HOUSING STUDY AND NEEDS ASSESSMENT

Clear Lake, Wisconsin

2020

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Acknowledgements

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I. Introduction

Housing is an essential element of a community as it fulfills a basic need for shelter. The function of all housing, regardless of form, size, color, and price, is to provide living quarters. Residential uses typically occupy a large amount of land in a community, and the various residential buildings help shape the community, neighborhood, and street.

Providing a variety of housing options (form, size, price, etc.) within a community has significant benefits. Not only can it encourage a diverse community but can also accommodate different needs and preferences. This is important as housing desires and needs change throughout a person's lifetime.

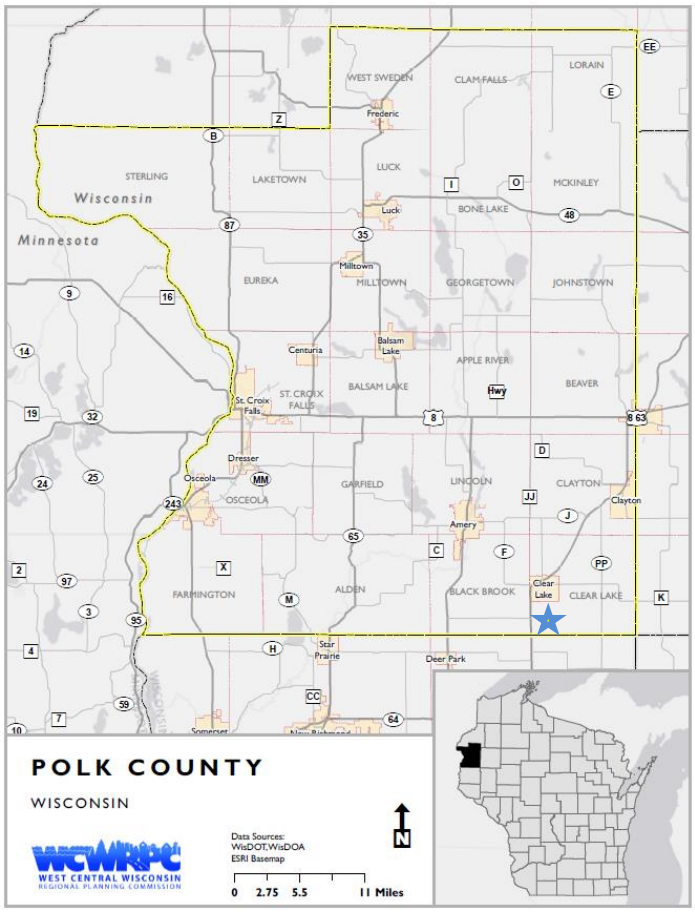
Housing is also instrumental in economic and business development; when employees are unable to find affordable housing near their place of employment, they may choose to live and work elsewhere. Businesses may struggle to retain and recruit employees without a housing supply that meets the needs and preferences of the population. There is a strong connection between workforce and housing.

a. Geographic Context

Polk County is located in west-central Wisconsin along the Minnesota-Wisconsin border. The County is bordered on the west by the St. Croix River, the north by Burnett County, the east by Barron County, and the south by St. Croix County. The County's location within an hour of the St. Paul – Minneapolis Metropolitan Area, when coupled with the County's natural and recreational amenities, makes it an attractive and enticing location for businesses and people.

Many communities within the County, specifically those in the southwest, can be easily considered in the commuter shed for workers employed in the Twin Cities. As of 2017 approximately 27.2% of the Village of Clear Lake's resident labor force worked in the Minneapolis-St. Paul-Bloomington, MN-WI metro area (this includes St. Croix & Pierce Counties in WI). This compares to 35.2% countywide. Comparatively, only 13.5% of the workers within the Village live in the Minneapolis-St. Paul-Bloomington, MN-WI area.

Figure 1 Polk County Context Map



Given their geographic location, attractive qualities, and potential for growth, there is a recognized need for housing development in Polk County and the Village of Clear Lake. Polk County businesses have identified a specific need for housing to accommodate current and potential employees. Housing cost, style, and design, in addition to other quality of life amenities (parks, trails, etc.), can influence an individual's decision concerning where to live, which in turn can influence employment choices and opportunities. There is also a need to provide housing options to meet the needs and preferences of the growing senior population. These factors are driving forces behind this study.

b. Study Scope

Key Issues/Questions

This housing study explores and evaluates the current housing situation within the Village of Clear Lake, looks at housing demand and preferences, and identifies goals and strategies that can address housing needs. Key questions of the study include:

- What is the housing demand in terms of price points/costs, types, and ownership?
- What does the market want and what can it afford?
- How does the Village's housing supply compare to demand, especially for workforce & seniors?

Other questions include:

- What other desired amenities influence housing decisions?
- Where should housing be located, what types of lots/neighborhoods are desired, and are the lots/land available?
- What is the condition of the housing stock and how do we encourage rehabilitation?
- Who should the Village partner with? What tools or incentives are available?
- How can the Village engage developers to meet market demand?
- How can the Village change the community conversation regarding affordable housing?
- How can the Village promote downtown housing, vertical mixed use, and infill?

This study does not analyze infrastructure availability and its influence on local housing, analyze specific properties, including the potential for rehab or re-use, or undertake an in-depth analysis of other components of housing, such as trends in construction trades, housing materials, specific reasons for foreclosures, costs of maintaining a home, or undertake a detailed land analysis. These are analyses and questions that could be explored in future studies.

Target Population Groups

While the study explores the Village's housing stock and identifies needs, and maintains a goal of analyzing potential housing solutions for all current and future residents, it pays special attention to three key target groups:

1) Low- to Moderate-Income (LMI): An individual or household is considered to be LMI based on their annual family income. An individual or family with a household income of less than or equal to 80% of the County Median Household Income (CMHI) is generally classified as LMI. (Note: different funding programs may use different LMI classifications, income limits and additional criteria such as household size.)
2) Workforce: 57.4% of the Polk County population is of workforce age between the ages of 20-64. Housing is essential to attracting and retaining a workforce. While the County has many job vacancies, housing is needed to attract those looking to relocate for work.

3) Seniors: This demographic cohort has specific housing needs as many seniors have limited incomes and/or physical ailments that require unique housing arrangements. Other seniors are more active but are looking for smaller, low-maintenance housing options that allow them to age in place while maintaining their current lifestyle.

These three target groups are not exclusive of one another; an individual may fall into all three population groups.

c. Defining Affordable

The term 'affordable' is often referenced in a general sense such as the phrase 'we need more affordable housing'. When used in this context, the term 'affordable' has different meanings and refers to different price points depending on location and market conditions. One way to think about affordability is in terms of the "burden" of housing costs. Specifically, when households spend more than 30% of their income on housing costs (rent or mortgage plus utilities, taxes, and insurance) they are considered to be "cost-burdened", and the housing is considered to be 'unaffordable' for this household. This 30% level has "historically been viewed as an indicator of a housing affordability problem"[1] and is a common approach to defining affordability.

d. Addressing Low- and Moderate-Income (LMI) Housing

Those with low incomes often have the most difficulty finding and keeping a place to live. It is important that a housing study specifically evaluate the needs, as well as opportunities, to assist this population segment. This study evaluates the LMI population in Polk County, looks at the current housing stock available in this income range, and identifies tools/recommendations to help encourage housing development for LMI households.

In general, a low-income person or household is one with a total annual income below 50% of the County Median Household Income (CMHI). A moderate-income person or household has an annual income of 50 – 80% CMHI.

e. Planning Process

Working with the Polk County Economic Development Corporation (PCEDC), West Central Wisconsin Regional Planning Commission (WCWRPC) prepared a Community Development Block Grant (CDBG) application to cover a portion of the costs of this study. The application was funded in May of 2019. The Village of Luck was the lead applicant on behalf of the units of government and acted as the project lead for CDBG purposes. All participating municipalities, the County, and the PCEDC provided input and financial contributions towards the project. The project commenced in September 2019 and concluded in March 2020.

Collection of existing data, primarily data produced by the U.S. Census, was one of the first steps in the study. This data was compiled and is provided in the *Polk County Housing Data Report*. In addition to community data provided by the PCEDC, local officials, and staff, a housing survey was conducted to help better understand the housing situation and preferences of working age

[1] Schwartz, Mary and Wilson, Ellen. US Census Bureau. Who Can Afford to Live in a Home? : A look at data from the 2006 American Community Survey. https://www.census.gov/housing/census/publications/who-can-afford.pdf

individuals in the County. The questionnaire used in the survey was developed by the WCWRPC, PCEDC and the Survey Research Center at the University of Wisconsin-River Falls. The complete *Polk County Housing Survey Report, 2019*, which provides details on the survey instrument, methods, and results, is available in Appendix A. A total of 2,001 surveys were sent to randomly selected residents within the County; a total of 559 completed surveys were received. There were 200 households from the Village of Clear Lake who were invited to participate in the survey; 70 surveys were completed by Village residents.

As the survey report notes, there were three populations surveyed throughout the County:

- A random sample of residents aged 24-64 in the eight participating communities.
- A random sample of Polk County residents aged 24-64 outside of the participating communities.
- Workers at participating Polk County businesses who live outside of Polk County.

Insights on housing needs and barriers were also identified through interviews with key County and community representatives from various sectors (realtor, building inspector, developer, etc.). Over 50 interviews were conducted with a wide variety of stakeholders. A summary of interview findings is available in the *Polk County Housing Data Report*.

Following completion of data collection, housing forums were held to present initial data findings to, and obtain feedback from, residents and officials. The Village of Clear Lake housing forum was held on December 10, 2019. The comments from attendees confirmed the data, which points to a need for more renter and owner housing in the Village. A local relator commented that there is demand to live the Village of Clear Lake; the good school district, low cost of living, lower property taxes, industries and access to fiber service (telecommuting) attracts people. She also noted that homes in the $160,000 - $220,000 price range sell quickly. Attendees confirmed that the biggest challenge for development in the Village is increased infrastructure costs. Land available for development is very low and would require a lift station for sewer service. These added costs challenge for development.

f. Data Sources, Methods, and Limitations

Much of the quantitative data referenced in this study is from the U.S. Census Bureau (Decennial Census and the American Community Survey (ACS)). Other data sources are also referenced, including the Wisconsin Department of Administration population and household estimates and projections. The *Polk County Housing Data Report* provides a significant amount of data that was collected and utilized to arrive at many of the conclusions and recommendations in this report.

While the quantitative data is important, there are limitations to the Census data. The Decennial Census is conducted every 10 years while the ACS is carried out at yearly or five-year intervals and surveys a sample population. Because it is comprised of sample data, the ACS has a higher margin of error, particularly in small geographic areas. Both sources are self-reported, and the data varies in accuracy and consistency. Additionally, there is often a delay in obtaining data from the U.S. Census Bureau. The five-year estimates are typically published a year after data collection. This study primarily uses the 2013-2017 ACS data, which was the most recently available data at the time of collection. It is important to recognize that the data is already 3+ years old and the housing market in terms of units available, as well as housing prices, has changed in the past three years.

While there are limitations to the data, they are the best sources of quantitative data for demographics, income, and housing. Given the limitations associated with the Census data, additional sources of information including interviews, community data and the *Polk County Housing Survey* were used to validate data trends. Data and statistics never provide a full picture and other components such as market factors, community policies and perceptions, and resident/employee preferences greatly influence a community's housing situation.

II. Demographics and Economics

a. Demographic Trends

Demographics (age, household size, children, etc.) and economics (household income) are two driving factors in housing demand. To begin understanding the current residential market in the Village of Clear Lake, existing demographic and economic trends are explored.

Basic Demographic Indicators

Table 2 presents some basic demographics of each community in Polk County including households, average household size, homeownership rate, households with children, seniors living alone and single-person households.

As Professor Kurt Paulsen of the University of Wisconsin-Madison has noted, "The demographic profile of any particular community reflects the demand characteristics of households and the available housing supply in each community. For example, if a community offers a less diverse housing supply without affordable units for larger families or single renters or seniors (for example), those households may not reside in that municipality, even if they would otherwise prefer to[2]." While demographics can influence housing development, they can also be reflective of the housing supply.

Population

The Village of Clear Lake experienced a 14.8% increase in population from 1990 to 2010. The Village population is estimated to have decreased 2.4% from 2010 to 2017. As shown in Figure 2, the Village's population is projected to increase through 2035.

Table 1 Population Change, 1990-2017 (Village of Clear Lake, Polk County & Wisconsin)

	1990	2000	2010	2017	Change 2010-2017
Village of Clear Lake	932	1,051	1,070	1,045	-2.34%
Polk County	34,773	41,319	44,205	43,328	-1.98%
Wisconsin	4,891,769	5,363,675	5,686,986	5,763,217	1.34%

Source: U.S. Census, Decennial and 2013-2017 ACS 5-Year Estimates

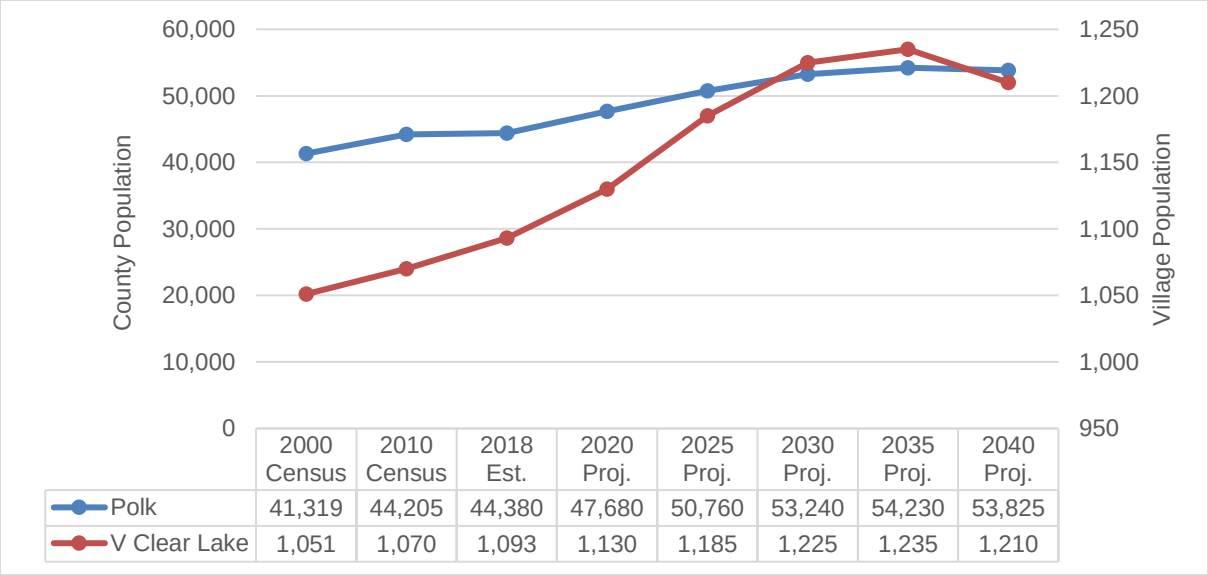
[2] Paulsen, Kurt. Prepared for Dane County Health and Human Needs Committee. (January 2015). Housing Needs Assessment Dane County and Municipalities. https://plandev.countyofdane.com/pdf/Housing_Needs_Assessment_01152015.pdf

Table 2 Basic Demographic Indicators of Housing Demand, 2017 (Polk County Communities)

	Population	Households	Average Household Size	% Home-ownership Rate	% of House-holds Age 65+ Living Alone	% Households with one or more people <18 years	% Single-Person Households
Polk County	43,328	18,189	2.35	78.4%	12.0%	28.9%	26.7%
Cities							
Amery	2,833	1,215	2.20	68.8%	27.7%	28.1%	34.8%
St. Croix Falls	1,918	984	1.89	58.2%	19.3%	21.5%	43.3%
Village							
Balsam Lake	758	325	2.02	70.5%	15.1%	20.0%	34.2%
Centuria	1,024	400	2.56	44.0%	14.0%	41.3%	37.3%
Clayton	555	213	2.61	54.0%	4.7%	45.5%	22.5%
Clear Lake	1,045	488	2.14	67.0%	14.1%	26.4%	43.4%
Dresser	917	400	2.29	65.3%	13.0%	35.8%	31.8%
Frederic	983	460	1.99	60.4%	19.8%	24.8%	42.2%
Luck	1,138	516	2.07	64.0%	23.4%	23.4%	38.6%
Milltown	1,205	514	2.33	53.3%	12.3%	31.1%	37.7%
Osceola	2,499	1,078	2.29	59.4%	10.5%	39.1%	29.1%
Turtle Lake (Polk County portion)	91	33	2.76	24.2%	18.2%	60.6%	18.2%
Turtle Lake (Barron County portion)	836	413	2.02	49.2%	24.0%	18.4%	49.2%
Towns							
Alden	2,745	1,093	2.51	91.9%	7.1%	32.3%	19.6%
Apple River	1,074	444	2.40	85.6%	5.9%	29.5%	20.3%
Balsam Lake	1,588	601	2.64	97.3%	7.0%	25.3%	16.3%
Beaver	765	314	2.44	88.2%	9.6%	25.2%	25.2%
Black Brook	1,422	596	2.39	84.7%	7.9%	33.7%	25.2%
Bone Lake	666	285	2.34	89.1%	8.1%	26.0%	22.1%
Clam Falls	578	255	2.27	85.1%	18.8%	18.4%	32.2%
Clayton	1,010	421	2.40	85.3%	8.8%	28.5%	23.0%
Clear Lake	816	309	2.64	91.3%	5.2%	34.0%	15.5%
Eureka	1,649	680	2.43	87.6%	9.0%	27.1%	24.4%
Farmington	1,603	641	2.48	87.5%	9.0%	30.6%	18.4%
Garfield	1,562	630	2.48	86.0%	9.4%	27.6%	17.9%
Georgetown	936	456	2.05	85.5%	22.8%	14.5%	32.5%
Johnstown	563	231	2.44	70.6%	11.7%	27.3%	22.9%
Laketown	881	387	2.28	90.7%	9.3%	17.8%	18.1%
Lincoln	2,037	851	2.39	89.3%	10.9%	24.6%	21.3%
Lorain	286	120	2.38	81.7%	7.5%	27.5%	13.3%
Luck	942	413	2.28	93.0%	3.6%	18.2%	25.9%
McKinley	290	122	2.38	91.0%	8.2%	27.9%	22.1%
Milltown	1,234	500	2.47	89.2%	8.6%	31.4%	21.2%
Osceola	2,840	1,065	2.67	88.0%	5.2%	39.6%	15.9%
St. Croix Falls	1,319	505	2.61	91.7%	7.1%	26.9%	14.9%
Sterling	689	324	2.13	78.4%	14.5%	26.5%	40.4%
West Sweden	867	320	2.71	90.6%	10.9%	33.1%	18.8%

Source: U.S. Census, Decennial and 2013-2017 ACS 5-Year Estimates.

Figure 2 Historical Population and Growth Projections, 2000 to 2040 (Village of Clear Lake & Polk County)



	2000 Census	2010 Census	2018 Est.	2020 Proj.	2025 Proj.	2030 Proj.	2035 Proj.	2040 Proj.
Polk	41,319	44,205	44,380	47,680	50,760	53,240	54,230	53,825
V Clear Lake	1,051	1,070	1,093	1,130	1,185	1,225	1,235	1,210

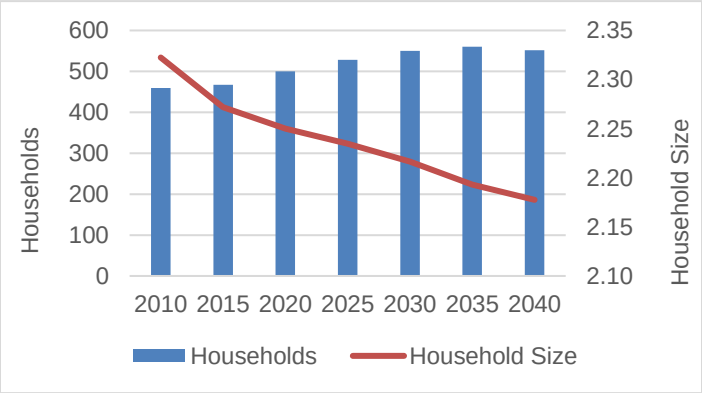
Source: U.S. Census Bureau, WI Department of Administration
See Tables 3 and 9 of the *Polk County Housing Data Report for specific population and population projections for Polk County towns, villages and cities.*

It should be noted that demographic projections are not an absolute science. Some methods use a linear, historical approach using past growth trends to predict future growth or decline, and other methods use births, deaths, and migration to estimate the population. While certain demographic, economic, and geographic factors influence growth, each community has an opportunity to shape its growth using tools or policies that can promote or limit development.

Households and Household Size

The Wisconsin Department of Administration projects that household size will continue to decrease while the number of households will continue to increase through 2035. Figure 3 shows the relationship between the two factors in the Village of Clear Lake. More housing units will be needed to accommodate the increasing number of smaller households.

Figure 3 Household Projections & Projected Household Size, 2010-2040 (Village of Clear Lake)

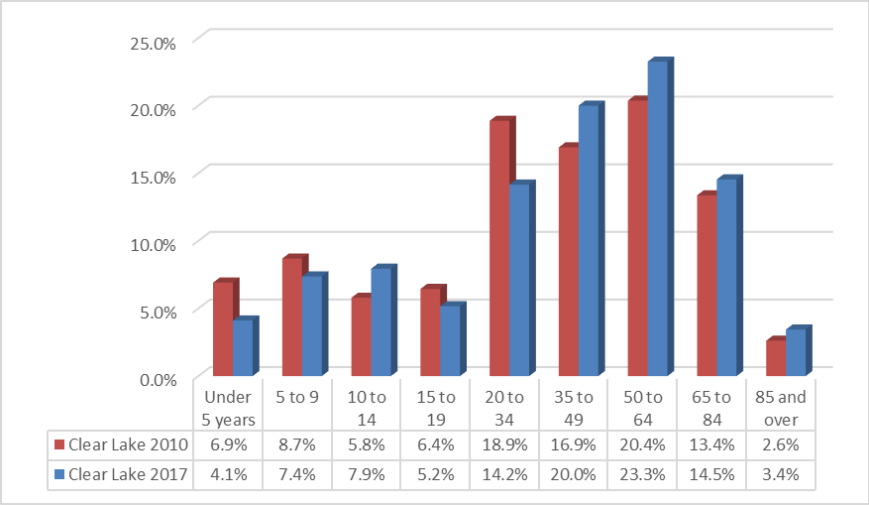


Source: Wisconsin Department of Administration

Age

The 2017 median age in the Village of Clear Lake was 42.7 years, an increase from 37.9 years in 2010. The 2017 median age in Polk County was 44.8. Figure 4 shows the age distribution of Village residents in 2010 and 2017.

Figure 4 Age Distribution, 2010 and 2017 (Village of Clear Lake)



Source: U.S. Census Bureau, Decennial and 2013-2017 ACS 5-Year Estimates

With the baby boomer demographic aging, one can expect that the 65 to 84 and over 85 age groups will see significant increases over the next two decades. This trend will place greater demands on services for the senior population. The Wisconsin Department of Administration projects that from 2020 to 2040 the over 65 age group in Polk County will increase by 43%.

Race & Ethnicity

As with most communities in the County, the racial makeup of the Village is predominantly White.

Table 3 Race & Ethnicity, 2017 (Polk County & Village of Clear Lake)

Race/Ethnicity	Polk County Total Population	Polk County % of Population	Village of Clear Lake Total Population	Village of Clear Lake % of Population
White Alone	41,758	96.38%	1,041	99.62%
Black or African American Alone	133	0.31%	0	0.00%
American Indian and Alaska Native Alone	458	1.06%	0	0.00%
Asian Alone	169	0.39%	2	0.19%
Native Hawaiian and Other Pacific Islander Alone	4	0.01%	0	0.00%
Some Other Race Alone	264	0.61%	0	0.00%
Two or more Races	542	1.25%	2	0.19%
Hispanic or Latino	810	1.87%	3	0.29%
Not Hispanic or Latino	42,518	98.13%	1,042	99.71%

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates
See Tables 23-1 to 23-4 of the *Polk County Housing Data Report* for detailed data on race & ethnicity.

b. Income and Cost of Living Trends

Household Incomes

Table 4 compares key income and poverty figures for the Village of Clear Lake, Polk County, State of Wisconsin, and the United States. The 2017 median household income was lower than that of the County and the percentage of households below the poverty level in the Village was higher than that of the County.

Table 4 Select Income Statistics, 2017 (Village of Clear Lake, Polk County, WI & US)

Income Characteristic	Village of Clear Lake	Polk County	Wisconsin	United States
Median Household Income	$41,083	$53,551	$56,759	$57,652
Per Capita Income	$21,487	$27,993	$30,557	$31,177
% Households Below Poverty Level	22.4%	9.9%	12.3%	14.6%

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates
See Table 13 of the *Polk County Housing Data Report* for detailed data on Median Household Income for all towns, villages and cities.

In 2017, 61.5% of households in the Village of Clear Lake had an income of less than $50,000, this compares to 46.5% county wide.

Table 5 Household Incomes, 2017 (Polk County & Village of Clear Lake)

Household Income In the Past 12 Months	Polk County # of Households	Polk County % of Households	Village of Clear Lake # of Households	Village of Clear Lake % of Households
Less than $10,000	725	4.0%	39	8.0%
$10,000 to $14,999	845	4.6%	42	8.6%
$15,000 to $24,999	2,125	11.7%	64	13.1%
$25,000 to $34,999	1,991	10.9%	53	10.9%
$35,000 to $49,999	2,788	15.3%	102	20.9%
$50,000 to $74,999	3,628	19.9%	96	19.7%
$75,000 to $99,999	2,631	14.5%	59	12.1%
$100,000 to $149,999	2,386	13.1%	29	5.9%
$150,000 or more	1,070	5.9%	4	0.8%
TOTAL	**18,189**	**100%**	**488**	**100%**

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates
See Table 11 of the *Polk County Housing Data Report* for change in Polk County Household Income, 1989-2017.

As expected, incomes vary depending on age. The 2013 - 2017 ACS data shows the following for the Village of Clear Lake:

- 72.2% of households with a householder under 25 years of age had incomes of less than $25,000.
- 54.3% of households with a householder age 25-44 had incomes of less than $50,000.
- 55.6% of households with a householder age 45-64 had incomes less than $50,000. 31.4% of this group had incomes between $50,000 and $100,000.
- 42.7% of households with a householder age 65 years and older had incomes of less than $25,000. 33.6% of this household group had incomes between $25,000 and $50,000.

Poverty

According to United Way[3], ALICE (Asset Limited, Income Constrained, Employed) is a new way of defining and understanding the struggles of households that earn above the Federal Poverty Level, but not enough to afford a bare-bones household budget. For too many families the cost of living outpaces what they earn, and they struggle to manage even their most basic needs - housing, food, transportation, childcare, health care, and necessary technology. ALICE could be a childcare worker, the cashier at the supermarket, a gas attendant, the salesperson at a big box store, a waitress, a home health aide, an office clerk, along with others. ALICE-classified households cannot always pay the bills, have little to no savings, and are forced to make tough choices, such as deciding between quality childcare or paying the rent. One unexpected car repair or medical bill can push these financially strapped families over the edge. United Way developed ALICE because traditional measures of poverty did not capture the magnitude of people who are struggling financially. According to United Way data, the number of ALICE households in the County increased from 19% in 2010 to 24% in 2016. When combined with the percentage of households living in poverty, approximately 34% of Polk County households were either in poverty or classified as ALICE in 2016. In comparison, 46% of Village of Clear Lake households were in poverty or classified as ALICE in 2016.

Low- to Moderate-Income Households

As noted previously, a low-income household is generally defined as having a household income below 50% of the County Median Household Income (CMHI), while a moderate-income household is one with an income that is 50% – 80% of the CMHI. The 2017 Polk County median household income was $53,551; households with an income of less than $42,841 were classified as LMI (Low or Moderate Income). In 2017, 40.6% of Village of Clear Lake households had an income of less than $35,000.

c. Renter Profile

Table 6 provides information to help better understand the characteristics of renters within the Village. Householders under 35 years of age made up about 17.4% of the renter-occupied households in 2017; approximately 32% of rental households in the Village had a household with a householder age 65 years or older.

Table 6 Renter-Occupied Housing Units, 2017 (Village of Clear Lake)

Renter-occupied housing units	161
Average renter-occupied household size	1.82
Age of Householder	**%**
Under 35 years	17.4%
35 to 44 years	16.8%
45 to 54 years	11.2%
55 to 64 years	23.0%
65 to 74 years	20.5%
75 to 84 years	5.6%
85 years and over	5.6%

[3] United Way ALICE Report (Asset Limited, Income Constrained, Employed), United Way of Northern New Jersey 2019, www.unitedforalice.org.

Household Income in Past 12 Months	%
Less than $5,000	13.7%
$5,000 - $9,999	4.3%
$10,000 - $14,999	16.1%
$15,000 - $24,999	14.3%
$25,000 - $34,999	14.9%
$35,000 - $49,999	13.7%
$50,000 - $74,999	17.4%
$75,000 - $99,999	5.6%
$100,000 - $149,999	0.0%
$150,000 or more	0.0%

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates
See Tables 15-18 of the Polk County Housing Data Report for more details.

Rental Housing Costs

The 2017 ACS data estimates that about 31% of the Village of Clear Lake rental households are spending more than 30% of household income on housing costs, making them cost-burdened. This compares to 40% of cost-burdened rental households countywide. Statewide it is estimated that 26% of renter households pay more than 30% of their income for housing costs.

Table 7 provides the gross rent as a percentages of household income for Village of Clear Lake renter households as of 2017. It is estimated that 72% of renter households with incomes of less than $20,000 were spending more than 30% of their income on gross rent.

Table 7 Gross Rent as a Percentage of Household Income, 2017 (Village of Clear Lake)

Household Income Bracket	Gross Rent as a Percentage of Household Income	Number of Households	Percent of Households in Income Bracket
Less than $20,000	Less than 20 percent	3	5%
	20 to 29.9 percent	13	23%
	30 percent or more	**41**	**72%**
$20,000 to $34,999	Less than 20 percent	21	60%
	20 to 29.9 percent	10	29%
	30 percent or more	**4**	**11%**
$35,000 to $49,999	Less than 20 percent	16	73%
	20 to 29.9 percent	6	27%
	30 percent or more	**0**	**0%**
$50,000 to $74,999	Less than 20 percent	25	89%
	20 to 29.9 percent	3	11%
	30 percent or more	**0**	**0%**
$75,000 or more	Less than 20 percent	0	0%
	20 to 29.9 percent	3	100%
	30 percent or more	**0**	**0%**
Not computed		16	N/A
Total renter households		**161**	**N/A**

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates

Length of Stay in Rental Unit

In 2017, the ACS estimated that approximately 73% of Village renter households moved into their current residence in 2010 or later. In 2017, the median number of years a renter had been in a rental unit was five years, which was one year longer than in 2000.

d. Owner Profile

Table 8 provides information to help better understand the characteristics of owners within the Village. Approximately 51.4% of owner-occupied housing units had a householder aged 45-64.

Table 8 Owner-Occupied Housing Units, 2017 (Village of Clear Lake)

Owner-occupied housing units	327
Average owner-occupied household size	2.29
Age of Householder	**%**
Under 35 years	9.8%
35 to 44 years	14.4%
45 to 54 years	35.5%
55 to 64 years	15.9%
65 to 74 years	13.1%
75 to 84 years	5.5%
85 years and over	5.8%
Household Income in Past 12 Months	**%**
Less than $25,000	20.5%
$25,000 - $34,999	8.9%
$35,000 - $49,999	24.5%
$50,000 - $74,999	20.8%
$75,000 - $99,999	15.3%
$100,000 - $149,999	8.9%
$150,000 or more	1.2%

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates
See Tables 19-22 of the Polk County Housing Data Report for more details.

