentionally vacant for repairs	Mostly single tenants	Project has 15 efficiency units. Rent includes heat, water, sewer and garbage with tenant paying electric. Units have approx. 300 sq ft with kitchen facilities and bathroom. The manager reported 3 intentionally open units at the time of the survey for repairs. Most tenants are single but also some couples.
Pine to Palm Apartments 701 S Minnesota St	9 - 1 Bedroom 9 Total Units	\$475 +some utilities	2 vacant units	Primarily single tenants	Former motel that was converted into rental housing in the 1970s. Tenant-paid utilities vary by unit. Owner reported 2 vacant units on date of survey and limited demand. Most tenants are singles.
Riverside Apartments 303 S Main St	7 - 3 Bedroom 7 Total Units	\$950-\$975 +heat, electric	No vacant units	Mix of tenants including families and students	Former funeral home that was renovated and converted to rental housing in 2013. Rent includes water, sewer, garbage and hot water with tenant paying electric heat and electricity. Owner reported no vacancies on date of survey but some vacancy issues during Covid. Mix of tenants reported including families and students.

Table 21 Crookston Multifamily Rental Housing Inventory

Market Rate					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Riverwood Apartments 1201 Memorial Dr	6 - 1 Bedroom 36 - 2 Bedroom 42 Total Units	\$570-\$605 \$660-\$740 +electric	10 vacant units 1 - 1 bdrm 9 - 2 bdrm	Mix of tenants	Market rate apartments constructed in 1972. Tenants pay electric in addition to rent. Renovations underway and units will have dishwasher and microwave. New manager reported 10 vacant units at the time of the survey and past history of vacancy issues in this project. Mix of tenants reported.
Schultz Apartments 334 Summit 118-121 S Main	4 - Efficiency 2 - 1 Bedroom 1 - 3 Bedroom 7 Total Units	N/A utilities vary by building and unit	No vacant units	Primarily singles	Rental units in two downtown buildings, with 4 in one building and 3 in the other. Tenant-paid utilities vary by unit and building. Owner did not provide current rent levels. Full occupancy reported - most tenants are singles.
Summerfield Apartments 55+ 423 Woodland Ave	9 - 1 Bedroom 21 - 2 Bedroom 30 Total Units	\$892 \$951-\$1057 +electric	3 vacant units 3 - 1 bdrm	Senior-designated occupancy (age 55 and older)	Senior-designated apartment project that was developed by the Northwest Multi-County HRA in 1995. Rent includes heat, water, sewer and garbage with tenant paying electric. Unit amenities include in-unit laundry, AC, dish washer, microwave, disposal; underground parking available for \$50 per month. One-bedrooms have 738-926 sq ft and 1 bathroom; 2-bedrooms have 926-1004 sq ft and 1 or 2 bathrooms. Manager reported 3 vacancies at time of survey - less demand for 1-bedrooms but waiting list exists for 2-bedroom units.
Summerfield Townhomes	12 - 1 Bedroom 24 - 2 Bedroom 4 - 3 Bedroom 40 Total Units	\$821 \$913-\$933 \$1045 +electric	No vacant units, waiting list	Mix of tenants	Townhouse-style rental project developed by the Northwest Multi-County HRA in 1995. Rent includes heat, water, sewer and garbage with tenant paying electric. Unit amenities include in-unit laundry, AC, dish washer, microwave, disposal; garages available for additional \$50 per month. Manager reported no vacancies with strong demand and a waiting list for occupancy. Mix of tenants reported.

Table 21 Crookston Multifamily Rental Housing Inventory					
Market Rate					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Twin Drive Apartments 146 Twin Dr	12 - 2 Bedroom 12 Total Units	\$730-\$815 +electric	No vacant units	Mix of tenants	Market rate apartments built in 1975. Tenants pay electricity in addition to rent. Detached garage included in the rent. Manager reported no vacant units at the time of the survey and a general mix of tenants.

Table 21 Crookston Multifamily Rental Housing Inventory

Tax Credit/Moderate Rent					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Agassiz Townhomes 1601 N Broadway	12 - 2 Bedroom 18 - 3 Bedroom 30 Total Units	\$740 \$805 +heat, electric	4 vacant units with some applications in process	All tenants at or below 60% of median income; 4 units for LTH, 6 PBV	Tax credit town house project constructed in 2018 and owned by Tri-Valley Opportunity Council. All units serve households at or below 60% of median income. Four units are designated for long-term homeless and 6 Project-Based Vouchers (PBV) also available. Rent includes water, sewer and garbage with tenant paying heat and electric. Unit amenities include dishwasher, microwave, central AC, in-unit laundry, patio and attached garage. Most units are 2-level with 2-bedrooms having 1672 sq ft including garage with 1.5 bathrooms. Manager reported 4 vacant units on date of survey but some applications were in process.
Crookston Townhomes 209 Johnson Pl	14 - 2 Bedroom 16 - 3 Bedroom 30 Total Units	\$705 \$770 +electric	1 vacant unit 1 - 3 bdrm accessible	All tenants at or below 60% of median income	Tax credit town house project constructed in 2000; project is in extended compliance phase. Owned by Tri-Valley Opportunity Council. All units serve households at or below 60% of median income. Rent includes heat, water, sewer and garbage with tenant paying electric. Unit amenities include dishwasher, microwave, central AC, in-unit laundry, patio and attached garage. Manager reported 1 vacant accessible unit.

Table 21 Crookston Multifamily Rental Housing Inventory

Subsidized - General Occupancy					
Name	Number of Units /Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Broadway Apartments 1500 N Broadway	18 - 1 Bedroom 9 - 2 Bedroom 3 - 3 Bedroom 30 Total Units with 30 additional market rate units	\$602 \$726 \$811 30% of income	4 vacant units primarily subsidized 1 - 1 bdrm 1 - 2 bdrm 2 - 3 bdrm	General occupancy	HUD Section 8 New Construction/Section 236 mixed-income project constructed in 1973 with 30 subsidized and 30 market rate units which are listed separately. Tenants in subsidized units have access to project-based rent assistance that allows rent based on 30% of income up to market rents listed. Manager reported 4 vacant units on date of survey, primarily subsidized units. Many applicants are rejected through tenant screening process for criminal backgrounds.
Greentree Square 1120 Barrette St	6 - 1 Bedroom 12 - 2 Bedroom 18 Total Units	\$720-\$755 \$755-\$790 30% of income	1 vacant unit 1 - 1 bdrm	General occupancy	USDA Rural Development subsidized project for general occupancy built in 1984. Nine tenants have access to project-based rent assistance and pay 30% of income for rent; remainder pay 30% of income but not less than basic or more than market rents listed. Some tenants also use tenant-based Housing Choice Voucher. Manager reported 1 vacancy on date of survey due to recent turnover - demand does exist but most applicants do not want to be on waiting list.
Greentree Square II 1104 Barrette St	1 - 1 Bedroom 1 - 2 Bedroom 14 - 3 Bedroom 16 Total Units	\$780-\$996 \$815-\$1010 \$875-\$1091 30% of income	3 vacant units 3 - 3 bdrm	General occupancy	USDA Rural Development and tax credit town house rental project for general occupancy constructed in 1992. All of the units have access to project-based rent assistance that allows rent based on 30% of income up to the maximum rents listed. Manager reported 3 vacant units - project is not as competitive with newer income-based options for large families.

Table 21 Crookston Multifamily Rental Housing Inventory

Subsidized - General Occupancy					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Nimens-Espegard Apartments	42 - 1 Bedroom 56 - 2 Bedroom 98 Total Units	\$630-\$680 \$710-\$760 30% of income	12 vacant units	General occupancy	USDA Rural Development subsidized general occupancy project with 3 apartment buildings constructed in 1978. One building with 50 units had previously been designated for senior/disabled occupancy but is now general occupancy housing. Project-based rental assistance is available for 85 units of 98 units allowing rent based on 30% of their income - remaining tenants pay no less than basic or more than market rents listed. Manager reported 12 vacant units at the time of the survey with insufficient demand to maintain full occupancy.
Prairie Land Duplexes	8 - 2 Bedroom 8 - 3 Bedroom 2 - 4 Bedroom 2 - 5 Bedroom 20 Total Units	\$770 \$890 \$915 \$975 30% of income	2 vacant units 2 - 2 bdrm	General occupancy	USDA Rural Development subsidized housing originally constructed for farm laborers in 1999, but later converted to general occupancy housing for income eligible households. Sixteen tenants have access to project-based rent assistance and pay rent based on 30% of income; remaining tenants pay rents listed. Manager reported 2 vacant units - less demand for 2-bedrooms.
Subsidized - Senior/Disabled Occupancy Preference					
Oak Court Apartments	28 - Efficiency 37 - 1 Bedroom 65 Total Units	\$504 \$520 30% of income	5 vacant units	General occupancy with preference for senior and disabled	Public Housing project constructed in 1969 - originally built for senior and disabled occupancy but HUD rule change allows for general occupancy. Occupancy preference for senior and disabled tenants. Approximately 50% of tenants meet preferences. Some tenants use customized living option through contract with home health care provider. All tenants pay rent based on 30% of income up to maximum rents listed. Manager reported 5 vacant units on date of survey although some new applicants were being processed. No real waiting list at time of survey.

Table 21 Crookston Multifamily Rental Housing Inventory

Senior Housing with Services					
Name	Number of Units / Bedroom Mix	Rent	Vacancy/ Wait List	Tenant Mix	Comments
Villa St. Vincent Assisted Living 516 Walsh St	7 - Efficiency 40 - 1 Bedroom 6 - 2 Bedroom 53 Total Units with 56 resident capacity	Based on level of services	8 vacant units	Assisted Living	Assisted living facility attached to Villa St. Vincent nursing home. Units created in 2 phases in mid-1990s and 2004 through conversion of former hospital to senior housing. Residents buy services ala carte as needed and some residents are more independent. Eight units vacant at time of survey. County assistance for lower income seniors accepted for up to 13 units.
Villa St. Vincent Nursing Home	24 - memory care 20 - short term 60 - extended care 104 Beds	N/A	Average utilization rate of 82% to 89%	Skilled nursing home/memory care	Skilled nursing home facility that is part of the senior facility that also includes assisted living. Licensed for 104 beds in 2023 - unchanged from 2018. Beds are designated for 24 in secured memory care wing, 20 beds for shorter-term transitional care and 60 beds for long-term care, although actual use may vary. Typical utilization rate between 82% and 89% with some beds available in each designated segment.
RiverView Health Memory Care	24 Beds 24 Total Beds	Based on level of services	No vacant beds	Skilled nursing home	RiverView Memory care has 24 beds in a secure setting. RiverView had additional skilled nursing home beds, however, these beds were eliminated. River View also provides home health care and provides health care to 10 to 15 tenants that live in Oak Court Apartments. Staff reported no vacant beds at the time of the survey.

Source: Community Partners Research, Inc.

Employment and Local Economic Trends Analysis

While many factors influence the need for housing, employment opportunities represent a predominant demand generator. Without jobs and corresponding wages, the means to afford housing is severely limited.

Employment opportunities may be provided by a broad range of private and public business sectors. Jobs may be available in manufacturing, commercial services, agriculture, public administration, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major employers in Crookston include:

- ▶ RiverView Healthcare Association
- ▶ Crookston Public Schools
- ▶ University of Minnesota - Crookston
- ▶ American Crystal Sugar Co.
- ▶ New Flyer of America Inc.
- ▶ Dee Inc. Foundry and Manufacturing
- ▶ SunOpta
- ▶ Villa St. Vincent
- ▶ Hugo's
- ▶ Development Achievement Center
- ▶ Altru Clinic
- ▶ Tri-Valley Opportunity Council, Inc.
- ▶ City of Crookston
- ▶ Eickhoff Columbaria
- ▶ Polk County Government Center
- ▶ Northwest Mental Health
- ▶ Minnesota Department of Transportation

Source: Crookston CHEDA

Work Force and Unemployment Rates - Polk County

Employment information is available at the County level. Data in the table that follows are for all of Polk County.

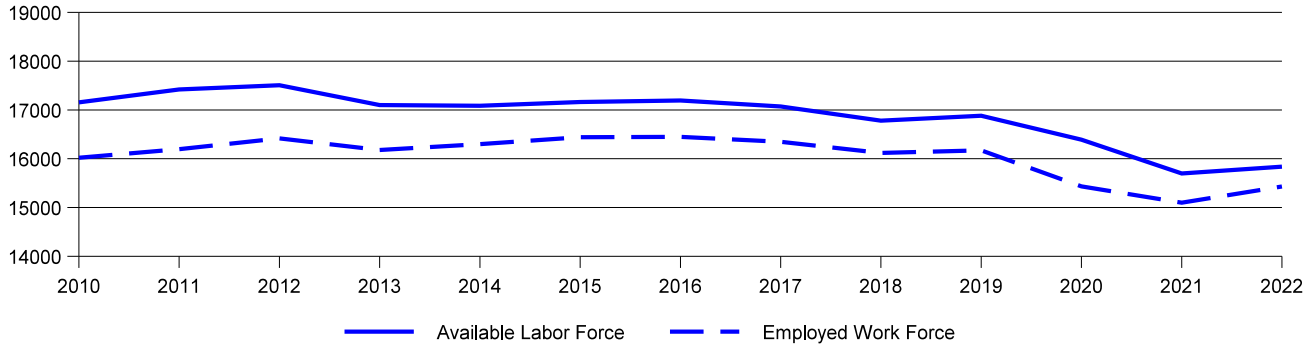
Table 22 Polk County Labor Statistics: 2010 to 2022						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - County	Unemployment Rate - MN	Unemployment Rate - US
2010	17,156	16,019	1,137	6.6%	7.4%	9.6%
2011	17,420	16,196	1,224	7.0%	6.5%	8.9%
2012	17,506	16,418	1,088	6.2%	5.6%	8.1%
2013	17,100	16,180	920	5.4%	5.0%	7.4%
2014	17,086	16,298	788	4.6%	4.3%	6.2%
2015	17,162	16,440	722	4.2%	3.8%	5.3%
2016	17,194	16,448	746	4.3%	3.9%	4.9%
2017	17,072	16,348	724	4.2%	3.5%	4.4%
2018	16,781	16,119	662	3.9%	3.1%	3.9%
2019	16,881	16,172	709	4.2%	3.4%	3.7%
2020	16,390	15,434	956	5.8%	6.3%	8.1%
2021	15,699	15,100	599	3.8%	3.4%	5.3%
2022	15,837	15,432	405	2.6%	2.3%	3.6%

Source: Minnesota Department of Employment and Economic Development

- ▶ Despite some annual fluctuations, Polk County has generally been experiencing a gradual decline in the size of the resident labor force. Some of the most recent change may have been due to the Covid pandemic, but if 2019 (pre-pandemic) is compared back to 2020, the County's labor force had decreased by 275 people, or -1.6%.
- ▶ Even larger decreases have occurred after 2019, although full economic recovery from the impact of the pandemic may still be underway. In 2022, the County's labor force was larger than in 2021.

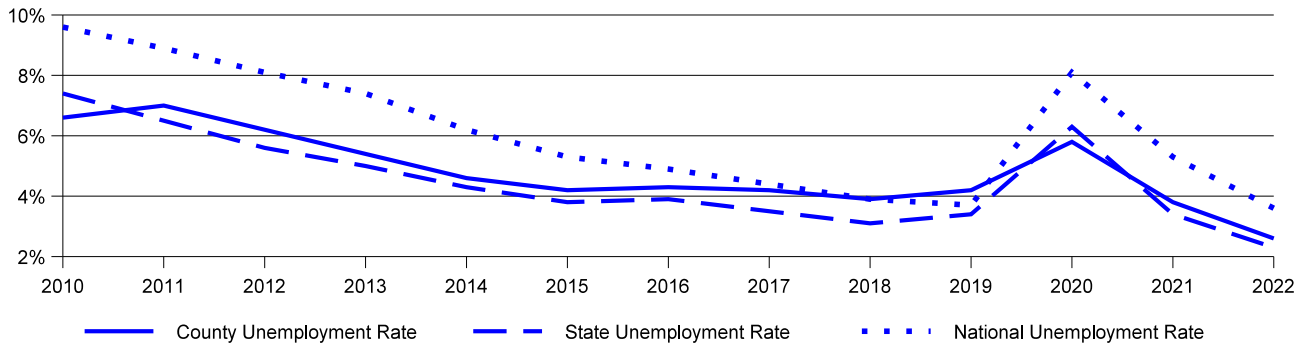
- ▶ Longer-term patterns for the employed workforce were generally more stable. If 2019 is compared to 2010, there was a small increase in the number of employed County residents. However, after 2019 there has been some drop in the number of employed residents of Polk County.

Polk County Labor Force and Employed Work Force



- ▶ Polk County’s unemployment rate had generally been decreasing over the past decade, from 6.6% in 2010 to 4.2% in 2019. The unemployment rate then jumped upward in 2020, before decreasing again. In 2022, the County’s unemployment rate had dropped well below pre-pandemic levels, and was at the lowest level during the 13-year time period reviewed.

Polk County Annual Unemployment Rate



Employment and Wages by Industry - Crookston

The following table shows the average employment and weekly wages by major employment sector in 2021, the last full year of data. This employment information is available at the City level. It is important to note that the major employment sectors listed do not represent all employment in the City.

Table 23 Crookston Average Weekly Wages by Industry Detail: 2021		
Industry	Employment	Average Weekly Wage
Total All Industry	4,635	\$968
Manufacturing	707	\$1,162
Trade, Transportation, Utilities	588	\$855
Information	28	\$675
Financial Activities	71	\$1,432
Professional and Business Services	186	\$1,468
Education and Health Services	1,854	\$980
Leisure and Hospitality	269	\$334
Other Services	168	\$319
Public Administration	583	\$1,047

Source: Minnesota Department of Employment and Economic Development

- ▶ The average weekly wage for all industry in Crookston in 2021 was \$968. At full-time employment, this equated to an annual wage of \$50,336.
- ▶ The highest wage sectors were Professional and Business Services, Financial Activities, and Manufacturing, each with an average weekly wage above \$1,160. At full-time employment, the average annual wage for Professional and Business Services would be above \$76,000.
- ▶ The lowest paying wage sectors were Other Services and Leisure and Hospitality, with an average weekly wage below \$335. At full-time employment in this sector, the average worker would earn less than \$17,300 annually.
- ▶ The City’s largest employment sector was Education and Health Services, with more than 1,850 employees. The average weekly wage for this sector was \$980, slightly higher than the average for all employment.

Annual Covered Employment

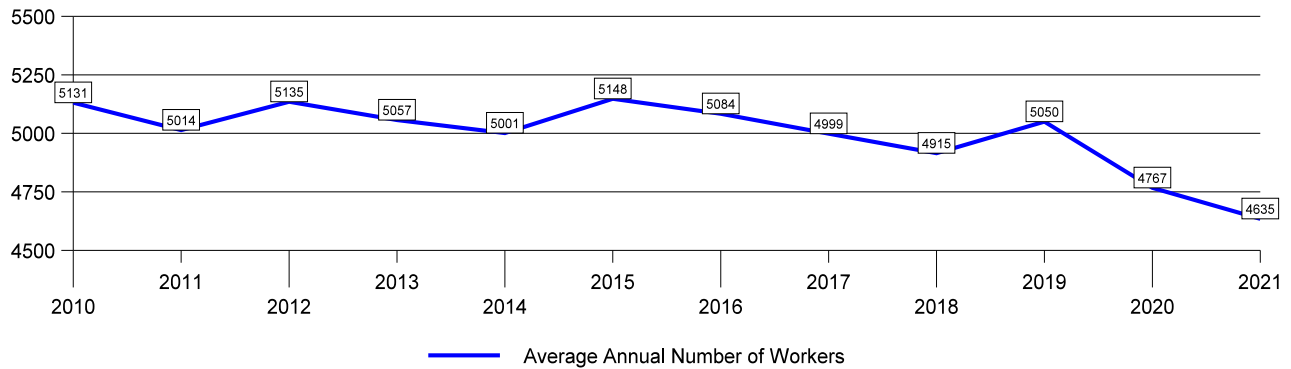
Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location, it is possible to examine longer-term patterns in the employment level. The following table displays the total number of workers reported in Crookston back to the year 2000.

Table 24 Crookston Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
2010	5,131	2016	5,084
2011	5,014	2017	4,999
2012	5,135	2018	4,915
2013	5,057	2019	5,050
2014	5,001	2020	4,767
2015	5,148	2021	4,635

Source: QCEW - MN Dept. of Employment and Economic Development

- ▶ When viewed over a longer-term there has been a minor reduction in the employment level in Crookston, as tracked by reporting for unemployment compensation. If total employment in 2019 (pre-pandemic) is compared to the year 2010, there had been a decrease of 81 jobs, or -1.6% over this time period. After 2019, there has been an even larger decrease but this was probably due to the economic impact of the global pandemic.

Number of Covered Workers in Crookston



Commuting Patterns of Area Workers

Information is available on area workers that commute for employment. The best information is from the 2021 American Community Survey. This table only examines Crookston residents age 16 and older that commuted, and excludes people that worked at home.

Table 25 Commuting Times for Crookston Residents - 2021		
Travel Time	Number	Percent
Less than 10 minutes	1,659	54.4%
10 to 19 minutes	785	25.8%
20 to 29 minutes	212	7.0%
30 minutes or more	391	12.8%
Total	3,047	100%

Source: American Community Survey

- ▶ The large majority of Crookston residents were commuting less than 20 minutes to work, and presumably were working within the City or in one of the neighboring jurisdictions. More than 80% of residents commuted less than 20 minutes, and fewer than 13% commuted 30 minutes or more for employment.

Travel time by location of employment is also available. For people that worked in Crookston, the following travel times were identified.

Table 26 Commuting Times for Crookston Employees - 2021		
Travel Time	Number	Percent
Less than 10 minutes	1,643	40.2%
10 to 19 minutes	988	24.2%
20 to 29 minutes	463	11.3%
30 minutes or more	997	24.4%
Total	4,091	100%

Source: American Community Survey

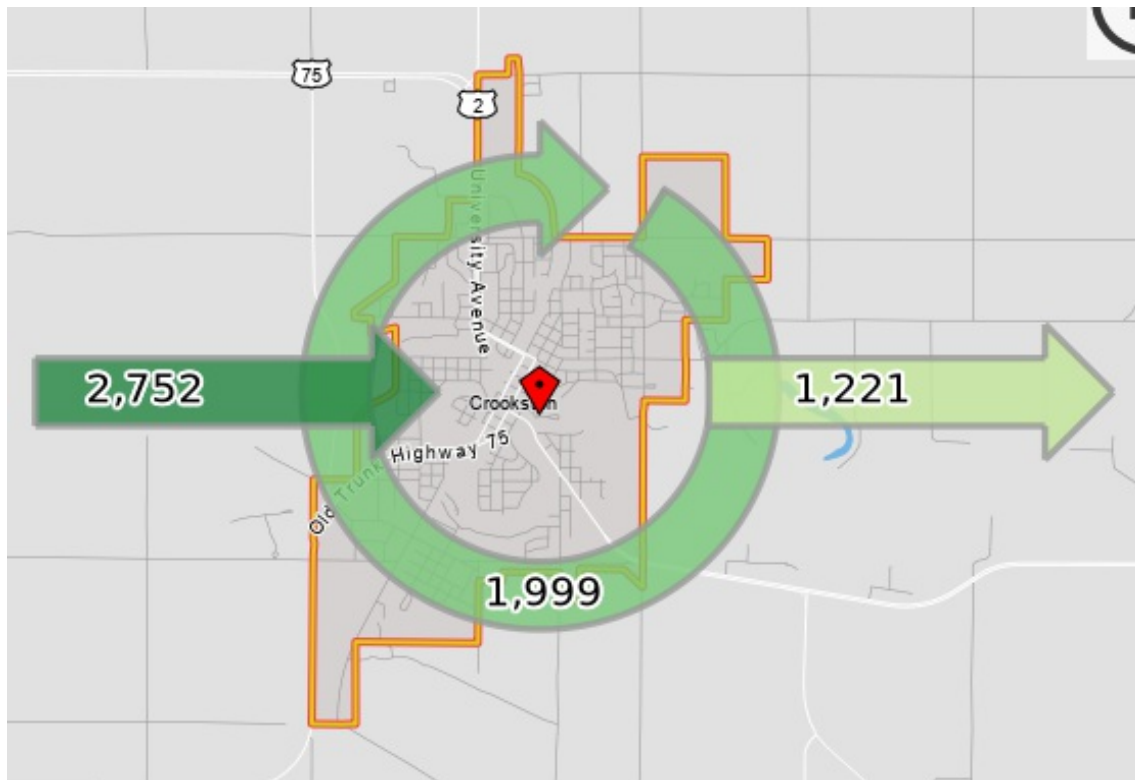
- ▶ While most workers in Crookston lived locally, nearly 36% traveled 20 minutes or more to their primary job. Most of these commuters actually traveled 30 minutes or more to Crookston.

Census On the Map

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

According to the report for Crookston, there were 4,751 people that were employed within the city limits in 2019. This included 1,999 people that both lived and worked in the City. There were 2,752 Crookston-based employees that lived outside the city limits and commuted in daily. The primary identified jurisdictions supplying workers to the City were Grand Forks/East Grand Forks, Fertile, Fisher, Crookston Township and Lowell Township.

Although most Crookston residents also worked within the City, there were 1,221 commuters that left Crookston for their primary job. Among the primary destinations for outbound commuting residents were Grand Forks, Thief River Falls, Medina, Fargo and East Grand Forks.



Findings on Growth Trends

As part of this Study, Community Partners Research, Inc., has examined past and recent growth patterns for Crookston and the Crookston Market Area. These historic growth trends have then been used as a basis for projecting future demographic changes in the area.

Based on the 2020 Census, Crookston experienced a minor loss of households over the past decade, and an even larger reduction in the permanent resident population. If reduced to an annual average, the City had approximately two fewer households per year between 2010 and 2020 and nearly 41 fewer people per year.

While the last Census may be accurate, it is also possible that a combination of factors related to the Covid pandemic resulted in the demographic losses that were recorded. For example, a change to remote learning at the University may have allowed some students to move away from Crookston shortly before the Census was conducted. Census enumerators were also limited in their followup attempts to collect information from households that did not respond to the Census questionnaire.

Although the 2020 Census may reflect some under count, it is important to note that Crookston has had very limited demographic change in many decades. In the 1990s, the City was averaging growth of approximately 10 households per year, but this then slowed to three households per year between 2000 and 2010. Even if the 2020 Census failed to count all households in the City, the level of growth would again be limited on an average annual basis.