Homeowner Housing Costs

Per the 2017 ACS data, 30.8% of homeowners with a mortgage spent more than 30% of household income on monthly housing costs; this compares to 33% at the County-level.

Table 9 shows the percentage of income spent on housing costs for owners with mortgages in 2017. Of owner households with a mortgage in the Village of Clear Lake who has household incomes of $20,000 to $34,999 it is estimated that 82% were spending more than 30% of their income on housing costs.

Table 9 Monthly Housing Costs as a Percentage of Income for Owners with Mortgage, 2017 (Village of Clear Lake)

Household Income Bracket	Monthly Housing Costs as a Percentage of Household Income for Owners with Mortgage	Number of Households	Percent of Households in Income Bracket
Less than $20,000	Less than 20 percent	0	0%
	20 to 29.9 percent	0	0%
	30 percent or more	**22**	**100%**
$20,000 to $34,999	Less than 20 percent	0	0%
	20 to 29.9 percent	3	18%
	30 percent or more	**14**	**82%**
$35,000 to $49,999	Less than 20 percent	0	0%
	20 to 29.9 percent	29	53%
	30 percent or more	**26**	**47%**
$50,000 to $74,999	Less than 20 percent	19	45%
	20 to 29.9 percent	20	48%
	30 percent or more	**3**	**7%**
$75,000 or more	Less than 20 percent	61	81%
	20 to 29.9 percent	14	19%
	30 percent or more	**0**	**0%**
Zero or negative income		0	N/A
Total owner households with mortgage		**211**	**N/A**

Source: U.S. Census, 2013-2017 ACS 5-Year Estimates

Length of Stay in Owner Unit

The 2017 ACS estimated that approximately 23% of owner householders in the Village moved into their current place of residence in 2010 or later. About 33% of owner households moved into their current residence between 2000 to 2009, and approximately 44% moved in before 2000. According to the 2017 ACS data, the median years an owner had been in the unit was 15 years, seven years longer than in 2000, or an 87.5% increase. Homeowners are tending to stay in their home longer due to a variety of reasons, including, but not limited to, housing costs (e.g. they may have no mortgage or little left on a mortgage); lack of other housing alternatives; proximity to job, family, neighborhood, etc.

e. Other Economic Trends

Other economic trends influence housing supply and demand. Note that the economic data collected is limited to information needed to evaluate housing needs and trends related to the workforce population.

Labor Force

According to the Wisconsin Department of Workforce Development (DWD), Wisconsin faces a workforce shortage. Illustrating this trend is the fact that the retiring baby boomer population

nearly matches the influx of new workers, resulting in a slow-growing workforce.[4] This has made it difficult for employers to find workers and, in some cases, has impacted business expansion. The DWD predicts that Wisconsin's population will continue to grow but that the Labor Force Participation Rate (LFPR) will plateau or possibly decline. The LFPR measures the population's engagement in the workforce and serves as an indicator of whether the workforce is expanding or contracting. The LFPR is defined as the labor force (sum of the employed and unemployed) divided by the total non-institutionalized population ages 16 and older.

According to data provided by DWD, the overall potential labor force increased in Polk County from 2000 through 2017. The LFPR decreased slightly during the same time period. These trends indicate an aging population in Polk County.

As mentioned earlier, the departure of baby boomers from the labor force is a significant reason that the labor supply has been shrinking. However, the DWD has also seen indications that older workers are staying in the workforce longer, which may provide workforce growth in the coming years.[5]

Employment

The 2017 ACS data shows that Manufacturing and Educational, Health & Social Services are the major employment industries for the County's civilian employed population (Table 10). In 2017, approximately 41% of Village of Clear Lake employed residents worked in the Manufacturing industry while 15% worked in the Educational, Health and Social Services industry.

Table 10 Employment by Industry, 2010 to 2017 (Polk County Civilian Employed Population)

Industry	2010		2017	
	#	%	#	%
Agriculture, forestry, fishing, hunting & mining	762	3.5	932	4.4
Construction	1,811	8.3	1,630	7.7
Manufacturing	5,354	24.4	5,049	23.8
Wholesale trade	472	2.2	416	2.0
Retail trade	2,321	10.6	2,298	10.8
Transportation, warehousing and utilities	901	4.1	899	4.2
Information	283	1.3	270	1.3
Finance, insurance, real estate, rental & leasing	855	3.9	754	3.5
Professional, scientific, management, administrative and waste management services	1,294	5.9	1,249	5.9
Educational, health and social services	4,456	20.3	4,718	22.2
Arts, entertainment, recreation, accommodation and food services	1,676	7.6	1,516	7.1
Other services, except public administration	942	4.3	836	3.9
Public administration	812	3.7	690	3.2
Total employment (16 years and over)	21,939	100.0	21,257	100.0

Source: U.S. Census, Decennial and 2013-2017 ACS 5-year estimates

[4] State of Wisconsin Department of Workforce Development. 2019 Economic and Workforce Profile Polk County.
[5] *Ibid.*

In 2017, the top industries for jobs in the County included Manufacturing (21%), Health Care & Social Assistance (15%), Government (15%) and Retail Trade (11%).

Table 11 2017 Median Earnings for Top 10 Occupations (Polk County)

Occupation	2017 Median Hourly Earnings	2017 Median Annual Earnings
Retail Salespersons	$10.80	$22,469.86
Registered Nurses	$29.49	$61,331.24
Cashiers	$8.78	$18,268.43
Laborers and Material Movers, Hand	$13.46	$28,001.64
Fast Food and Counter Workers	$8.55	$17,787.53
Nursing, Psychiatric, and Home Health Aides	$13.17	$27,391.36
Miscellaneous Assemblers and Fabricators	$14.11	$29,359.09
Building Cleaning Workers	$11.62	$24,161.32
Driver/Sales Workers and Truck Drivers	$18.97	$39,467.35
Elementary and Middle School Teachers	$24.90	$51,801.69

Source: EMSI Complete Employment, December 2018

The median hourly earnings of the top occupations in the County helps to better understand the incomes of the workforce. Per the data in Table 11, the 2017 median hourly earnings for most of these occupations is less than $15.00 per hour. United Way has reported that 62% of the jobs in Wisconsin pay below $20/hour, with the majority below $15/hour. Thirty-two percent of the jobs pay $20-$40/hour, with the majority of those being $20 - $30/hour[6].

Commuter Trends

Travel time to work for residents in the County has increased over time. This indicates that more residents are commuting farther to work and likely commuting outside of the County for their employment. In 2017, close to 58% of employed Polk County residents drove more than 20 minutes to work. The 2017 ACS data shows that the mean travel time to work for Village of Clear Lake residents was 23.7 minutes, about 5 minutes less than the County mean travel time.

Table 12 Travel Time to Work, 1990 to 2017 (Polk County)

	1990		2000		2010		2017	
	#	%	#	%	#	%	#	%
Worked at home	1,733	11.4	1,268	6.3	NA	NA	NA	NA
Less than 5 minutes	1,219	8.0	1,226	6.0	1,359	6.6	1,120	5.7
5 to 9 minutes	2,450	16.1	2,577	12.7	2,738	13.3	2,336	11.8
10 to 19 minutes	3,761	24.7	4,915	24.2	5,030	24.5	4,932	24.9
20 to 29 minutes	1,905	12.5	3,002	14.8	3,312	16.1	3,302	16.7
30 to 44 minutes	1,752	11.5	2,830	13.9	3,535	17.2	3,437	17.4
45 to 59 minutes	850	5.6	1,668	8.2	1,770	8.6	1,918	9.7
60 minutes or longer	1,537	10.1	2,802	13.8	2,789	13.6	2,756	13.9
Total	15,207	100.0	20,288	100.0	20,533	100.0	19,801	100.0

Source: U.S. Census Bureau, Decennial and ACS 2013-2017 5-year estimates

[6] United Way ALICE Report (Asset Limited, Income Constrained, Employed), United Way of Northern New Jersey 2019, www.unitedforalice.org.

Data from the U.S. Census 2017 Longitudinal Survey shows that 8,538 persons lived and worked within Polk County. At the same time, there was an outmigration of 12,947 residents to work in surrounding counties and an in-migration of 6,187 individuals from other counties into Polk County for work. For those commuting to Polk County, the top 10 counties of residence includes St. Croix, Barron, Burnett, Dunn, Washburn, and Eau Claire in Wisconsin and Chisago, Washington, and Anoka in Minnesota. The Village of Clear Lake had 78 people who lived and worked within the Village, while 485 people left the Village for work. Additionally, 801 people commuted into Clear Lake from outside the Village for work. About 15% of those entering the Village for work reside in the Minneapolis-St. Paul-Bloomington, MN-WI area. An opportunity exists for the Village to attract those commuting in, to make the Village of Clear Lake their place of residence.

III. Housing Supply

a. Housing Counts and Characteristics

Like many counties in Wisconsin, residential construction in the County has been slow since the 2008 recession. Census data shows that the County saw less than a 1% increase in housing units from 2010-2017. Per building permit data provided by the County and participating cities and villages, there was an increase in residential construction in 2018; per the 2019 permit data, as of September, construction levels were generally not as high as in 2018. Residential growth in the Village of Clear Lake is very small, with one single-family home, one mobile home and one duplex (two units) constructed in the Village in 2018.

Table 13 Housing Characteristics, 2000 to 2017 (Village of Clear Lake)

Village of Clear Lake	2000	2010	2017	2000-2010 Change		2010-2017 Change	
				#	%	#	%
Total Housing Units	478	502	529	24	5.02%	27	5.38%
Total Seasonal	5	9	8	4	80.00%	-1	-11.11%
Total Vacant (Less Seasonal)	20	34	33	14	70.00%	-1	-2.94%
Total Occupied Units	453	459	488	6	1.32%	29	6.32%
Owner-Occupied Units	321	314	327	-7	-2.18%	13	4.14%
Renter-Occupied Units	132	145	161	13	9.85%	16	11.03%
Single Family Units	298	364	343	66	22.15%	-21	-5.77%
Multi-Family Units	96	112	114	16	16.67%	2	1.79%
Mobile Homes	86	78	69	-8	-9.30%	-9	-11.54%

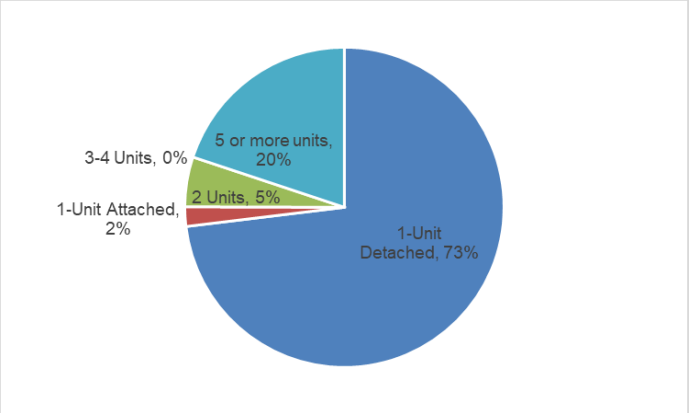
Source: U.S. Census Bureau, Decennial and ACS 2013-2017 5-year estimates.

Per the 2017 ACS data, approximately 67% of occupied units in the Village are owner-occupied while 33% are renter-occupied. This compares to Polk County where approximately 78% of occupied units in the County are owner-occupied and 22% are renter-occupied.

Housing types/sizes

Within the County 87% of housing units are single-family detached dwellings. As of the 2017 ACS data, the Village of Clear Lake's housing stock was comprised of the following: 80% were 1 and 2-unit structures, 0% were in structures with 3-4 units and 20% were in structures that contain 5 or more units (see Figure 5).

Figure 5 Percentage of Housing Units by Structure Type, 2017 (Village of Clear Lake)



Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimates

Seasonal Units

The Census defines seasonal housing as "…units intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round."

Polk County is home to many lakes and recreational areas. Given the many natural areas, it is no surprise that there are a significant number of seasonal units in the County. According to the Census data the County saw an 18.4% increase in seasonal units from 2000 to 2017. Per the 2017 ACS data, seasonal units accounted for 20% of the total housing units in the County. The 2017 ACS data estimates that the Village of Clear Lake had eight seasonal units, which equates to 1.5% of the total housing units in the Village.

b. Renter-Occupied Housing

Renter-Occupied Units

The 2017 ACS data estimates that renter-occupied housing accounted for 161 (33%) of the estimated 488 occupied housing units in the Village. Additional 2017 renter housing characteristics, per the ACS data, include:

- Renter-occupied units in the Village are comprised of many different types – 26% single-family units, 14% two-family units, 0% in three-to-four-unit structures, 50% in structures having greater than 5 units, and 8% as mobile homes.
- Per the 2013-2017 ACS data, 55% of renter-occupied units in the Village have one bedroom, 34% have two bedrooms, and 11% have four or more bedrooms.

Rental Vacancy

The rental vacancy rate in the Village of Clear Lake, per the 2017 ACS data, was 0.0%. This compares to 5.8% (note that WCWRPC estimates this is closer to 4%) in Polk County, 4.8% in Wisconsin and 6.1% in the United States. This extremely low vacancy rate reported in the 2017 ACS data for the Village is consistent with what was heard during interviews and the Clear Lake community housing forum, which was a lack of rental housing. A rental vacancy rate between 5% and 7% is generally considered healthy.

Rental housing costs

Per the 2017 ACS data, 19.4% of renters in the Village of Clear Lake paid between $400 to $449 dollars for monthly contract rent while 29% paid $600 to $699 dollars. Per the data, only 1.9% of renters in the Village paid more than $700 in contract rent. The 2017 median gross rent, which includes all tenant-paid utilities, in the Village was $542; the median gross rent in Polk County was $740.

c. Owner-Occupied Housing

Owner-Occupied Units

Of the 488 occupied housing units in the Village, it is estimated that 327 (67%) were owner-occupied in 2017.

- 80% of owner-occupied units in the Village were single-family detached units while 15% were mobile homes.
- Just 1% of owner-occupied units reported having one bedroom, 32% had two bedrooms, 50% had three bedrooms and 16% had four or more bedrooms.

Housing Vacancy

The homeowner vacancy rate in the Village of Clear Lake was reported as 0.9% in the 2017 ACS; this lack of owner opportunities and extremely low owner vacancy rate was confirmed during interviews, as well as the Clear Lake community housing forum. For comparison, the Polk County owner vacancy rate is estimated at 1.4%. For the homeownership market, a vacancy rate between 2% to 2.5% is considered healthy.

Housing Value/Costs

The median sale price of homes in Polk County declined from 2007 – 2012, due in part to the effects of the recession. From 2012 through 2018 the median sale price of homes has increased, indicating a recovering economy and housing market. The trend in the County generally mirrors the trend for the State of Wisconsin, but at a lower price point.

Understanding the value of homes in the County is important when analyzing whether the housing stock is affordable for local residents. Per the 2017 ACS data, 7% of owner-occupied homes in the County are valued less than $50,000, 39% are valued between $50,000 and $150,000, 42% are valued between $150,000 and $300,000, and the remaining 12% are valued over $300,000. It is important to note that these values include only year-round owner-occupied homes and do not include the value of reported seasonal homes. The data also shows that the 2017 median value of an owner-occupied unit in the Village was $119,200. This compares to the County median of $158,300. Table 40 of the *Polk County Housing Data Report* provides the 2017 home values for each community in the County. Along with this data, the Wisconsin Realtors Association reports that the 2017 median sale price of homes in Polk County (which includes seasonal properties) was $172,500.

d. Other Housing

Manufactured Homes

The State of Wisconsin requires a manufactured home community license if there are three or more manufactured homes on a plot or plots of ground. The units may be seasonal or year-round. A report entitled *2018 Manufactured Home Parks in Wisconsin*, which is prepared by the Wisconsin Department of Safety and Professional Services, showed Polk County had 32 manufactured home parks inclusive of a total of 918 sites. Some of these could potentially be seasonal or vacant sites.

While manufactured homes provide a source of affordable housing, they can be more difficult to finance as they are generally considered personal property and not real estate.

Assisted Living Facilities[7]

Assisted living facilities, as defined by the Wisconsin Department of Health Services, includes three types of facilities that combine housing with services to help people remain as independent as possible. The facilities include:

- Community Based Residential Facility (CBRF) - a facility with five or more adults who do not require care above intermediate level nursing care, but still receive not more than three hours of nursing care per resident per week. The adults are residents of the facility and receive care, treatment, and services above the level of room and board.
- Adult Family Home (AFH) – a facility with three or four adults who reside and receive care, treatment, or services beyond room and board. The facility provides not more than seven hours of nursing care per resident per week.
- Residential Care Apartment Complex (RCAC) – a facility with five or more adults who reside in independent apartments (with kitchen, individual bathroom, sleeping and living areas) and provides not more than 28 hours of supportive, personal, and nursing services per week per resident.

As of September 2019, the County had the following Assisted Living Facilities[8]:

- CBRF – 10 facilities with 217 units
- AFH - 8 facilities with 29 units
- RCAC – 2 facilities with 44 units

There is one licensed CBRF facility of eight units registered in the Village of Clear Lake.

Based on conversations with a few Assisted Living Facilities in the County, there appears to be capacity within the existing facilities. According to one facility manager, the staffing of facilities is a larger issue than the availability of rooms/units.

There are also six nursing home facilities in the County with a total of 402 beds; however, none are located in the Village of Clear Lake. These facilities are classified as Group Quarters in the Census and are not considered a housing unit.

As the 65+ age group continues to grow and age, these facilities will become more critical to serve the aging population.

Homelessness

Per the Wisconsin Homeless Management Information System (HMIS) report *Who is Homeless in Wisconsin? A Look at Statewide Data*, 163 people were served in Wisconsin Emergency Shelters in Polk County from October 2015 – September 2016. While more recent data is not

[7] State of Wisconsin Department of Health Services. (September 2012). Choosing an Assisted Living Facility. https://www.dhs.wisconsin.gov/publications/p6/p60579.pdf

[8] Wisconsin Department of Health Services. (September 2019). https://www.dhs.wisconsin.gov/guide/assisted-living.htm

readily available at the County level, data from the HMIS *2017 Annual Report* notes that the West Central Region, which includes seven counties in west central Wisconsin (Polk, Barron, St. Croix, Dunn, Chippewa, Pierce, and Pepin), had 911 emergency shelter clients in 2017.

An interview with the Salvation Army noted that it receives about 15 calls per week in Polk County from homeless individuals who are seeking shelter. According to the interview, individuals are referred to Grace Place in New Richmond, which is constantly full. Another referral is to Northwoods Shelter in Amery, which takes women and families and is also usually fully occupied. The Salvation Army noted that every shelter in the area has a waiting list, and there is increased demand for housing for the homeless in the County.

Subsidized Housing Facilities

Subsidized housing refers to housing that is rent- and income-restricted for a period of time to keep housing costs for LMI households low, often in exchange for government subsidies such as tax credits. These units require qualifying incomes, typically less than 80% of the County Median Household Income (CMHI) and may include units set aside for other income levels (for example, less than 30% or 50% of the CMHI). This study identified 679 subsidized housing units in the County (Table 14), many of which are reserved for elderly and disabled individuals. The County housing authority and local housing authorities manage 316 of these units. According to the Director of the Polk County Housing Authority, there are at least 64 individuals on the County's waiting list. With a low turnover rate, most wait for a long time.

This study identified five subsidized housing properties in the Village of Clear Lake. At least 20 of the 60 units are specifically reserved for the elderly or disabled. One of the subsidized facilities in the Village is a tax credit project through the Wisconsin Housing Economic Development Authority (WHEDA). As a tax credit project, certain units are reserved and restricted to rent by households with incomes of certain percentages (50%, 80%, etc.) below the area median income. This property's Land Use Restriction Agreement, which sets forth the restrictions regarding the tax credits, will expire in 2025. Once the tax credit obligations expire, the property could start charging market rate rents, potentially making some rental units unaffordable for current renters. It is important that the Village recognize this potential change and work to keep these units affordable or prepare accordingly for replacement of these units.

In addition to these facilities, the County is assigned 40 Section 8 Housing Choice Vouchers through the U.S. Department of Housing & Urban Development (HUD). Under this program, a household with an income of 30% or less of the County Median Income can apply for a Voucher. The household is required to pay a portion of their income for rent; the Section 8 Program pays the balance of the rent directly to the landlord. The West Central Wisconsin Community Action Agency (WestCAP) administers this voucher program on behalf of the County. According to WestCAP, 30 of the 40 vouchers are full and there are about 40 people on the waiting list. The program administrator commented that there is a lack of available, open housing in the County, and a lack of landlords willing to work with the Section 8 program, which makes it difficult for people to find housing.

Table 14 Subsidized / Income-Qualified Housing Facilities (Polk County)

Community	Property Name	Owner	# of Subsidized / Income-Qualified Units	# of Vacant Units	Approximate # on Waiting List
Amery	Apple River Apartments	Apple River Inc	8	0	0
Amery	Pinewood Apartments	Amery Housing Authority	12	0	10
Amery	Oakbrook	Amery Housing Authority	12	0	*32
Amery	Water's Edge	Amery Housing Authority	32	0	*
Amery	Twin Pines	Amery Housing Authority	18	0	13
Amery	Hi-Rise	Amery Housing Authority	33	0	*
Balsam Lake	Albert Skinner Villa	Impact 7	8	0	Yes
Balsam Lake	Shoreview Apartments	Polk County Housing Authority	12	0	**64 total for PCHA
Balsam Lake	Whispering Pines	Polk County Housing Authority	8	0	**
Centuria	Hometown Villages	Future Wisconsin Hometown	16	0	3
Centuria	Jacqueline Lawrence Villa	Impact 7	8	0	Yes
Centuria	Harvey Dueholm Villa	Impact 7	24	0	Yes
Clear Lake	Clear Lake Apartments	WHPC NIBP Portfolio LLC	20	0	5
Clear Lake	Spruce Apartments	Polk County Housing Authority	8	0	**
Clear Lake	Pineview Apartments	Clear Lake Housing Authority	8	0	***5
Clear Lake	Grand View	Burton Properties	12	0	Not right now
Clear Lake	Clear Lake	Clear Lake Housing Authority	12	0	***
Dresser	Sunset View Apartments	Polk County Housing Authority	10	0	**
Frederic	Sunrise Apartments	Frederic Housing Authority	21	1	****6-8
Frederic	Golden Oaks Apartments	Frederic Housing Authority	32	1	****
Luck	Pioneer Apartments	United Pioneer Home	20	0	5

Community	Property Name	Owner	# of Subsidized / Income-Qualified Units	# of Vacant Units	Approximate # on Waiting List
Luck	Maple View Apartments	Luck Housing Authority	16	1	2
Milltown	Sunnyview Apartments	E Fuller Inc	32	0	20
Milltown	Parkside Apartments	Polk County Housing Authority	14	0	**
Milltown	Milltown Apartments	Milltown Apartments LLC	23	0	10
Osceola	Osceola Villas	Minnesota Attainable Housing Corp.	24	N/A	N/A
Osceola	Osceola Village Apartments	MDI Limited Partnership #108	23	0	150-200
Osceola	Millside Apartments	Polk County Housing Authority	20	0	**
Osceola	Third Avenue Apartments	Osceola Housing Authority	30	0	6
St. Croix Falls	River Town Heights	River Town Heights	25	0	7
St. Croix Falls	Forest Heights Apartments	St Croix Valley Housing	28	0	~10
St. Croix Falls	Fair Oaks Apartments	Polk County Housing Authority	16	0	**
St. Croix Falls	Hillcrest Apartments	Polk County Housing Authority	14	0	**
St. Croix Falls	St. Croix Falls Townhomes	West CAP	24	0	15
St. Croix Falls	J & R Apartments	Croix Management	11	0	6
St. Croix Falls	Park View Apartments	dak Management Inc	9	0	7
Turtle Lake	Turtle Lake Villas	LSI Property Management	24	0	0

*Note: While the Polk County Housing Authority has a total of 102 units, 26 must be rented at market-rate.

Source: Wisconsin Association of Housing Authorities Agency Directory (updated August 2019), WHEDA Monitored Affordable Housing Tax Credit Project by County, HUD.Gov Active Section 8 Project Based Contracts

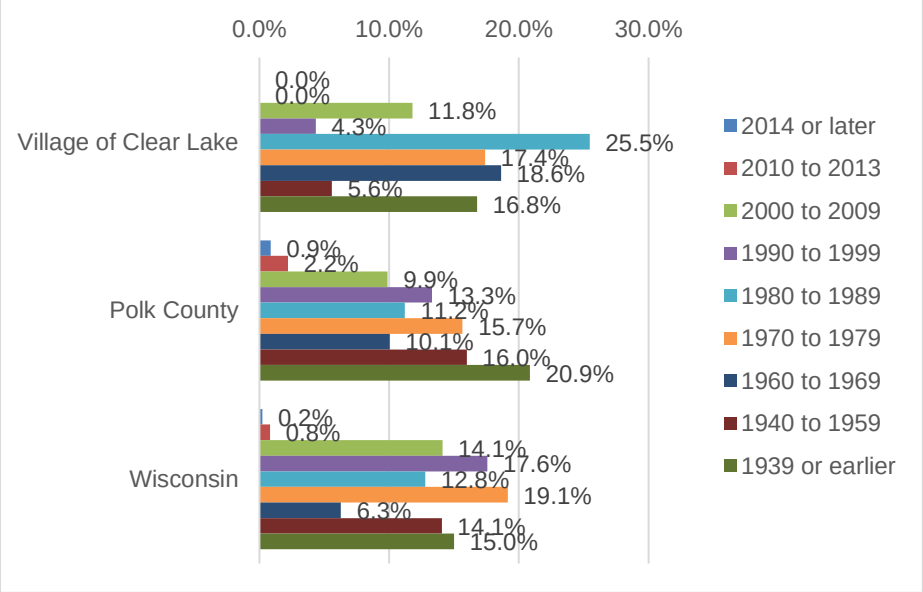
e. Conditions & Rehabilitation Potential

Age of Structure

Age of structure and improved value of residential parcels are two indicators of housing quality. As structures age, they may fall into disrepair if they do not receive proper maintenance. Depending on the state of disrepair, a structure may be able to be rehabilitated. In some cases, they might be best suited for demolition.

Based on the 2017 ACS data, 17% of all residential structures in the Village were built before 1939 and 20% were constructed between 1940 and 1959. Structures of this age should be carefully evaluated in order to determine if they are functionally obsolete or in need of repair.

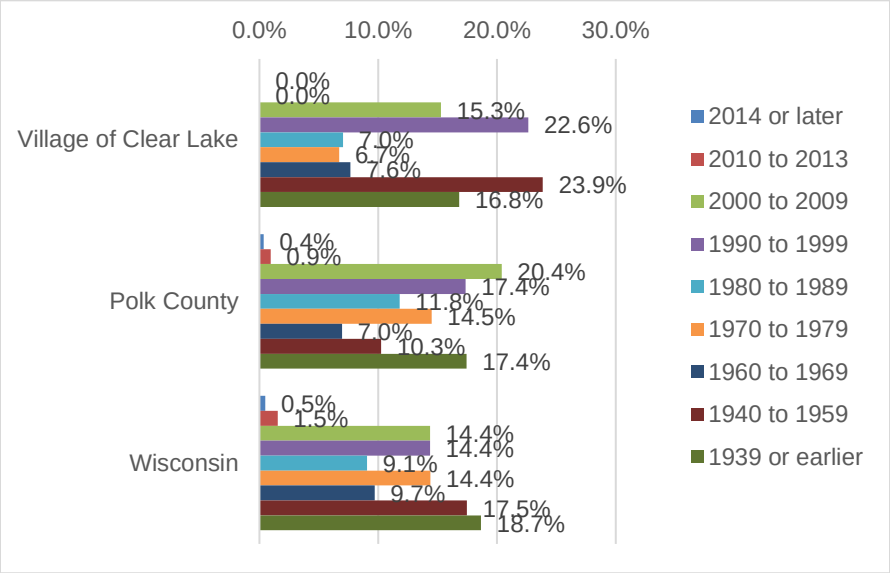
Figure 6 Year Renter-Occupied Structure Built



Source: U.S. Census 2013-2017 ACS 5-Year Estimate

Figure 6 shows the year of construction for renter-occupied structures in the Village, County and State. About 22.4% of renter-occupied housing units in the Village were built prior to 1959. This compares to about 37% of structures in Polk County.

Figure 7 Year Owner-Occupied Structure Built



Source: U.S. Census 2013-2017 ACS 5-Year Estimate

Figure 7 shows that 15.3% of owner-occupied structures in the Village were built in 2000 or later and 40.7% were constructed before 1960. This data shows that the owner-occupied housing in the Village is older than that of the County and State.

Improved Value

Assessment data was used to identify the improved value of properties within the County. A low improvement value for a home is an indication that the structure is beyond repair. In reviewing 2019 data on the Polk County assessed residential properties, 795 of the 21,138, or 3.8%, have an improved value of $10,000 to $25,000. Only 13 of the identified properties were in the Village of Clear Lake. Note that this analysis did not include any residential structures greater than two units as they are assessed as commercial. No agricultural farmsteads or parcels with multiple assessment classifications were included in this analysis. The possibility exists that some of the improvements are accessory buildings, such as a detached garage; however, the $10,000 cut-off was used in an attempt to exclude most accessory structures.

f. Existing Housing Programs & Initiatives

Clear Lake Housing Authority

The Clear Lake Housing Authority works to provide safe and affordable housing for the elderly and disabled. As shown in Table 14 the Housing Authority owns and manages 20 units.

Comprehensive Plan

The Village's Comprehensive Plan, adopted in 2009, provides many goals and objectives for housing in the Village. All of these are in-line with and supported by this study. The Village will be required to update this plan in the near future and should look to incorporate this study as part of that process.

See the *Polk County Housing Toolbox* for additional County housing programs and partners.

IV. Land Availability and Development Costs

Housing and real estate costs are the single largest expenditure for most Wisconsin residents. For many homeowners, their home is their most valuable asset and largest investment. Several factors influence the way in which development occurs, which in turn influences the cost of housing. These factors include a combination of market/economic forces, land availability, public infrastructure, proximity to other metropolitan areas, and topographic and environmental amenities or constraints.

This section identifies many of the factors that contribute to the cost of housing. For example, if a municipality pays the infrastructure costs of a development, then the developer could remove this expense from the development cost and, theoretically, charge less for the lot. Similarly, a municipality could potentially influence the housing market to better meet the needs of the population by encouraging and incentivizing contractors to undertake rehabilitation projects or develop on existing infill parcels. While these factors are incorporated into the costs (discussed later in Section V of this study), the housing demand projections were not modified to address these factors. Personal preferences, which also contribute to housing demand and cost, are discussed in Section V, as well, but not factored into the housing demand projections.

a. Land Availability

Limited land availability is sometimes identified as a barrier to new residential construction. While it is beyond the scope of this study to determine the supply of vacant, developable lots in the County, or the vacant, undeveloped property available for housing development, there are some elements of land availability that can be explored.

Infill development focuses on vacant parcels within developed areas. These parcels are serviced by utilities and, as such, maximize the use of existing public infrastructure. By developing these vacant or underutilized parcels, their values increase, and the land is used more efficiently. The benefits associated with infill development include energy conservation, community revitalization, cost savings, efficient use of infrastructure, municipal tax benefits, and improved neighborhood stabilization.

Using assessment data, this study was able to identify parcels that could potentially be developed for residential uses. These parcels primarily include those currently assessed as residential but without improvements; agricultural land; forest land; and other unimproved parcels. It should be noted that a lot could be owned by an adjacent homeowner and used as part of that homeowner's primary residence, therefore making it unavailable for building. Additionally, there may be other constraints, such as environmentally sensitive areas, development restrictions (e.g. conservation easement), landowner willingness to sell, or lack of infrastructure availability, which make development of these parcels not feasible. That said, the data provides a starting point for local jurisdictions to refine their available lot supply and make policy decisions accordingly.

A map showing potential development areas for the Village of Clear Lake is available in Appendix B. Based on this analysis, there are approximately 877 acres in the Village that are potentially developable.

As previously noted, input during interviews as well as the community forum identified the topography of the land as the largest barrier to development. Much of the potentially developable land sits low and would require a lift station for sewer service. The added infrastructure costs, on

top of the typical development infrastructure costs, is a challenge and deters development. The availability of land/lot was identified by Village respondents of the County housing survey as one of the top three housing challenges facing the Village, with 28%.

b. Land Use Planning and Regulations

Comprehensive planning is a tool to help guide and coordinate development in a community and gives it the opportunity to define the way it wishes to grow. Developing a "vision" and establishing goals can help reduce many of the problems seen in rural Wisconsin communities, which can include a loss of community character, sprawling development and increased infrastructure and maintenance costs. Land use planning, as part of the comprehensive plan, also provides a level of certainty to current and potential residents, businesses, landowners and developers.

Adequately planning for future growth can encourage and attract development. A community that has land available for development and required zoning entitlements in place will be more competitive in attracting development compared to others. The ease of navigating the development review process within a community, along with fees and regulations (zoning, land division, etc.), can also impact development and housing costs.

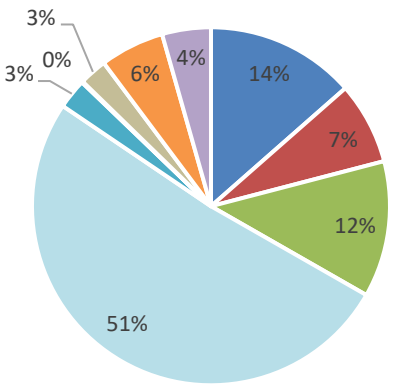
c. Land Development Costs

Another critical factor in housing is land development cost. Table 15 and Figure 8 show costs from a development in a Midwestern U.S. city of approximately 20,000 residents. Development costs vary depending on geography, cost of materials, community fees, and more, and this table provides a snapshot from one development and provides a general breakdown of the factors that contribute to the cost of a single-family lot.

Table 15 and Figure 8 Example Lot Costs from Actual Development 2007

Single Family Lot Cost	Cost	%
Utilities	$19,024	51.1%
Land Cost	$5,033	13.5%
Grading	$4,560	12.3%
Engineering	$2,762	7.4%
Financing	$2,164	5.8%
Misc.	$1,641	4.4%
City Costs	$1,021	2.7%
Landscaping	$947	2.5%
Area Assessments	$46	0.1%
Total	$37,198	100%

Source: WCWRPC (from Parkland Village, Faribault, MN)



The cost to acquire the land comprises 13.5% of the cost to develop the lot, while engineering, grading, infrastructure and other costs make up the vast majority of the cost. Note that these expenses do not include the profit that is added to the development cost.

The cost of infrastructure improvements continues to rise, which in turn impacts cost of housing. Cedar Corporation, using bid tabs from 1998 – 2018 and removing outlier projects, analyzed the

average cost of street and utility construction in Wisconsin[9]. These costs included street, sidewalk, watermain, storm sewer and sanitary sewer construction. The cost estimates did not include stormwater pond construction, rock excavation, street lighting or other utilities such as electrical, gas, or telecommunications. Cedar Corporation's analysis shows that the average construction cost per foot has increased by 184.7% over the last 20 years. Specifically, the 1998 total cost estimate for the above improvements was $184.52 per foot, increasing to $525.33 per foot in 2018. Using 330 feet as a typical length of a city block, the total construction cost for these improvements, not including engineering design/construction, was $60,891 in 1998 compared to $173,356 in 2018. To extend this example further, ten quarter-acre lots could be developed in a 330' x 330' city block. To cover these basic infrastructure costs the sale of each lot would have to include $17,335 specifically for the infrastructure. A reduction in the minimum required lot size and the minimum lot width can increase the number of residential lots within a block thereby reducing the per lot cost of infrastructure.

d. Property Taxes

Property tax is an ongoing annual cost that contributes to a homeowner's annual housing cost budget. The property tax is the primary source of revenue for local governments, including school districts, technical college districts, counties, municipalities (towns, villages, and cities) and any special districts (e.g. sanitary or sewerage districts and lake rehab districts). A homeowner's gross property tax bill collects for all applicable taxing districts. In Wisconsin, real estate property (land and building improvements) and certain types of personal property (primarily for commercial and industrial uses) are subject to property tax.

Property is assessed by the local municipality. Once the taxing jurisdictions have adopted budgets, the mill rate, or the amount of tax payable per dollar of assessed value of property, is calculated. The mill rate multiplied by the assessed value of a property is the total due in property taxes, less any credits or other rebates.

Per the Wisconsin Policy Forum, the Village of Clear Lake's 2018 gross tax levy was comprised of 27.91% municipal tax, 1.61% technical college tax, 20.21% County tax, and 41.17% K-12 school tax. The 2018 municipal tax base for the Village of Clear Lake was comprised of 62.5% residential, 19.5% commercial, 10.6% manufacturing and 7.4% other.

While higher taxes bring in more revenue to fund local government projects and services, they can also make housing more expensive. Increasing property taxes negatively impact the elderly and those living on fixed incomes who do not have the financial means to pay more for shelter. That said, higher assessments symbolize a strong housing market, which for current homeowners may not necessarily be viewed as negative. Additionally, the expansion of services (new parks, trails, snowplowing, police & fire services, etc.) adds costs for the community, which ultimately needs to be paid for through increased property taxes.

Property taxes was one of the top housing challenges identified by respondents in the *Polk County Housing Survey*, 2019. Among the sample respondents, 49% of them identified this issue as one of the top three housing challenges facing their community. Property taxes was much less of a concern for Village of Clear Lake respondents. Only 25% of Village respondents to the survey identified property taxes as a top housing challenge compared with 49% elsewhere. The mill

[9] Wisconsin Realtors Association. February 8, 2019. Presentation: Overview of Wisconsin Housing Market. Accessed online at https://www.ehlers-inc.com/wp-content/uploads/2019/02/Hello-Money.pdf.

rates for Polk County communities are available on the County's website at https://tinyurl.com/wafn95x. While the property tax is an added cost to housing, communities rely on property taxes as a major revenue source, that helps pay for many services.

Attracting and locating new commercial and industrial development in a community could help to offset the tax burden and provide relief for residential properties. First, new business growth would generate a new corporate taxpayer. It might also bring additional housing development and other economic growth to the community, which would further increase the tax base and could help lower the tax rate by having more businesses and people to cover the cost of municipal services.

e. Other Factors Influencing Construction Costs

Beyond land costs and property taxes, there are other factors that influence construction costs.

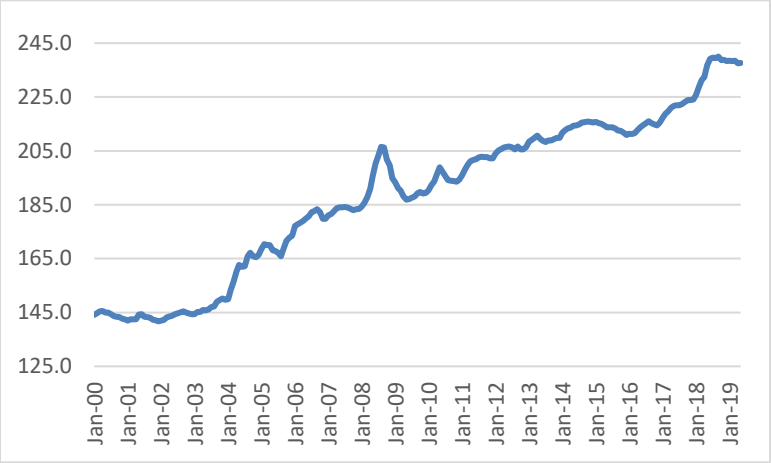
Cost of Materials: The cost of building materials influences the cost of housing. Tariffs imposed on building materials (lumber, steel, aluminum and other building materials) have had a huge impact on construction. A January 2019 article in the *Journal Times* from Racine, Wisconsin, noted that steel in some cases is up over 20%, aluminum and softwood lumber up over 20%, and other alternative materials, such as precast concrete, have increased in some instances over 10%[10]. The article also noted that according to the Bureau of Economic Analysis the cost of softwood lumber, when adjusted for inflation, more than doubled between September 2015 and April 2018. The U.S. Bureau of Labor Statistics Producer Price Index (PPI) for Inputs to Residential Construction and Goods shows that prices for building materials are up across the board and continue to trend upwards[11]. Overall, the real price of construction inputs has increased by 25% since 2010. In reviewing the monthly PPI data for construction materials, the price of construction inputs currently appears to have shown a slight decrease over 2019.

Many builders have been forced to pass these cost increases on to customers, which may price many out of the market for a new home and may cause other impacts in the housing cycle. Existing homeowners in a starter-home who were considering building a 'move-up' home may no longer be able to afford new construction and may decide to remain in their existing home. This may slow the transition and opening of current starter homes to other potential homebuyers. Increased prices of materials, coupled with other costs, also make it nearly impossible to build a starter home in the Polk County entry-level price range.

[10] Rogan, Adam. The Journal Times. January 7, 2019. 'It's too expensive to develop' say developers facing tariffs, labor shortage. Accessed online at https://journaltimes.com/news/local/it-s-too-expensive-to-develop-say-developers-facing-tariffs/article_e4fb086e-50d1-5734-9221-4f508447984b.html.

[11] Federal Reserve Bank of St. Louis Economic Research. May 2019. Producer Price Index by Commodity for Inputs to Industries. Accessed online at https://fred.stlouisfed.org/series/WPUIP2311001.

Figure 9 Producer Price Index: Construction Materials



Source: U.S. Bureau of Labor Statistics

Other factors that impact construction costs are as follows:

Labor Costs: In addition to the rising cost of building materials, builders are also encountering rising costs for labor due to a shortage of skilled construction tradesmen. This shortage is due in part to retirements of construction workers as well as the 2008 recession when many workers exited the construction trades due to a lack of building activity. The *Racine Journal Times* reported that according to the U.S. Census Bureau, fewer than half of the construction workers who lost their jobs during the recession had returned to working in construction by 2015[12]. Moreover, nearly three out of every four contractors reported labor shortages in a 2017 poll conducted by the Association of General Contractors of America[13]. These trends demonstrate the difficulty of finding workers to fill job openings. This tightening of the labor supply in the construction trades, while a positive for workers who can jump between different companies for increased wages, requires contractors to bring higher wages, which in turn increases construction costs.

Rate of Return: Developments are undertaken with the goal of being profitable. Risks, including zoning and development entitlements, current construction trends and market forces, are reviewed carefully to determine whether the project will cash-flow. A project considered to be feasible will have an expectation of a specific return on investment. In addition to the infrastructure costs associated with the development, a developer builds these costs and its expected profit (often called the developer fee) into the development proforma.

Financing & Closing Costs: Interest rates play a large role in the overall cost of housing and the housing market. As interest rates increase, affordability decreases as the interest consumes more of the housing budget. In addition to interest, closing costs can be an additional obstacle to securing an affordable home. According to Zillow[14], typical homebuyers will pay between 2% to 5% of the purchase price of their home in closing fees.

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[12] Rogan, Adam. The Journal Times. January 7, 2019. 'It's too expensive to develop' say developers facing tariffs, labor shortage. Accessed online at https://journaltimes.com/news/local/it-s-too-expensive-to-develop-say-developers-facing-tariffs/article_e4fb086e-50d1-5734-9221-4f508447984b.html.

[13] Ibid.

[14] Zillow, Inc. What Are Closing Costs and How Much Are They? Accessed online at https://www.zillow.com/mortgage-learning/closing-costs/.

V. Housing Needs and Analysis

a. Lifecycle Housing Stages

Basic housing requirements of an individual, and household, change over time, which is why it is important to analyze housing conditions to ensure current (and future) supply and demand are balanced. As Kevin McCarthy notes in his 1976 publication *The Household Life Cycle and Housing Choice,* "…housing choices are powerfully conditioned by the demographic configuration of the household, as measured jointly by the marital status and ages of the household heads, the presence of children in the household, and the age of the youngest child. These configurations are denoted here as stages in the household life cycle."[15] Housing preferences and needs change as we move through life and into the next 'cycle'.

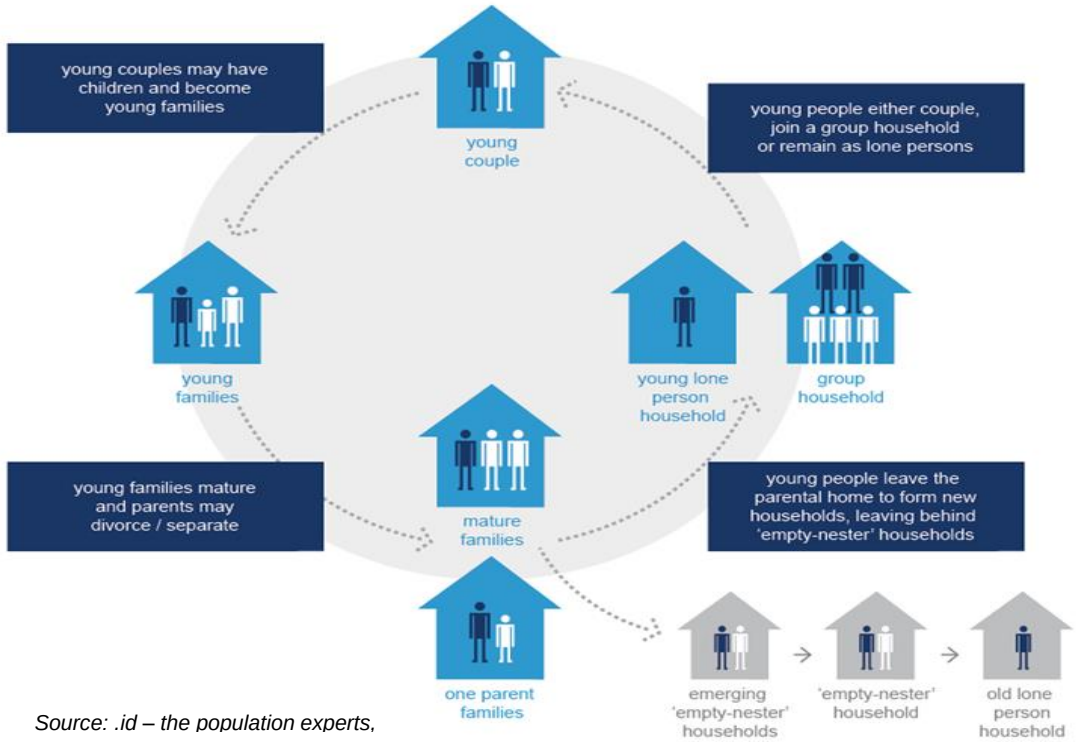
Mooney[16] describes the cycles or stages as the following:

> **Stage 1**: From a child thru [sic] teenage years to adulthood, space needs are growing but relatively small.
>
> **Stage 2**: As a young person (or couple) now on his/her own; recently entered the workforce; income limited; space needs growing but still not large.
>
> **Stage 3**: As a person (or couple) of increasingly greater means; perhaps a growing number of children; space needs are steadily growing; demands on income growing rapidly; excess cash flow limited.
>
> Other Stage 3 types becoming increasingly common: Stage 3 without family; income high; affordability high; needs low but choices many. Stage 3 without spouse; single parent; limited income; need great; affordability low; choices limited.
>
> **Stage 4**: As an empty, or nearly empty nester; career at an earnings peak; demands on income dropping; space needs leveling off or dropping; excess cash flow at an all-time high.
>
> **Stage 5**: As a retired person; income probably fixed and perhaps well below prime earning years; space requirements dropping; financial and physical ability to maintain large home diminishing.
>
> **Stage 6**: As a person of advanced years, perhaps with increasing physical limitations; space needs and maintenance capability further reduced; possible requirement to reside near adult children to allow ongoing assistance.

[15] McCarthy, Kevin F. The Rand Corporation. (January 1976). The Household Life Cycle and Housing Choices. https://www.huduser.gov/portal/Publications/pdf/HUD-000590.pdf

[16] Mooney, J. Michael. Mooney LeSage Group. (October 1991). The Impact of Local Government Regulation on Development of Affordable Housing.

Figure 10 Lifecycle Housing Needs



Source: .id – the population experts,

Understanding the lifecycle stages, while recognizing that not all individuals move through every stage, is important when analyzing a community's housing needs. The benefits to having a diverse housing base that allows an individual to move through all stages within a community, often called "aging in place", are significant in promoting neighborhood stability, a sense of belonging and responsibility for the community, and greater community pride.[17]

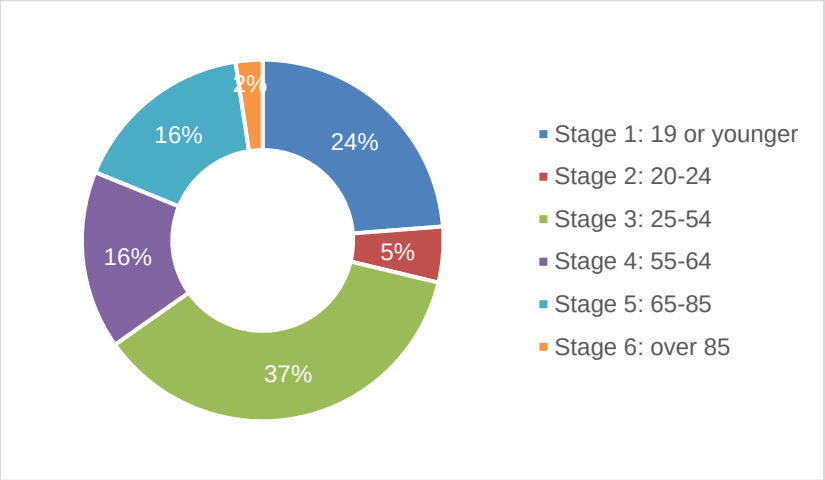
The Lifecycles of Polk County Residents

Age groups can be assigned to the various lifecycle stages to gain a better understanding of the County's population.

Stage	Age Range	Stage	Age Range
Stage 1	19 or younger	**Stage 4**	55-64
Stage 2	20-24	**Stage 5**	65-85
Stage 3	25-54	**Stage 6**	Over 85

[17] Mooney, J. Michael. Mooney LeSage Group. (October 1991). The Impact of Local Government Regulation on Development of Affordable Housing.

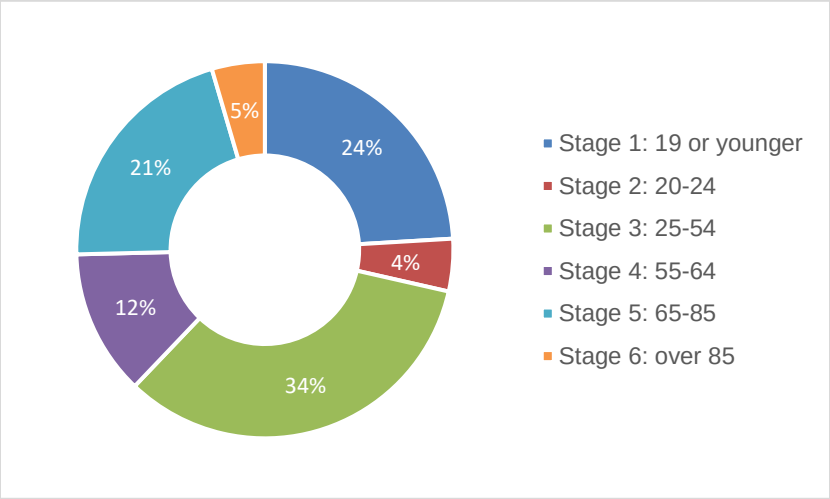
Figure 11 Population by Lifecycle Stage, 2017 (Polk County)



Source: U.S. Census Bureau, ACS 2013-2017 5-year estimates

Approximately 37% of Polk County residents, based on age alone, fall within stage 3 of the lifecycle, with 24% of residents in stage 1. This breakdown is generally consistent with the State's population distribution. A similar breakdown was done for the County's 2040 population projections using data from the Wisconsin Department of Administration, as shown in Figure 12.

Figure 12 Population by Lifecycle Stage, 2040 Projections (Polk County)



Source: Wisconsin Department of Administration Population Projections

Figure 11 and Figure 12 are based on the age of the population, not the age of householders. Members of a household may fall into multiple stages depending on age. Age is one factor that plays a role in determining housing needs and preferences. Many other factors such as income, marital status, presence of children, and personal priorities also influence housing decisions. According to the State's 2040 population projections, stages 5 and 6 will continue to grow in the County, reflecting an aging population.

b. Overall Housing Market

This section provides a brief analysis of the Village of Clear Lake's housing mix and how housing rehabilitation and replacement may be influencing the local market.

i. Current Rental to Owner Mix

Table 16 summarizes the mix of rental vs. owner housing in Polk County and the Village of Clear Lake utilizing the 2013-2017 ACS data from the U.S. Census Bureau. This subsection discusses these results with a comparison to related standards or "rules of thumb."

According to the Census definition, a housing unit is a house, an apartment, a mobile home, a group of rooms, a single room occupied as a separate living quarter, or vacant units intended for occupancy as separate living quarters.[21] While this data provides useful insights, it must be used carefully since: (1) it is based on Census definitions; (2) reflects County and Village totals; and (3) is based on sampling over a five-year average, and can have a large margin of error, especially for smaller communities. Further,

Table 16 Rental vs. Owner Housing Mix, 2017 (Polk County & Village of Clear Lake)

	Polk County	Village of Clear Lake
Population	43,328	1,045
Population in Rental Units	8,434	293
Population in Owner Units	34,375	749
Population in Group Quarters	519	3
Households, excluding group quarters	18,189	488
Avg. Household Size	2.4	2.1
Renter Avg. Household Size	2.1	1.8
Owner Avg. Household Size	2.4	2.3
Housing Units, excluding seasonal	18,794	521
Rental Units	4,254	161
Owner Units	14,540	327
Occupied Units	18,189	488
Renter-Occupied Units	3,933	161
Owner-Occupied Units	14,256	327
Vacant Units for Rent, excludes seasonal	247	0
2017 Rental Vacancy Rate	5.8%	0.0%
RPC-Adjusted Rental Vacancy Rate	4.0%	
RPC-Adjusted Units for Rent	170	
Rental Vacancy Rate Standard[18]	5-7%	5-7%
Vacant Units for Sale, excludes seasonal	206	3
2017 Homeowner Vacancy Rate	1.4%	0.9%
Homeowner Vacancy Rate Standard[19]	2-2.5%	2-2.5%
% of Overcrowded Units – Renter Occup.	2.1%	6.2%
% of Overcrowded Units – Owner Occup.	0.9%	0.0%
Seasonal & Other Vacant Units[20]	5,814	38

Source: U.S. Census 2013-2017 ACS 5-Year Estimates

[18] Florida, Richard. 2018 July. Vacancy: America's Other Housing Crisis. Accessed at: https://www.citylab.com/equity/2018/07/vacancy-americas-other-housing-crisis/565901/

[19] Ibid. For owner housing, Florida's vacancy rate standard was expanded by WCWRPC from 2% to 2%-2.5% in order to accommodate additional market flexibility given the County's relatively small population size.

[20] Includes seasonal, recreational, or occasional use as well as sold and rented, but not occupied and other vacant units that are not currently on the market.

[21] Nursing homes, student housing, transitional shelters, jails, and other group quarters that lack separate living quarters for each household are not included in the definition of "housing units" by the Census.

this initial analysis does not consider market preferences, such as affordability, location, condition, home size, and housing style, which will be discussed later. For example, while units may be available for sale or rent, the units may not fit what the market desires.

The following are some key findings based on this overview of the housing mix:

- **The overall housing unit mix appears balanced**– The overall ratio of occupied units in the Village of 33% rental units to 67% owner units appears to be generally balanced and consistent with what one might expect for a rural, Midwestern community. The County's mix is 22% rental units to 78% owner units.
- **There is a need for more rental units.** The 2013-2017 ACS data estimates that the 2017 rental vacancy rate was 0.0%; this extremely low vacancy rate was confirmed during interviews and the community housing forum. A healthy rental vacancy rate is 5-7%. Based on this standard alone, an additional 8-11 units for rent are needed to bring the 2017 rental vacancy rate in the Village of Clear Lake to a healthy level.

Using Vacancy Rate to Estimate Current Housing Need

Many housing studies only project future housing demand based on household size and growth trends, but they do not quantify existing needs for units. Estimating the current gap between housing supply and demand is challenging. Overcrowding statistics and housing waiting lists can provide some insights into demand, while considering that other than the homeless (for which reliable data is limited), everyone currently has a place to live. Surveys can be performed, but such insights are not without biases. Interviews can provide only supplemental anecdotal insights.

Due to such challenges, comparing existing vacancy rates to a recognized vacancy rate standard provides an empirical-approach to help quantify existing housing needs.

Vacancy rate standards are frequently used to evaluate the health and efficiency of a community's housing market. For example, an Iowa State University study (Jerry Knox, Housing Needs Assessment, 1995) uses a 4% vacancy rate standard for the overall market. As explained in this section, this study uses standards for rental and owner housing suggested by Richard Florida (footnoted previously), which WCWRPC adjusted based on interviews and other considerations.

A healthy housing market provides an adequate supply and variety of housing choices, including for residents and those who may want to move to a community. A healthy vacancy rate allows renters and buyers to make housing choices that fit their individual needs and preferences, and a healthy rate can provide flexibility to accommodate other market factors. Vacancy rates are also tied to affordability. For example, a low vacancy rate can contribute to an escalation of housing costs beyond the affordable price point of a household.

- **There is a need for housing units available for purchase.** The 2013-2017 ACS estimates the 2017 homeowner vacancy rate for housing units for sale was 0.9%, which is well below the 2%-2.5% rate that is considered healthy. Based on this standard alone, an additional 4-6 units for sale are needed to bring the 2017 owner housing market in Clear Lake to a healthy level. Subsection V.d. will further explore the factors contributing to this lack of market supply and other homeowner preferences.

- **Around 10 renter-occupied units meet the Federal definition of overcrowded with 1.01 or more persons/room; no owner-units were reported as overcrowded.** The Village's percentage of overcrowded rental units (6.2%) is much higher than the County's rate of 2.1% and the Wisconsin rate of 3.1%. To account for this an additional six rental units are needed to bring the 2017 overcrowding levels to be within the State's average. The Village's percentage of overcrowded owner-occupied units (0%) is lower than the County and State percentages (1%).
- **Approximately 5.7% of the total housing stock was not currently for sale or rent, and was not being used for seasonal, recreational, or temporary habitation (totals 30 units as of 2017).** These "other vacant" housing units tend to be older homes and are not being lived in for a variety of reasons, including that: the owner is residing elsewhere but does not want to sell, the unit is being used for storage, the unit is being renovated, or the unit is being foreclosed upon or held for the settlement of an estate. Given that they are not currently for sale or rent, these owner units are not included in the vacancy rates in the previous table. Like national trends, the percentage of "other vacant" housing units in Polk County has increased since 2010 (2.0% in 2010 vs. 2.7% in 2017). The percentage has also increased in the Village of Clear Lake (2.2% in 2010 vs. 5.7% in 2017).

ii. Considering Housing Rehabilitation and Replacement

The renovation, remodeling, and rehabilitation of existing homes is an important tool to maintain the existing housing stock. A 2018 National Association of Homebuilders report found "that because many homes are growing older, and new construction is not keeping up with demand, it has caused a surge in the remodeling market… And as home prices continue to rise, many homeowners also turn to home improvement as an alternative to moving."[22] In fact, a number of online articles suggest that while new construction lags behind pre-recession levels, the United States is experiencing a remodeling "boom", including a surge in the improvement of rental properties. In 2017, for example, U.S. home flipping increased to an 11-year high.[23] Moreover, as home prices rise, the equity of homeowners increases, allowing them to undertake larger remodeling projects.

Improved accessibility is also influencing these trends with over 50% of all improvement spending occurring in households aged 55 and over. However, when existing housing can no longer meet the needs of the occupants and renovations alone cannot address units that are functionally or physically obsolete, new housing will be required to meet replacement housing needs.

Estimating housing rehabilitation and replacement (R&R) potential or needs is difficult, given that Polk County and all of its communities do not have a detailed inventory of structural condition data for each home. This study uses the following indicators for insight into housing R&R in Polk County:

- Age of Structure – Age of structure is a commonly used indicator for evaluating R&R potential. Older homes were built to different standards, often using different materials than contemporary construction. This makes them more vulnerable to deterioration, if not adequately maintained. According to the 2017 ACS data, 17% of the housing structures

[22] Ramirez, Kelly. "Housing Stock Age Shows Desperate Need for New Construction." www.housingwire.com. August 10, 2018.

[23] ATTOM Data Solutions. "U.S. Home Flipping Increases to 11-Year High in 2017 with More than 200,000 Homes Flipped for Second Straight Year." https://www.attomdata.com/news/home-flipping/2017-u-s-home-flipping-report/. March 7, 2018.

in the Village were built in 1939 or earlier, compared to 16% in the County and 20% for the State of Wisconsin. At a minimum of 80 years old or older, such structures could become physically or structurally obsolete and may require replacement. A few points to consider regarding these structures constructed in 1939 or earlier in the Village:

- 90% of these older units were occupied; 33% were renter-occupied and 67% were owner-occupied.
- 67% of these older occupied units were single-family structures while 16% were in structures of 2 to 4 units,13% in structures of 5 to 19 units, and 4% were mobile homes.

- Value of Residential Improvements – The value of residential structures is a second factor that can be used to identify dwellings potentially in need of rehabilitation or in a condition that is beyond repair. A low improvement value alone does not signify the need for rehabilitation or repair, but it can help identify those structures when coupled with age and condition.
    - In reviewing the 2018 Village of Clear Lake residential assessed properties (single-family or two-family residential with no other assessment classification), 13 of the 381 properties, or 3.4%, had an improved value of $10,000 to $25,000.
    - It is possible that some of the improvements on these properties are accessory buildings, such as a detached garage with no residential structure. The $10,000 cut-off was used in an attempt to exclude most of these structures. Further, the possibility exists that some of the properties are undervalued.
- Residential Condemnations, Razes, and Water Shutoffs – Statistics regarding condemnations, razes, and water shutoffs may indicate deteriorating housing conditions. Village of Clear Lake officials noted that there were three residential units razed between 2010 and September 2019. During this same time period there were no reported residential water shutoffs longer than six months.
- Building Permits – Building permit data provided by Village officials showed there were 23 new residential units constructed in the Village between 2010 and 2016.

The Housing Market Area

A housing market area is a geography defined by household demand and preferences for housing. It often reflects the connection between places where people live and work. The housing market does not stop at municipal boundaries. A community's housing supply and demand is influenced by what is occurring around it.