One supporting factor that would point to some recent household growth in Crookston is the number of housing unit starts. Both building permit activity and initial Census Bureau housing unit counts would indicate that Crookston added between 140 and 180 housing units between 2010 and 2020. With high rates of occupancy, the growth in the available housing stock would indicate that the number of resident households had also increased, rather than decreased as reported by the 2020 Census.

Even though there is evidence that Crookston has been experiencing some growth, the larger surrounding Market Area probably has not been adding households. The small communities and rural townships around Crookston have generally seen an ongoing minor reduction of population and households over the past 20 years.

Findings on Projected Growth

This Update has examined household projections from Esri as a potential indicator of growth-generated housing demand for Crookston and the Crookston Market Area. Esri is projecting that Crookston will see a minor loss of households through 2027. Slightly larger household losses are projected for the combined jurisdictions that form the Market Area.

It is important to state that Esri's estimates for 2022 and projections to 2027 have been based in part on the 2020 Census totals. They assume that the Census is accurate, that the patterns through 2027 generally follow the changes that were recorded between 2010 and 2020. If there was an under count of households in Crookston in the 2020 Census, this would have directly impacted Esri's data.

In the opinion of Community Partners Research, Inc., the development patterns for new housing units offer a better indicator of Crookston's future growth potential. After allowing for some removal of older units, the City has been successful in creating and absorbing up to 15 additional housing units per year, on average. The occupancy rates tend to be high and there is not evidence of above-average vacancy in any housing market segment.

Going forward over the next five years, annual average household growth of up to 15 households per year should be very achievable for Crookston, for a cumulative total of 75 households added by the end of 2027.

There is less evidence of growth for the remainder of the Market Area, but relative stability is probable in the small cities and rural areas that surround Crookston.

Findings on Growth Projections by Age Group in Crookston

Earlier in this document, age-based projections from Esri were presented for the City of Crookston and the Crookston Market Area. These projections reflect growth from both new households that will be formed or move into the area as well the movement of existing households through the aging cycle. Projections by age can be very informative for calculating future housing demand, as strong preferences in tenure, style, price and features are evident within defined age ranges.

As stated on the previous page, the analysts believe that Esri’s total household projection for Crookston in 2027 is too low. Instead, a more reasonable forecast would expect the City to add as many as 75 households over the 5-year projection period. In the following summary, Esri’s base projections by age have been adjusted upwards by approximately 3% to better reflect the expected total number of households in Crookston.

Age Range	Projected Change in Households 2022 to 2027
24 and younger	-4
25 to 34	-46
35 to 44	100
45 to 54	-48
55 to 64	-37
65 to 74	49
75 and older	61
Total	75

According to these projections, Crookston will see an increase of approximately 100 households in the younger adult age group between 35 and 44 years old by 2027. However, this is the only non-senior age group that is expected to increase in size. If all of the age groups age 64 and under are combined, there would be a projected decrease of households between 2022 and 2027.

The senior citizen age groups are expected to increase in size, with 49 households added in the younger senior range between 65 and 75 years old and 61 households added in among households age 75 and older.

Findings on Unit Demand by Type of Housing

Findings: Based on the household by age projections presented on the previous page, the changing age composition of the Crookston's households over the next five years will have some impact on demand for housing. We have examined the projected changes by age group in the summaries that follow.

Age 24 and Younger - The projections used for this Update expect relative stability in the number of young adult households age 24 and under. Past tenure patterns show a very high rate of renter-occupancy, including student households living in Crookston. Stability in this age range should mean that rental demand from younger households will also remain largely unchanged going forward.

25 to 34 Years Old - The projections show an expected decrease of approximately 46 households in this age cohort. Within this age range younger adult households often move from rental to ownership housing. The ownership rate among these households was nearly 50% in 2010. A small projected decrease within this age range will result in slightly reduced demand for both first-time home buyer and rental opportunities.

35 to 44 Years Old - This 10-year age cohort is expected to have a significant increase of approximately 100 households over the 5-year projection period. In the past, this age group has had a relatively high rate of home ownership. Households within this range represent both first-time buyers and households looking for trade-up housing. Growth within this age group should result in increased demand for both starter homes and more expensive options.

45 to 54 Years Old - The projections used in this Update expect a decrease of approximately 48 households in this middle-age group. This age range has historically had a high rate of home ownership, at more than 70% in 2010, and will often look for trade-up housing opportunities. A slight projected decrease in this age range will result in some reduced demand for ownership opportunities.

55 to 64 Years Old - By 2027, this age cohort will represent much of the “baby bust” generation that followed the “baby boomers.” This age group typically represents a smaller segment of the population than immediately older age ranges. The projections show a decrease of approximately 37 households over the next five years. This age group historically has had a high rate of home ownership and will often look for trade-up housing opportunities including age-appropriate housing options. Attached housing, such as town houses or twin homes, 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. A slight decrease within this age range will have some minor impact on demand from this age group.

65 to 74 Years Old - By 2027, nearly all of the “baby boom” generation will be age 65 or older, and this younger senior range projected to add 49 households. This younger senior range will typically begin moving to other life-cycle housing options as they age. However, younger seniors are still predominantly home owners. At the time of the 2010 Census, approximately 80% of households in this age range owned their housing, the highest rate of ownership among any age group. Once again, ownership preferences for low maintenance housing, such as town house units, should grow as these types of units gain greater acceptance within the marketplace.

75 Years and Older - Numeric gains are projected among older seniors, with the expected increase of 61 households in Crookston. Historic home ownership rates in this age group have been relatively low, below 50% in 2010. This group will increasingly look for senior housing with services options as they age. Some increase in the number of older senior households will result in growing demand for age-appropriate housing.

These demographic trends will be incorporated into the recommendations that follow.

Findings on Housing Unit Demand and Tenure

Calculations for total future housing needs are largely based on three demand generators, household growth, replacement of lost housing units, and pent-up, or existing demand for units that already exists but is not being served.

Demand from Growth - The household projections used for this Study expect the City of Crookston to gain approximately 75 households from 2022 to 2027. This household growth will create demand for both ownership and rental housing units over the next five years.

Replacement of Lost Rental Units - It is often difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, flood mitigation, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. It is also probable that some rental unit losses have also occurred due to conversion, as single family houses or mobile homes once used for renter-occupancy have been sold and are now owner-occupied housing. There have been rental units lost due to the flood mitigation project, thus, the replacement of rental housing units due to losses are included in our rental recommendations.

Replacement of Lost Owner-Occupancy Units - Crookston has lost, and will continue to lose single family houses to demolition. In the past, a significant number of owner-occupied homes were removed due to the flood mitigation project. The flood mitigation project demolitions have been completed, although there will be houses demolished in the future due to their dilapidated condition. In the specific recommendations that follow, we have made an allowance for single family housing unit replacement.

Pent-Up Demand - The third primary demand-generator for new housing is caused by current, unmet demand from existing households, referred to as pent-up demand. We believe that certain segments of the City's housing stock show evidence of pent-up demand. Pent-up demand will be addressed in the specific recommendations that follow.

Strengths for Housing Development

The following strengths of the community were identified through statistical data, local interviews, research, on-site review of the local housing stock and strengths identified in the 2018 Crookston Comprehensive Housing Study.

- ▶ **Crookston serves as a small regional center** - Crookston provides employment opportunities, retail/commercial options, health and professional services, governmental services and recreational facilities for a geographical area that surrounds Crookston.
- ▶ **Adequate land for development** - There is land available for both residential and commercial/industrial development. However, some of this land needs to be serviced with infrastructure improvements. Additional land outside of the City limits is also available, but would need to be annexed into the City and municipal services would need to be provided.
- ▶ **Desirable location for seniors and retirees** - The City is an attraction for seniors as a retirement location. As a provider of health, retail, governmental services, recreational opportunities, and senior housing options, the City has amenities that are attractive for seniors as they age.
- ▶ **Educational Facilities** - The City has an excellent public school system, with grades K-12 located in the City. Two K-6 parochial schools are also located in Crookston.
- ▶ **University of Minnesota, Crookston** - This four-year liberal art's college is highly respected and is an excellent resource that provides education, employment, research opportunities, etc.
- ▶ **Health facilities** - The City has excellent health care facilities, including a hospital, two medical clinics, a mental health clinic and specialized senior housing options including housing with services.
- ▶ **Infrastructure** - Crookston's water and sewer infrastructure can accommodate future growth, although, ongoing system improvements are needed.
- ▶ **Commuters** - Approximately 2,750 people are commuting into Crookston daily for employment. These commuters are a potential market for future housing construction.

- ▶ **Desirable location for families** - Crookston is an attractive location for families. There are residential lots available for new housing, medical facilities, educational facilities, recreational opportunities, etc.
- ▶ **Commercial Development** - The City's commercial districts are adequate to meet daily needs.
- ▶ **Affordable priced housing stock** - The City has a large stock of affordable, existing houses. Our analysis shows that the City's median home value based on 2021 and 2022 sales is approximately \$148,000. This existing stock, when available for sale, provides an affordable option for home ownership.
- ▶ **Increasingly diverse housing stock** - The City has a good mix of housing options, including a large number of rental housing units for various household types, twin homes, owner-occupied homes at various values and senior housing with services.
- ▶ **Large Employers** - The City of Crookston has several large employers.
- ▶ **Housing Agencies** - The Crookston Housing and Economic Development Authority (CHEDA), the Northwest Minnesota Multi-County HRA, Tri-Valley Opportunity Council, Midwest Minnesota Community Development Corporation, the Northwest Housing Cooperative and USDA Rural Development have all administered housing projects and programs in the City of Crookston. These housing agencies have excellent reputations in the housing field.
- ▶ **State, Federal and Nonprofit Funds** - The housing agencies and the City have successfully leveraged local funds for housing activities with other resources, including State, Federal and nonprofit funds. This past experience in securing funds and a successful track record in utilizing the funds will continue to serve the City well when applying for assistance in the future.
- ▶ **Small town atmosphere** - Crookston is a small town with the real and perceived amenities of a small town. This small town living is attractive to some households.
- ▶ **Job growth in area cities** - There are several cities within commuting distance of Crookston. Some employees may choose to live in Crookston if there are available housing opportunities.

- ▶ **Proximity to a major regional center** - Crookston is located approximately 24 miles from Grand Forks. Grand Forks provides employment opportunities, retail/service options, educational facilities, governmental services, health and professional services and recreational opportunities. Many households prefer to live near, but not in a large regional center.
- ▶ **Housing Incentive Program** - The City of Crookston is offering an Incentive Program that provides a variety of incentives to households that construct a home in Crookston. The City also offers a tax abatement program for rental housing projects.
- ▶ **Active developers in the City** - Developers have been active in subdivision development, single family housing development, housing rehabilitation and rental housing development.
- ▶ **Completion of the Flood Mitigation Project** - The City of Crookston has completed a flood mitigation project that has constructed levies to protect four residential neighborhoods from future flooding. The Flood Mitigation Project also included the acquisition and demolition of a substantial number of housing units.
- ▶ **Recent housing development** - Since the 2018 Housing Study, 23 housing units have been constructed in the City of Crookston.
- ▶ **Available residential lots** - There are residential lots available for new single family housing construction in the City of Crookston.

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 Crookston.

- ▶ **Age and condition of the housing stock** - Some of the housing in the City is in need of improvements to meet expectations of potential buyers.
- ▶ **Lower incomes limit housing choices** - Household and family incomes in Crookston and the surrounding area are lower than the Statewide medians. Crookston's estimated median household income for 2021 was \$49,128 which translates into an approximate housing affordability level of \$1,228 per month. While this income level matches up well with prices for lower valued existing houses and rental housing in the City, it is not as well matched to the prices for new housing construction.
- ▶ **Lower paying jobs** - Some of the jobs in Crookston and Polk County are at the lower end of the pay scale and employees with these jobs have limited housing choices.
- ▶ **Value-gap deters new owner-occupied construction** - Based on market values for recent residential sales, we estimate that the median priced home in Crookston is valued at approximately \$148,000. This is below the comparable cost for new housing construction, which will generally be \$275,000 or more 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 speculative building and can also deter customized construction.
- ▶ **Limited projected household growth** - From 2010 to 2020, the City of Crookston had a loss of population and households. However, the City is projected to experience population and household gains over the next five years.
- ▶ **Proximity to Grand Forks** - Although it is a strength to be located near a major regional center, it is also a barrier as Crookston must compete with Grand Forks, which offers attractive residential opportunities and other amenities and services.
- ▶ **Available residential lots** - If the new housing development that is projected over the next five years comes to fruition, the City of Crookston will need additional lots in various price ranges and for different home styles.

Recommendations, Strategies and Housing 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 the City of Crookston. They are based on the following strategies:

- ▶ **Continue to focus on the preservation, maintenance and improvement of the housing stock that already exists** - While some housing construction will occur in coming years, most of the housing opportunities will continue to be provided by the stock that is already on the ground. This is especially important for affordable housing opportunities, as it will almost always be less expensive to offer an affordable unit through rehabilitation versus new construction. Units that are lost due to deterioration and obsolescence cannot be replaced for a similar price. Evidence suggests that a significant percentage of the existing stock is not being well maintained and needs repair. Emphasis on continued housing rehabilitation will be important to meet future housing needs.
- ▶ **Continue to develop life cycle housing** - It is vital for a community that serves as a small regional center to provide housing opportunities for all ages and household types. These housing opportunities enable a community to thrive, promote economic development and allow households to stay in the community throughout their lives.
- ▶ **Continue to promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the community's housing stock. New construction provides Crookston households with housing options and assures a healthy housing stock.
- ▶ **Continue to promote home ownership** - Home ownership is the preferred option for most households. Home ownership assists in creating stability and commitment to the community. There are many younger families that are renting their housing. These households may be interested in ownership, if an affordable opportunity is available.
- ▶ **Continue to update community housing goals** - Many of the recommendations in the Study will require staff-intensive efforts. The City should continue to prioritize its housing goals, establish a plan to achieve its goals and designate the agency/entity that is responsible for achieving each of the City's housing goals.