Given that the Village of Clear Lake is part of the larger Polk County housing market, this study looks not only at the Village data but also identifies countywide trends.

c. Current Rental Market

i. Rental Market Supply Trends

As shown previously in Table 16, the U.S. Census estimated that there were 161 rental units (non-seasonal) in the Village of Clear Lake in 2017. Of these, it is estimated that no units were available for rent, giving the Village a 0.0% rental vacancy rate. A healthy housing market will have 5% to 7% of its rental units vacant; the Village's rental vacancy rate is well below this healthy range. Based on this 5%-7% rental vacancy rate standard alone, it is estimated that 8-11 additional rental units could be added in the Village to increase the 2017 rental vacancy rate to a healthy level. However, this estimate does not fully account for a number of factors, most notably:

- The U.S. Census Bureau definition of a rental unit is rather broad and includes many types of rental housing, including assisted living facilities, mixed-use structures, subsidized rental housing, and individuals renting living space within an existing home.
- The current rental demand is offset somewhat by the net increase of rental units entering the market since the 2017 Census. The Village of Clear Lake reported that building permits were issued for two rental units from January 2017 – September 2019; however, data on units entering or leaving the market since 2017 is not readily available.

Table 17 provides rental market trends for the Village of Clear Lake as well as Polk County.

Table 17 Rental Market Supply Trends, 2017 (Polk County & Village of Clear Lake)

	Polk County	Village of Clear Lake
Distribution of Rental Structure Types		
Single Family Detached	39%	24%
Single Family Attached	6%	2%
Duplex	9%	14%
3-4 Unit Structure	8%	0%
5+ Unit Structure	31%	50%
Mobile Home	8%	8%
Rental Unit Characteristics		
No Bedroom	2%	0%
1 Bedroom	24%	55%
2 Bedrooms	38%	34%
3 Bedrooms	26%	0%
4+ Bedrooms	9%	11%
Median Age of Structure (in 2016)	1978	1975
Median Move-In Year (in 2016)	2012	2012
Renter Characteristics		
Single-Person Households Renting	34%	52%
Spend >30% of Income on Rent	41%	31%
Median Household Income (Renters)	$ 31,199	$ 27,946
Median Household Income (All Residents)	$ 53,551	$ 41,083

	Polk County	Village of Clear Lake
Percent of Age Group Renting		
Under age 25	69%	44%
25 - 34	39%	48%
35-54	19%	22%
55-64	14%	42%
65-85	15%	41%
85 and over	41%	32%

Source: U.S. Census 2013-2017 ACS 5-Year Estimates

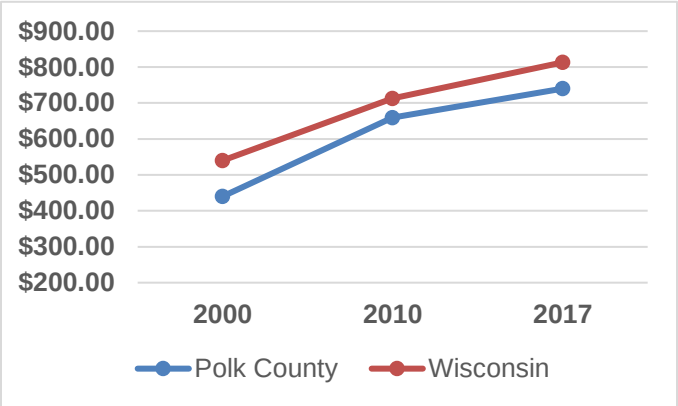
- While 93.6% of renter-occupied housing units in the County per the 2017 ACS had a householder who identified as being White Alone, households of other races and ethnicities were more likely to be renters:
    - 85% of the County's 33 Black or African American households were renters. All Black or African American households had an average household size of 3.27 persons.
    - 35% of the County's 23 Asian households were in renter-occupied housing. All Asian households had an average household size of 2.04 persons.
    - 68% of the County's 176 American Indian or Alaska Native households were renters. All American Indian or Alaska Native households had an average household size of 2.97 persons.
    - 38% of the County's 223 households identifying as being Hispanic or Latino ethnicity were renters. All Hispanic or Latino households had an average household size of 2.70 persons.
    - In comparison, approximately 20.7% of households identifying as White alone were renters in 2017. The average household size of White-alone households was 2.34.
- The Village of Clear Lake has one Assisted Living Facility, a CBRF, that contains eight units.
- The following common themes regarding the Polk County rental market were expressed during interviews with area realtors, developers, and other key informants:
    - There is a need for more rental units throughout the County.
    - Rents for existing units have been increasing.
    - There is a need for affordable rental units, specifically for families and single-person households, and seniors. Some seniors may desire a multi-unit facility that provides support while aging in place.
    - There is a lack of affordable rental housing for disabled individuals.
    - In some communities, there has been opposition to the development of new rental units among some existing residents who do not want more rental units in their community.
- Rental listings at Apartments.com, Zillow.com, and Trulia.com, as of October 2019, confirmed the lack of available market-rate rental units in the County. There were less than ten rental units listed within the County, of which none were located in the Village of Clear Lake.

- As previously noted, the 2013-2017 ACS data estimated the Village of Clear Lake rental vacancy rate to be 0.0%; the need for additional rental units in the Village was confirmed through interviews and the community housing forum.
- As summarized in Section III d., Polk County has approximately 691 low-to-moderate income subsidized housing units managed by a mix of private, non-profit, and municipal organizations. Current vacancies among these LMI rental units are very low with most facilities having a waiting list. The Polk County Housing Authority has over 60 individuals on its waiting list. As previously noted, there are 60 subsidized units in the Village of Clear Lake all of which are at capacity.
- As mentioned previously, the ACS data is a five-year average estimate and is not solely based on what occurred in 2017. That said, it is the best source of quantitative data, and is analyzed in conjunction with interviews and the housing survey data.
- Of Village respondents to the County housing survey, 35% identified the lack of rental housing as one of the top housing challenges facing the community. This was selected by the highest percentage of respondents, indicating a severe shortage of rental housing in the community.

ii. Rental Cost Trends

Census data, rental listings from Zillow.com and Trulia.com, and community interviews, were used to obtain a better understanding of rental costs. Per the 2013-2017 ACS data, the median gross rent within the Village has decreased since 2010. According to the data, the 2017 median gross rent in the Village was $542 while that of the County was $740. Of renters in the Village, 20% paid $600-$649 for monthly contract rent while 19.4% paid $400 to $449 per month.

Figure 13 Median Gross Rent



Source: U.S. Census, Decennial & ACS 5-Year Estimates

As previously noted, an October 2019 online search showed very few units available for rent in the County. A one-bedroom two-bathroom unit was listed in St. Croix Falls with a rental cost of $625. Another unit in the County was listed at $840 while all other units, primarily single-family home rentals, were renting for between $1,200 and $1,650 per month. The lack of online rental listings indicates a low rental vacancy rate which, as previously mentioned, is consistent with the community interviews. A similar search for rental units in the Village of Clear Lake did not identify any available units.

It is notable that the ACS Census median rental rate of $740 in the County is significantly lower than the monthly cost of the few rental units identified in the online search. This is likely due to three primary factors: (1) the Census rate is based on a 5-year average and rental prices have been increasing; (2) the Census rate includes subsidized rental units for income-eligible households, while the previous listings were market rates; and (3) those rental units that are available, or that are advertised on Zillow and Trulia, are at the high end of the rental price range while the lower cost rentals are occupied. The ACS Census data is also from 2013-2017; the

housing market, including rental costs, has changed in the last few years with prices continuing to rise.

iii. Rental Affordability Analysis & Price Points

While the individual financial situation of each household varies, the analysis in this study is based on the Federal affordability standard that households should not pay more than 30% of their gross income (before taxes) on housing costs, regardless of income. In other words, a household that is paying more than 30% of its income on housing costs is considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. Cost-burdened households also have less discretionary income to help support the overall local economy.

Housing costs for renters = rent + utilities + renter's insurance
This is sometimes called the gross rent.

It was noted previously in the background section that 62% of all jobs in Wisconsin pay below $20/hour and 32% pay $20-$40/hour. Consider the following:

- At $15 - $20/hour a household could afford $780 - $1,040 in monthly housing costs without being cost-burdened. Many of the jobs in Polk County fall within, or below, this hourly pay range.
- At $20 - $30/hour a household could afford $1,040 - $1,560 in monthly housing costs without being cost-burdened.
- Polk County had a household median income in 2017 of $53,551 (or about $25.75/hour). The 2017 median household income for renters in the County was $31,199 (or about $15/hour).
- In 2017, 31% of Village of Clear Lake renter households were cost-burdened and paid 30% or more of their household income on housing costs.
- From 2000 to 2017 the Village of Clear Lake median gross rent increased 53% while the median renter income increased 86%. During this same time period, Polk County median gross rent increased 68% while median renter income only increased 33%. Similarly, Wisconsin's median gross rent increased 51% and median renter income only increased by 21% during the same time period. The average household in the County and State cannot afford the same level of rental housing that it could two decades ago.

To explore the current supply of rental housing relative to affordability, Table 18 shows the households by income range and the number of rental housing units that fall within the corresponding affordable renter range as of 2017. This approach assumes that a healthy rental market mix will have a supply of rental units at certain affordable price points that are near or equal to the number of households within the respective household income ranges.

Table 18 Renter-Occupied Housing Affordability by Monthly Contract Rent, 2017 (Village of Clear Lake)

Household Income Ranges	# of Renter Households	% of Renter Households	Affordable Renter Range *(price point)*	Number of Rental Units	Balance
Less than $10,000	29	18%	$0-$199	21	-8
$10,000 to $14,999	26	16%	$200-$299	23	-3
$15,000 to $24,999	23	14%	$300-$549	66	43
$25,000 to $34,999	24	15%	$550-$749	48	24
$35,000 to $49,999	22	14%	$750-$999	0	-22
$50,000 to $74,999	28	17%	$1,000-$1,499	3	-25
$75,000 to $99,999	9	6%	$1,500-$1,999	0	-9
$100,000 to $149,999	0	0%	$2,000-$2,499	0	0
$150,000 or more	0	0%	$3,000 to $3,499	0	0

Source: U.S. Census 2013-2017 ACS 5-Year Estimates

Methodology Notes:

i. The above price points are calculated based on affordable contract rent at 25% of household income, which is different than the 30% standard for gross rent discussed previously. The additional 5% in the Federal standards allows for the payment of all other housing costs.

ii. The above includes some rental units with zero cash rent.

iii. The U.S. Census Bureau provides data for household incomes and house values in ranges. To calculate the "Affordable Renter Range", the household income was divided by 12 (months) and multiplied by .25. This result did not yield household income ranges that aligned perfectly with the contract rent value ranges; these ranges were matched up as closely as possible.

When considering Table 18, it is important to understand that the balance does not necessarily represent a rental market surplus or deficit for each price point. The balance is simply the difference between the number of households and number of rental units for each income range or price point. The balance suggests how the Village's existing rental units might be better distributed based on household income and monthly contract rent price points; the total number of units does not change. A negative balance suggests that households are paying more or less than their price point for their housing. These households may be interested in housing at their price point should it become available. Given the Village's low rental vacancy rate a positive balance suggests that households from other income ranges are moving up or down from outside the corresponding price point.

Table 18 provides the following insights:

- There is likely a deficiency of rental units for the lowest income households. While there are 55 renter households making less than $15,000, there were only 44 units available in the corresponding affordable price points. The balance of 11 (7% of rental households) suggests that many of these lowest-income households are cost-burdened and spending more than their affordable price point for rental housing.

  The Clear Lake Housing Authority stated they received calls weekly for affordable housing for income-constrained families who likely fall within the lowest income ranges.

- The Village of Clear Lake's primary pool of rental housing is at the $300-$750 price point and is being relied upon by many renters from other income ranges. Per the ACS data, about 71% of all rental units in the Village fall within the $300-$750 price range. Given the low rental vacancy rate within the Village, some of the lowest income households may

be having to "rent-up" and spend more of their income on housing costs, but also higher income earners within the Village are also relying on this housing stock. Per the data, there are only three rental units in the Village with a contract rent above $749.

- The balance is negative for household income ranges of $35,000 and over. While 37% of all rental households fall into the $35,000+ income ranges, only 2% (3) of rental units fall within those affordability ranges. This creates challenges and opportunities:
    - While the Village may have some rental households that could potentially afford to be paying more for their housing, the actual market rates are not solely based on income. Numerous factors influence rental rates and what an individual can afford, such as location, the quality and characteristics of the rental unit, local cost of living, property maintenance costs, and unit demand.
    - Many of these "higher-income" households may be interested in purchasing a home. These higher-income renters have income ranges whereby they could possibly afford to purchase a house but there may be a lack of houses in their affordability range or lack of homes for sale with the characteristics they desire (e.g., size, style, location). In the interim, some of these households may be residing in rental housing below their price point as a cost-saving measure in anticipation of buying a home in the future.
    - Interviews confirmed this data, identifying a need for additional rental units around $600-$1,000/month, with some higher-end units of $1,000 - $1,200/month for professionals. A local realtor commented that there is no housing available in the Village to accommodate professional engineers at local manufacturing facilities. She commented that some professionals prefer to rent but they want a nice rental unit for their family they won't be able to live in the Village and instead end up living in New Richmond or other communities.

While 17% of Village of Clear Lake respondents to the *Polk County Housing Survey* identified the cost of rent as a top housing challenge for the Village, 25% agreed or strongly agreed that they need access to housing financial assistance, such as rental subsidies or low-interest loans.

Using the County Median Household Income (CMHI) of $53,551 as a baseline, general classifications could be established to help categorize the price points of rental housing in Polk County. As previously noted, housing is considered to be affordable when housing costs are 30% or less of household income. While a community should strive to provide housing for all, and not necessarily categorize people into specific housing classifications, breaking down income groups to identify specific housing needs is potentially helpful in understanding housing costs.

Income-Constrained: Housing — Housing that is "affordable" for households with incomes at or below 60% of the CMHI ($32,130 or less).

Monthly affordable housing cost: $800 or less

Workforce Housing: Housing that has been referred to as "middle-ground housing between state-designated affordable housing and luxury apartments". This could also be classified as housing that is "affordable" for households with incomes between 60% and 100% of the CMHI ($32,130 - $53,551).

Monthly affordable housing cost: $800 - $1,340

Market-Rate Housing: Housing that is "affordable" for incomes at or above the CMHI ($53,551 or greater).

Monthly affordable housing cost: $1,340 or more

These categories are very general and are simply provided to give the County and communities one way to categorize housing price points. Keep in mind there are many factors that influence what people can afford for housing, including household size, number of income earners, etc. For example, a single-income earner household making 60% of the CMHI ($32,000) with three children might not be able to afford $800 on housing costs each month while a single-income earner without children might find this level of rent to be affordable depending on other costs of living. There are also a variety of other factors that influence the cost of housing, including market, unit size, location, age of construction, amenities, quality of materials, etc.

The goal for a community should be to provide a variety of housing options that are "affordable" for different income ranges. Market-rate units, while not viewed as 'affordable', may be affordable to those with higher incomes. Affordable is subjective to the household; providing a variety of units that meet the needs of a variety of households will ultimately make the community more diverse.

iv. Other Rental Market Preferences

While renters account for approximately 22% of households in Polk County, they make up about 33% of households in the Village of Clear Lake. Renters vary widely in age, relationship status, race, and income levels. These differences lead to some variability in rental housing preferences. In national studies, renters are more likely to be single, younger, and have lower income.[24] Nationally, over 52% of renters are age 18-34, while 12% are age 67 or higher. About 65% of renters are single. Educationally, 51% have a high school diploma or less, 30% have some college, and 17% are college graduates or higher. The percentage of households that are renters is higher in urbanized areas but is lower overall in the Midwest than nationally.

Nationally, renters tend to be more mobile than homeowners, with 60-62% having moved in the past five years or planning to move in the next five years. Of those planning to move, the vast majority (68% nationally) intend to move into homeownership of a single-family home. Comparatively, 63% of renters surveyed in the *Polk County Housing Survey* hoped to own a home within five years. This suggests that many renters in Polk County view renting as temporary, rather than a long-term housing preference. In a national survey, 37% of renters are <u>specifically</u> renting temporarily, with the remaining renting for reasons of affordability (or inability to afford a home), convenience, and amenities offered by their place of residence.[25]

A 2013 survey[26] looked at how long various age groups planned to stay in their current rental unit. Those likely to stay the longest (four or more years) were age 55 and older. Just 2% of those aged 18-34 planned to stay in their rental unit for four or more years. In terms of community,

[24] Belden Russonello Strategists, Inc. 2013. American's views on their communities, housing, and transportation: analysis of a national survey of 1,202 adults. Urban Land Institute.

[25] National Multifamily Housing Council. 2017. 2017 NMHC/Kingsley Renter Preferences Report.

[26] Erickson Research. 2013. Preferences of today's renters.

renters rank neighborhood safety as a primary concern. High quality local public schools are also highly desired, followed by walkability, distance to school or work, and distance to medical care. Sixty percent of renters prefer to live within mixed-use developments that include a mix of residential, shopping, recreation, and more.

Regarding rental-specific amenities, a 2017 survey of over 270,000 individuals asked renters to rank amenities they *would not consider renting a unit without*.[27] The most important ones included air conditioning (92%), dishwasher (86%), washer/dryer in unit (77%), high-speed internet (63%), and soundproof walls (53%). Another amenity that may be a sign of the times is the desire for secure storage for parcel deliveries. Illustrating this point is the fact that 47% of renters receive three or more packages per month, and 57% of renters are highly interested in secure package storage. Over 75% of renters indicated that online reviews of rental properties were of great value when evaluating rental options.

A recent study of 2018 Google searches provides an additional window into what renters are looking for when making a rental decision.[28] The following were the most popular rental-related searches:

Cheap apartments	25% of all searches
Studios	23.8%
1-bedroom apartments	10.5%
2-bedroom apartments	9.5%
3-bedroom apartments	7.5%
Luxury	7%

A 2018 Apartments.com report[29] predicted "outdoor community living" as the top amenity renters would care about in 2019 with "balcony space", "dog friendly", and "indoor relaxation" among their top search terms. Among those searching on Apartments.com, 68% only search for one- or two-bedroom apartments. Smart apartments and environmentally-friendly apartment buildings are gaining in popularity as well. These national trends are important to consider, especially when attempting to attract younger households and potential workers from outside Polk County.

The 2019 *Polk County Housing Survey* provides some additional insights into likely renter preferences for the County:

- As one might expect, renters are younger, have smaller households, live in homes with fewer bedrooms, and have lower household incomes.
- Being near friends/family, housing costs, and being near their job were the top reasons survey respondents choose to live where they do. Compared to homeowners, renters were less influenced by property taxes, aesthetics/beauty, the quality of the neighborhood, quality of schools, and recreational opportunities.
- Higher proportions of renters live where they do because they do not think they will be able to find their desired housing elsewhere.
- In the County, renters, compared to homeowners, were significantly more concerned about the cost of renting. 42% of renters (compared with 10% of homeowners) identified

[27] National Multifamily Housing Council. 2017. 2017 NMHC/Kingsley Renter Preferences Report.

[28] Lane, Ben. "Here's what renters are really looking for in their next apartment" www.housingwire.com. December 19, 2018.

[29] Ibid.

access to financial assistance for housing costs and 37% of renters (compared to 31% of homeowners) identified having no or low maintenance expenses among their top three factors when making a housing decision. Being able to walk/bike to work, downtown, schools, parks, etc. is more important to renters than to homeowners, with 21% of renters identifying this as important compared to 7% of homeowners.

- Renters were also more concerned about the high cost of living and the quality of available rental housing. Among renter respondents to the *Polk County Housing Survey*, 34% stated that the quality of available rental housing was one of the major issues facing their community.
- Compared to homeowners within the County, renters were significantly less satisfied with their current housing size, condition, and affordability. Higher proportions stated that they have not been able to find their preferred housing at an affordable price and would move if they found such housing. High proportions of renters also said they need access to financial assistance (33% of renters strongly agree versus 5% of homeowners).
- Renters were also much less satisfied with their housing location and neighborhood.
    - 34% of renters strongly agree that they could not find their preferred housing at an affordable price.
    - 48% of renters strongly agree that they would move if their preferred housing was available at an affordable price.
    - Excluding those who already live in the community in which they work, 62% of renters said they would consider moving to the community in which they work if they could find the housing they need. One important note is that for some this could mean moving out of the county if the respondent works in another county or Minnesota.
- Among renters within the County, 63% hope to own their own home within five years, with the following preferred housing types:
    - Larger single-family home - 30%
    - Starter home – 39%
    - Duplex – 7%
    - Apartment – 4%
    - Townhome – 1%
    - Mobile Home – 4%
    - Senior housing – 13%
- Among all survey respondents within the County, 64% wanted a home with low property maintenance and 62% desired a home that is not a fixer-upper. These respondents found such characteristics to be important or very important when making a housing decision. Further, 57% desired a country lifestyle (not a traditional neighborhood), and 59% desired a larger lot or property. To the contrary, 25% of all respondents identified living within walking or biking distance to work, downtown, school, parks, clinic, etc. as important or very important when making a housing decision.

- As previously noted, the lack of rental housing was identified by 35% of Village respondents to the Survey as one of the top housing challenges facing the community. Interviews certainly confirmed this deficiency as did comments at the community housing forum.

In summary, affordability is the key housing factor for renters. Renters are more mobile with the majority viewing their rental situation as temporary. Renters tend to be less satisfied with their current housing, more likely to live outside the community in which they work, and more open to moving if they could find the affordable housing they desire. Nationally, the data also suggests that amenities and the "experience" (e.g., air conditioning, pet friendly, broadband, balcony, a common area to socialize) are increasingly important to renters, especially among the younger generations.

The *Polk County Housing Survey Report* suggest that a strong majority of renters would prefer to own their own homes, with a preference for starter homes (39%) or larger single-family homes (30%). While this is true for the County, the Village of Clear Lake results differ; of the 70 respondents, 14% currently rent and 11% prefer to rent within the next 5 years. Based solely on the survey results, there appears to be somewhat of a stronger appetite or desire for renting in the Village than in some other communities. The data also suggests that renters are more open to different types, styles and locations of housing, perhaps due to their younger ages. As noted above, starter homes and larger single-family homes still have the greatest demand among renters. In order to achieve their individual housing goals, however, renters are more likely to require financial assistance. Among renters who responded to the county housing survey, 28% said they live where they do because they do not think they will be able to find their desired type of housing elsewhere.

Additionally, 33% of Village of Clear Lake respondents stated that their primary job is located outside of Polk County. More Clear Lake residents said they would not consider moving to where they work (49%) than elsewhere in the County (38%). Only 23% of Clear Lake respondents would consider moving to the community in which they work, and for some this could mean moving outside of the County.

d. Current Home Ownership Market

i. Owner Market Supply Trends

As shown previously in Table 16, the 2013-2017 ACS estimated that there were 327 owner housing units (non-rental, non-seasonal) in the Village of Clear Lake in 2017. There were three units estimated available for sale, giving the Village a 0.9% homeowner vacancy rate. As noted previously, a healthy housing market will have 2% to 2.5% of its housing units for sale; but the Village's owner vacancy rate is well below this healthy range. Based on this 2%-2.5% homeowner vacancy rate standard alone, it is estimated that 4-6 additional units for sale could be added in the Village to increase the 2017 vacancy rate to the healthy standard.

The current owner demand is offset somewhat by the net increase of owner units entering the market since the 2017 ACS. The Village of Clear Lake reported that building permits were issued for five owner units, with one unit being demolished, from January 2017 through September 2019; however, data on units entering or leaving the market since 2017 is not readily available.

The U.S. Census data in Section III and the *Polk County Housing Data Report* provide key insights regarding the current home ownership market.

Table 19 Ownership Market Supply Trends, 2017 (Polk County & Village of Clear Lake)

	Polk County	Village of Clear Lake
Distribution of Rental Structure Types		
Single Family Detached*	89%	80%
Single Family Attached	2%	2%
Duplex	1%	0%
3-4 Unit Structure	0%	0%
5+ Unit Structure	0%	3%
Mobile Home	7%	15%
Structure Characteristics		
No Bedroom	0%	0%
1 Bedroom	3%	1%
2 Bedrooms	25%	32%
3 Bedrooms	47%	50%
4+ Bedrooms	24%	16%
Median Year Structure Built	1981	1973
Median Move-In Year	2002	2002
Owner Characteristics		
% of Single-Person Households Owning a Home	66%	48%
% of Married Households Owning a Home	90%	89%
Median Household Income (Homeowners)	$ 61,850	$ 47,422
Median Household Income (All Residents)	$ 53,551	$ 41,083
Percent of Householders in Age Group Who Own Their Home		
Under age 25	31%	56%
25 - 34	61%	52%
35-54	81%	78%
55-64	86%	58%
65-84	85%	59%
85 and over	59%	68%
35 - 64	83%	72%

Source: U.S. Census 2013-2017 ACS 5-Year Estimates
** Includes duplexes if there is a subdividing property line between the units.*

The above Census data was confirmed through key informant interviews of Polk County and Village of Clear Lake realtors, developers, government officials, and housing providers as summarized in the *Polk County Housing Data Report*. These interviews provided the following additional insights into the Polk County home ownership market:

- As noted in discussions on vacancy rates, there is a lack of for-sale inventory countywide; homes that are available are likely undesirable, over-priced, or too expensive for potential buyers.
- A local realtor commented that a new home cannot be built for less than $150 / sq. ft., even when using basic materials. One builder that is constructing 'starter homes' in the

Village of Osceola and City of St. Croix Falls stated that among its most popular homes is one that measures approximately 1,300 sq. ft (3-bedroom, 2 bathroom, unfinished basement, 3 car garage) and sells for about $210,000, not including the lot. The average cost of one of its starter homes is around $230,000 - $240,000. Another builder commented that in 2010 it was building houses at $100-$105/sq. ft., whereas the average house he builds today costs about $210 / sq. ft. to construct.

- Given the interest in owner-occupied housing by renters who responded to the *Polk County Housing Survey,* there is likely a market for basic entry-level workforce owner housing of $100,000 - $150,000. One cannot expect that this prospective demand will fully be satisfied through new construction; however, some of the interest in owning could be met through existing housing stock.
- During the interviews, a need for owner/for-sale housing in the $150,000 - $200,000 price range was specifically mentioned. These interviews noted that there is not much of it, and, as noted above, what is available is "no-good" and overpriced.
- Additional 'move-up' homes in the price range of $200,000 - $250,000 are also needed. These are mid-range homes for households looking to grow out of a starter home and households looking to downsize. Such housing would also help to "free up" existing homes. The need for additional senior housing opportunities, including senior twin home condominiums, was mentioned in several interviews. Shifting seniors into new housing opens their homes to the market, as well. One realtor commented that homes of retirees tend to be high quality, as they are well-cared for and do not require extensive repairs or rehabilitation.

Home sales in Polk County over the last 11 years parallel such sales in northwestern Wisconsin and the State as a whole. As shown in Figure 14, Polk County sales were very low during the Great Recession years (2007-2009) and did not rebound until later in 2011. From 2015 to 2018, an average of 894 homes sold in Polk County per year.

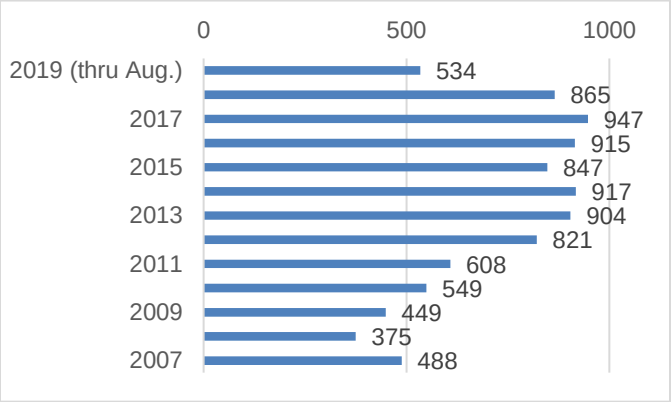
The Wisconsin section of the *Midwest Housing Market Outlook Report*, prepared by ReMax in December 2018, provides some additional key insights that are influencing the region's housing market[30]:

- The average number days on the market decreased from 85 days in 2017 to 75 days in 2018.
- Tight inventories and higher prices have been caused by factors such as:
  - Sellers are not willing to sell out of fear of being unable to find a home within their budget.
  - Millennials are beginning to buy homes.
  - Large employers are expanding their workforce.
  - Material and labor costs are rising.
- Home builders are building more homes, but they are not able to keep up with demand.
- Buyers, particularly first-time buyers, are experiencing difficulties in building a home within their affordable price range. Purchasing an existing home may be the best option for many homebuyers in the future.

[30] ReMax. Midwest Housing Market Outlook Report – Wisconsin. http://download.remaxintegra.com/Midwest/REMAXReports/2018HMO/MidWest%20Housing%20Market%20Outlook%20Report_SM.pdf#100049848 December 2018.

- Buyer demand may cool if interest rates increase. In December 2016, the Federal Funds Rate was 0.41%, which had risen to 2.4% as of June 2019. Such increases can impact inflation and housing construction costs. It should also be noted, however, that the 30-year fixed rate mortgage rate decreased from 4.32% to 3.73% during the same period.

Figure 14 Polk County Annual Total Home Sales



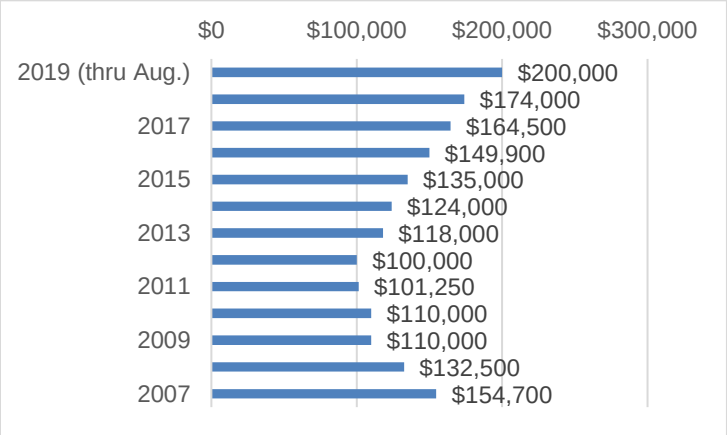
Source: Wisconsin Realtors Association

As of late October 2019, Zillow.com showed 304 homes for sale in Polk County. The highest concentrations of these listed homes were in the southwest corner of the County (St. Croix Falls, Osceola, etc.) and near lakes, suggesting that a number of these homes have been for seasonal/recreational use in the past.

ii. Owner Cost Trends

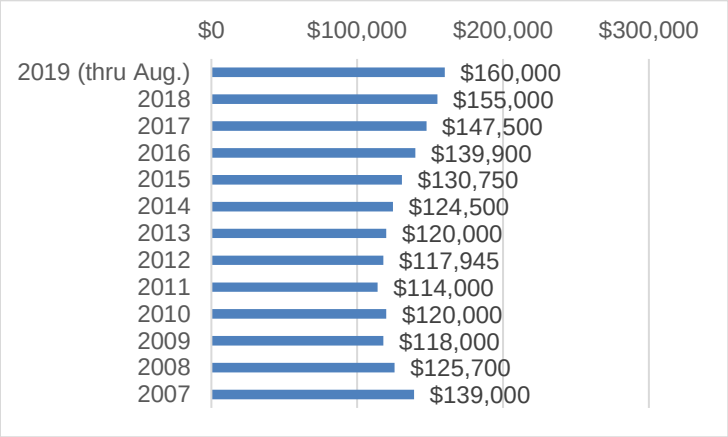
Sales data and median sale price data for single-family homes were reviewed to better understand the costs and sales trends of housing in Polk County. Figure 15 and Figure 16 illustrate the median sales trends for Polk County and northern Wisconsin. Sales prices in Polk County have risen significantly in the last three years. The median sale price in the County increased 16% compared to 11% in the Northern Wisconsin region from 2016 to 2018. This increase in 2018 Polk County prices vs. the region suggests that the County's prices may be "catching-up" to regional averages after historically lagging behind. Section IV.b. includes a brief discussion of the factors influencing housing development costs.