Findings/Recommendations

The findings/recommendations for the City of Crookston have been formulated through the analysis of the information provided in the previous sections and include 27 recommendations. The findings/recommendations have been developed in the following five categories:

- ▶ **Rental Housing Development**
- ▶ **Home Ownership**
- ▶ **Single Family Housing Development**
- ▶ **Housing Rehabilitation**
- ▶ **Other Housing Issues**

The findings/recommendations for each category are as follows:

Rental Housing Development

1. Develop 42 to 46 general occupancy market rate rental units
2. Promote the development/conversion of eight to 12 affordable market rate rental housing units
3. Monitor the need to develop additional Tax Credit rental housing units
4. Monitor the need to develop additional subsidized rental housing units
5. Preserve the existing supply of subsidized housing
6. Senior housing with services housing needs - 24 to 28 light services units
7. Student housing recommendations
8. Continue to utilize the Housing Choice Voucher Program
9. Consider the development of a downtown mixed-use commercial/housing project

Home Ownership

10. Continue to utilize and promote all programs that assist with home ownership
11. Consider the development of a purchase/rehabilitation program

Single Family Housing Development

12. Subdivision and lot availability
13. Strategies to encourage continued residential lot sales and new home construction in Crookston
14. Promote town house and twin home development
15. Review the Crookston Housing Incentive Program
16. Continue cooperation with housing agencies and nonprofit organizations supporting new home construction

Housing Rehabilitation

17. Promote rental housing rehabilitation programs
18. Promote ongoing owner-occupied housing rehabilitation efforts
19. Continue the Rental Housing Registration Program
20. Continue to plan the development of a Neighborhood Revitalization Program

Other Housing Initiatives

21. Encourage employer involvement in housing programs
22. Housing assistance for the homeless and hard-to-house
23. Continue the submission of applications for Minnesota Small Cities Development Program funds
24. Acquire and demolish dilapidated structures
25. Develop home ownership and new construction marketing programs and strategies
26. Continue a coordinated effort among housing agencies
27. Strategies for downtown redevelopment and commercial development

Crookston - Recommendations Rental Housing Development

Rental Housing Recommendations

Overview: The City of Crookston has an above-average supply of rental housing units. Based on the Rental Registration Program in Crookston, there are 1,267 rental units in the City. This represents approximately 37% of all households, compared to a Statewide rental tenure rate that is estimated to be below 30%.

While the percentage of renter households is relatively high, it is not surprising since Crookston serves as a regional center for a large portion of Polk County, and also has the University of Minnesota, Crookston student population. While some rental housing also exists in the smaller cities around Crookston, most of the larger rental projects are located in Crookston.

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.

In the 1990s, the City was able to expand the supply and quality of its rental housing stock, most notably through the construction of the Summerfield projects. The Summerfield general occupancy and senior-designated apartment buildings added 70 new, high quality units to the rental inventory. The Summerfield projects are publicly-owned, but operate as market rate rental housing.

In 1999 and 2000, a local nonprofit organization, Tri-Valley Opportunity Council, Inc., developed two rental projects. In 1999, they constructed an innovative farm labor housing project using USDA Rural Development funding. Prairie Land Duplexes added 20 units, in duplex configurations, to provide seasonal housing for migrant farm workers. In 2000, Tri-Valley developed 30 affordable rental units in Crookston Townhomes, using federal low income housing tax credits.

The Summerfield projects, Prairie Land Duplexes and Crookston Townhomes all benefitted from public funding sources and were developed by public or nonprofit entities.

In the early 2000s, some new rental units were created through the conversion of existing structures to rental housing. The Summit, a senior housing with services project, added 26 units in 2004 through the conversion of a board and lodging-style facility into individual senior apartments. The McKinley building, a former school building, was converted into eight rental units in 2005.

From 2010 to 2014, a former funeral home was converted into seven rental units and is called Riverside Apartments. There are also three additional downtown buildings, including a grocery store, that were renovated and 29 additional rental units were added to the City's rental inventory.

A 41-unit market rate general occupancy project, The Meadows, opened for occupancy in 2017. Also, a 30-unit tax credit project, Agassiz Townhomes, is currently under construction in 2017. Some smaller-scale rental projects also developed including the construction of six rental twin home units, and six units that were added to the rental housing stock in a downtown building.

We are not aware of any rental units that have been constructed since the 2018 Crookston Housing Study. However, some owner-occupied homes may have converted to rentals and vice versa.

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

Our household projections for the City of Crookston expect some household growth, although some of this growth will result in demand for owner-occupied housing. By 2027, it is projected that there will be approximately a 75-household gain in the City of Crookston. Approximately 40% of these households will be rental households, thus, there will be a demand from household growth of approximately 30 additional rental units in the Crookston Market Area over the next five years.

Demand created by replacement of lost units is more difficult to determine, but the best available evidence suggests that the City will lose as many as three to five rental units per year from 2023 to 2027. As a result, approximately 15 to 25 additional units will be needed over the next five years to replace lost units. In some cases, this unit replacement will be necessary as existing units are removed from the inventory through demolition or conversion. In other cases, this replacement is appropriate due to the deteriorating condition of older, substandard rental housing that should be removed from the occupied stock.

As part of this study, a rental survey was conducted. There were 768 rental units that were contacted and surveyed. The survey targeted rental housing projects with six or more units. However, some limited information was also obtained on single family homes and small rental projects. The survey found a vacancy rate of 3.8% in general occupancy market rate units, an 8.3% vacancy rate in the tax credit units, and a 10.9% vacancy rate in subsidized units.

We have identified continued pent-up demand for additional senior housing with light services and for high quality market rate rental housing.

These three demand generators, after factoring current vacancy rates and rental units in the construction phase, show a need for 74 to 86 rental units in Crookston over the next five years. Based on the factors stated above, we recommend the development of the following new rental units over the next five years from 2023 to 2027.

▶ General Occupancy Market Rate	42-46 units
▶ Affordable/Conversions	8-12 units
▶ Tax Credit	0 units
▶ Subsidized	0 units
▶ Senior with Light Services	24-26 units
▶ Total	74-86 units

1. Develop 42 to 46 general occupancy market rate rental units

Findings: Approximately 72% of the rental housing in the City of Crookston can be classified as general occupancy market rate housing. These units are free of any specific occupancy restrictions such as financial status, age, or student enrollment. Market rate housing does not have any form of rent controls, other than those imposed by the competitive marketplace.

The entire registered rental inventory in the City of Crookston included approximately 1,267 total units in 2022. We believe that more than 900 of these units are best described as market rate rental housing.

Of the market rate rental units surveyed, we found a vacancy rate of 3.8%, which is within the healthy market range of 3% to 5%. Several of the market rate projects had multiple vacancies. Most of the rental property owners and managers reported a good demand for rental units.

More than 50% of the market rate projects contacted in the rental survey reported no vacancies, including the City's newest rental project, the Meadows. The Meadows also reported a 15-person waiting list.

There is a fairly wide variation in rental rates in the market rate segment in the City of Crookston. The gross rent range is \$450 to \$1,050 for a one-bedroom unit, \$580 to \$1,250 for a two-bedroom unit and \$811 to \$1,450 for a three-bedroom unit.

Since 2018, when the last Housing Study was conducted, no rental units have been constructed in Crookston.

Recommendation: As stated earlier in this section, rental housing demand is based on household growth, pent-up demand and replacement of housing units that have been demolished or converted.

Based on this combination of demand generators, we believe that it is reasonable to plan for production of between 42 and 46 market rate rental units over the next five years, from 2023 to 2027. It is important for a City to balance a healthy vacancy rate with the construction of new rental housing. In the 2018 Crookston Housing Study, we recommended the construction of 36 to 44 market units. No market rate units were constructed. However, a 30-unit tax credit project was constructed in 2018.

New rental units raise the rent structure, encourage the rehabilitation of existing rental housing, provide a new rental housing option for renters and addresses the needs of some renters. There is a demand for new rental housing in Crookston, as evidenced by the success of The Meadows, which reported no vacancies and a waiting list. The Meadows is the only larger-scale market rate rental project that has been constructed in Crookston for more than 20 years.

It would also be beneficial to continue to also support the development of ongoing smaller-scale rental projects, which do not add a large volume of units at one time. If some higher-quality rental construction does not proceed, prospective renters may leave the community in search of better quality options.

Town home style units or high quality apartment buildings are both options in addressing the need for market rate units. The projects, to be successful, should have 'state of the art' amenities. Based on our research, new rental units constructed over the next five years should include one, two and three-bedroom units.

There are two market rate rental segments in Crookston. One segment is seeking a high quality unit and can afford a higher rent. The second segment is seeking work force housing and a more modest rent. This segment may not qualify for subsidized or tax credit rental units, but affordability is still an issue.

There is a need to construct both types of market rate rental housing, thus, there is a wide rent range in the following table reflecting the two market segments. To construct the workforce housing and charge affordable rents, financial assistance will be needed such as land donations, tax abatement, tax increment financing, tax deferments or other resources may be needed.

The first option to developing market rate rental housing would be to encourage private developers to construct the project. If private developers do not proceed, Tri-Valley Opportunity Council, Inc., the Crookston Housing and Economic Development Authority or the Northwest Minnesota Multi-County Housing and Redevelopment Authority could potentially utilize essential function bonds or similar funding sources to construct market rate rental housing.

We recommend the development of 42 to 46 rental units, with a unit mix and rent levels as follows:

Recommended unit mix, sizes and rents for the Crookston Market Rate Housing Units:

Unit Type	No. of Units	Size/Sq. Ft.	Rent
One Bedroom	10-11	650 - 800	\$850 - \$1,050
Two Bedroom	25-27	850 - 1,050	\$1,000 - \$1,350
Three Bedroom	7-8	1,100 - 1,250	\$1,250 - \$1,550
Total	42-46		

Note: The recommended rents are gross rents including all utilities. The rents are quoted in 2023 dollars. Based on when the units are constructed, the rent structure may increase.

If possible, it would be advantageous to keep the rent structure at or below the rent limits for the Housing Voucher Program for some of the units. This would allow lower income renter households to rent a unit, which would expand the number of households that could afford the proposed rents. In 2023, the rent limits for the Voucher Program are:

- One Bedroom - \$772
- Two Bedroom - \$979
- Three Bedroom - \$1,391

2. Promote the development/conversion of eight to 12 affordable market rate rental housing units

Findings: The previous recommendation addressed the market potential to develop high quality rental units in Crookston. Unfortunately, these units would tend to be beyond the financial capability of many area renters. A majority of Crookston's renter households have an annual income below \$30,000. These households would need a rental unit at \$750 per month or less.

Crookston has lost rental housing over the years due to the flood mitigation project and deterioration and will continue to lose units due to deterioration and demolition. Part of the need for additional rental units in Crookston is to provide for unit replacement. Unfortunately, most of the lost units were probably affordable, and new construction will not replace these units in a similar price range.

Recommendation: We encourage the City and CHEDA to promote the development/conversion of more affordable rental units. A goal of eight to 12 units over the next five years would help to replace affordable housing that has been lost.

It would be difficult to create units through new construction. Instead, it may be more practical to work on building renovation or conversion projects that can create housing. This opportunity exists in existing buildings, or through the purchase and rehabilitation of existing single family homes. Since 2010, several buildings have been converted to rental units. Also, rental units have been constructed on the upper floors of downtown buildings.

The estimated prevailing rent range for older rental units in Crookston is typically between \$450 and \$750 per month. Creating some additional units with contract rents below \$750 per month would help to expand the choices available to a majority of the City's renter households.

It is probable that the proposed rent structure for some units could only be obtained with financial commitments from other sources such as tax increment financing, tax abatement or tax deferments from the City. The City of Crookston has created a tax abatement program to assist developers with the construction of rental housing. Other financial resources, such as the Small Cities Development Program (SCDP) and Minnesota Housing programs could also be used. Financial assistance would expand the number of buildings that would be financially feasible to convert to rental units.

3. Monitor the need to develop tax credit rental housing units

Findings: The City of Crookston has two moderate rent tax credit rental projects. Crookston Townhomes was constructed in 2000 and has 30 affordable rental units, and Agassiz Townhomes, with 30 units, was constructed in 2018. Another project, Green Tree Square II, also utilized tax credit assistance, but primarily functions as subsidized housing, since this project also has Rural Development subsidies and rent assistance.

Crookston Townhomes and Agassiz Townhomes have been successful in the market. At the time of our rental survey for this Study, there were five vacancies, however, several tenant applications were being processed.

Since the late 1980s, tax credits have been the primary federal production incentive for the creation of housing to serve moderate income people. Because tax credits only provide a 'shallow subsidy', this type of housing does not generally serve lower income renters, but does serve households at or below 60% of the median income level.

The use of federal tax credits places both income restrictions on tenants, and gross rent caps on the rental units.

The maximum rent levels allowed for the tax credit program exceed the prevailing rates for the area in market rate housing. Crookston Townhomes has contract rents of \$705 for a two-bedroom unit and \$770 for a three-bedroom unit, plus tenant-paid electricity. The rents for Agassiz Townhomes are \$740 for a two-bedroom unit and \$805 for a three-bedroom unit, plus tenant-paid heat and electricity.