Figure 15 Polk County Median Sale Price



Source: Wisconsin Realtors Association

Figure 16 Northern Wisconsin Median Sale Price



Source: Wisconsin Realtors Association

iii. Owner Affordability Analysis & Price Points

As previously noted in the rental affordability analysis section, while the individual financial situation of each household varies, the analysis in this study is based on the Federal affordability standard that households should not pay more than 30% of their gross income (before taxes) on housing costs, regardless of income. In other words, a household that is paying more than 30% of its income on housing costs is considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. Cost-burdened households also have less discretionary income to help support the overall local economy.

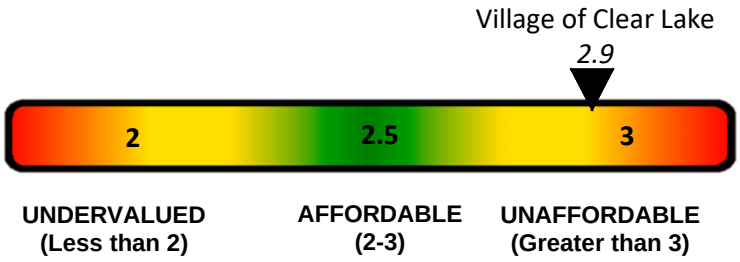
Housing costs for owners =
mortgage payments + real estate taxes + home insurance + utilities

It was noted previously in the background section that 62% of all jobs in Wisconsin pay below $20/hour and 32% pay $20-$40/hour. Consider the following:

- At $15 - $20/hour a household could afford $780 - $1,040 in monthly housing costs without being cost-burdened. Many of the jobs in Polk County fall within this hourly pay range, or at a lower range.
- At $20 - $30/hour a household could afford $1,040 - $1,560 in monthly housing costs without being cost-burdened.
- In 2017, 31% of Village of Clear Lake owner households with a mortgage, compared with 33% of Polk County, were cost-burdened and paid 30% or more of their household income on housing costs.
- From 2000 to 2017, the Village of Clear Lake median home value increased 48% while median owner income increased by 19%. Polk County median home values increased 58%, while median owner income only increased 35%. In comparison, the Wisconsin median home value increased 54% and median owner income increased by 37%.

One quick way to assess housing affordability within the owner market is to compare a community's median value of owner-occupied homes to the community's median household income. Housing is considered affordable if this ratio is between 2 and 3. If the ratio is 2 or less, the housing is considered to be undervalued (i.e., homes are valued at less what the average

household can afford). If a community's ratio is 3 or greater, the housing stock is considered to be unaffordable. In 2017, the Village of Clear Lake's ratio was **2.9**, indicating that the median house is affordable for the median household income, but close to becoming unaffordable. This compares to Polk County's ratio of 3.0.



To more fully explore the current supply of owner-occupied housing relative to affordability, Table 20 shows the Village of Clear Lake's households by income range and the number of owner housing units that fall within that range. This approach assumes that a healthy homeownership market mix will have a supply of owner units at certain affordable cost ranges (or price points) that are near or equal to the number of households within the respective household income ranges.

Table 20 Owner-Occupied Housing Affordability by Cost, 2017 (Village of Clear Lake)

Household Income Ranges	Number of Owner Households	% of Owner Households	Affordable Owner Range *(price point)*	Number of Owner Units	Balance
Less than $24,999	67	20%	Less than $59,999	67	0
$25,000 to $34,999	29	9%	$60,000-$89,999	67	38
$35,000 to $49,999	80	24%	$90,000-$124,999	46	-34
$50,000 to $74,999	68	21%	$125,000-$199,999	112	44
$75,000 to $99,999	50	15%	$200,000-$249,999	22	-28
$100,000 to $149,999	29	9%	$250,000-$399,999	19	-10
$150,000 or more	4	1%	$400,000 +	3	-1
Source: U.S. Census 2013-2017 ACS 5-Year Estimates					

Methodology Notes:

i. The above affordable price points are calculated based on 2.5 times the annual household income, which accounts for the financing of the home purchase over time at about 25% of the household income. This is less than the 30% affordability standard discussed previously. The additional 5% in the Federal standard allows for the payment of all other housing costs, such as real estate taxes, insurance, and utilities.

ii. The U.S. Census Bureau provides data for household incomes and house values in ranges. To calculate the "Affordable Owner Range", the household income was multiplied by 2.5, to allow for the home purchase as discussed under item i. The result did not yield household income ranges that aligned perfectly with the house value ranges; these ranges were matched up as closely as possible.

Similar to the rental affordability analysis, the balance in Table 20 does not necessarily represent a home sales market surplus or deficit for each price point. The balance is simply the difference between the number of households and number of owner units for each income range and affordable price point range. The balance suggests how the Village's existing owner units might better be distributed based on household income and the price points; the total number of units does not change. A negative balance suggests that households are paying more or less than

their price point for their housing. These households may be interested in housing at their price point should it become available. Given the Village's extremely low vacancy rate, a positive balance suggests that households from other income ranges are moving up or down from outside the corresponding price point.

Table 20 provides the following insights:

- The balance for the $35,000 to $49,999 income group is negative, which means these households have to buy up or down from their corresponding affordable price point. Per the data in Table 20, 24% of owner households in the Village have incomes within this range. Only 14% of the owner units within the Village are within the corresponding affordable owner range of $90,000 - $125,000. Given the negative balance, these households have had to purchase housing that is higher or lower than their corresponding price point.
- The largest concentration of current owner housing supply is in the starter-home range, which is an opportunity. The definition of a starter home can vary. During interviews, local contacts provided ranges from $100,000 to $200,000 for starter- or entry-homes. Approximately 87% of the homes are valued below $200,000; 73% of households have incomes that correspond with housing valued at $200,000 or less.
- There is a negative balance for owner households with incomes above $75,000. Like the rental analysis, there are many potential financial and personal reasons why a household may purchase a home at less than its affordable price point. However, the table suggests that many of the $75,000+ income households likely have the financial resources to "move up" and purchase homes at a higher price point in the future should the homes they desire become available. This would "free up" units for households at the lower income ranges or for renters who want to purchase a home.

  A local realtor commented that there is a lack of housing, both owner and renter, in the Village for engineer positions with income of $180,000. This is confirmed by the data in Table 20.

Per the County housing survey, 45% of the 70 Village of Clear Lake respondents identified the cost of buying a home as one of the top challenges facing the Village.

iv. Other Owner Market Preferences

There is a lack of reliable data regarding owner market preferences and trends regarding housing types, styles, neighborhood, etc., for the Midwest. National community preference surveys completed by the National Association of Realtors[31] suggest:

- Americans are split on what they are looking for in housing and neighborhoods. A small majority prefer the idea of a walkable or more traditional neighborhood with a shorter commute, even if it means living in an attached home. On the other hand, the majority continue to live in single-family, detached homes and value the closeness to highways, even if that means longer commute times.
- Balancing the public and private realms is important. Most Americans place a very high value on privacy from neighbors, yet Americans also strongly value high-quality schools, sidewalks, and an easy walk to other places in the community.

[31] National Association of Realtors. National Community Preference Survey – October 2013 and National Community and Transportation Preferences Survey – September 2017.

- Most Americans would spend more to live in a community where they could walk to parks, shops, etc. More than half said they would prefer to live in a house with a small yard versus a similar house with a large yard if it enabled them to walk to more locations in the community. Likewise, more than half also said they would prefer to live in an apartment or townhouse rather than a detached house if this option meant an easy walk to the places they need to go and a shorter commute.
- Millennials especially, but also GenXers, are more likely to live in at least somewhat walkable neighborhoods and are more likely to have sidewalks and parks nearby.
- Majorities of GenXers and Baby Boomers remain more committed to living in detached homes where driving is necessary, such as the typical suburb or larger lot "country living." Millennials with school-age children are also showing greater preference for such a lifestyle.
- The older Silent and Greatest generations have begun to show increased interest in walkable neighborhoods.

The 2019 *Polk County Housing Survey* provides some additional insights into likely County homeowner or owner-occupied preferences:

- As one might expect, the homeowners who responded to the survey, compared to the renters, were older, have larger households, live in homes with more bedrooms, and have higher household incomes.
- Being near friends/family, housing costs, and being near to their job were the top reasons survey respondents choose to live where they do. Homeowners, compared to renters, placed greater emphasis on quality schools, quality neighborhoods, aesthetics/beauty, and recreational opportunities when making a housing decision.
- Significantly more homeowners identified property taxes, deteriorating housing conditions, the cost of maintaining a home, and land costs among the top housing challenges in the County. As previously noted, Village of Clear Lake respondents were much less concerned about property taxes than respondents from elsewhere in the County; only 25% of respondents in the Village identified property tax as one of the top challenges facing the Village compared to 49% elsewhere. Village respondents were also much less concerned about deteriorating housing conditions with only 8% of the 70 respondents identified this as a top housing concern. The lack of rental housing, availability of land/lot and lack of housing variety were significantly more important to Village of Clear Lake respondents.
- Compared to renters in the County, homeowners were significantly more satisfied with their current housing size, condition, affordability, and location.
    - Only 9% of homeowners could not find their desired housing at an affordable price.
    - 38% of current homeowners would consider moving to the community in which they work if they could find the housing they need. Note that for some this could mean moving outside of Polk County.
    - 29% of homeowners stated that living in the country and 31% stated that having a large lot or property were among their top three most important factors when making a housing decision.
- The majority (97%) of homeowners in the County desire to continue to own their own home within five years, with the following preferred housing types:

- Larger Single-Family Home - 59%
- Starter Home – 27%
- Townhome – 4%
- Senior Housing – 5%
- Duplex – 3%
- Mobile Home – 1%
- Apartment – 0%

- As noted in the renter section, a majority of survey respondents prefer homes with limited property maintenance, access to "county living", and a large lot. Others desire living within walking or biking distance of work, downtown, schools, parks, clinic, and other locations. The majority of Village respondents (56%) prefer to live in the country or less developed area and live on a larger lot of property. However, 30% of Village respondents prefer to live within walking/biking distance of work, downtown, schools, parks, clinic, etc.
- Among Village respondents, 29% identified the lack of housing variety as one of the top challenges facing the Village.

In summary, most homeowners who responded to the housing survey appear to be comfortable with their existing housing situation, yet 38% countywide would consider moving to the community in which they work. Compared to renters, a stronger majority of homeowners preferred larger single-family homes and a "country lifestyle" with large lots. As a rural county with great outdoor recreational assets and open spaces, one might expect that current residents and persons considering a move to Polk County may be more inclined to desire this "country lifestyle" compared to the urban and suburban populations reflected in the previously mentioned National Realtors Association Preference Surveys.

Homeowners also placed greater priority on the quality of the neighborhood, local aesthetics, recreational opportunities, and schools, which is consistent with the National Realtors Association Preference Survey results. While still very important, affordability and cost of living challenges appear to be less critical for homeowners than renters, likely given their higher household incomes. In contrast to renters, homeowners were more concerned than renters with costs related to property taxes.

This study also noted that interviews and survey responses yielded additional insights regarding the owner market:

- Incentives, programs, and/or financial support are needed for the maintenance and improvement of the housing stock. To illustrate this need, close to 18% of respondents to the County housing survey identified deteriorating housing conditions as one of the top housing-related challenges facing their community; only 8% identified this as a top concern in the Village of Clear Lake.
- Younger homebuyers may have enough income to purchase a home, but insufficient finances to make necessary repairs or upgrades. However, if additional affordable housing becomes available at their price point or lower ranges, this would help provide flexibility to undertake such renovations.
- While household sizes are decreasing, and 2-bedroom units might continue to dominate the market, the local realtor sees a need for more 3-4 bedroom owner and rental units
- Additional senior housing is needed. This potentially includes assisted living as well as owner-occupied units that allow more independent, active seniors to age in community (to be explored further is Section V.f.iii). Interviews identified the desire by seniors to live in

single-level, low maintenance units. The *Polk County Housing Survey Report* notes that many residents would like a home designed to allow them to age in place; 83% of Village of Clear Lake respondents want a home design to allow them to age in place. According to a local relator in the Village, duplexes are being pre-sold to households with the idea that they will sell their home once a duplex is built and available for them (likely just outside of the Village limits as there are no building opportunities within the Village). She indicated that there is a strong demand for twin homes with single-level low maintenance living.

e. Housing Demand Projections

The need for housing is generated from population growth and replacement needs. Population growth creates demand for new homes and apartments unless there is suitable vacant housing to absorb the demand. Employment generally supports growth in new households; however, changes in demographics, economics, and personal preferences are also factors. The declining household size in Polk County also increases the number of households and the need for more housing units, while the aging population also influences the market.

The current and projected demand in this sub-section provides guidance based on recent trends and the best information available. No estimate, model, or projection is perfect. Area communities and partners have the ability to influence these projections based on other programming and policy decisions. Moreover, the housing market does not stop at municipal boundaries. A municipality's housing supply and demand is influenced by what is occurring around it. Further, many unanticipated social, economic, and policy factors in the larger region or nationally can also influence local growth, housing costs, and market demand.

i. 2017 Housing Unit Demand

At an estimated rental vacancy rate of 0.0%, there is a need for additional rental units in the Village of Clear Lake. Nationally, the 2017 rental vacancy rate was 6.2%, which is within the healthy vacancy rate range of 5%-7%. Wisconsin's 2017 vacancy rate was slightly lower at 4.9%, but it is still above the estimated Polk County rate. There is also a need for additional owner units in the Village. The 2017 owner vacancy rate of 0.9% is well below the healthy vacancy rate range of 2-2.5%. Additional housing units are needed to meet future demand based on household projections for the Village.

Due to the apparent available capacity within some of the assisted living and group homes within the County, this deficit of rental units primarily or entirely consists of a more traditional rental experience (i.e., rental of an apartment or home by a single household without care or other daily living assistance). Further, a percentage of this rental unit deficit is likely in affordable rental units for income-constrained households given the current waiting lists among local subsidized housing providers and the frequency of calls for affordable family housing received by the local housing authority. However, as will be later discussed within the other market preferences in this subsection, a high proportion of renters would prefer to own their own home within the next five years. An additional supply of affordable starter homes for purchase could help alleviate some of this rental deficit, but as noted in the owner unit section, there are difficulties constructing new homes at an affordable starter home price. A portion of the demand could potentially be satisfied if seniors downsize into twin homes or other unit types.

The following estimates for 2017 housing unit demand are based on the findings of the previous subsections of Section V. As described previously, estimating additional unit demand based on

a healthy vacancy rate accommodates needed market flexibility (e.g., unit sizes, types/styles, location, settings, price ranges) so that households can find housing that fits their lifestyle and budget. The current demand for seasonal or recreational housing and group quarters in the Village was not estimated given the lack of reliable vacancy data for such structures (as previously noted, there were no reported seasonal units in 2017 and there were no group quarters in the Village (jail, dormitories, nursing home).

2017 Renter Housing Demand

- The U.S. Census estimates that there were no vacant rental units in the Village of Clear Lake.
- An additional 8-11 units for rent are needed for a healthy housing market based on the very low rental vacancy rate compared to the 5-7% healthy vacancy rate standard.
- An additional six units are needed to address the 2017 overcrowding of rental units in the Village.
- This estimate does not include: (i) rental for seasonal, recreational, or occasional use or (ii) rental related to group homes, assisted living, or nursing care. This estimate also does not account for the influences of other renter preferences, such as unit size, style, condition, and location.

2017 Homeowner Housing Demand

- The U.S. Census estimates that there were three vacant homes for sale in the Village of Clear Lake.
- The Village's owner vacancy rate is well below the standard healthy range; an additional 4-6 units for sale could be added to the market to bring the 2017 owner vacancy rate to the healthy range.
- This estimate does not include seasonal, recreational or occasional use homes. This estimate also does not account for the influences of other homeowner preferences, such as unit size, style, condition, lot size, and location.

ii. Housing Unit Demand Projections – 2020 to 2040

THE FOLLOWING DEMAND PROJECTIONS DO NOT INCLUDE ALL RECENT UNIT CHANGES

Housing units are continually entering and leaving the market and changing the net supply. At a county or multi-community scale, there is no single-source for building permit data and still more difficult is estimating when units leave the market (e.g., converted to other uses, vacant but not on the market, razed).

The 2020 housing unit demand based on projected household growth since 2017 was decreased by two rental units and four owner units due to the following:

The Village of Clear Lake reported that five single-family units and two duplex units, entered the market from January 2017 through September 2019, while one single-family unit was razed or condemned (effectively off the market). The units constructed during this time were subtracted from the 2020 demand. 2017 numbers are included, though some of these units have been accounted for in the 2017 ACS.

In short, the above is not a complete accounting of all unit changes since 2017. The above numbers should only be used as inputs into the demand model as an allowance for recent growth so that the 2020 demand is not significantly overstated.

The following demand projections build upon the 2017 housing unit demand estimates in the previous subsection with the following additional assumptions:

- The total population and total household projections are the official State of Wisconsin projections prepared by the Wisconsin Department of Administration (WDOA). These projections were last updated by the State in May 2014 and reflect County population trends in recent censuses. As mentioned previously, the County and its communities have the ability to influence population and household growth, thereby impacting these projections.
- During interviews and discussions with communities, no major economic changes resulting in large workforce increases or losses were identified that necessitated a modification to the projections. In other words, economic growth and in-migration is a component of the WDOA population and household projections based on recent trends.
- The renter vs. owner household percentages for the Village are the U.S. Census averages from the 2013-2017 American Community Survey. The unit projections assume that the mix of renter vs. owner households for the community will remain over the projection period.
- The additional rental units needed was increased by 6% in years 2020, 2025, 2030 and 2035 to provide for market flexibility, to account for assisted living units, and to maintain a healthy vacancy rate. Similarly, the additional owner units increased by 2.2% for many of the same reasons. Market flexibility was noted added to year 2040 as both population and households in the Village are projected to decrease.
- The projected units needed were not modified to reflect the physical condition of the existing housing stock. The unit demand can be met through new construction that replaces existing homes that are beyond repair, as well as through rehabilitation and/or

reuse of vacant structures. Further, seasonal, recreational, and occasional use housing units are not included in the projections.

Table 21 Housing Unit Demand Projections (Village of Clear Lake)

	2017 Est.	2020	2025	2030	2035	2040	Net Change
Total Population	1,045	1,070	1,135	1,185	1,200	1,185	140
Total Households, excluding group quarters	488	500	528	550	560	552	64
Change in Total Households	--	12	28	22	10	-8	--
Change in Rental Households (33% Rent)	--	4	9	7	3	-3	21
Change in Owner Households (67% Own)	--	8	19	15	7	-5	43
Additional Rental Units Needed*	14 - 17	2	10	8	3	0	37 - 40
Additional Owner Units Needed**	4 - 6	4	19	15	7	0	49 - 51
Total Additional Housing Units Needed	18 - 23	6	29	23	10	0	86-91
Population in Group Quarters	3	5	5	6	7	8	5

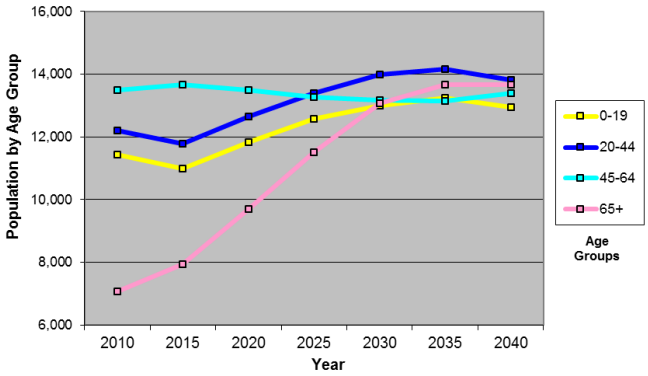
* In addition to the 0 estimated rental units currently vacant
** In addition to the 3 estimated owner units currently vacant

Key findings from the Village of Clear Lake housing unit projections are:

- The projections suggest that between 86-91 additional housing units will be needed over the next 20 years. This would average about 5-6 units added to the market annually, though it is more useful to consider such projections over time and not for a single year or point in time. This would compensate for housing construction slowdown during the Great Recession years (2008-2011) and the fact that some of the housing stock will need to be replaced over time.
- About 43% of the new units needed by 2040 would be rental, while 57% of the units needed would be for owner occupancy. However, the exact mix is uncertain and can change over time based on factors such as incomes, lifestyle preferences, and the housing supply. Given the low vacancy rates for both owner and rental, there is an immediate need for both types of units; however, the current demand for rental units is more acute.
- This study projects that an additional 2 rental units per year, over the next 20 years, will be needed by 2040. However, up to 17 units are needed to achieve a healthy 2017 rental vacancy rate, and an additional 2 rental units are needed to accommodate the projected household growth from 2017 to 2020. As discussed in previous sections, while rentals are found in all lifecycles, a high proportion of rental households tend to be younger and/or have lower incomes. In the Village of Clear lake there is an identified need for workforce as well as market rate units for professionals.
- This study projects that an additional 2-3 owner units per year, over the next 20 years, will be needed by 2040. Based on the 2017 ACS vacancy rate of 0.9%, 4-6 additional owner units are needed to bring the 2017 owner vacancy rate to the healthy standard of 2-2.5%. Four additional owner units are needed in 2020 as well, to meet the projected increase in owner households from 2017-2020. As discussed in previous sections, while affordability often dominates the rental market discussion, the homeowner market is more diverse.

- The countywide housing survey suggests that a substantial percentage of renters desire to own their own home, if they are able to find a home that they can afford. However, in the Village of Clear Lake, this does not appear to be the case. According to the *Polk County Housing Survey Report*, 86% of Village of Clear Lake respondents currently own their home while 89% prefer to own a home in the next five years. It appears from the interviews and survey report that there is a demand by people in the Village, as well as people looking to move to the Village, to rent instead of own.
- The demand projections assume a renter-owner mix based on that of 2013-2017 ACS estimates for the Village – 33% rental and 67% owner. This mix can be adjusted based on changes in community goals and policies. More rental units may be needed to accommodate younger and older households. This mix will also vary in part on the number of renters who are able and decide to purchase a home.
- The Village of Clear Lake is expected to see an increase in population and households through 2035.
- Polk County is projected to experience a nearly 70% increase in residents living in group quarters by 2040. Group quarters are places without separate living quarters for each resident, such as nursing homes, student dormitories, and jails. This increase is largely driven by the County's aging population. In 2010, the last full decennial Census:
    - 4.2% of County residents ages 65+ were residing in group quarters.
    - 64% of the County's population in group quarters were residents ages 65+ residing in nursing facilities.

Figure 17 Polk County Population Projections by Age Group, 2010-2040



Source: Wisconsin Department of Administration

As shown previously, the senior population is projected to increase dramatically, especially among the oldest cohorts. According to the 2010 Census, the number of households ages 75+ is projected to more than double by 2040.

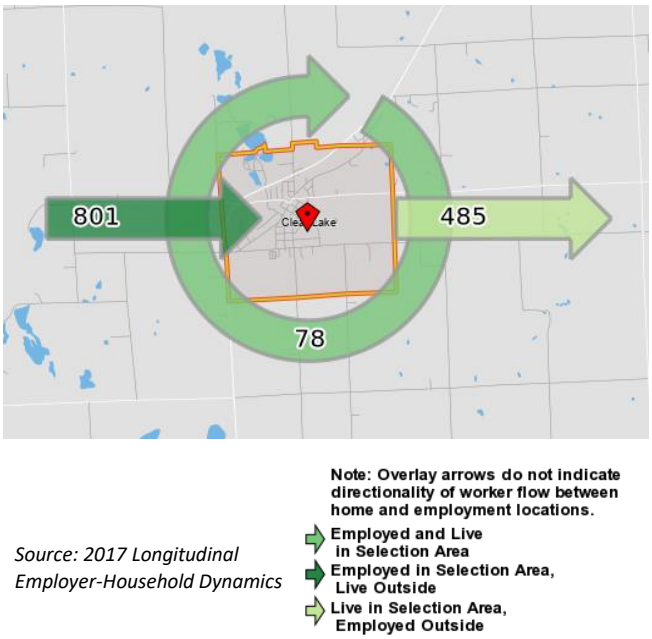
- The Wisconsin Department of Administration has projected that Polk County's population and households will begin to decrease after 2035. As mentioned previously, many factors, within and outside the County, can influence these projections, including the housing and development policies of local communities. Given these projected decreases, it is important that the County's population and household trends be monitored carefully over the next decade. If past trends do not change, the potential exists to over-build the housing supply resulting in vacancy rates above the healthy vacancy rate standards. However, given a current County unemployment rate around 3.5%[32], job opportunities are available. If potential workers are offered an expanded supply of affordable housing choices and a quality of life that is attractive, then there are strong possibilities to see continued growth into the future.

[32] Federal Reserve Bank of St. Louis with data provided by the U.S. Bureau of Labor Statistics (https://fred.stlouisfed.org/series/WIPOLK5URN), Accessed Jan 7, 2020.

f. Additional Growth Opportunities

As of 2017, there were 801 people working in the Village of Clear Lake that reside outside of the Village. Approximately 49% of the 879 workers within the Village live outside of Polk County with 22% residing in Barron County and 11% in St. Croix County. While some of these employees might telecommute and work from a remote location, a large majority likely commute into the Village for work.

Figure 18 Inflow/Outflow, 2017 (Village of Clear Lake)



Source: 2017 Longitudinal Employer-Household Dynamics

The housing demand projections provided in Section V use household projections to calculate the future housing demand needs in the Village. They do not include any potential new growth in households that could occur if the Village attracts and captures new residents from outside the community. The Village of Clear Lake has the opportunity to exceed the household and housing demand projections if it can attract some of the people commuting into the Village each day for work to also live in the Village.

In addition to identifying preferences of those who live in Polk County, the 2019 *Polk County Housing Survey* attempted to identify the preferences and housing challenges of employees in Polk County who live outside of the County. While there were only 60 respondents to the survey from those living outside the County, the data can provide some insight into the preferences and desires of these households.

Most of the employees who responded to the survey work in Osceola or Balsam Lake. Forty percent of the respondents are from St. Croix County, WI with 23% from Chisago County, MN. Most of the respondents currently live in a larger, single-family home and place value on having a larger property in a less developed area. While 15% of the respondents currently rent, most of them hope to own a home in the next five years. 46% of the respondents would consider moving to the community where they work if their needed housing was available.

The local realtor stated there is high demand to live in the Village as it has lower taxes, a good school district, outstanding industries and close proximity to the Twin Cities; this includes alumni who are looking to move back to the community. She commented that the Village and County have many benefits that make it an attractive place to live, work and play, but the housing needs to be available of people end up commuting. Providing housing choices for a variety of life stages and income ranges opens additional growth opportunities for the Village.

VI. Housing Influence on Workforce: Attraction & Retention

There is a recognized need for housing development in Polk County. Housing cost, style, and design, in addition to other quality of life amenities (parks, trails, etc.), can influence an individual's decision on where to live, which in turn can influence employment choices and opportunities. Employment is a major driver in new population and household growth in a community. As part of the housing study, interviews were conducted with human resource officials from select businesses around the County. The purpose of these interviews was to better understand if and/or how housing availability and costs have affected the attraction and retention of employees.

Housing cost and supply were both identified as barriers to attracting and retaining employees, along with other cost of living items such as transportation costs and rising daycare costs. The lack of variety in housing types has also been a barrier for some employers throughout the County.

Housing availability and cost are especially problematic for production employees, many of whom make $12-$15/hour and need affordable rental units. For example, a production company in the City of Amery noted that the lack of housing in the community has an impact on the company and its employees. The business works with a staffing agency to transport some of its employees to work. Many of these employees live out of town and lack transportation or a driver's license. Walking to work is not an option either, as there is no suitable housing in close proximity to the company. In the northern part of the County, interviewees noted that while housing prices affect employees, the challenges are "not as bad as other areas of the County as the further north you get the cheaper housing is". Human resource (HR) managers at companies throughout the County identified a need for income-based housing that aligns with the wage rates of production line workers.

Housing availability, as opposed to cost, is a bigger challenge for employees in professional office industries such as the medical field. The HR manager for a large medical facility stated that workers searching for housing tend to earn higher wages but are not able to find housing they desire.

While many HR managers identified a need for additional housing that supports the wages of production employees, there were no employer-assisted housing programs identified within the County.

A few additional points on the relationship of housing to the workforce were identified through the interviews:

- One interview noted that approximately 50 of the 120 graduating seniors from a local high school will not be going to college, which means that 50 residents in the community will want to live on their own and possibly stay in the local workforce. The HR Manager questioned where these 50 young adults will live noting that unless they live at home, they will likely need to move out of the community as they will not be able to find or afford housing in the area.

- With the retirement of the baby boomers, HR managers are recognizing a need to attract younger generations to the area. As with all generations, housing preferences vary among younger generations, but many look for smaller homes or multi-unit buildings with common areas. The County lacks a variety of housing options that could help attract younger populations to live and work in the County. An HR manager for a production company in

the Village of Osceola noted that if there were more housing options, and particularly rentals, then perhaps different populations would be attracted to the area and could help meet the workforce needs.

Many factors contribute to an individual's decision concerning where to live, including safety and character of a neighborhood, parks, schools, proximity to employment, family, housing costs, transportation costs, housing preferences, and many other personal preferences. As transportation costs rise, the economic case for "driving until you qualify" becomes increasingly difficult to make. This issue will likely become a more significant one for workers everywhere in the future.

While the low unemployment rate is good news for anyone looking for a job, it can pose a challenge for employers who are searching for workers. Having adequate renter and owner housing in various forms, styles, and price points, along with quality of life amenities (parks, trails, schools, etc.) in a community can help attract and retain workers. "From an employer's perspective, a lack of affordable housing can put a local economy at a competitive disadvantage."[33] Housing that aligns with the wages of the community's workforce can provide opportunities to attract employees. Having a variety of housing options to match workers' needs is places a community in a good position to appeal to both workers and new businesses alike.

[33] Cohen, Rebecca. Wardrip, Keith. (Summer 2011). Planning Commissioners Journal Number 83. The Economic and Fiscal Benefits of Affordable Housing. Accessed online at http://plannersweb.com/wp-content/uploads/2012/07/501.pdf.

VII. Village of Clear Lake Housing Priorities

Many of the recommended housing goals in Section VIII, and strategies in Section IV, are shared amongst communities throughout the County, as the housing market does not stop at municipal boundaries. The housing priorities for each community, while working towards the shared goals, are unique. The Village of Clear Lake's housing priorities are listed below.

- **UPDATE THE VILLAGE COMPREHENSIVE PLAN** The Village's Comprehensive Plan was adopted in 2009 and will need to be updated in the near future. The Village should incorporate this study into the Comprehensive Plan and work towards accomplishing the recommended housing goals. As part of the Comprehensive Plan update process, the Village will want to plan for future residential growth, including future infrastructure improvements necessary to accommodate growth. As discussed in previous sections of the study, the availability of land/lots for residential development is a big challenge and obstacle for future growth of the Village.