Recommendation: Based on our experience in other communities, we would normally expect to see between 60 and 65 tax credit units succeed in a town the size of Crookston. The two existing tax credit projects have a total of 60 tax credit units.

We are not recommending the construction of any additional tax credit units at this time. However, we do recommend that the City, Tri-Valley Opportunity Council and CHEDA continue to monitor the need for additional tax credit units in the future. It is feasible that additional tax credit units will be needed later in our five-year projection period.

4. Monitor the need to develop additional subsidized rental housing units

Findings: There are six federally subsidized rental projects in Crookston. Combined, these projects have 247 units of subsidized housing and serve different segments of the rental market.

Five of the projects with 182 units are designed for general occupancy housing. These projects include:

- ▶ Nimens-Espegard Apartments has 98 units
- ▶ Broadway Apartments has 30 units
- ▶ Greentree Square I has 18 units
- ▶ Greentree Square II has 16 units
- ▶ Prairie Land Duplexes has 20 units - These units were constructed in 1999 to house migrant workers that moved to the area on a seasonal basis for agricultural work. The demand for seasonal workers has decreased, thus, Prairie Land Duplexes has been offering general occupancy subsidized rental housing for many years.

Combined, there are 162 total units of general occupancy subsidized housing. At the time of the survey in December 2022, there were 22 vacancies in the general occupancy subsidized units, which is a vacancy rate of 12.1%. At the time of the 2018 Crookston Housing Study, the estimated vacancy rate in general occupancy subsidized housing was 8.6%.

Crookston has one subsidized rental project oriented to seniors and disabled tenants. Oak Court Apartments has 65 units. Oak Court Apartments was constructed through HUD's Low Rent Public Housing Program and was originally intended for senior and disabled tenant occupancy. However, a later rule change made this property available for general occupancy. The project does provide an occupancy preference to seniors and disabled applicants. At the time of this Study, approximately 50% of the tenants were occupied by seniors or disabled tenants.

In previous housing studies, a portion of the Nimens-Espegard project had also been identified as senior/disabled occupancy housing. However, in the most recent rental survey, the property manager stated that all 98 units in Nimens-Espegard are designated as general occupancy housing, and no units are specified for senior/disabled tenants.

At the time of the survey, Oak Court Apartments had five vacant units, which is a 7.7% vacancy rate.

Most of the subsidized units in Crookston have rent assistance available for tenants, so lower income households pay rent based on 30% of income. In the units without rent assistance the tenants pay 30% of income, but not less than a basic rent that is established for the apartment. The basic rent levels are very comparable to the contract rents in older, market rate apartments in Crookston.

In addition to the project-based subsidized housing, Crookston also has approximately 138 households being assisted with HUD Housing Choice Vouchers (formerly Section 8 Existing Program). Some of these households may actually be using their rent assistance in one of the subsidized or tax credit projects, if that project does not have rent assistance available for all tenants.

Also, there are two tax credit projects in the City of Crookston with a total of 60 units. Tax credit projects do not provide a deep subsidy, however, the units do provide housing at an affordable rent for moderate income households. At the time of the survey, in December 2022, there were five vacancies in the 60 tax credit units. However, several tenant applications were being processed.

Despite the variety of subsidized housing offerings and the vacancy rate in subsidized units in the City, there does appear to be unmet demand for rental housing for lower income people. Based on the American Community Survey, approximately 39% of the renter households reported that 30% or more of their income was required to pay housing costs. Many of these households had annual incomes of less than \$25,000, and needed a very affordable unit to avoid a housing cost burden.

Recommendation: At this time, we do not recommend the development of additional subsidized housing in the City of Crookston. However, we recommend that the City and CHEDA monitor the need for additional subsidized housing in the future. Our recommendation is based on existing vacancies in general occupancy subsidized projects, the availability of tenant-based Housing Choice Vouchers and vacancies in affordable market rate projects.

There could be a need for additional subsidized rental housing if some of the existing subsidized units are lost, due to the end of subsidy contracts. In the recommendation that follows, we have discussed the need to preserve the existing project-based subsidized housing in the community. Also, there may be a need for additional subsidized housing if current subsidized and market rate rental housing vacancy rates decrease significantly.

5. Preserve the existing supply of subsidized housing

Findings: The City of Crookston has six “deep subsidy” rental housing projects that allow tenants to pay rent based on 30% of income. Several of these projects were constructed in the 1970s or 1980s when the federal government was actively involved in producing low income housing.

The subsidized housing represents the most affordable option available to lower income households. Since most of these units charge rent based on income, even extremely low income households can afford their housing.

Most of the subsidized stock is privately owned. In some communities, privately owned subsidized housing has been lost as owners have the ability to opt-out of subsidy contracts after their original obligations have been met. Subsidized housing that is lost cannot be cost-effectively replaced with the low income housing production resources that are available today.

Recommendation: Minnesota Housing tracks subsidized housing in Minnesota that is at risk of being lost. Owners of subsidized housing that are considering the option to drop their subsidy contract must notify Minnesota Housing and the tenants prior to taking any action. At the time of this Study, no Crookston subsidized projects were on the Minnesota Housing list.

CHEDA and regional housing agencies should check with MHFA on an ongoing basis to determine if any Crookston subsidized housing projects are considering the option to drop their subsidy contract. In some communities, public or nonprofit agencies have been able to purchase projects that are at risk of being lost to preserve the affordable housing resources. In Crookston, the Southwest Minnesota Housing Partnership purchased a subsidized housing project several years ago and the project has remained subsidized.

6. Senior housing with services housing needs - 24 to 28 light services units

Findings: Senior housing with services defines a wide range of housing types. Skilled nursing homes, assisted living and memory care housing options are generally the most service-intensive units. High-service housing provides 24-hour staffing and a high level of assistance with daily living needs of residents.

Lower-service housing, sometimes referred to as congregate senior housing, generally offers the availability of a daily meal, and services such as weekly light housekeeping.

Subsidized Housing with Services

Oak Court Apartments, a HUD Public Housing project, offers an assisted living option utilizing services provided through a home health care agency. The contract for services is directly between the tenant and the service provider. At the time of this Study, there were an unspecified number of senior and/or disabled tenants in Oak Court that were contracting for services.

Assisted Living

Crookston has one provider of assisted living services. The Villa St. Vincent Assisted Living is a 53-unit project offering efficiency, one-bedroom and two-bedroom apartments. The project was created in two phases in the mid-1990s and 2004 when a former hospital building was converted into rental housing.

When surveyed, there were 8 unoccupied assisted living units. Most of the units are private-pay, but up to 13 tenants can utilize County assistance programs, such as Elderly Waiver, to access services for lower income seniors.

Memory Care

Crookston has two facilities specifically serving seniors with memory loss issues that require specialized housing.

RiverView Nursing Home is licensed as a skilled nursing home with capacity for 24 beds in 2023. There are also 24 beds in a secured wing of the Villa St. Vincent Nursing Home.

Specific occupancy information was not obtained from RiverView. In Villa St. Vincent, typical bed occupancy ranges from approximately 82% to 89%. Unoccupied memory care beds were present when the facility was surveyed.

Nursing Homes

Crookston has two skilled nursing homes. However, RiverView focuses on memory care housing and has been included in that market segment.

The Villa St. Vincent Nursing Home is licensed for 104 beds in 2023, unchanged from the licensing in 2018. Beds are designated for specific uses, including 60 beds for long-term care, 20 beds for short-term transitional care and 24 beds for memory care in a secured wing. Despite these designations, there is flexibility in the use of beds depending on demand.

Typical bed occupancy ranges from approximately 82% to 89%. This would indicate that approximately 49 to 53 residents at any point in time are receiving long-term care in the facility.

Market Area Senior Demographics

For this analysis, the analysts have specifically focused on older senior citizens, age 75 and above, as the primary market for specialized housing with services. Based on Esri's estimates and projections, the Crookston Market Area had a total population of 1,121 older seniors in 2022. This age group is projected to grow by 139 people, or 12.4% by 2027. There were 700 older senior households in 2022, with a projection that this will increase by 101 households, or 14.4% by 2027.

Recommendation: Our findings and recommendations for senior housing with services have been organized by unit type.

Assisted Living: Based on our review of senior demographic data in the Crookston Market Area, we believe that the existing supply of assisted living units should be adequate to address near-term demand for this type of housing. However, a new 'state of art' assisted living facility should be considered later in the five-year projection period.

Based on our research, we believe that assisted living can typically achieve a market share of up to 5% of the older senior population. After adjusting for older seniors that reside in skilled nursing homes or memory care facilities, the projected population of older seniors in the Crookston Market Area would yield approximately 49 to 52 assisted living units at a capture rate of 5%.

The Summit, Crookston's current provider of assisted living, has 53 apartment units available. At this time, The Summit can provide a range of housing with services, from a light service package to assisted living. The project's focus is to provide services, and all new residents are required to purchase some monthly services. With 53 units, The Summit has the ability to address the need for service-intensive assisted living for the next few years. At the time of the rental survey, the Summit had eight unoccupied units.

Housing with Light Services - 24 to 28 units: We believe that demand exists for senior housing with light services in Crookston. A project with light services would typically cater to seniors that can largely live an independent lifestyle, but who can benefit from services such as a daily meal, weekly house keeping, and weekly laundry services. Other than The Summit, we did not identify any specific light services developments in the City or the Market Area.

Light services units are typically compared to the distribution of all older senior households, rather than population. Housing with light services can serve a more active and independent senior, and it is more common to see couples reside in this housing, as well as single person households.

After adjusting for senior households that already live in more service-intensive assisted living, we would estimate the target market at approximately 700 total households in the Market Area in 2017.

If a capture rate of 5% is applied, potential demand would exist for approximately 35 lighter services housing units. The Summit is already addressing part of the light services demand. Since most services are provided on an 'a la carte' basis in The Summit, it is not possible to determine how much of the light services demand is currently being met. However, the combination of households looking for either assisted living or light services housing would exceed the supply of 53 units in The Summit.

Since The Summit is focused on providing services, it appears likely that this project will primarily provide assisted living, and to a lesser extent, light services housing in the future. This would leave unmet demand for some units of light services housing in the Market Area.

It is also possible that projects such as the Summerfield Senior Occupancy Apartments are currently meeting part of the demand. While services are not available through the project, seniors can arrange for home health care and similar providers to supply necessary services. Similarly, the assisted living option in Oak Court may also be addressing part of the demand, as tenants requiring light services can contract for some items in their existing apartment.

Despite these current options, we believe that a senior project with 24 to 28 units specifically designed to offer light services housing can be justified based on the senior population in Crookston and the surrounding Market Area.

The senior project could be an apartment-style building.

The project's amenities and features should include:

- ▶ A community room
- ▶ 24-hour call system
- ▶ A limited access security system
- ▶ Enclosed parking
- ▶ Spacious corridor with a theme such as a street scape design

Apartment features should include:

- ▶ 24 to 28 units
 - ▶ 9 to 10 one-bedroom
 - ▶ 15 to 18 two-bedroom
- ▶ Fully equipped kitchen
- ▶ Storage room
- ▶ Ample closet space
- ▶ Laundry hookups
- ▶ Open floor plan
- ▶ Private patio
- ▶ Individually controlled heat and AC
- ▶ Raised outlets, lever door handles, lowered kitchen cabinets
- ▶ Expansive windows

Services should include:

- ▶ Noon meal
- ▶ Weekly housekeeping
- ▶ Home healthcare
- ▶ Social activities

Tax increment financing, tax abatement, tax deferments and other subsidies or incentives could be utilized to make the project possible.

It is estimated that 50% of the units will be occupied when the project opens and two to three additional units will be rented each following month for an absorption period of four to five months.

The location of the project should be close to services as the project will be occupied by seniors. A high amenity location would be ideal for a senior project. If possible, the project should have land available for future project phases.

Memory Care Housing: We believe that Crookston does have an adequate supply of housing to serve memory care residents. However, there still may be market opportunities for new unit construction that is specifically designed for people with dementia, Alzheimer’s disease and other memory care issues. In some communities, specialized memory care projects have been built to specifically house these populations.

Currently, the City of Crookston has two options for residents with memory care issues. In Villa St. Vincent, 24 of the 104 licensed nursing home beds are in a secured wing. RiverView Nursing Home has 24 licensed beds. Combined, these two options provide housing for 48 people. The beds available represent approximately 4% of the senior population in the Market Area age 75 and older, which should be sufficient based on normal utilization patterns.

While the supply of beds may be adequate, construction styles for memory care units in other communities have often been based on new, cottage units, with capacity for four or five residents per cottage. This would offer a different type of living environment for people needing memory care housing. Since these cottages are designed for only a small number of residents, modest unit expansion could occur by adding another cottage as demand dictates.

Nursing Homes: Crookston has two skilled nursing homes. However, RiverView focuses on memory care housing and has been included in this market segment. The Villa St. Vincent Nursing Home is licensed for 104 beds and averages an occupancy rate of 82% to 89%. It is our opinion that Crookston currently has an adequate number of skilled nursing beds.

The purpose of the senior with services recommendations is to provide general guidance to potential developers. A developer or existing senior with services facility planning a specific project should have a project specific study conducted.

7. Student Housing Recommendations

Findings: The University of Minnesota, Crookston, a four-year liberal art's university, is located in Crookston. In the past, the University of Minnesota, Crookston has been active in developing on-campus housing. In 2013, the University completed the construction of an apartment-style building, Heritage Hall, with a capacity of 145 beds. A 130-bed building, Evergreen Hall, was constructed in 2009. Also, a 44-bed dormitory was demolished.

At most colleges and universities, on-campus student enrollment has declined somewhat in recent years while the percentage of online students has increased. This often results in empty beds in on-campus housing.

The Crookston rental stock does have vacancies, thus, off-campus housing is available for students.

Recommendation: At this time, it appears that the University of Minnesota Crookston has an adequate number of on-campus housing. The residence halls constructed in 2009 and 2013 are 'state of the art' facilities.

The City of Crookston should continue to enforce the Rental Registration Program to assure that student rental units are safe, sanitary and in compliance with codes. The City should also continue to communicate with rental property owners, student tenants and the community to assure that neighborhood concerns are addressed and all households can live in Crookston neighborhoods as harmoniously as possible.

The City and University should continue to monitor enrollment and the housing vacancy rates to assure that adequate housing is available. If University enrollment significantly increases, there may be a need to develop additional student housing in the future, however, with the availability of on-campus and off-campus housing, student housing needs are being addressed. Also, we have recommended the development of additional rental housing in Crookston over the next five years, which will assist in addressing student housing needs.

8. Continue to 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 approximately 30% 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.

Based on the research for this study, it appears that the Housing Choice Voucher Program is a popular form of subsidized housing in the area. 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 Crookston is administered by the Crookston Housing and Economic Development Authority (CHEDA). Currently, CHEDA has funding for approximately 138 Vouchers. In February 2023, there was approximately a one-month waiting list for Crookston households to obtain a Voucher.

The 2021 American Community Survey showed a significant number of Crookston renter households with a housing cost burden. Approximately 39% of the renter households in Crookston were paying more than 30% of their annual income for rent. Many of these households had annual incomes below \$35,000 in 2021.

Recommendation: From a practical standpoint, the Housing Choice Voucher Program is the single best way that Crookston can provide affordable housing. HUD does not make new incremental assistance available every year, but when new allocations are authorized, we would encourage the community to work with CHEDA, to continue to apply for additional Vouchers. With the number of renter households paying more than 30% of their income for housing, there is an ongoing demand for Vouchers.

9. Consider the development of a Downtown Mixed-Use Commercial/Housing Project

Findings: The City of Crookston has an active downtown area. An additional mixed-use rental housing/commercial project could complement the existing downtown.

New mixed use projects have been developed in several Minnesota cities. Some of these projects were developed because of market demand while others were developed to enhance the Downtown, to introduce a new product to the market and to serve as a catalyst for Downtown redevelopment.

Recommendation: We continue to recommend the development of a mixed-use building in Downtown Crookston. A new mixed-use project should be pursued that complements the downtown and is not viewed as competition, but as an asset to downtown.

We recommend commercial space on the first floor and rental units on the upper floors. Prior to construction, a portion of the commercial space should be leased to an anchor tenant who would complement existing Downtown businesses and attract people to Downtown.

If a commercial anchor tenant is not identified for the first floor, other alternatives for the 1st floor may include parking or public sector space such as city offices, human services, etc. Also, if a mixed use building is not feasible, a downtown building for senior housing is a potential alternative.

Please note that the rental units proposed for a mixed-use building are not in addition to the units recommended in the previous recommendations of this section. If a mixed use building was constructed, the number of units recommended previously should be reduced.

Ideally, a private developer would construct and own the building. The City may have a role in the project by providing tax increment financing, tax deferments or other local funds and land at a reduced price.

Crookston - 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 Crookston is estimated to be approximately \$148,000 based on recent sales activity. With approximately 50% of the homes in Crookston valued less than \$148,000, Crookston has opportunities for first time home buyers and households seeking moderately priced homes.

Our analysis of the City of Crookston demographic trends shows an increasing number of households in the traditionally strong home ownership age range between 35 and 44 years old. This age group typically includes first-time home buyers or households that already own their housing and are a potential market for 'trade-up' housing. It is projected that there will be household growth in the 65 and older age ranges over the next five years. Households in these age ranges often are looking for attached maintenance-free housing.

While some households in all age groups already own their housing, those households 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:

10. Continue to utilize and promote all programs that assist with home ownership

Findings: We believe that affordable home ownership is one of the major issues facing Crookston. Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, the demographic make-up of Crookston is conducive to the promotion of home ownership opportunities. There are a number of strategies and programs that can be used to promote home ownership in Crookston. The area's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, gap financing and low interest loans help to address affordable housing issues. With the City's median home value at \$148,000, there are lower valued houses in the community that appeal to first time buyers.

Currently, the Northwest Minnesota Multi-County HRA is administering a Down Payment Assistance Program. Also, the Federal Home Loan Bank has funds available for closing costs and down payment assistance.

Additionally, home ownership counseling and training programs are being offered to Crookston 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 loans, 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: The City of Crookston and CHEDA should continue to utilize all available assistance programs to promote home ownership. The community should also explore the possibility of obtaining specific program set-asides from some of the home ownership programs offered through the Minnesota Housing. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control.

The City and CHEDA should continue to work with the area's housing agencies to continue to develop programs that provide financial assistance for households to purchase a home and to assure the City of Crookston is receiving its share of resources that are available in the Region. 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 Federal Home Loan Bank, Minnesota Housing, the Greater Minnesota Housing Fund and the MN Small Cities Development Program.

11. Consider the development of a Purchase/Rehabilitation Program

Findings: The City of Crookston has a stock of older, lower valued homes, some of which need repairs. Additionally, four neighborhoods have been in the flood plain, but due to the flood mitigation project, the neighborhoods have been removed from the flood plain. Therefore, homes that previously were not maintained, can now be renovated. As some of the lower valued and vacant homes come up for sale, they may not be attractive options for potential home buyers because of the amount of repair work that is required.

In the past, Minnesota Housing provided funding for the Minnesota Urban Homestead Program (MURL) Program. Under the program, the City or an area housing agency purchased an existing home that needed rehabilitation, rehabilitated the home, sold the home to a low income family and provided a mortgage and a monthly payment that were affordable for the family. The MURL Program accomplished many community goals, including the promotion of home ownership for lower income people, and the repair of substandard housing units. The Tri-Valley Opportunity Council, Inc., purchased, rehabilitated and sold more than 20 homes through the MURL Program. However, MHFA is no longer providing funding for the MURL Program.

Recommendation: We recommend that CHEDA or an area housing agency consider the creation of a rehab/purchase program for existing houses that is similar to the previous MURL Program. The City, a housing agency or a private contractor could purchase homes that need rehabilitation, rehabilitate the homes and sell the homes. Area housing agencies and financial institutions could assist by offering some rehabilitation assistance in conjunction with first-time buyer programs to make the City's older housing a more attractive option for potential home buyers. Minnesota Housing, the SCDP Program and the Federal Home Loan Bank are potential funding sources.

Also, a program could also be developed to provide mortgage funds directly to households for the purchase and rehabilitation of existing substandard homes. USDA Rural Development provides mortgage funds to purchase a home and to make repairs to the home.

Attitudinal surveys that we have conducted in other cities have found that purchase/rehabilitation programs are appealing to people who are currently renting their housing. In some similar sized communities, a majority of survey respondents who were renters indicated an interest in buying a home in need of repair if rehabilitation assistance was also available.

Additionally, there may be an opportunity for local housing agencies to financially assist the private sector with the purchase, rehabilitation and re-sale of homes. This may increase the inventory of substandard homes that could be feasible for rehabilitation and sale.

A purchase/rehabilitation program will achieve several goals. The program will encourage home ownership, prevent substandard homes from becoming rental properties, convert rental properties back to owner-occupancy, and rehabilitate homes that are currently substandard. A purchase/rehabilitation program can also be an integral part of a Neighborhood Revitalization Program.

Crookston - New Housing Construction

Single Family Housing Development

Findings: The City of Crookston has experienced some ongoing single family owner-occupied housing and twin home construction since the 2018 Crookston Housing Study. According to City records from 2018 to 2022, 21 single family owner-occupancy units were constructed in Crookston. This is an average of four to five units annually. Approximately 47 owner-occupancy housing units were constructed in Crookston from 2010 to 2018. This is an average of approximately six new housing units per year. The attractiveness of the community, the City's status as a small regional center, continued job growth and City incentives should result in the continued construction of new homes annually. However, attractive residential lot options must continue to be available for new home construction to continue at its current pace or to possibly expand.

Household growth projections for the City of Crookston indicate demand for owner-occupied housing construction. Much of the growth that is anticipated over the next five years will be among households in the 35 to 44 age range. Households in this age range are often first-time home buyers or are seeking higher-priced, trade-up housing. There is also growth projected among older households, in the 65 and older age ranges. Many of the households in these age ranges are seeking low-maintenance housing options or senior housing with services.

Our projections expect that the City of Crookston will add approximately 75 new households over the next five years. A combination of annual household growth, the changing age patterns of area households, the demand for homes in various price ranges, the development of new lot options and housing construction incentive programs, should all contribute to continued construction of single family housing in Crookston.

It is our opinion that if the City, CHEDA, regional housing agencies, developers and builders are proactive, nine to 13 owner-occupied homes can be constructed annually in Crookston over the next five years, from 2023 to 2027, which is a total of 45 to 65 owner-occupied units. This projection is based on the availability of attractive residential lots for new construction and includes single family homes and attached housing, such as twin homes and town houses.

The breakdown of our projection of 45 to 55 new owner-occupied housing units over the next five years is as follows:

Demand Projection for Owner-Occupancy Housing Construction from 2023 to 2027		
Unit Type	Approximate Price Range	Projected Demand
Single Family Projected Demand		
Affordable	Less than \$325,000	15-22 units
Mid-Priced	\$325,000- \$450,000	20-27 units
Higher-Valued	More than \$450,000	10-16 units

Source: Community Partners Research, Inc.

We have defined **affordable homes** as single family units that would typically sell for less than \$325,000. While many people may view this as a high price for affordable housing, it is increasingly difficult to construct new houses at a lower cost. Houses within this price range often appeal to younger buyers, first-time buyers, or those households trading-up from an older, lower valued house or mobile home. To achieve a price below \$325,000, assistance may be needed such as land at a reduced price, tax increment financing, tax abatement, tax deferments, etc. Also, financial assistance may be needed from regional and state agencies.

Additionally, affordable homes may be constructed by organizations such as the Northwest Minnesota Housing Cooperative. This housing often serves a segment of the market that could not otherwise access newly constructed units. Also, affordable homes could include modular homes and twin homes/town houses. Affordable homes could be constructed in newer subdivisions or on in-fill lots.

We have defined **mid-priced homes** within a price range of \$325,000 to \$450,000. This price can generally be achieved by private housing developers. The City of Crookston has had some active construction activity occurring within this price range. The higher end of the price range represents a portion of the trade-up housing market. Also, some of the homes at the lower end of this price range may include twin homes and town houses.

We have defined **higher-valued homes** as those priced above \$450,000. Many households purchasing a high valued home will be selling an existing home and have an equity position that can be used to purchase a home in this price range.

12. Subdivision Development and Lot Availability

Findings: As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the City of Crookston. There was no definitive list of available lots, but most reliable estimates indicated that approximately 20 buildable lots are currently available. The vacant lots are in several subdivisions throughout the City of Crookston.

There are also several infill lots scattered around the City that we did not attempt to count. We do not know the availability of these lots. Also, it is projected that there will be the acquisition and demolition of dilapidated houses. Some of the cleared lots may be suitable sites for new construction.

Recommendation: We use a standard that a 2 ½-year supply of lots should be available in the marketplace, based on annual lot usage. Using our projections that nine to 13 new housing units will be constructed per year, the City should have approximately 23 to 33 residential lots available to meet the expected demand. Part of this demand would be for attached unit construction. The available inventory could include lots that are currently buildable, as well as lots in the advanced planning stages that could be available for the next construction season.

Using this standard, if the new construction goals come to fruition, the City of Crookston, with approximately 20 available lots, currently does not have an adequate residential lot inventory. If nine to 13 homes are constructed in Crookston annually, there will be a need for the development of additional lots to meet lot demand over the next five years.

Therefore, to address the residential lot demand over the next five years, we recommend the development of 25 to 35 lots. However, the number of houses constructed annually should be monitored to determine actual lot demand.

In addition to the demand for new owner-occupancy housing construction from projected household growth in Crookston, new housing will be generated from housing construction demand from surrounding areas including the Grand Forks area, Red Lake Falls and surrounding townships and small cities.

New subdivision/lot development should include the following:

- ▶ The subdivision(s) should have adequate land available, if possible, for future phases of lot development, based on demand.

- ▶ If possible, lots should be developed in phases.
- ▶ The subdivision(s) must be as aesthetically acceptable as possible and include high quality amenities.
- ▶ The subdivision(s) should have covenants that assure high quality development. However, the covenants should not be so restrictive that they eliminate the target market's ability to construct a home.
- ▶ The subdivision(s) should accommodate a variety of home designs and home prices.
- ▶ Major employers should be involved in promoting and publicizing the subdivisions.
- ▶ To be successful, the homes must be available to households with as wide an income range as possible.
- ▶ Successful subdivisions will need the cooperation of area housing agencies, financial institutions, developers/builders, employers, CHEDA and the City of Crookston. Financial assistance such as tax increment financing, tax abatement and tax deferrals may be necessary to make the development of lots feasible.
- ▶ The subdivision and lots should expand the market by providing attractive, affordable options.
- ▶ Some lots should be available for twin home/town home development.
- ▶ The development process should be as user-friendly and streamlined as possible.