- **BUILD MORE UNITS** As shown in Table 21 there is an immediate need for both rental and owner units based on pent-up demand and projected population and household growth. The Village should market and promote the specific housing needs to developers and undertake partnerships to develop additional housing in the Village.
    - An additional 37-40 rental units are needed in the Village by 2040. While one- and two-bedroom apartments will continue to dominate the rental market, there is likely a demand for additional larger units, specifically units for income-constrained families. According to the 2017 ACS data, only 11% of rental units in the Village have more than two bedrooms. Rental units with contract rents for the workforce and market-rate groups are in high demand and much needed in the Village.
    - An additional 49-51 owner units are needed by 2040. The majority of homes in the Village are valued at $200,000 or less. Given the low owner vacancy rate of 0.0%, and as confirmed through interviews, there is a need for quality starter homes as well as "move-up" homes. A local realtor identified a need for additional housing in the $100,000 - $200,000 price range, but given the data in Table 20 there may also be demand for housing above the $200,000 price point for higher income households.
- **FOCUS ON INFILL/REDEVELOPMENT OPPORTUNITIES** Recognizing the topographical and infrastructure challenges associated with land development in the Village, opportunities for infill and redevelopment of existing buildings and sites should be explored. The Village should identify existing sites and/or buildings that are underutilized and pursue redevelopment.
- **BE A PARTNER IN THE DEVELOPMENT PROCESS** Opportunities exist for the Village to play a role in the development process by supporting a developer committed to building housing that meets the Village's housing needs. The Village's 2009 Comprehensive Plan included direction for the Village to explore grants or create a TIF District to help offset utility improvements. The Village should consider extending any Tax Increment Districts (TID) using the one-year affordable housing extension. Per the State's annual TID report, the Village has two active TIDs, with one scheduled to close in 2022.

VIII. Recommended Housing Goals

This subsection suggests housing goals to consider based on the findings in the previous sections of the report. These goals are shared with other communities in the County, but the numbers for demand and mix of housing are unique to each community. The County's housing market is largely one market and most of the housing needs are shared. The priorities for the Village of Clear Lake, identified in Section VII, help to accomplish the overarching shared goals. To successfully address these goals, a broad partnership of public and private entities throughout the County and Village will be required as well as support from other partners outside the County.

a. Rental Housing

Approximately 33% of the Village of Clear Lake's occupied housing stock is renter-occupied. The goals for rental housing, as detailed below, are centered around rental demand, market priorities and preferences. All three are equally important to ensure that a healthy supply of rental housing is available in the Village.

i. Market Demand

Address the Village of Clear Lake's existing unmet rental housing demand and low vacancy rate.

a. **BUILD MORE RENTAL UNITS** **Build more rental units at various price points.**

It is projected for 2020, there is need for 16-19 additional rental units (non-seasonal/non-recreational) for a healthy rental market, in addition to currently vacant units. A total of 37-40 rental units would be needed by 2040 (or an additional two rental units per year). Additional units may be needed if the Village can attract some of the 801 individuals who work in but live outside of the Village. The very low vacancy rates within the rental market may be contributing to the commuting rate, as new employees at businesses within the Village are unable to find their desired housing.

b. MAINTAIN A HEALTHY HOUSING MIX **Maintain the overall healthy mix of rental to owner units.**

The estimated demand assumes that the current housing mix of rental (33%) to owner units (67%) is maintained. Many renters have the desire, but may not have the means, to purchase a home. Rental units are also needed for young professionals and for those that prefer to rent instead of owning a home.

c. MONITOR DEMAND FOR ASSISTED LIVING FACILITIES **Monitor vacancies of Assisted Living Facilities and look for additional development opportunities over the next 10-20 years as the 65+ age group continues to grow and drive housing demand.**

While there are either Assisted Living units within the Village, these units will continue to be a substantial part of the County's rental demand given the aging population. Considering that some of the facilities in the County currently have vacancies, the immediate rental unit demand would be for conventional rental housing options. That said, these facilities will become increasingly important throughout the County as the population continues to age.

ii. Market Priorities

Strive to achieve a balanced rental housing mix that serves the lower and higher ends of the market, which includes providing "higher income" households with opportunities to purchase a home.

a. **BALANCE THE MARKET & PROVIDE VARIETY Increase the number of rental units in the Village for all income types, but prioritize units for the lowest incomes, the workforce and the higher income households.**

Affordability is the key factor for renters. Per the 2017 ACS data, the median household income for renters was $27,946, compared to $41,083 for all Village households. According to this data, about 31% of Village renters spent more than 30% of their income on housing costs. As this data demonstrates, and as confirmed by the county survey results, renters are more likely to require financial assistance to achieve their housing goals. However, there is also a need for new rental units for the workforce ($750 - $1,000/month) as well as the higher income earners ($1,000 - $1,200). As shown in Table 20, and as confirmed through interviews and the community housing forum, there is a need for new workforce and market rate rentals.

b. **SUBSIDIZED HOUSING UNITS Increase the number of income-qualifying, affordable units for the lowest-income households.**

The Village should partner with the housing authority and other non-profit developers to identify opportunities for new subsidized housing and potential rehab opportunities. Table 18 shows that the balance between the number of renters and rental units for those in the lowest incomes, below $14,999, is negative, and given the lengthy waiting lists for subsidized housing in the County, along with inquiries received by the Clear Lake Housing Authority, there is likely a need for income qualifying "affordable family" units.

The Village should also plan to have conversations with owners/managers of current subsidized housing facilities in the Village that could potentially convert to market-rate rents in the future upon expiration of rent obligations. This will allow the Village an opportunity to plan accordingly for replacement of any converted units.

c. **WORKFORCE RENTAL UNITS Increase the number of rental units for workforce households.**

As noted in Section V, workforce housing is generally defined as housing that is "affordable" for households with incomes between 60% and 100% of the County Median Household Income. In Polk County this equates to a monthly rent between $800 - $1,340; however, other factors, such as household size, play a role in determining what is "affordable" to a household. All of the data sources point to a need in the Village of Clear Lake for additional rental housing in the price range of $800 - $1,000 to attract and retain workforce households.

d. **MARKET RATE RENTALS Increase the number of quality market rate rentals for the highest-income households.**

Table 18 shows that the majority of the Village of Clear Lake's rental housing is below $750/month. These units are being relied upon heavily by households who may be

paying less than they can afford. This choice may be by preference, the lack of other housing options, or the cost of living (daycare, student loans, etc.). Regardless, this situation has resulted in an unbalanced mix of rental price points vs. incomes. According to a local realtor, professionals looking to move to the Village for work end up living in other communities (i.e. New Richmond) as the housing they desire (nice, quality market-rate rental housing) is not available within the Village of Clear Lake.

iii. Market Preferences

With consideration of the market priorities and the following market preferences, encourage quality rental housing choices that meet local demand, while complementing the overall vision and fabric of the community.

a. **RENTALS FOR SENIORS Build more rental units designed for the senior population.**

As of 2017, 39% of households with a householder age 65+ within the Village was in a rental unit. Given the projected dramatic increase in the senior population, there is a growing market for senior rental housing in an accessible, low-maintenance setting that allows aging in place and aging in community. Considering many seniors are on fixed-incomes, the price points will need to reflect the income levels; however, the need for higher-end senior apartments was also identified during the community forums. A wide-range of price-points is needed for the aging population. Among Village respondents to the housing survey, 83% want a home designed to be accessible and to allow their household to age in place.

b. **NEIGHBORHOOD & QUALITY OF LIFE AMENITIES Incorporate amenities and design techniques into new multi-family developments that establish a sense of place.**

While housing affordability is key for renters, especially among younger generations, many are placing increased emphasis on amenities, the quality of neighborhood, and related social elements. Renters appear to be more open to different types, styles, and locations of housing compared to owners, though many desire a “country lifestyle.” Creating inviting environments will likely enhance the quality of life and may help attract new residents into the community.

b. Owner / “For Sale” Housing

Approximately 67% of the Village of Clear Lake’s housing stock is owner-occupied housing. The recommendations for owner housing, as detailed below, are centered around owner demand, market priorities and preferences. All three are equally important to ensuring that a healthy supply of owner housing is available in the Village.

i. Market Demand

Address the Village of Clear Lake's existing unmet owner/for sale housing demand and low vacancy rates.

a. **BUILD MORE OWNER UNITS Build more owner units at various price points.**

This study projects a need for 8-10 additional owner units (non-seasonal/non-recreational) in 2020 in the Village of Clear Lake in order to achieve a healthy owner market, in addition to the currently vacant units. A total of 49 to 51 owner units would be needed by 2040 (or an additional two to three owner units per year for the next 20 years), though the current need is more acute. Still more units may be needed if the Village can attract some of the 801 individuals who work in but live outside of the Village, to relocate to Clear Lake.

b. **MAINTAIN A HEALTHY HOUSING MIX Maintain the overall healthy mix of rental to owner units.**

As previously mentioned, the estimated demand assumes the overall mix of rental (33%) to owner units (67%) is maintained. While many renters may wish to be homeowners, they may or may not have the ability to buy a home.

ii. Market Priorities

Strive to achieve a balanced owner housing market with additional starter home opportunities, while providing homeowners the opportunity to move-up to a higher price point.

a. **STARTER HOMES Address the need for additional affordable starter homes in the $90,000 - $200,000 range.**

Compared to renters, affordability and cost-of-living are less critical for many homeowners. The ability to find desired housing that meets other priorities (e.g. size, style, etc.) is often a greater barrier. There is a recognized need in the Village for owner housing stock in the $100,000 - $200,000 range. While this preference would likely not be satisfied through new construction, perhaps some new ownership opportunities could be realized with existing housing stock. With an extremely low vacancy rate in 2017 of 0.9%, there is a lack of owner housing opportunities in the Village, including entry-level starter homes.

b. **MOVE-UP HOMES Address the need for additional "move-up" homes.**

As shown in Table 20 the Village of Clear Lake has a strong core of housing valued at less than $200,000; however, as noted above, there is little of it that is available on the market. Similar to rental demand, there appears to be a number of households who own homes at lower price points, which may be displacing some households into other price points. There may be an unmet market niche also available at the highest end.

c. **<u>ADDITIONAL GROWTH OPPORTUNITIES</u> Build on market preferences to create housing to attract new growth.**

Owners tend to be more satisfied with their housing situation and stay in their existing homes longer than renters, which increases the challenge of balancing the owner market. Those looking for owner housing tend to place a priority on quality of neighborhood, school district, and cost of home. As previously noted, the Village has many of these qualities and there is interest by alumni and others to move to the Village. The Village is at a geographic advantage within the County, being in close proximity to the Twin Cities metro area. The difficulty is that the Village does not have the housing opportunities available to meet this demand. As already stated, opportunities exist to attract workers as residents who currently commute to the Village for work but live elsewhere.

d. **<u>HOUSING REHABILITATION & MAINTENANCE</u> Rehabilitation, adaptive reuse, and replacement should be used to help meet the housing demand.**

About 17% of the Village's housing stock is over 80 years old. With aging housing stock comes some challenges. These challenges include buyers looking for 'move-in ready' housing; a lack of contractors who can provide rehabilitation services; and for first-time homebuyers, a lack of equity to undertake remodeling projects soon after providing a down payment. As a result, housing may be slow to sell or continue to decline and deteriorate. Many of these older units are likely located in the downtown core. The Village should prioritize revitalization and rehabilitation of these older homes to make sure they remain in quality condition as they are vital to the vibrancy of neighborhoods, and ultimately, to the community overall.

iii. <u>Market Preferences</u>

With consideration of the market priorities and the following market preferences, encourage quality owner housing choices that meet local demand, with an emphasis on starter homes and "move-up" homes.

a. **<u>VARIETY OF HOUSING CHOICES</u> Provide housing styles and sizes that provide a variety of choices for all lifecycles.**

The owner market is diverse in terms of lifecycle stages and preferences. As a household ages and grows, the likelihood of owning a home increases until the senior stages. Interviews with stakeholders at the Village and County suggest that more housing choices for all lifecycles and a variety of preferences are needed. The lack of variety of houses was one of the top housing challenges identified by Village of Clear Lake respondents to the County housing survey; 29% identified this as a top challenge.

b. **<u>HOUSING & NEIGHBORHOOD DESIGN</u> Identify opportunities to incorporate new housing and neighborhood designs, such as Traditional Neighborhood Development (TND) into the community, where appropriate.**

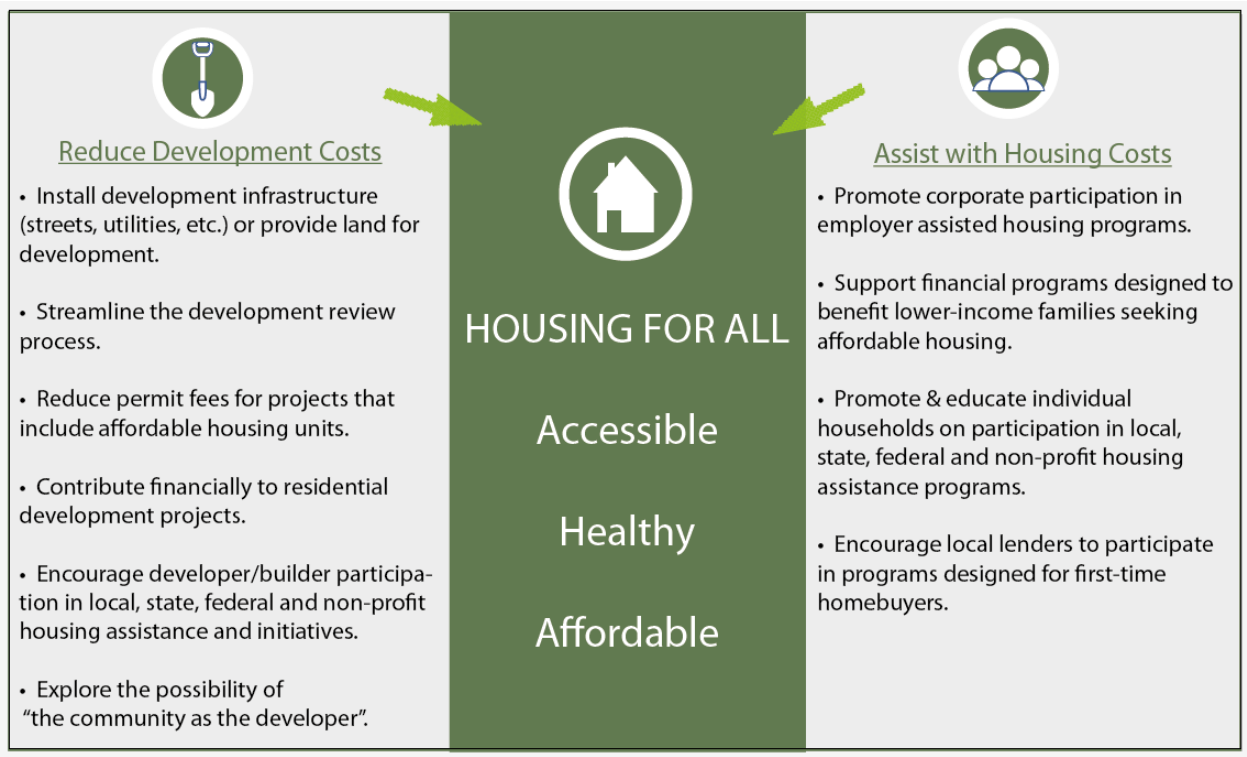
The *Polk County Housing Survey* results suggest that a majority of respondents would prefer a "country lifestyle" with a larger home on a larger lot. However, a smaller proportion of respondents prefer a more traditional neighborhood setting, the ability to walk/bike to destinations. These preferences are consistent with increasing national trends, especially among younger households and senior households.

IX. Recommended Housing Strategies

While the housing strategies provided in this section are shared by many communities, each community will undertake different strategies based on the priorities set forth in Section VII.

a. Take Action to 'Narrow the Gap' by Working Both Ends of the Housing Cost Equation.

As the Urban Institute notes, "building affordable housing is not particularly affordable."[34] There is often a large gap between the cost of land development and building construction compared to affordable housing costs. The Urban Institute notes that "the gap between the amount a building is expected to produce from rents and the amount the developers will need to pay lenders and investors can stop affordable housing development before it even begins, leaving few options…"[35] Action must be taken to narrow the gap from both ends of the housing cost equation – assist the developer to reduce development/construction costs and assist a household with its own housing expenses. There are a variety of strategies that can help narrow the gap; multiple strategies will need to be employed to accomplish the goal of providing quality, affordable housing for all.



[34] "The Cost of Affordable Housing: Does it pencil out?" *The Urban Institute in partnership with the National Housing Conference*. https://apps.urban.org/features/cost-of-affordable-housing/. Accessed September 4, 2019.
[35] *Ibid.*

i. Development Costs
Find opportunities to reduce development costs.

Financial packaging can be complicated and can be even more complicated when trying to undertake an affordable housing project. A financing gap can exist even with tax credits and land donated for a project. Actions are necessary to reduce development costs and close the funding gap for developers, while still maintaining and working towards community goals.

a. **INSTALL INFRASTRUCTURE OR PROVIDE LAND Install the necessary infrastructure (streets, utilities, etc.) or provide land for development.**
   Installation of utilities and land cost make up much of the development cost of a residential lot. By utilizing a variety of funding sources, most commonly Tax Increment Financing (TIF), communities can install the streets and utilities necessary for development and/or provide land to a developer.

b. **DEVELOPMENT REVIEW Streamline the development review process.**
   Time is money. In the development review process, added meetings and review time mean added project cost. A streamlined approval process for housing projects that include affordable units would offer an incentive to include such units and reduce the project cost. Review the current development review processes and identify opportunities for efficiencies.

c. **PERMIT FEES Consider reducing permit fees for projects that include affordable housing units.**
   Review the fees charged for residential developments and identify opportunities for waivers or reductions, specifically for projects that commit to providing a certain number of low- and moderate-income units. One example would include requiring 20% of the units in a development to be affordable at 50% of the County Median Household Income.

d. **FINANCIAL CONTRIBUTIONS Contribute financially, or provide financial incentives, to residential development projects through the use of Tax Incremental Financing, Revolving Loan Fund (RLF), or other financial tools.**
   Consider providing financial incentives or contributions to residential development projects to help reduce overall development costs. Financing tools include the use of Tax Incremental Financing.

e. **HOUSING ASSISTANCE PROGRAMS Encourage developer/builder participation in local, state, federal and non-profit housing assistance and initiatives.**
   There are a number of existing financial assistance programs (e.g. loans, grants) to help reduce the cost of development and encourage affordable housing. The Village should encourage and support participation in these programs. Many of these programs encourage or even required local participation in projects, which could include public financing or a public-private partnership.

f. **FINANCIAL PACKAGING Hold educational sessions for all partners on how to financially package affordable housing projects.**
   Packaging an affordable housing project can be complicated and takes time and resources to pull together. Educating developers and other partners on assembling a

successful package, which utilizes a variety of financial sources, would be of support to a developer.

g. **<u>COMMUNITY AS DEVELOPER</u> Explore the possibility of "the community as the developer", where the community dedicates its own resources or partners with other organizations to build housing units.**

Explore opportunities to act as the developer in order to achieve local housing goals. This activity can be carried out directly by the local unit of government or through a housing authority, redevelopment corporation, etc. The community could also partner with other organizations that have experience in this line of work to carry out projects. Additionally, the community can identify, zone, and assemble sites to make them 'shovel-ready' for new projects.

Along with taking these steps, the Village could fund a "spec" home as an example project, which could demonstrate to developers the type of housing the community envisions developing and could show how projects can be put together. This could help to ease any uncertainty and hesitations about doing such projects. It's rare that someone wants to be the first one out of the gate to try a project; having an example project to demonstrate demand and financial packaging could motivate developers and spark additional projects.

ii. <u>Household Housing Costs</u>
Find opportunities to assist with individual household housing costs.

Housing costs have continued to outpace household incomes. The median gross rent in Polk County increased 68% from 2000 to 2017 while the median renter income only increased 33% over that same time period. Approximately 40% of renters spent more than 30% of their income on housing costs in 2017, making them cost-burdened. The median home value in the County increased 58% from 2000 to 2017 while the median owner income only increased 35% during that same period. About 33% of homeowners with mortgages spent more than 30% of their income on housing costs in 2017.

In the Village of Clear Lake, the median gross rent increased 53% while median renter income increased 86% from 2000 to 2017. At the same time, the median home value in the Village increased 48% while the median owner income increased 19%.

Identifying and acting on opportunities to provide direct assistance to households, along with reducing development costs as discussed above, will help to narrow the gap between the costs of renting or owning and the ability of households to pay such costs.

a. **<u>CORPORATE PARTICIPATION</u> Promote corporate participation (business assisted housing) programs, both home purchase and/or rent assistance, for employees.**

The Village, working with the County, should invite and encourage corporate participation in the implementation of housing strategies and solutions. Employer assisted housing programs help employees meet their housing needs, which are often financial contributions for a down payment or rent assistance. Multiple employers could work together to form such a program. Once a program is established, efforts should be made to promote and educate employees on the program, e.g. how to apply

for and utilize available funds. One nearby example of an employer-assisted program is the Home Sweet Menomonie program in Menomonie, Wisconsin.

b. **FINANCIAL PROGRAMS Support financial programs designed to benefit lower-income families seeking affordable housing.**

Advocate for and support the continuation of existing, and the creation of new, financial programs that specifically provide resources to lower-income individuals or families. Work with community organizations, program administrators and other governmental bodies to identify additional funding needs and advocate for new resources.

c. **HOUSING ASSISTANCE Promote participation in and increase awareness and knowledge of local, state, federal, and non-profit housing assistance programs.**

There are a number of programs that exist to provide direct financial assistance to households. These resources are available for homebuyers and homeowners as well as renters. Residents and potential residents are often not aware of the support available and the programs that exist. Municipalities can work collaboratively with local housing authorities to educate and promote the use of these programs.

d. **CREATE NEED-BASED PROGRAMS Consider utilizing the Tax Increment District (TID) affordable housing extension to create a need-based grant or loan program.**

The affordable housing extension allows municipalities to extend the life of a successful Tax Increment District by one year if the final increment is used for affordable housing. At least 75% of the final increment must benefit affordable housing in the municipality. The Village should review its TIDs and identify opportunities to utilize this extension to fund need-based loan or grant programs. Examples of such programs would include home improvement loans for low-income residents, or home-based childcare providers. These programs could help keep costs, including childcare costs, down for low-income homeowners.

b. Support Diverse Housing Choices for Special Population Groups

Those responsible for new development should consider the demographics of the community and provide housing opportunities to address the needs of special population groups.

i. Senior Housing

Provide housing choices that accommodate a 35% increase in the senior population (ages 65+) by 2030 in Polk County, while fostering both aging in place and aging in community.

a. **HOUSING DESIGNED FOR INDEPENDENT/ACTIVE SENIORS Build more housing designed specifically for independent and active seniors.**

Data and interviews suggest that more rental or owner-occupied units are needed that are specially designed for more independent, active seniors. Since 82% of seniors (age 65+) in Polk County currently own their own home, opportunities may become available for them to downsize into smaller units with less maintenance. Seniors electing to make this choice could free-up existing homes in the larger market. Some seniors have indicated a preference for a single-level, low maintenance housing product.

b. **<u>ASSISTED LIVING FACILITIES</u> Continue to evaluate vacancy rates of Assisted Living Facilities and build new facilities, as needed.**

As mentioned previously, there is one Assisted Living Facility with eight units in the Village of Clear Lake. Monitor the need for facilities over time to support the aging population.

c. **<u>GRANT OR LOAN PROGRAM</u> Consider the creation of a need-based grant or loan program designed specifically for seniors.**

Use funding sources such as the TID affordable housing extension to establish a grant or loan program designed specifically for seniors. A home improvement loan program designed to assist with accessibility upgrades for seniors would support aging in place.

ii. <u>Transitional/Supportive Housing</u>
Identify and support opportunities for establishing transitional and/or supportive housing throughout the County.

There is an identified need in the County for transitional and/or supportive housing that helps vulnerable population groups. The County and communities will need to engage with partners, and possibly form new partnerships, to explore these concepts and identify options for developing facilities, as well as related management and operation functions.

a. **<u>BUILDING REUSE</u> Support the reuse of vacant buildings and land for transitional and supportive housing.**

There may be opportunities to reuse existing, vacant buildings in the County for the purpose of transitional housing. The County and communities should work with other community organizations, including the housing authority, to identify potential adaptive reuse opportunities.

b. **<u>TINY HOMES</u> Explore the use of tiny homes as a form of transitional housing.**

Partner with a community organization to explore the use of tiny homes for transitional housing, looking to the Hope Village Chippewa Falls development as an example. The idea of converting an existing mobile home park into a tiny home village has been mentioned and should be explored further. Local zoning regulations will also need to be reviewed for this purpose and may need adjustments.

iii. <u>Low- and Moderate-Income (LMI) Households</u>
Identify and support opportunities to assist LMI households.

a. **<u>FINANCIAL PROGRAMS</u> Support financial programs designed to benefit lower-income families seeking affordable housing.**

Advocate and support for the continuation of existing, and creation of new, financial programs that specifically provide financial resources to lower-income individuals or families. Work with community organizations, program administrators and other governmental bodies to identify additional funding needs and advocate for new programs.

Many other recommended strategies identified in this section work to support the housing needs of the LMI population.

c. Planning & Regulation

Planning policies and regulations have a direct impact on development. The Village should evaluate its regulations to ensure that they are not acting as a barrier to affordable housing, but rather that they are supporting and enabling development to meet housing demands and needs.

a. **HEALTHY NEIGHBORHOODS Promote and prioritize the development of, and projects that support, healthy neighborhoods, those which provide a variety and balance of jobs and housing and have quality of life amenities including parks and open space, community gathering places, and other social and recreational opportunities.**

   Promote and incentivize the development of healthy neighborhoods that attract people to live, work, play, and stay in the community. Healthy neighborhoods have a balance of jobs, housing, and quality of life amenities, and they allow a resident to navigate through the various stages of the housing lifecycle.

b. **COMPREHENSIVE PLAN The Village's Comprehensive Plan was adopted in 2009 and should be updated. Incorporate this study into the Comprehensive Plan as part of a future update.**

   Use the Comprehensive Plan as a tool to identify target growth areas for new residential development. The Plan can also be used to:

   - Promote compact and contiguous development that provides for a variety of housing options – types, sizes, and price points.
   - Plan for a variety of housing types to provide "housing for all" and allow an individual to move through all lifecycles within the community.
   - Promote the development of "missing middle" housing types.
   - Allow and promote vertical mixed-use development.

   A solid comprehensive plan, when followed, can help minimize uncertainty and delays in the development process, leading to efficiencies and cost savings for the developer.

c. **ENCOURAGE INFILL DEVELOPMENT Identify and promote the availability of land for infill development. Explore the creation of a purchase fund to acquire vacant residential lots.**

   Encourage new housing development to locate on existing vacant residential properties where infrastructure is in place and services are accessible. These lots are 'development ready' and benefit the community through increased tax value. Local governments should identify specific priority infill development areas and offer incentives, such as density bonuses, for developing infill locations.

   Explore the creation of a fund dedicated to acquiring vacant residential lots, which could be utilized for new housing.

d. **<u>REGULATORY ADJUSTMENTS</u> Review and amend local ordinances to allow for a variety of housing options (lot sizes, Accessory Dwelling Units, tiny homes, etc.), reduce parking requirements, and increase flexibility in the development process. Allow for different housing types in residential zoning districts.**

The zoning ordinance should be reviewed and updated with consideration given to the following:

- Adjust lot sizes to allow for variety within a residential neighborhood.
- Enable Accessory Dwelling Units (ADUs).
- Reduce parking requirements for affordable housing projects.
- Enable development of tiny homes.
- Enable "missing middle" housing types, which fall between single-family detached homes and mid-rise multi-family buildings, to locate in residential zoning districts.
- Review the Villages Planned Unit Development District, if applicable, or consider creating a district to allow greater flexibility as it relates to zoning standards.

e. **<u>MONITOR DEMOGRAPHIC & HOUSING CHANGES</u> Consider forming a private-public work group or team at the County level that will monitor demographic and housing changes.**

The Village, working with the County and other communities, should monitor population/household changes, the overall housing mix, and progress towards the housing demand projections. They should compare any findings with the numbers in this study and modify strategies as needed. Major economic or demographic changes can influence housing supply and demand.

Even though the demand projections are based, in part, on State household projections, they are not a foregone conclusion. Polk County has jobs available and is at a geographic advantage with proximity to the Twin Cities metropolitan area. Taking action to create a healthier, more diverse housing market, when coupled with other strategies (quality of life, recreational attractions, etc.), can continue to make the County and communities a desirable place to live, work and play.

<u>d. Education and Collaboration</u>

a. **<u>ADVOCACY</u> Advocate for new federal and state programs that will help developers and individual households to reduce housing and development costs. Advocate for balancing regulations with local housing needs.**

Rural communities are often at a disadvantage when trying to access capital through state and/or federal financial programs. For example, a project competing for funding through the Low Income Housing Tax Credit (LIHTC) will score higher if it has access to public transit, has a higher "walk score" meaning the housing will potentially reduce residential transportation costs, and other criteria that might not be easily met in rural areas. The County, communities, and partners should advocate for new programs or set-asides designed specifically for rural communities to be established by state and federal legislators. In Wisconsin, the Wisconsin Housing and Economic Development

Authority (WHEDA), administers the Housing Tax Credit program. WHEDA's 2019-2020 Qualified Allocation Plan, which provides the criteria and process for the allocation of the Housing Tax Credit, includes a Rural Set-Aside of 15%.

Use a common message / voice to advocate for the top housing priorities identified by the Housing Task Force (see Housing Task Force strategy). Work with the Greater St. Croix Valley legislative group to ensure that the County's housing needs are included in their priorities and discussed with legislators during its annual legislative day. Use examples and scenarios to demonstrate and educate legislators and elected officials on the County's housing needs and challenges. Other ways to advocate for local housing needs include:

- Local legislative day
- Town hall meetings
- Comment periods
- Letters and phone calls to legislators

b. <u>FACILITATION</u> Advocate for state facilitation, or funding for a regional facilitator, to assist communities and developers in financing and packaging affordable housing projects.

Packaging an affordable housing project can be complicated and time consuming sometimes taking 2-3 years or more if using funding sources such as Low-Income Housing Tax Credits. Added time to the project increases project costs. The Village should advocate for the state to facilitate, or provide funding for a regional facilitator, to help developers package and navigate the process.

c. <u>HOUSING TASK FORCE</u> Consider forming and/or participating in a private-public work group or team at the County level that will meet to promote collaboration with housing industry groups, build consensus regarding housing issues and help put this study into action.

Engage the public, employers, the development community, and other partners to develop a shared vision for housing. Discuss the challenges and barriers to addressing housing needs of all residents, while further prioritizing potential actions. Look at the County's housing market, but also the regional market. The housing market does not stop at governmental boundaries.

Advocate and coordinate implementation of the recommendations in this study. The housing task force could be responsible for the following:

- Identify 3-4 Polk County housing advocacy priorities, which based on this study could include:
  - Need for new financial programs or funding programs designed specifically for rural communities.
  - Need for a regional facilitator, or funding for a facilitator, to assist with financial packaging for affordable residential development projects.
  - Need for additional funding mechanisms for financing public infrastructure – expand programs, such as TIF, to support housing development.
  - Amend local/state/federal policies to balance regulations with local housing needs.