13. Strategies to encourage continued residential lot sales and new home construction in Crookston

Findings: Over the past five years, approximately 21 owner-occupied new single family housing units have been constructed in the City of Crookston. To construct new single family owner-occupied housing units at an increased rate, we recommend several strategies.

Recommendation: We recommend that the City of Crookston, CHEDA, the Northwest Minnesota Housing Cooperative, developers, builders, realtors and other housing stakeholders continue to coordinate efforts to promote lot development, lot sales and housing development.

Our recommendations to continue to promote lots sales and housing development include:

- ▶ ***Continue the momentum*** - The City has a working formula for new home construction and the City should maintain its momentum by assuring that there are an adequate number of developers, builders, lots, etc. in the City.
- ▶ ***Competitive pricing*** - There are lots available in communities throughout the region. To continue to attract new home construction in Crookston, lots should remain competitively priced in comparison to other options in the area.
- ▶ ***User-Friendly*** - The lot purchase and home building process must be 'user friendly.' This includes the construction of spec homes, builders that are readily available to build custom homes and city regulations that are fair and reasonable. The entire process must be as 'user friendly' as possible to encourage home construction.
- ▶ ***Long-term planning*** - The City of Crookston, CHEDA, the Northwest Minnesota Housing Cooperative and private developers should continue long-term development planning to assure lots are available to meet demand for all types and pricing of new housing on an ongoing basis.
- ▶ ***Promote spec home construction*** - Spec houses attract a buyer that is not interested in going through the home building process, but instead wants a turnkey unit. A spec home can also serve as a model, allowing potential home buyers to examine specific floor plans and features in the home before committing to buy.
- ▶ ***Lot availability for twin home/town home development*** - It is our opinion that there will be a demand for twin homes/town homes over the next five years. Lots should be available for a twin home/town home development.

- ▶ ***Range of house prices*** - Lots should be available to as wide a range of home sizes and prices as possible, without compromising the subdivisions. This broadens the lot buyer market. Also, smaller infill lots with fewer amenities could be marketed for affordable homes.
- ▶ ***Marketing*** - The City of Crookston will need to continue a comprehensive marketing strategy to sell available lots. All stakeholders including developers, realtors, financial institutions, builders, employers, etc. should to be included in marketing strategies. In addition to marketing the lots, the City of Crookston and its amenities should be marketed.
- ▶ ***Covenants*** - New subdivisions in Crookston may establish covenants that assure quality development. The covenants should assure that they protect the integrity of the subdivision, but are not a barrier to new construction and do not prevent the target markets from constructing homes.
- ▶ ***Lot Availability for affordable homes*** - Lots should be available for affordable homes that provide affordable ownership options for moderate income households.
- ▶ ***Incentives*** - Offering incentives to construct new homes, including reduced lot prices, reduced water and sewer hookup fees, tax abatements, tax deferments, cash incentives, etc. Currently, the City of Crookston has an Incentive Program to promote new housing construction.
- ▶ ***Infill lot Home Development*** - Infill lots in existing neighborhoods are often affordable and have existing City services.
- ▶ ***Lot Inventory*** - Develop a lot inventory of available existing lots in the City of Crookston.
- ▶ ***Meet with builders and developers*** - Meet with builders and developers to develop a plan to maximize the new construction potential in Crookston.
- ▶ ***Housing Programs*** - Minnesota Housing, USDA Rural Development and other housing agencies may have housing programs available to assist developers, builders and home buyers.

14. Promote townhouse and twin home development

Findings: The City of Crookston has experienced limited owner-occupied attached housing development from 2010 to 2022. Many communities over the past decade have seen attached housing take an increasingly large share of new construction. In cities the size of Crookston, 20% to 25% of the housing starts are typically twin homes/town houses. Over the past 13 years, approximately 11% of the owner-occupied housing units constructed in Crookston have been attached units such as twin homes/town houses.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making traditional single family homes available for families. It is estimated that there are approximately 1,500 households in the 65 and older age ranges in the Crookston Market Area in 2022. It is important for the City to offer a range of life-cycle housing options as many of these households will be seeking to downsize into low maintenance housing options.

Recommendation: It is our projection that approximately 12 to 16 of Crookston's new owner single family units should be twin homes or town houses over the next five years.

We recommend a twin home/town home development and for the development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ Maintenance, lawn care, snow removal, etc. all covered by an Association
- ▶ Cluster development of a significant number of homes which helps provide security
- ▶ Homes at a price that is acceptable to the market

The public sector's role in any owner-occupancy attached housing development may be limited, as the private sector can often meet this housing need if a demand exists. The city's role should include assuring that adequate land is available for development and that zoning allows for attached housing development.

15. Review the Crookston Housing Incentive Program

Findings: The City of Crookston has been offering an Incentive Program to households who build a new home in the City of Crookston.

The Incentive Program includes:

- ▶ Two year property tax abatement - the abatement can be taken up front for down payment assistance, or over a two-year period.
- ▶ Free water and sewer hookups
- ▶ Free water, sewer and garbage service for two months
- ▶ Other miscellaneous incentives, discounts, etc.

Recommendation: We recommend that the City of Crookston review and assess the Housing Incentive Program to determine its effectiveness and if changes could be made that would provide better results in a more efficient manner. An effective Housing Incentive Program enables Crookston to be competitive with other cities that are also marketing their lots, and in some cases offering incentives.

16. Continue cooperation with housing agencies and nonprofit organizations supporting new home construction

Findings: With the difficulty of producing new houses that are affordable to lower income people, it is important to take advantage of opportunities presented by other groups and organizations such as the Northwest Minnesota Housing Cooperative. In the past, the Northwest Minnesota Housing Cooperative has been successful and proactive in constructing new homes in Crookston.

Additionally, Habitat for Humanity has constructed affordable homes in Crookston and has an excellent working relationship with the City.

Financial resources that may be available for affordable new home construction include Minnesota Housing, the Small Cities Development Program, the Greater Minnesota Housing Fund and the Federal Home Loan Bank.

Recommendation: We recommend that the City of Crookston and area housing agencies continue to develop relationships with nonprofit groups and housing agencies that help to produce affordable housing units. The City should continue to contribute to projects through land donations, grant writing, project coordination activities, loans, public improvements, incentive programs, etc.

Crookston - Housing Rehabilitation

Housing Rehabilitation

Findings: The City of Crookston has a strong asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Also, with neighborhoods now protected from flooding and taken out of the flood plain, this is an excellent opportunity to continue to rehabilitate housing units that have not been maintained.

New housing construction has been occurring in a price range that is beyond the affordability level for many Crookston households. Housing options for households at or below the median income level will largely be met by the existing, more affordable housing stock. As the existing stock ages, more maintenance and repair will be required. Without rehabilitation assistance, the affordable stock could shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

17. Promote rental housing rehabilitation programs

Findings: According to Crookston Rental Inspection Program records, the City had approximately 1,267 registered rental units in 2022. These units are distributed in a variety of structures, from single family houses and mobile homes to large, multifamily rental complexes. Approximately 1,000 of the rental units in Crookston are more than 40 years old, which is approximately 80% of the City's rental housing stock. Many rental single family homes, small rental projects and large rental complexes could benefit from rehabilitation.

It is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

The City of Crookston has a Rental Housing Registration Program that inspects rental units and requires that the rental properties and units meet a minimum housing code.

In the past, City of Crookston has received Small Cities Development Program (SCDP) funds to rehabilitate rental housing units. The Northwest Minnesota Multi-County HRA has assisted the City in obtaining SCDP funds.

Recommendation: The City of Crookston and the Northwest Minnesota Multi-County HRA should continue to seek Small Cities Development Program (SCDP) grant funds that allow for program design flexibility and makes a rental rehabilitation program workable. SCDP provides funds for a rental rehabilitation program that is structured by the community.

Other sources of funds for rental rehabilitation may include Minnesota Housing, HUD, the Federal Home Loan Bank, the Greater Minnesota Housing Fund and tax credits for housing preservation.

18. Promote ongoing owner-occupied housing rehabilitation efforts

Findings: The City of Crookston has an asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the affordable owner-occupied housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in owner-occupied housing rehabilitation activities will be critical to offering affordable housing opportunities.

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

The Minnesota Small Cities Development Program (SCDP) continues to be the major source of funding for housing rehabilitation. The City of Crookston has been awarded SCDP funds in the past for owner occupied housing rehabilitation and the most recent owner-occupied SCDP housing rehabilitation program was for the Woods Addition.

Minnesota Housing also provides funding for housing rehabilitation. In the past, the Northwest Minnesota Multi-County HRA has administered the SCDP and MHFA housing rehabilitation programs for Crookston. West Central Community Action, Inc., has administered the Weatherization Program in Crookston.

CHEDA has also administered a local housing rehabilitation program that can assist a few houses each year.

Four of Crookston's oldest neighborhoods, which include the Sampson, Jerome and Chase / Loring and Woods neighborhoods, have a significant number of homes that need rehabilitation.

There are also homes that need repairs in other Crookston neighborhoods. Without rehabilitation assistance, there is the potential that the affordable housing stock will shrink in the City's older neighborhoods.

Approximately 50% of Crookston's owner-occupied homes are more than 60 years old.

Recommendation: We recommend that the City of Crookston, CHEDA, the Northwest Minnesota Multi County HRA and other area housing agencies continue to seek and utilize local, state and federal funds to assist in financing housing rehabilitation programs.

We continue to recommend that the City of Crookston develop a Multi-Phase Housing Rehabilitation Master Plan that designates neighborhoods that need rehabilitation and apply for SCDP and Neighborhood Revitalization funds on an ongoing basis. It is our understanding that CHEDA is currently concentrating its neighborhood revitalization and rehabilitation efforts in the Woods Addition.

19. Continue the Rental Housing Registration Program

Findings: The City of Crookston has adopted and is implementing an ongoing Rental Registration Program. All Crookston rental units must be registered and are inspected on a periodic basis. The Crookston Fire Department administers the Rental Registration Program. Neighborhood deterioration, lower property values and unsafe rental units are often prevented when a Rental Registration Program is successfully implemented.

In 2022, there were 1,267 registered rental units in the City of Crookston. There were approximately 1,120 registered rental units in the City of Crookston when the 2007 Housing Study was conducted. In 2014, there were approximately 1,180 registered rental units and in 2017, there were 1,220 registered rental units.

The need to continue a Rental Registration Program continues to include the following:

Health and Safety

- ▶ There is a need to provide tenants with safe, sanitary, and standard living conditions and to eliminate life threatening hazards.

Age of Housing Stock

- ▶ More than 80% of the existing rental housing stock in Crookston is more than 40 years old.
- ▶ Older housing needs continued rehabilitation and maintenance.
- ▶ Older housing often has difficulty complying with current codes.

Conversions

- ▶ Some of the rental buildings were originally constructed for uses other than rental residential such as owner-occupied single family homes and commercial buildings. In conversion, owners often do the work themselves and have inadequate or faulty mechanical, electrical, plumbing, and heating systems. Also, constructing an apartment in the basement often results in a lack of natural lighting, ventilation and proper egress.

Trends of Conversions

- ▶ Today's buyers want more amenities and conveniences, and less maintenance. They are less likely to purchase older homes, which results in the continuation of conversion of older homes to rental units.

Maintenance Efforts

- ▶ A large number of rental property owners are providing standard housing and reinvesting in their rental properties. However, some rental property owners do not maintain their buildings. Ongoing maintenance is necessary for older housing as buildings with continued deferred maintenance become unsafe and substandard.

High Number of Rental Property Owners

- ▶ Crookston has a significant number of rental property owners and many of these rental property owners do an excellent job. However, some rental property owners do not reinvest in their properties and create a need for the rental registration program.

Neighborhood Stabilization

- ▶ Rental units need to be maintained to keep the integrity of the neighborhood and stabilize property values. Deferred maintenance, parked junk cars, trash and debris piled high have a negative impact.

Zoning and Codes

- ▶ Illegal apartments such as inappropriately constructed basement apartments may be unsafe and a violation of zoning regulations.

Student Population

- ▶ College students are often willing to accept substandard conditions because they will be in the unit for a limited time period. Also, several college students will pool their resources and pay more rent for a rental unit than a typical household, thus, college students' acceptance of substandard conditions for higher rents gives little incentive for rental property owners to make improvements.

Substandard Units Removed From Rental Stock

- ▶ Rental units that are substandard and cannot cost effectively be brought into compliance with codes are removed from the rental housing stock.

Coordination

- ▶ A Rental Housing Registration Program provides an accurate record of rental units and owners. The program provides a better opportunity for coordination of city programs and codes.

Recommendation: We recommend the continued implementation of the Rental Registration Program to assure that all rental units in Crookston comply with housing laws and codes. The Rental Registration Program assures that Crookston rental units are safe and sanitary, thus, removing blighted and unsafe conditions.

20. Continue to plan the development of a Neighborhood Revitalization Program

Findings: Several of Crookston’s older neighborhoods need to be revitalized. The City’s flood mitigation project has provided protection for four Crookston neighborhoods, which has resulted in all of these neighborhoods being taken out of the flood plain. More than 650 homes are located in these neighborhoods. Some of these homes are substandard, but because of their design, square footage and style of construction, they have the potential to be quality single family homes. It is our opinion that neighborhood revitalization should continue to be one of the City’s highest housing priorities in the neighborhoods that have been removed from the flood plain. There are also other Crookston neighborhoods in need of revitalization.

Although neighborhood revitalization continues to be a need in Crookston, the City and area housing agencies have been active in implementing projects and programs in Crookston’s neighborhoods including:

- ▶ SCDP funding for housing rehabilitation
- ▶ Implementation of Minnesota Housing rehabilitation programs and weatherization funds
- ▶ Demolition of dilapidated structures
- ▶ Street, utility and park improvements
- ▶ Implementation of a Rental Registration Program
- ▶ Implementation of a housing acquisition/demolition program
- ▶ Flood mitigation activities

CHEDA has designated neighborhood revitalization as a priority and has selected the Woods Addition as a priority for neighborhood revitalization.

Recommendation: We recommend that the City of Crookston and CHEDA continue their efforts to develop a Neighborhood Revitalization Program. We recommend that the City conduct research in the priority neighborhoods that need revitalization. The research should include:

- ▶ Type of tenure of each residence - owner vs. renter
- ▶ Estimated market value of each parcel
- ▶ Identification of areas where parcels can be assembled for redevelopment
- ▶ Identification of projects and programs in the neighborhoods already in the planning or implementation phase
- ▶ Continue to identify street, utility and other public needs in the neighborhoods

With this information, redevelopment strategies and opportunities should be identified for the neighborhoods including:

- ▶ A plan for each parcel in each neighborhood
- ▶ Owner-occupied rehabilitation (submit SCDP Applications, utilize Minnesota Housing funds and weatherization funds)
- ▶ Rental Rehabilitation (SCDP, Minnesota Housing and FHLB funds)
- ▶ Demolition of dilapidated structures (TIF, Minnesota Housing, SCDP and local funds)
- ▶ Infill new construction including single family, attached housing and multifamily units
- ▶ Land pooling for larger town home and attached housing projects
- ▶ Purchase/ Rehabilitation Programs that rehabilitate homes and provide home ownership for low/moderate income households
- ▶ Public projects (streets, utilities, parks, etc.)
- ▶ Continue to implement the Rental Registration Program
- ▶ Consider rezoning, variances and/or replatting to make areas and parcels more desirable for redevelopment
- ▶ Other projects identified through the planning process

The Neighborhood Revitalization Plan should include time lines, responsible City Department or Housing Agency, funding sources, etc. The Program should be evaluated on an ongoing basis as opportunities and potential projects may change priorities.

It must be noted that neighborhood revitalization can result in the loss of affordable housing. Redevelopment projects, infill construction and other affordable housing projects in the community should assure that there is an overall net gain in the affordable housing stock.

Crookston - Other Housing Initiatives

21. Encourage employer involvement in housing programs

Findings: The connection between economic development and housing availability continues to be an important issue as a low area unemployment rate often dictates the need to attract new workers into the community.

Although the jobs being created may have good wages for the area, many jobs do not pay wages sufficient for workers to buy or improve their housing. Housing for new employees is a concern for employers. Several employers around the state are accepting more responsibility and a more significant role in assisting employees with their housing needs.

With Crookston's tight housing market, there is a role for area employers to assist with upgrading the city's housing stock and with developing new housing.

Recommendation: We continue to recommend ongoing efforts to involve employers as partners in addressing Crookston's housing needs. Several funding sources have finance programs that include employers. Additionally, the funding agencies often view funding applications favorably from cities that include employers in the problem solving process.

Employers have many opportunities to assist with addressing the housing needs of Crookston, including:

- ▶ Direct assistance to the employee for the purchase or construction of a home, utilizing a variety of mechanisms including down payment assistance, loans, grants, forgivable loans, deferred payment loans, guarantee of a lender-financed loan, etc.
- ▶ A financial contribution to an overall city housing project, such as a redevelopment project, an affordable subdivision, or the construction of rental housing units.
- ▶ Employers can continue to support other City projects, such as parks, trails, ball fields, educational facilities, etc. that have a positive impact on housing in Crookston.

22. Housing assistance for the homeless and hard-to-house

Findings: The City of Crookston has a good delivery system to address the housing needs of the homeless/hard to house. However, although a good delivery system exists, there typically is inadequate funding for programs and projects that address the needs of the homeless/hard to house.

Recommendation: The 2018 recommendations are still pertinent in 2023. The recommendations advanced in the 2018 Study included:

- ▶ **Continue to obtain additional funds for current programs** - The current programs, including Bridges, Shelter Plus Care and the Housing Voucher Program, are excellent programs that typically do not have adequate funds to address the needs of the homeless. The agencies should continue to aggressively seek funds to preserve and expand these programs.
- ▶ **Continue to support the Care and Share Center** - The Care and Share Center for men, women and families provides many services, supplies, food, clothing, housing resources, referrals, etc. The Center and Share Center is a valuable resource for the Crookston area.
- ▶ **Continue to develop additional supportive housing and transitional housing** - Many homeless/hard-to-house households need the services and the interim step to permanent housing that these housing options provide. The Agassiz Townhomes project, which was constructed in 2018, includes supportive housing units for the homeless.
- ▶ **Continue coordination between agencies and organizations** - The service providers in Crookston and Polk County coordinate with each other, both formally and informally. It is beneficial to the consumer, the public, and the service providers to continue to define available services, eligibility guidelines, etc.
- ▶ **Continue to develop affordable housing** - The City of Crookston and area housing agencies should continue to develop affordable housing as discussed in the previous recommendations.
- ▶ **Rental Property Guarantee Program** - Some households are in the 'Hard to House' category for a variety of reasons. These households are often screened out by rental property owners. The rental property owners are concerned that 'hard to house' households will be poor tenants and/or they will not pay their rent or will damage the unit.

Some housing agencies have negotiated an agreement with selected rental property owners. The rental property owner will rent to the 'hard to house' if the household completes a renter education class and the agency has funds set aside to cover the financial losses the rental property owner may experience.

23. Continue the submission of applications for Minnesota Small Cities Development Program funds

Findings: The Minnesota Small Cities Development Program (SCDP) is administered by the Minnesota Department of Employment and Economic Development (DEED). There is an annual competition for grant funds to assist communities with housing projects, downtown rehabilitation, public facilities projects, or combined, comprehensive projects. The application process is very competitive and is based on the strength of the project activities, the local financial contribution, the percentage of low and moderate income people in the community and other rating factors.

A significant number of the homes in several of Crookston's older neighborhoods need minor or major housing rehabilitation. Additionally, some homes are dilapidated and beyond repair.

The City of Crookston has been successful in receiving SCDP funds in the past for various projects. The City has utilized SCDP funds for single family home rehabilitation, rental and commercial rehabilitation in downtown buildings.

The Northwest Minnesota Multi-County Housing and Redevelopment Authority has been very active and successful in assisting Crookston with applying for SCDP funds and administering SCDP programs.

Recommendation: With the housing rehabilitation needs in Crookston, we recommend the continued submission of SCDP applications on an ongoing basis. The City should continue to develop applications that specifically address substandard owner-occupied homes and rental units, as well as dilapidated structures in targeted neighborhoods.

Also, new owner-occupied and rental housing development on cleared parcels could potentially be funded as part of an SCDP application. The City of Crookston should continue to target neighborhoods that have been removed from the flood plain for SCDP funds and other neighborhood revitalization programs.

24. Acquire and demolish dilapidated structures

Findings: Approximately 50% of the single family houses in Crookston are more than 60 years old. Some of the homes are dilapidated and too deteriorated to rehabilitate. There are also a significant number of houses that need major repair and several of these homes may be too dilapidated to rehabilitate. Over the years, the City of Crookston has been demolishing dilapidated homes by enforcing the State Hazardous Building Code.

Recommendation: We recommend that the City of Crookston continue to take an aggressive approach to demolishing severely dilapidated structures. The City's neighborhoods are enhanced when blighted and dilapidated structures are removed. Also, some of the cleared lots could be utilized for the construction of new affordable housing units. Some cities have assisted the owners of the dilapidated properties by paying for the removal of the debris, restoring the site for redevelopment, etc.

The City could also develop partnerships with housing agencies and private developers to construct new housing on cleared parcels. Tax increment financing, tax deferments, Greater Minnesota Housing Funds, Minnesota Housing funds, SCDP and FHLB funds are potential funding sources for this initiative.

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

25. Develop home ownership and new construction marketing programs and strategies

Findings: Opportunities to buy or construct a home are sometimes limited because of the lack of information and awareness of financing and incentive programs, homes and lots on the market, the availability of local builders, etc. This is especially evident for new households moving into the area. The home buying/home building process can be very intimidating for first-time buyers and builders. It is important for the home buying or home building process to be user-friendly.

Recommendation: The City of Crookston, CHEDA and the Crookston Chamber of Commerce, have been active in promoting and marketing housing and we recommend the initiation or continuation of the following:

- ▶ Determine the City’s strengths and competitive advantages and continue to promote them
- ▶ Continue to develop new home construction incentives
- ▶ Continue to create marketing materials that can be distributed regionally (including social media, TV, radio, etc.)
- ▶ Work closely with employers (Crookston and the area including Grand Forks) to provide employees (especially new employees) with housing opportunities in Crookston
- ▶ Work with housing agencies to provide down payment assistance, low interest loans, gap financing, home owner education and home owner counseling programs
- ▶ Consider an annual Housing Fair that provides information on lots, builders, finance programs, etc. Developers, builders, lenders, realtors, public agencies and local businesses could participate
- ▶ Continue to work with builders and developers to make the construction of a new home a very user friendly process
- ▶ Continue efforts to create jobs and the development of retail, service and recreational opportunities that make Crookston a “full service” community
- ▶ Continue to provide attractive lots at an affordable price for a variety of home sizes, styles and price ranges
- ▶ Preserve the quality of existing neighborhoods through the rehabilitation of substandard housing, the demolition of dilapidated structures that are beyond repair and the construction of new housing on cleared parcels.
- ▶ Continue to develop new housing choices based on demand that serve life-cycle housing needs, such as new rental housing, twin homes, etc.
- ▶ Review the City’s policies and fees to assure that they are user-friendly, fair and receptive for developers, builders and households
- ▶ Develop a coordinated housing plan with the private sector and area housing agencies

26. Continue coordination among housing agencies

Findings: The City of Crookston needs staffing resources in addition to existing City/CHEDA staff to plan and implement many of the housing recommendations advanced in this Update. The City has access to and has an excellent track record in utilizing the services provided by the Northwest Minnesota Multi-County Housing and Redevelopment Authority, Tri-Valley Opportunity Council, Inc., the Midwest Minnesota Community Development Corporation, Northwest Community Action and the Northwest Minnesota Housing Cooperative. These agencies all have extensive experience with housing and community development programs.

Recommendation: The City of Crookston, CHEDA and area housing agencies have been very active in addressing the City's housing needs. It is our recommendation that the City should continue to work with the housing agencies to prioritize the recommendations of this Study and to develop projects and programs to address the City's housing needs. Project and program development should include strategies, time lines and the responsibilities of each agency. While there has traditionally been a staff interaction between these agencies, it will be important that a coordinated approach continue to be used to prioritize and assign responsibility for housing programs.

27. Strategies for downtown redevelopment and commercial development

Findings: The City of Crookston has a substantial number of downtown commercial buildings. While some buildings have been renovated over time, there are also buildings that have not been maintained and are substandard. This recommendation provides an outline of actions that could be taken to continue to redevelop the downtown, to maximize the usage of downtown buildings and to promote new downtown businesses.

When households are selecting a city to purchase a home in, they often determine if the city's commercial sector is sufficient to serve their daily needs. A viable downtown commercial district is an important factor in their decision making process.

Recommendation: We are recommending the initiation or continuation of the following actions for downtown Crookston:

- ▶ Interview downtown property owners to develop a database and to determine their future plans (expanding, selling, renovations, etc.)
- ▶ Develop an overall plan for the downtown (potential new businesses, address parking needs, develop an overall theme, art and cultural opportunities, etc.)
- ▶ Develop a mini-plan for each downtown property and each downtown block. This may include:
 - ▶ Commercial building rehab and renovations
 - ▶ Facade work
 - ▶ Building demolition
 - ▶ New construction
 - ▶ Parking
 - ▶ Recruiting new businesses
 - ▶ Development of rental units on upper floors
- ▶ Identify funding sources
 - ▶ Property owner funds
 - ▶ City of Crookston
 - ▶ Federal Home Loan Bank
 - ▶ Tax increment financing
 - ▶ Tax abatement
 - ▶ Tax deferments
 - ▶ Funds from Minnesota State Agencies
 - ▶ CHEDA
- ▶ Work with stakeholders to identify roles, secure funding, develop and implement programs and projects
 - ▶ Property owners
 - ▶ City of Crookston
 - ▶ CHEDA

Agencies and Resources

The following local, state and federal agencies administer programs or provide funds for housing programs and projects:

Crookston Housing and Economic Development Authority

510 County Road 71
Crookston, MN 56716
(218) 470-2005

Northwest MN Multi-County Housing and Redevelopment Authority

P.O. Box 128
Mentor, MN 56736
(218) 637-2431

Tri-Valley Opportunity Council, Inc.

102 North Broadway
Crookston, MN 56716
(218) 281-5832

Midwest Minnesota Community Development Corporation

P.O. Box 623
Detroit Lakes, MN 56502
(218) 847-3191

Northwest MN Housing Cooperative

Thief River Falls, MN 56701
(218) 681-2340

Northwest Community Action

312 North Main Street
Badger, MN 56714
(218)528-3227