- Hold regular meetings to monitor housing and demographic changes within the County.
- Conduct and coordinate forums and trainings on topics including:
  - Financial packaging and related funding sources
  - Rules and best practices related to rental housing maintenance
  - Tiny home regulations and permitting
- Undertake marketing efforts to attract developers and promote the County.
- Attend high school career fairs and undertake other efforts to promote enrollment in the building and contractor trades.
- Communicate existing and new housing programs and initiatives to residents, businesses, developers, builders and other key stakeholders.

d. <u>PROMOTE PARTNERSHIPS & SHARE THE RISK</u> Promote partnerships with private sector, nonprofit, other government agencies and neighborhood groups to access available public funding and attract private capital for affordable housing development.

Achieving the established housing goals, which includes meeting demand and narrowing the affordability gap, will not be accomplished by one organization. Rather, collaboration and partnership are required. New housing, specifically new multi-family developments and non-traditional housing approaches (i.e. Traditional Neighborhood Design), will not occur without some risk-sharing by all players in the local housing market. These stakeholders include local government, financial institutions, economic development agencies, developers and employers. Together, they must find new ways to address gaps in the private market. All of these groups may have different roles and implement different strategies, but all need to be at the table and collectively work together to accomplish the community's housing goals.

e. <u>COMMUNITY EDUCATION & INVOLVEMENT</u> Dispel myths associated with affordable housing and high-density development and encourage involvement of neighborhood residents when planning new residential developments.

A community must ensure it is addressing all housing needs within its boundaries. Given the County's trends of lower incomes, aging population and workforce needs, communities must improve the mix of housing types and allow for residential infill.

The key to overcoming NIMBY ("Not In My Backyard") opposition to housing projects is to educate and communicate with people as to what affordable housing is and why it is important. When people hear the term "affordable housing", they tend to think of the worst-looking and poorly managed housing project they have encountered. Perceptions and stigmas often act as a barrier. Efforts to break through this barrier include:

- Educate the community on critical housing needs. Show them the demand numbers and the desperate need for additional housing units.
- Educate the community on what "Low and Moderate Income" really means, recognizing that the majority of the top 10 occupations in the County fall below 80% of the County median income.
- Move away from using housing classifications and instead move towards a "housing for all" approach.
- Involve community members early in the planning process so that they have a seat at the table and are part of the process. Listen to their concerns and address any legitimate items that could help improve a project.

- Engage community members and developers in creating tools and standards to ensure compatibility of development with the community and solutions to maintain property values.

f. <u>MARKET HOUSING NEEDS & OPPORTUNITIES TO DEVELOPERS</u> Work to actively, clearly, and creatively engage and partner with developers to address local housing needs.

Be a "Housing-Ready" community. Working through the St. Croix Valley Home Builders Association, Polk County Economic Development Corporation and other organizations, entice developers to make an investment in the community. Proactively engage developers in a clear, simple, and creative manner. Share needs with strong evidence of market demand and community support for the project. Provide confidence that investing in the community will be profitable. Be a partner, not a regulator. Market those actions the community has taken to reduce development costs (see the "Narrow the Gap" strategy). Share the risks, especially during earlier phases of a project. Explore ways to "jump start" a project, such as the sale of a spec home, to demonstrate demand to developers and potential homebuyers. Given the limited number of developers available, competition for developer time and investment is high. Outreach and enticements may need to be a bit more aggressive and "over-the-top" to garner attention.

g. <u>FIRST-TIME HOMEBUYER WORKSHOPS</u> Work with local banks and realtors to provide financial planning and first-time homebuyer workshops.

While there are different loan and financing products available for first-time homebuyers, many people are not aware of the different options. Interviews throughout the County expressed a need for credit and loan product education. A first-time homebuyers workshop for prospective homeowners would offer education of the homebuying process and available financing programs and terms.

h. <u>BUILD CAPACITY IN THE BUILDING & CONTRACTOR TRADES</u> Work with local high schools to encourage enrollment in the building and contractor trades.

The lack of skilled builders and tradespersons has impacted housing supply and ultimately housing costs. Wisconsin Indianhead Technical College (WITC) indicated that enrollment in the construction program is at half of the program's capacity. Work with local high schools to encourage students interested in construction to enroll in programs and identify opportunities for high school and technical college partnerships. Explore the creation of a scholarship program for high school students who commit to enrolling in a building and contractor trade program.

APPENDIX A

Polk County Housing Survey Report

2019

University of Wisconsin - River Falls

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Polk County Housing Survey Report, 2019

David Trechter
Shelly Hadley
Denise Parks

Survey Research Center Report 2019/18
December 2019

Students working for the Survey Research Center (SRC) at UW-River Falls were instrumental in the completion of this study. We would like to thank Jennifer Pflum, Ellie Peretz, Hannah Nelson, David Forester, Rebecca Baumgartner, and Luke Spaeth. We gratefully acknowledge their hard work and dedication.

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Executive Summary

From mid-September 2019 through the end of October, the Survey Research Center (SRC) at UW-River Falls surveyed three populations in Polk County about housing issues. The three populations were:

- Random samples of residents in the eight sponsoring jurisdictions of Amery, Balsam Lake, Clear Lake, Dresser, Luck, Milltown, Osceola and St. Croix Falls. The random samples were drawn from households believed to include working-age members (age 24 – 64).
- A random sample of Polk County households outside of the sponsoring villages/cities. As above the sample was drawn from household believed to include working-age members.
- Workers at participating Polk County organizations who live outside of Polk County.

The overarching goal of the survey was to determine opinions about housing issues in the County as a potential impediment to organizations in Polk County trying to fill job vacancies.

A total of 1,739 surveys were delivered to randomly selected households in eight sponsoring villages/cities and to randomly selected addresses of Polk County residents living elsewhere in the County. A total of 559 completed surveys were received for a 32% response rate (**Table 1)**.

There is little evidence that non-response bias affects these data (Appendix A).

Part 1: Constructed County-wide Sample

The U.S. Census indicates that 70% (12,669/18,189) of the homes in Polk County are located outside the eight sponsoring communities. However, those communities made up 82% of the total surveys in the overall dataset. Hence, sponsoring communities were "over-represented" in the dataset.

Further, when the SRC compared the responses of people living in the sponsoring communities to those from people living elsewhere in Polk County, we found many statistically significant differences.

Because of these disparities, the SRC felt it was necessary to create a representative Polk County sample. The process used to create the sample is described in Appendix D. The representative sample contains responses from 145 Polk County residents.

The Polk County representative sample has a good mix of working-aged respondents who, relative to data from the U.S. Census, live in larger than average-sized homes, have substantially shorter-than-average commutes and slightly above-average household incomes (**Table 2**).

More than half the respondents in the representative sample said they chose to live where they do to be near friends and family. More than one-third said that the cost of housing and being near their workplace were key factors in where they chose to live (**Figure 1**). The cost of housing and quality schools were significantly more important to younger respondents in the sample. Proximity to work was, not surprisingly, less important to those with longer commutes. Since households with three or more are likely to have children living in the home, school quality was more important to this group.

The two housing challenges identified by the largest proportion of the representative sample were property taxes (49% of the respondents) and the cost of buying a home (38%) (**Figure 2**). Households of two or fewer were significantly more concerned about the availability of starter homes and the cost of home maintenance, perhaps because they are just entering the home ownership market. For reasons that are somewhat unclear, younger respondents were more concerned about the lack of variety of housing choices and commuters with the cost of home maintenance.

Figure 3a shows that a large majority of respondents in the Polk County representative sample are homeowners (91%), which exceeds the rate of homeownership in the County according to the U.S. Census (78%). Further, **Figure** 3b shows that almost all respondents in the sample hope to be homeowners within 5 years (97%). The types of houses in which respondents currently live were mainly "starter" homes (36%) or larger, single-family homes (56%). Further these are the types of homes most respondents in the County sample prefer (34% starter and 58% larger, single-family) (**Figure 4**). Interestingly, those 45 and older were significantly more likely to prefer to live in a starter home and younger respondents want to live in a larger, single-family home.

Substantial majorities of Polk County sample respondents would like to live in a less developed area, on a larger property, in a home that is not a "fixer-upper" and has low property maintenance (**Figure 5**). Being in a low-maintenance home that is not a fixer upper is particularly important to those 45 and older and those who live in a household of two or fewer. In contrast to results discussed above (key housing challenges), those with a longer commute were less concerned about having a home that is a fixer-upper.

Polk County residents would like a home designed to allow them to age in place, and believe that their current home is affordable, is in a satisfactory location, and is of a satisfactory size (**Figure 6**). Being able to age in place was particularly important to sample respondents who were 45 or older. Those with longer commutes were somewhat less satisfied with the location of their current home. Respondents from households of two or fewer were more likely to agree that a home with access to open space, parks and nice views is more important than a large lot size and that they need access to housing financial assistance such as rent subsidies or low interest loans.

About one quarter of respondents in the Polk County representative sample said they would consider moving to the community in which they work if they could find the type of housing they need/desire and one-third already live in the community where they work (**Figure 7**). Those who currently have a commute of 25 minutes or more and respondents from households of two or less were significantly more likely to be willing to move to the community in which they work. For those with longer commutes, that might mean moving out of Polk County.

Respondents in the representative Polk County sample were employed in nearly equal proportions across key sectors (retail, health/social services, education/government, financial/professional/management, and manufacturing) (**Figure 8**). Those under 45 years of age were more likely to be working in manufacturing or education/government; older workers were, not surprisingly, more likely to not be working. Respondents working in the health/social services or retail, entertainment and business services or the financial, professional management sectors tended to have longer commutes. About one-quarter of respondents in the County sample work outside of Polk County, which is similar to the 19% reported by the Census. The sample includes workers in all but one of the cities/villages in the County (**Table 3**). Similar proportions of people in the County sample worked for organizations with 100 or more workers (35%) as worked in organizations with fewer than 10 employees (38%) (**Figure 9**). Those under 45 were more likely to work for an organization with fewer than 10 employees, while older workers were more likely to be retired or self-employed. Those working for firms with 100 or more employees tended to have longer commutes.

Part 2: Analysis by Key Subpopulations

The SRC compared the opinions of respondents in key subgroups (e.g. renters) who were included in the representative sample used in Part 1 of this report to those not included, which were all in the sponsoring communities. The goal was to determine if being in a given subgroup was more important than where in the County the respondent lived. For example, did renters, regardless of location, generally share similar opinions about housing issues. Based on this analysis the SRC decided it was appropriate to use data from all 559 completed surveys to look at differences of opinion between:

- Those currently **renting versus** those who are currently **homeowners**.
- Those from households reporting income **at or below 80% of the median household income** for Polk County ($42,840) **compared** to those from households with **incomes greater than that**.
- Those who said they **would move** to the community in which they work if the housing they need was available and those who don't live in the community in which they work and **wouldn't consider moving** there even if the housing they need were available.
- Those working in the **education/government** sector, those working in the **health/social assistance** sector, and those in the **manufacturing** sector.

Renters vs. Homeowners. Renters tend to be younger, live in homes with fewer people and fewer bedrooms, have lower incomes, and also to not be working. Renters like homeowners tend to live where the do because of the cost of housing, to be near friends and family and to be near their job. But, significantly higher proportions of renters said they live where they do because they don't think they could find their desired type of housing elsewhere. Not surprisingly, renters were significantly more likely than homeowners to say that key housing challenges facing their community are the cost of renting, a lack of quality rental units, and the overall cost of living. Most renters hope to own their own home in five years, but their preferred type of home is more diverse than current homeowners' preferences (**Table 4**). Compared to current homeowners, higher proportions of renters are interested in living in a smaller, affordable single-family "starter" home, a mobile home, a duplex, an apartment, or senior housing than is the case for current homeowners (a majority of whom want to live in a larger, single-family home). Renters are nearly twice as likely as homeowners to express a willingness to move to the community in which they are employed, probably because they are less satisfied with many aspects of their current home. However, renters were also significantly more likely to feel they need housing financial assistance than homeowners.

Lower versus Higher Income Households. Respondents from households with annual incomes of $42,840 or less (80% of the median household income for Polk County) tended to be older, live in households of two or fewer people in homes with two or fewer bedrooms, to be out of the labor force or working for organizations with fewer than 100 employees. Lower income respondents were more likely to be renting their current residence and have a wider array of housing types in which they would like to be living in five years (**Table 5**). As might be expected since more of them rent, lower-income respondents were significantly more concerned about the cost of rent and more likely to say they need housing financial assistance. Lower-income respondents are less satisfied with some aspects of their current home but, interestingly, are not significantly more likely to say they would consider moving if they could find their preferred housing at an available price.

Those Willing to Move versus Those Unwilling to Move. Excluding those who already live in the community in which they are employed, those under 45 years of age and renters were significantly more likely to be willing to move than older, homeowners. Those willing to move said their choice of where to live is more heavily influenced by the cost of housing, being close to work and not being able to find their desired type of housing elsewhere. The overall cost of living is a bigger worry to those willing to move. As would be expected, those willing to move are less satisfied with many aspects of their current residence (size, location, condition). Respondents who said they would consider moving were more open to smaller homes and apartments, but higher proportions also said they need housing financial assistance.

Respondents in Manufacturing, Education/Government, and Health/Social Services. Compared to those employed in education/government or health/social services, respondents working in manufacturing were significantly more likely to live in households of one or two people in homes with three or fewer bedrooms and have longer commutes to get to work

(**Table 6**). Those working in manufacturing or health/social services were more likely to choose to live where they do to be near family/friends, those in education/government because of good schools (**Table 7**). There were no differences with respect to respondents' current, future, or preferred housing across the three sectors. But, those in manufacturing were less satisfied with their current home's location, would like to live on a larger lot and think they need housing financial assistance (**Table 8**).

Part 3: Community Summaries

Amery. The SRC received 65 completed surveys from Amery residents, which should provide estimates accurate to within plus/minus 12% with 95% confidence. Residents of this City choose to live there because of the cost of housing and to be near family and friends. In terms of housing challenges, Amery residents were most concerned about property taxes and the cost of buying a home. Respondents from the Citydo not want a home that is a fixer-upper but do want one with low maintenance expenses. Compared to residents elsewhere, Amery residents are less interested in living on a larger property in a less developed part of the County. Strong majorities of Amery respondents felt that their current home is affordable, in a satisfactory location and of an adequate size. A significantly higher proportion of Amery respondents said their job is in the community in which they live than was the case for other cities/villages (**Table 9**).

Balsam Lake. The SRC received 37 completed surveys from Balsam Lake residents, which should give us estimates accurate to within plus/minus 15% with 95% confidence. Being near friends and family and the recreational opportunities available were the top reasons respondents live in Balsam Lake; the level of interest in recreation opportunities is significantly higher here than in other Polk County communities. Property taxes and the high cost of buying a home were the two biggest housing challenges noted by Balsam Lake residents. Housing characteristics that are important to Village residents are a home that is not a fixer-upper, has low maintenance costs, is in a less developed area and on a larger lot. Large majorities of Balsam Lake respondents agreed or strongly agreed that their current house is affordable, in a satisfactory location, and is of an adequate size. A relatively high proportion of Balsam Lake respondents were of retirement age and not in the workforce. Household incomes were slightly below the overall Polk County median of $53,550 (**Table 10**).

Clear Lake. The SRC received 70 completed surveys from Clear Lake, which was the highest response rate of the eight sponsoring jurisdictions. The SRC expects estimates for Clear Lake to be accurate to within plus/minus 11% with 95% confidence. The reasons given for living in Clear Lake were more dispersed than in other jurisdictions, but the top reasons were the cost of homes, to be near friends and family, and to be near their job. Similarly, responses from Clear Lake regarding the biggest housing challenges facing their community were also more dispersed than in other jurisdictions. The biggest issues were a lack of rental housing and a lack of variety in housing choices. Half or more of the Clear Lake respondents said it was important or very important to them that they have a home with low property maintenance, to live in the country/a less developed area, to live on a larger property, and to live in a home that is not a

fixer-upper. High proportions of Clear Lake residents agreed or strongly agreed that their current house was affordable and in a satisfactory location. Clear Lake respondents were somewhat younger than those elsewhere in the County and household incomes slightly higher than average for the County (**Table 11**).

Dresser. The SRC received 51 completed surveys from residents of the Village of Dresser, which should produce estimates accurate to within plus/minus 13% with 95% confidence. The primary reasons Dresser residents gave for living in the Village were the cost of housing and to be near friends and family. By a wide margin, the housing-related challenge Dresser residents were most concerned about were property taxes. A much higher proportion of Dresser residents currently live in a smaller, starter-type home than is true elsewhere in Polk County, but in five years, a substantial proportion of Dresser respondents would like to be living in a larger, single-family home, in senior housing or a townhome/condo. Half or more of Dresser respondents said it is important or very important to them that they live in a home that is not a fixer-upper, has low property maintenance, and is on a larger lot or property. More than 80% of Dresser respondents agreed that their current home is affordable and in a satisfactory location. Compared to the rest of Polk County, significantly higher proportions of Dresser respondents are employed outside of Polk County, are younger and have higher household incomes (**Table 12**).

Luck. The SRC received 63 completed surveys from Luck residents, which should produce estimates accurate to within plus/minus 12% with 95% confidence. The two most common reasons given for living in Luck were the cost of homes and to be near friends and family. Relative to other parts of Polk County, Luck residents were significantly more concerned about property taxes. Large majorities of Luck respondents said its important or very important to them to live in a home that is not a fixer-upper and has low property maintenance. Solid majorities of Luck residents agree or strongly agree that their current house is affordable and in a satisfactory location. Compared to residents in other parts of Polk County, significantly higher proportions of Luck residents agreed or strongly agreed that they need access to housing financial assistance (**Table 13**).

Milltown. The SRC received 55 completed surveys from Milltown residents, which should produce estimates accurate to within plus/minus 13% with 95% confidence. The two most common reasons given for living in Milltown were the cost of homes and to be near friends and family. The cost of housing was significantly more important to Milltown residents than for other Polk County respondents. Milltown residents were also more concerned about the cost of living than those from other parts of the County and this, along with property taxes and the cost of buying a home were the top housing-related challenges they identified. Significantly more Milltown respondents currently live in a smaller, starter home than elsewhere in the County. Strong majorities of respondents in Milltown said it is important or very important to them that they live in a home with low property maintenance, in a less developed area, on a larger lot/property, and that the home not be a fixer-upper. Large majorities of Milltown residents agreed or strongly agreed that their current home is affordable, has a satisfactory location, is of adequate size, and in satisfactory condition. Respondents from Milltown were

somewhat older and live in slightly smaller households in terms of both people and number of bedrooms (**Table 14**).

Osceola. The SRC received 55 completed surveys from Osceola residents, which should produce estimates accurate to within plus/minus 13% with 95% confidence. Village residents tend to choose to live there because of the cost of housing, to be near friends and family and for the quality of the schools. Osceola respondents were most concerned about property taxes, in terms of housing related challenges in the Village. Compared to elsewhere in Polk County more Osceola respondents were renting their current home and significantly higher proportions were living in smaller, starter-type homes. Majorities of Osceola respondents said it is important or very important to live in a home with low property maintenance and one that is not a fixer-upper. Compared to respondents from elsewhere in Polk County, more Osceola residents said it is important or very important that they live in a more traditional neighborhood. Very large proportions of Osceola respondents agreed or strongly agreed that their current home is affordable, in a satisfactory location, and is a good size. A substantially higher proportion of Osceola respondents said they work outside of Polk County than was true elsewhere. Osceola respondents were generally somewhat younger and from households with higher-than-average incomes (**Table 15**).

St. Croix Falls. The SRC received 62 completed surveys from residents of St. Croix Falls, which should produce estimates accurate to within plus/minus 12% with 95% confidence. As in many Polk County communities, people chose to live in St. Croix Falls because of the cost of housing or to be near their job, but relative to other parts of the County, significantly higher proportions chose to live in the City because of its recreational opportunities and the beauty of the area. The most important housing-related challenges facing St. Croix Falls according to these respondents are property taxes and the cost of buying a home; a significantly higher proportion of respondents from the City mentioned the cost of renting as a key housing challenge. This may be because a significantly higher proportion of respondents from St. Croix Falls are currently renting their home, and more of them live in apartments. Solid majorities of St. Croix Falls respondents said it was important or very important that their home not be a fixer-up, that it be on a larger lot/property, and that it have low maintenance. Relative to elsewhere in Polk County, significantly higher proportions of St. Croix Falls respondents said it was important that their home be within biking/walking distance of key destinations and that they could access housing financial assistance. At least 80% of City respondents agreed or strongly agreed that their current home is affordable and in a satisfactory location. Somewhat higher proportions of St. Croix Falls respondents were older, live in households of two or less, and in homes with three or fewer bedrooms (**Table 16**).

Part 4: Polk County Employee Survey Results.

This portion of the study gathered information about workers commuting into Polk County for their work. The SRC received responses from only 60 such workers. Given this relatively small number of respondents, the results summarized in this portion of the report may not accurately reflect the opinions of all workers commuting into the County for work. The ability to

generalize these results to the entire County is further compromised by the fact that all but three of the responses received were from workers commuting to jobs in either Osceola or Balsam Lake (**Figure 10**).

Roughly two-thirds of the respondents live in either St. Croix (40%) or Chisago (23%) Counties (**Figure 11**).
The employees who responded to this survey were somewhat younger than the Polk County residents discussed earlier, they live in households with slightly more people in homes that are somewhat larger. More than half of these workers drive at least 25 minutes to get to their worksite. The average household income of these "in-commuters" was quite a bit above the median income for Polk County households (**Table 17**).

These employees live where they do to be near friends and family, the cost of their home and, for those with commutes of under 25 minutes, to be near their job (**Figure 12**).

By a wide margin, the biggest housing-related challenge identified by these employees is the cost of buying a home (**Figure 13**).

Most of the employees commuting into Polk County who responded to the survey are homeowners (85%) (**Figure 14a**). Almost all of them hope to be homeowners in five years (96%) (**Figure 14b**).

Nearly 90% of these respondents live in either a starter home (37%) or in a larger, single family home (52%); these are similar to the proportions in starter and larger homes in the representative sample (**Figure 15**). In contrast, none of the people in the representative sample said they are currently living in an apartment, but 7% of in-commuting Polk employees are living in an apartment. Three-quarters of these commuters hope to live in a larger, single-family home in five years.

A majority of respondents said it was important or very important that they live on a larger property, in a less developed area/in the country, and that their home not be a "fixer-upper" (**Figure 16**). Having access to housing financial assistance (rent subsidies or low-interest loans) was significantly more important to renters, those with incomes below the median level for Polk County ($53,550) and workers commuting into Polk County from nearby Wisconsin counties.

About eight of every ten respondents agree that their current home is affordable, in a satisfactory location, a good size, in satisfactory condition, and that they would like a house in which they could age in place (**Figure 17**). Commuters who are currently renting were significantly less satisfied with aspects (location, size) of their home and more open to moving if they could find their preferred type of housing at an affordable price.

Nearly half (46%) of the workers commuting into Polk County who responded to the survey said they would be willing to move to the community in which they work if the housing they need

was available (**Figure 18**). Those currently renting their home were significantly more likely to be willing to consider moving to Polk County.

Half of the Polk County employees who responded to this question said they work in the manufacturing sector and a bit more than one-quarter in the healthcare/social assistance sector (**Figure 19**). All these employees worked in organizations with between 100 and 499 employees.

Polk County Housing Survey Report

Survey Purpose

The Polk County Housing Survey parallels a 2018 survey conducted by the Survey Research Center (SRC) at the University of Wisconsin at River Falls for the West Central Wisconsin Regional Planning Commission for Barron County and is in response to the same concern. The current economic expansion has been on-going for about a decade and has resulted in low unemployment rates. Many organizations in Polk County and elsewhere are having an increasingly difficult time finding enough workers to fill their vacancies and Polk County business leaders are concerned that the lack of affordable and appropriate housing in the County might be contributing to the shortage of workers. The survey described in this report was designed to determine how Polk County residents and those who work there but live elsewhere feel about housing in the County.

The Data

The questionnaire used in this survey was jointly developed by Susan Badtke and colleagues at the West Central Wisconsin Regional Planning Commission (WCWRPC), Vince Netherland, Executive Director of the Polk County Economic Development Corporation, and the Survey Research Center (SRC) at UW-River Falls. The survey was patterned on the one used in Barron County in 2018.

This study focused on three populations:

- Random samples of working-age (25-64 years) residents of eight sponsoring communities
- A random sample of Polk County working-age residents living outside of the eight sponsoring communities
- Workers in a set of Polk County organizations who commute into Polk County for their job. This population will be discussed in the fourth part of this report.

The random samples for the eight sponsoring communities and Polk County residents living elsewhere in Polk County were drawn from a purchased mailing list that included people renting their homes. Vince Netherland recruited the Polk County organizations included in the portion of the study focused on workers commuting to work in the County.

Table 1 (next page) shows the number of occupied housing units in each of the eight sponsoring communities and the rest of Polk County, the number of surveys mailed to households in the eight sponsoring communities and the rest of the County, the number of completed surveys received from each jurisdiction and the resulting confidence intervals.

Table 1: Polk County Housing Survey Returns by Jurisdiction, 2019				
	Occupied Housing Units[1]	Mailout	Responses Received	Confidence Interval (+/-)
Amery	1,215	223	65	12%
Balsam Lake	325	185	37	15%
Clear Lake	488	200	70	11%
Dresser	400	195	51	13%
Luck	516	203	63	12%
Milltown	514	203	55	13%
Osceola	1,078	220	55	13%
St. Croix Falls	984	220	62	12%
Rest of Polk	12,669	353	101	10%
Total		2,001[2]	559	
Constructed Polk Sample	18,189		145	8%

1. 2013-2017 American Community Survey 5-Year Estimates, US Census, Table DP04
2. A total of 262 surveys were undeliverable, so 1,739 surveys reached their destination

Data collection for residents of the sponsoring communities and elsewhere in Polk County began in September of 2019 and extended through the end of October 2019. The SRC mailed everyone on the mailing list a survey with a postage-paid return envelope and, after about 10 days, the Center sent postcard reminders to non-respondents. Approximately two weeks after the postcard, non-respondents received a second survey with a postage-paid return envelope. A total of 559 useable surveys were returned (32% of the deliverable surveys). A numeric summary of these responses is included in Appendix C1.

The confidence interval for the sponsoring communities was a bit larger than expected. The SRC assumed that, because housing is a topic about which people care, the response rate to this survey would be relatively high. Unfortunately, the response rate fell short of the 40% the SRC assumed would be returned. The confidence interval for the County as a whole, based on a constructed sample (described below), is a bit better than expected at +/- 8% with 95% confidence. This means that if we sampled Polk County households with this survey 20 times, only once would we expect to see estimated values that are outside the current estimated average values plus or minus 8%.

Any survey has to be concerned with "non-response bias." Non-response bias refers to a situation in which people who do not return a questionnaire have opinions that are systematically different from the opinions of those who return their surveys. For example, suppose a disproportionate number of respondents to the Polk County Housing Survey were particularly happy with their current housing. In this case, non-response bias might exist, and the raw results might not reflect overall opinions about housing in the County. Based on a standard test for non-response bias described in Appendix A, the SRC concludes that there is little evidence to suggest that non-response bias is a problem for this dataset.

Organization of the Report

Part 1 of this report summarizes results from a constructed countywide sample of respondents.

Part 2 will compare responses from four key subgroups of interest to WCWRPC and Polk County:

- Renters vs. owners.
- Lower vs. higher income respondents.
- Those willing to move to the community in which they are employed vs. those unwilling to move.
- Employees in the manufacturing vs. finance/health care vs. government/education sectors.

The analysis in Part 2 uses all 559 surveys in the dataset.

In addition to Polk County and the Polk County Economic Development Corporation, this survey was sponsored by eight villages/cities: Amery, Balsam Lake, Clear Lake, Dresser, Luck, Milltown, Osceola and St. Croix Falls, which we will collectively call sponsoring communities.

Part 3 of the report will summarize opinions about housing issues in each of the sponsoring communities.

Ten organizations in Polk County were asked to invite their employees who live outside of the County to complete an online survey that asked many of the same questions asked in the paper survey sent to County residents. **Part 4** of the report will summarize the feedback received from those employees.

Because there are many numerical results discussed across several populations, the general approach in each section of each part of this report will be to provide an overview of results for that section at the outset. ***These overviews will be in italic type.*** If the reader wants to delve into the data that led to that section's conclusions, they are invited to read through the analysis that follows. If, however, the reader wants to focus more on the forest than the trees, he/she is welcomed to skip to the next section summary!

Part 1: Representative Polk County Sample Results

Overview, Sample Demographics. *This section outlines the rationale for creating a representative Polk County sample and provides a summary of the demographic profile of respondents in the representative sample. The sample includes good representation of people across the main working-age categories (between 25 and 64). The average household size of respondents in the sample (2.59) is similar to the U.S. Census estimate (2.35). Compared to the Census, respondents in the sample tend to live in homes with more bedrooms than average, have slightly shorter commutes, and slightly higher household incomes. In general, the sample looks fairly similar to Census figures.*

As shown in Table 1, the U.S. Census indicates that 70% (12,669/18,189) of the homes in Polk County are located outside the eight sponsoring communities. However, those communities made up 82% of the total surveys in the overall dataset. Hence, sponsoring communities were "over-represented" in the dataset.

Further, when the SRC compared the responses of people living in the sponsoring communities to those from people living elsewhere in Polk County, we found many statistically significant differences. Because sponsoring communities were over-represented in the dataset and because their opinions about housing issues differed significantly from those held by people living elsewhere in Polk County, the SRC felt it was necessary to create a representative Polk County sample. The process used to create the sample is described in Appendix D.

Table 2 (next page) provides a summary of the demographics of respondents in the constructed Polk County sample. Where available, comparable data from the U.S. Census for Polk County are included in Table 2.

Age. Because the Polk County Housing Survey focused on people between 25 and 64, those most likely to be in the workforce, the representative sample has more respondents in those categories than would be expected based on the Census. The sample has lower proportions of young people (who are likely to be high school or post-secondary students) and those 65 or older (who are likely to be retired) than was the case for the Census. Each of the primary working age groups are reasonably well-represented in the sample. In the analysis to follow, we will compare the responses of those under 45 years of age and those older than that. Those under 45 years of age are more likely to be establishing a family and, perhaps, needing a larger home and could be experiencing more stress with respect to housing.

Household Size. Table 2 indicates that few of the respondents lived in households with more than four people; only 6% included five or more people. The Census indicates that the average household size in Polk County is 2.35 people and the average for sample respondents (2.59) is similar. In the analysis to follow, we will consider how those from households of two or fewer compare to those with three or more. Family size is likely related to the size and cost of housing needed.

Table 2: Demographic Profile of Respondents, Polk County Constructed Sample, 2019								
Age (15 and older)								
	Count	15 - 18	18-24	25-34	35-44	45-54	55-64	65+
Sample	144	0%	0%	8%	23%	18%	38%	13%
Census	35,618	7%	6%	12%	14%	18%	19%	23%
Number People in Household								
	Count	1	2	3	4	5	6	7
Sample	143	15%	48%	16%	10%	9%	2%	1%
Number Bedrooms in Household								
	Count	1	2	3	4	5	6	
Sample	143	2%	22%	44%	26%	5%	1%	
Census	24,456	9%	30%	40%	16%	4%		
One Way Distance Home to Work, Percent Total Number of Workers								
	Count	Work fm Home	< 10 Min	10 – 14 Min	15 – 24 Min	25 – 34 Min	35+ Min	
Sample	135	18%	24%	13%	11%	13%	20%	
Census	20,878	5%	13%	13%	23%	17%	31%	
Annual Income per Household								
	Count	<$26,774	$26,775 - $42,840	$42,841 - $53,550	$53,551 - $75,000	$75,001 - $150,000	$150,001 - $300,000	$300,001+
Sample	139	9%	12%	12%	19%	38%	8%	1%
	Count	<$25,000	$25,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $149,999	$150,000 - $200,000	$200,001+
Census	18,189	20%	11%	15%	20%	28%	4%	2%

Bedrooms in Home or Apartment. One-third of the people in the County sample said they had more than three bedrooms in their current home, a higher proportion than is typical of Polk County according to the Census (19% reported four or more bedrooms). The higher than expected levels of household income and homeownership, which we will discuss below, may also contribute to this unexpected result.

Travel Time to Work. About one-third of the County sample respondents drive 25 minutes or more to get from their home to their workplace, but more than 40% either work at home or commute for less than 10 minutes. Compared to the Census, the representative sample tends to have a shorter commute. We will consider the opinions of those who commute for at least 25 minutes to those who live closer to their workplace.

Income. The Census indicates that the median annual household income in Polk County over 2013 - 2017 was $53,551. At the median, half the household incomes are above and half below that amount. The median income for the sample was somewhat higher and fell in the $53,551

to $75,000 range. The slightly higher median household income in the sample could be because it includes a lower proportion of people 65 and older than in the Census and that age cohort is more likely to be retired and living on a fixed income.

There are a number of correlations within these demographic groupings:

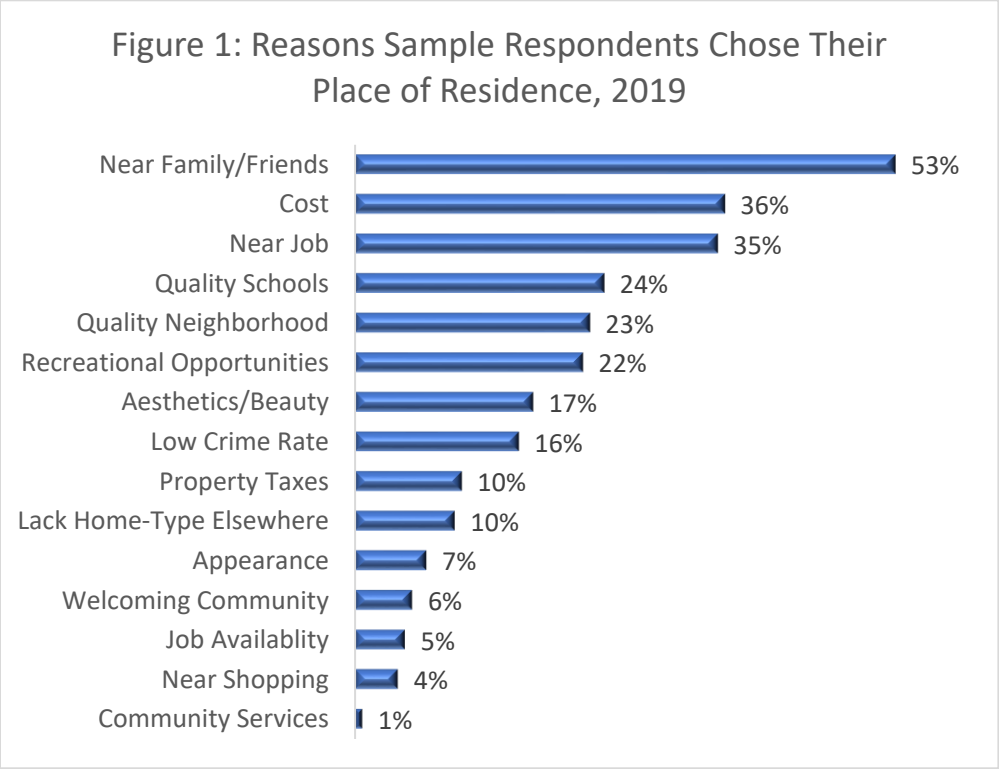
- Age and household size are negatively correlated (older respondents tend to have fewer people in their household) and age and commuting distance are also negatively correlated (younger respondents travel further from home to work). Though only significant at the 10% level, age and household income appear to be negatively correlated (the older the respondent, the lower their household income).
- In addition to age, as one would expect, household size is positively correlated with the number of bedrooms in the respondent's home (households with more members tend to have homes with more bedrooms). Household size is also positively related to income (the homes of households with 3+ people tended to have slightly more bedrooms).
- Those with higher incomes tend to have larger household sizes and homes with more bedrooms and they tend to have longer commutes.

In summary, the Polk County representative sample has a good mix of working-aged respondents who live in larger than average-sized homes, have substantially shorter-than-average commutes and slightly above-average household incomes.

Polk County Housing Opinions

<u>Overview, Location Choices</u>. Polk County residents were asked to identify the three most important reasons they and their families choose to live where they do. More than half of the respondents in the representative sample said they chose to live where they do to be near friends and family. More than one-third said that the cost of housing and being near their workplace were key factors in where they chose to live. Younger respondents (those under 45 years of age) said the cost of homes and the quality of the school system were significantly more important to them when choosing where to live. People with a longer commute (25 minutes or more) often make that choice so that they can "buy more house" so, not surprisingly, proximity to their work was significantly less important to this group. Finally, for households of three or more, which often means that there are still children living in the home, the quality of schools was a more important home location choice factor.

Figure 1 shows the percentage of the 140 respondents in the representative sample who identified each of the 15 factors that might be most influential in where they decide to live.



A majority of respondents said they live where they do to be near their friends and family. A bit more than one-third said the cost of housing or to be near their job were among their top three

decision factors. Between one-in-five and one-in-four said the quality of schools, the neighborhood, and recreational opportunities were important in this decision.[1]

As noted above, the SRC will compare the opinions of different demographic subgroups:

- those under 45 years of age vs. older respondents.
- households of two or fewer vs. larger households.
- those commuting less than 25 minutes to their workplace vs. those who have a longer commute.

Response patterns that vary at statistically significant levels will be noted in the report. In statistics, a result is statistically significant if observed differences, usually in average values, in two groups are unlikely to have occurred by chance. Statistical significance is expressed as a probability that the real average values are actually the same. A commonly used probability standard is .05 (5%). Statistical significance at the .05 level indicates there is only a 5 in 100 probability that the average values in two groups are equal. It does not mean the difference is necessarily large, important, or significant in the common meaning of the word.

There were a number of statistically significant differences in why different demographic groups have chosen to live where they do:

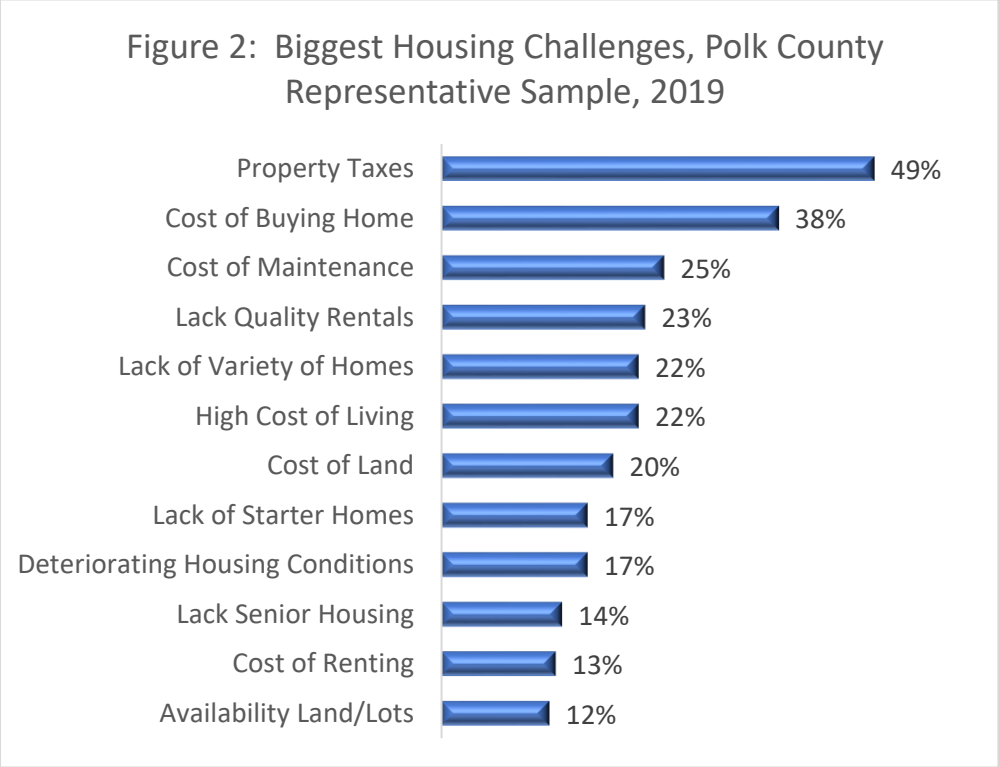
- Age: Compared to those 45 and older, younger respondents were more influenced by the cost of housing (48% selected vs. 32% of older respondents) and the quality of schools (34% selected vs. 20% of those 45 and above). In contrast, those 45+ were significantly more influenced by aesthetics and beauty (22% vs. 7% of younger respondents) and the appearance of homes (10% vs. 0% of younger respondents).
- Commuter: Those who have longer commutes from their home to work were significantly more likely to say they couldn't find their desired type of home elsewhere (18% vs. 6% of those with less than a 25-minute commute). Those living closer to their workplace weighed being near their job (42% vs. 21% of those with a longer commute) and the quality of schools (27% vs. 13% of those who have longer commutes) more heavily.
- Household Size: Households with more than two people were significantly more likely to say that the quality of the school district was key to their choice of where to live (46% vs 12% of those with only 1 or 2 people in the household).

As noted in the overview, these results make intuitive sense. Younger respondents are more likely to have children living in the home and have tighter family budgets, so the cost of homes and the quality of the schools will be more significant in their locational choices. Those with longer commutes have clearly made the choice to live fairly distant from their workplace and may be doing so to be able to afford a nicer home. Finally, households of three or more are more likely to have children living in them and good schools will be more important to them.

[1] These same five factors, though not quite in the same order, were the top five reasons Barron County respondents choose to live where they do. This suggests some regional uniformity in home location choice factors.

<u>Overview, Top Housing Challenges</u>. Polk County residents were asked to identify what they think are the top three housing-related challenges facing their community. The two challenges identified by the largest proportion of the representative sample were property taxes (49% of the respondents) and the cost of buying a home (38%). Households of two or fewer were significantly more concerned about the availability of starter homes and the cost of home maintenance, perhaps because they are just entering the home ownership market. For reasons that are unclear, younger respondents were more concerned about the lack of variety of housing choices and commuters with the cost of home maintenance.

The percentage of respondents in the representative Polk County sample selecting each of the housing challenges is shown in Figure 2.



The two biggest housing challenges in Polk County appear to be concerns about property taxes (49% as one of top three issues) and the overall cost of buying a home (38% in top three). Between one-in-five and one-in-four said that the cost of home maintenance (25%), a lack of quality rental units (23%), a lack of variety in housing choices (22%), the overall high cost of living (22%), and the cost of land (20%) were among the biggest housing challenges facing their community.[2]

[2] The list of top challenges were very similar in Barron County – the cost of renting was more important in Barron than in Polk and the cost of home maintenance more important in Polk. The low-level of importance associated with the cost of rent in Polk County is likely explained by the low proportion of renters in the dataset (9% vs. 22% in the Census). Again, this commonality suggests that housing challenges are probably regional in nature.

There were relatively few statistically significant differences in how the challenges shown in Figure 2 were rated based on the respondent's demographic profile:

- Age: Younger respondents were more concerned about a lack of variety in their housing choices (37% vs. 15% of those 45 or older).
- Commuter: Those who drive 25 minutes or more from their home to work were significantly more concerned about the cost of home maintenance (36% vs. 20% of those with a shorter commute).
- Household Size: Those living in households of two or fewer were significantly more concerned about the supply of starter homes (20% vs. 8% of those from larger households) and the cost of maintaining a home (31% vs. 14% of those from larger families).

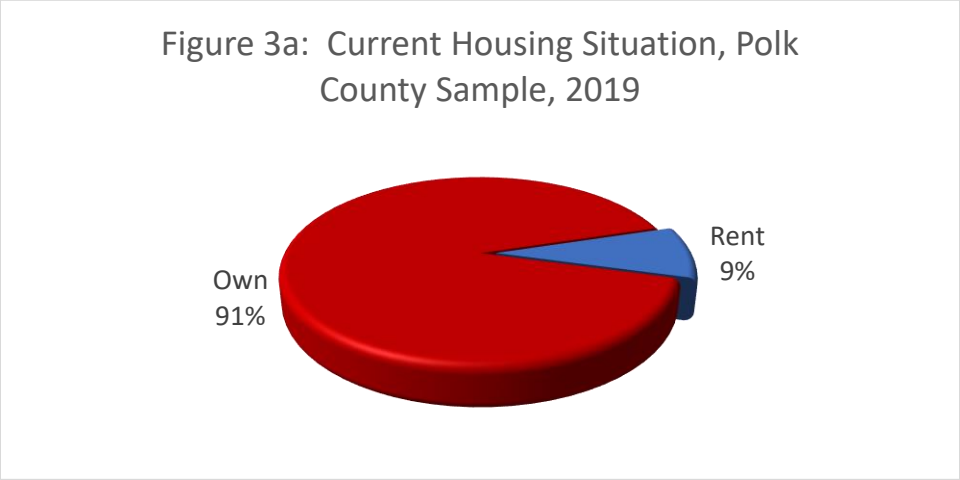
It is not clear why younger respondents see a lack of housing variety as so much more important. If commuters truly have traded off a longer commute to buy more house, it may be that the follow-on costs of home maintenance have proven more than they budgeted for. Families of two or fewer might be looking for a starter home, either as a first home or a down-sized home as they age, so that result aligns with expectations. We noted that there is a fairly strong negative correlation between age and household size (older respondents tended to have smaller household sizes), so the challenges of home maintenance, either because these older home-owners are not as physically capable of doing them or because a fixed retirement income makes them more challenging, also makes intuitive sense.

Polk County Sample Housing Opinions

Current and Preferred Housing Situation

<u>Overview, Current and Preferred Housing</u>. A large majority of respondents in the Polk County representative sample are homeowners (91%), which exceeds the rate of homeownership in the County according to the U.S. Census (78%). Further, almost all respondents in the sample hope to be homeowners within 5 years (97%). The types of houses in which respondents currently live were mainly "starter" homes (36%) or larger, single-family homes (56%). Further these are the types of homes most respondents in the County sample prefer (34% starter and 58% larger, single-family). Interestingly, those 45 and older were significantly more likely to prefer to live in a starter home and younger respondents in a larger, single-family home. Less surprisingly, households of three or more would prefer to live in a larger, single-family home.

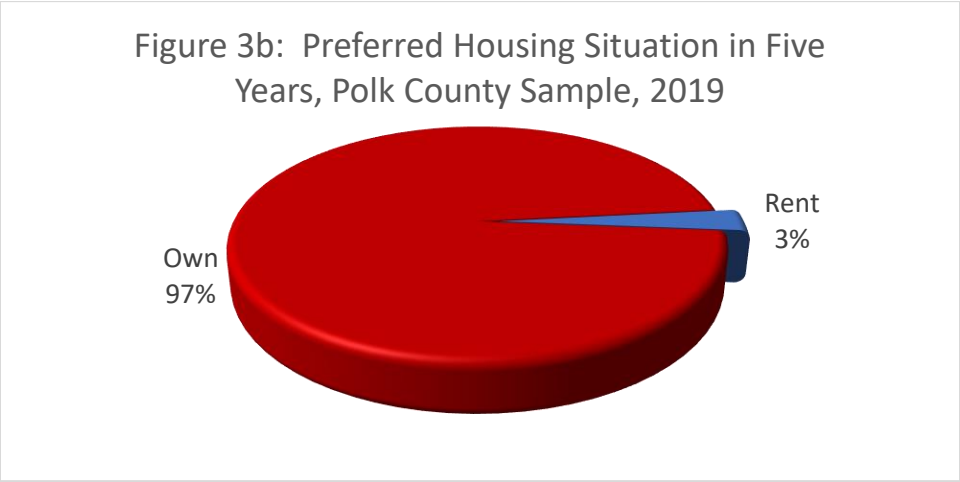
Respondents were asked what best described their current housing situation, renter or homeowner, and in which group they hoped to be in five years. Figure 3a shows that 91% of the respondents were currently homeowners and 9% were renters. The U.S. Census indicates that 78% of the houses in Polk County were owner-occupied and 22% were renters, so the sample includes more owners and fewer renters than would be expected.



Because there are so few renters in the dataset, it is not surprising that there are no statistically significant differences in the current housing situation based on age, number in the household or the length of a respondent's commute. Though not statistically significant, those under 45 were about twice as likely to be renters as respondents 45 and older.

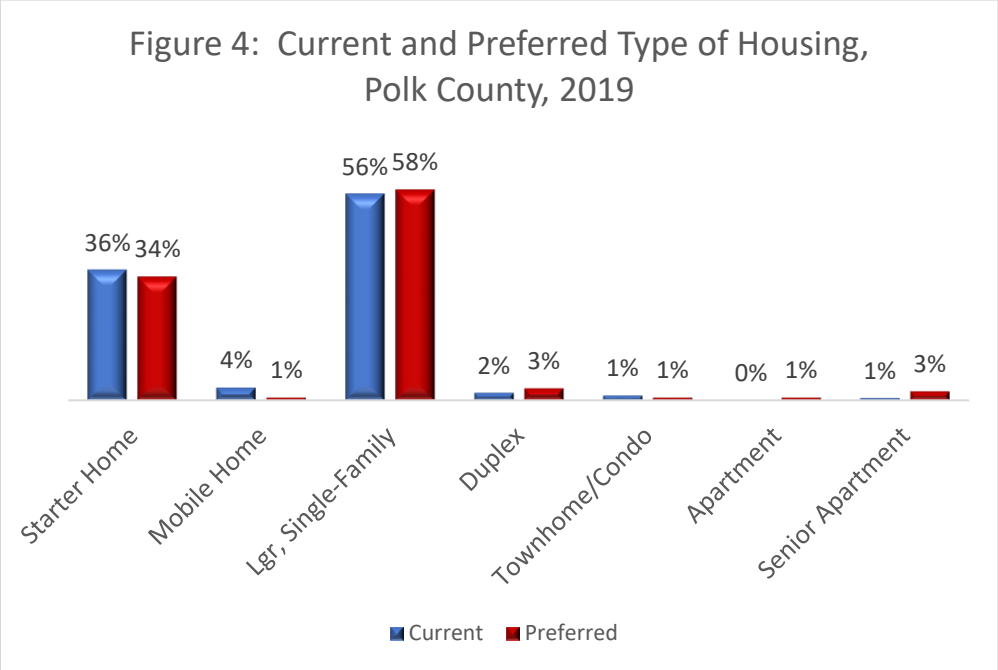
Figure 3b (next page) shows that almost all the respondents (97%) would like to be homeowners in five years. Ten of the thirteen respondents in the representative sample who are currently renting, would like to own their own home; only 1 of the 119 current homeowners would prefer to be renting a home in five years. There were no statistically

significant differences in the preferred housing in five years based on age, commuting time, or household size.



Current and Preferred Housing Type

Figure 4 indicates that about one-third of Polk County employees currently live in what they consider a small, affordable, single-family "starter home" and slightly less than 60% in a larger single-family home. Few currently live in mobile homes (4%), duplexes (2%), senior apartments (1%), or apartments (<1%).



There is very little difference between current housing types and the preferred housing types for Polk County. Fewer respondents would prefer to live in a mobile home and more would prefer to live in a duplex or senior apartment.

With respect to current housing, families of three or more were significantly more likely to report that they live in a larger, single-family home (75% vs. 48% of households consisting of one or two people).

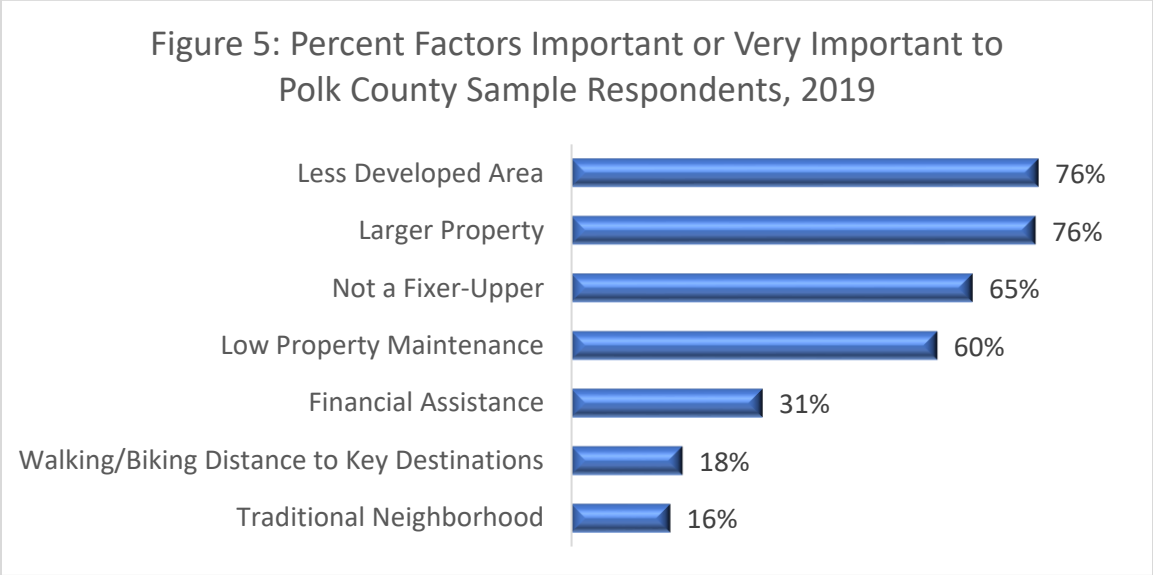
In terms of preferred housing:

- Age was significant. Those 45 and older were more likely to prefer a smaller, starter-type home (41% vs. 17% of younger respondents) and less likely to prefer a larger, single-family home (47% vs. 81% of younger respondents).
- Household size was also significant. Households of three or more would prefer to live in a larger single-family home (75% vs 47% of households of one or two people) and smaller households in smaller, starter-type homes (41% vs. 21% of those from households of three or more).

Desired Housing Characteristics

<u>Overview, Desired Housing Characteristics</u>. Substantial majorities of Polk County sample respondents would like to live in a less developed area, on a larger property, in a home that is not a "fixer-upper" and has low property maintenance. Being in a low-maintenance home that is not a fixer upper is particularly important to those 45 and older and those who live in a household of two or fewer. In contrast to results discussed above (key housing challenges), those with a longer commute were less concerned about having a home that is a fixer-upper.

Respondents were asked about the importance of seven factors they might consider when making a housing decision. Answer options were not important, somewhat important, important and very important. In Figure 5, the SRC has combined the important and very important responses.



Very clearly, four factors were particularly important to residents of Polk County. About three-quarters of the respondents said it is important or very important to them to live in a less developed area on a larger property. About two-thirds felt that way about the need for their home to not be a fixer-upper and to have low property maintenance demands. Only about one-third said access to financial assistance (rent subsidies or low-interest loans) were important and fewer than one-in-five said being within walking/biking distance of work, shops, schools, parks, clinic, etc. or being in a traditional neighborhood with smaller lots, sidewalks, front porches, etc. were important to them.

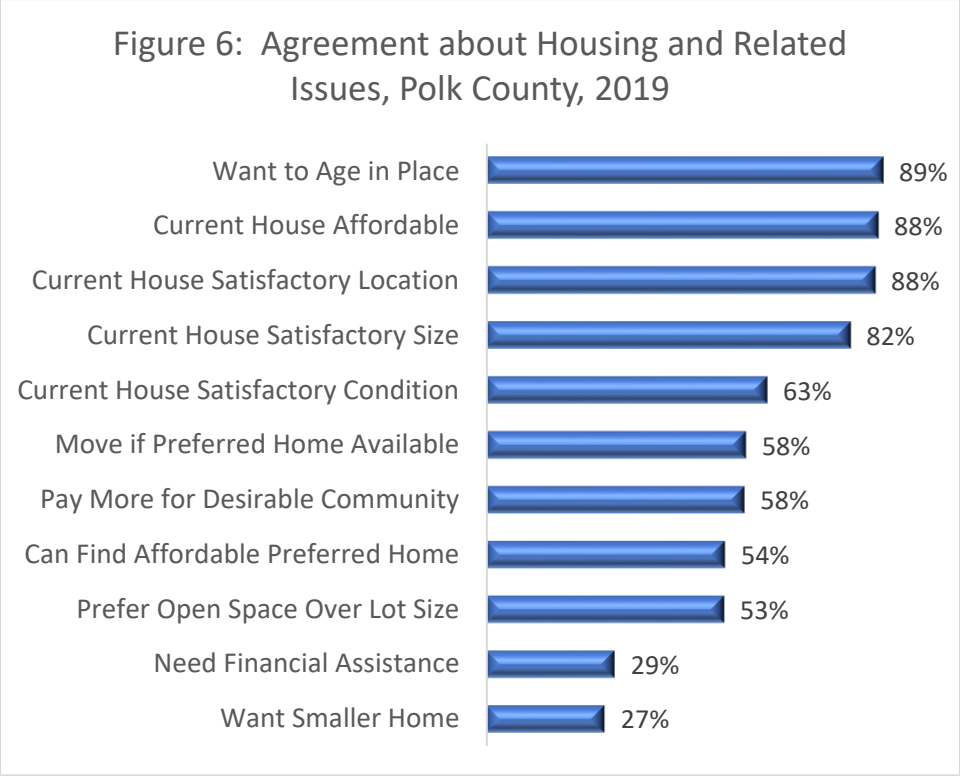
Differences across demographic groups in preferred features include:

- Age: Those 45 and above placed greater importance on low property maintenance (67% important or very important vs. 43% for younger respondents) and the home not being a fixer-upper (76% important or very important vs. 49% for younger respondents).
- Commuter: Those with longer commutes are less bothered by a home being a fixer upper (57% said this was important or very important vs. 73% of those with a commute of less than 25 minutes). This result is not completely consistent with concerns expressed by those with longer commutes about the cost of home maintenance (Figure 2).
- Household Size: Because there is a fairly strong negative relationship between age and household size, it is not surprising that households of two or less placed more importance on low property maintenance (69% important or very important vs. 46% for larger families) and a home not being a fixer-upper (71% important or very important vs. 61% for larger families). In contrast, large lot size is more important to larger families (three or more) (87% important or very important vs. 69% for smaller families).

Opinions about Housing and Related Issues

<u>Overview, Opinions about Housing and Related Issues</u>. Polk County residents would like a home designed to allow them to age in place, and believe that their current home is affordable, is in a satisfactory location, and is of a satisfactory size. Being able to age in place was particularly important to sample respondents who were 45 or older. Those with longer commutes were somewhat less satisfied with the location of their current home. Respondents from households of two or fewer were more likely to agree that a home with access to open space, parks and nice views is more important that a large lot size and that they need access to housing financial assistance such as rent subsidies or low interest loans.

Respondents were asked their opinions about eleven housing or housing-related issues. Answer options were, strongly agree, agree, disagree, strongly disagree and not applicable.



In Figure 6, the SRC eliminated the "not applicable" responses, so the bars show the percentage of respondents for whom a given question applied and who either agreed or strongly agreed with the question. For example, respondents were asked if they would move if their preferred housing was available at an affordable price and 29% said this was not applicable to them. While 41% of all respondents said they agreed or strongly agreed that they would move if they could find their preferred housing at an affordable price, 58% of those for whom this was an applicable question (= (41%/(100% - 29%)) would move under these conditions.

In addition, one of the questions was asked in the negative ("I haven't been able to find my preferred housing at an affordable price"). For this question, in Figure 6, the SRC is reporting the percentage of respondents who disagreed or strongly disagreed and changed the labels (Can Find Affordable Preferred Home).

Figure 6 indicates that there is a high level of agreement that Polk County residents would like a home designed to allow them to age in place, and that their current home is affordable, is in a satisfactory location, and is of a satisfactory size. Between half and two-thirds of those with an opinion also agree or strongly agree that the condition of their current home is satisfactory, that they'd move if they could find their preferred type of home at an affordable price, would be willing to pay more for housing that looks nice, is in a neighborhood with parks/open spaces, and in a welcoming/friendly community, that they've been able to find their preferred type of home and that access to open space, parks and nice views are more important than lot size. Fewer than one-third say they need financial assistance for housing or that they would prefer to live in a smaller home/apartment within five years.

In terms of the demographic groups:

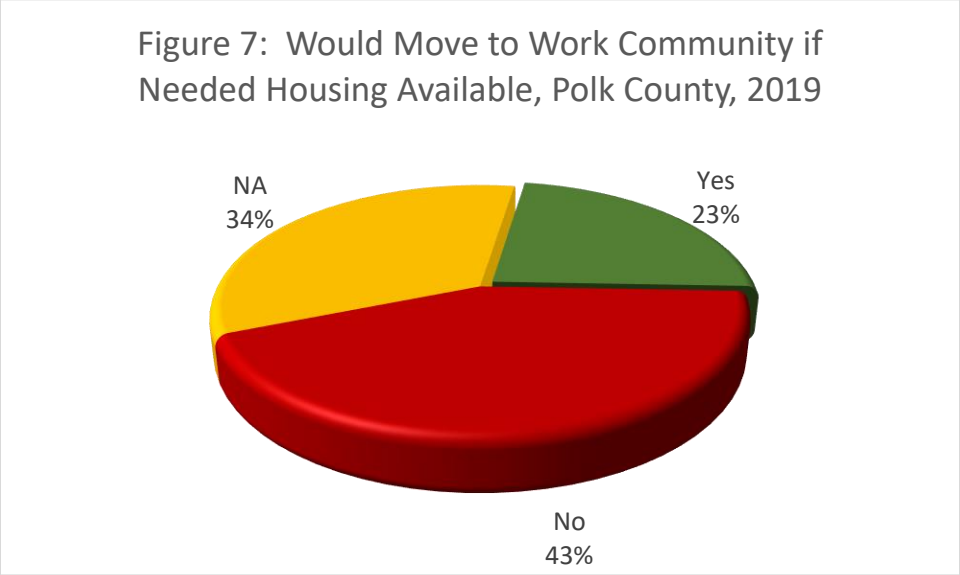
- Age: Those 45 and older were significantly more likely to say they would like a home where they could age in place (98% agreed or strongly agreed vs. 78% of younger respondents).
- Commuter: There is weak statistical evidence (significant at the 10% level) that those with longer commutes are less likely to agree that their home's location is satisfactory (82% agree or strongly agree vs. 90% of those with a shorter commute).
- Household Size: Respondents with one or two household members were more likely to agree that open space and nice views are more important than lot size (63% vs. 37% of those from households of 3+) and that they might need housing financial assistance (37% agreed or strongly agreed vs. 16% of larger households).

Willingness to Move to Community Where Working

<u>Overview, Willingness to Move to Community Where Working</u>. About one quarter of respondents in the Polk County representative sample said they would consider moving to the community in which they work if they could find the type of housing they need/desire and one-third already live in the community where they work. Those who currently have a commute of 25 minutes or more and respondents from households of two or less were significantly more likely to be willing to move to the community in which they work. For those with longer commutes, that might mean moving out of Polk County.

The final housing-focused question asked if the respondent would move to the community in which they work if the housing they need was available. Answer options were "yes," "no, I wouldn't move," or "no, I already live where I work."

Figure 7 summarizes the responses provided by Polk County residents and shows that about one-quarter would consider moving to the community in which they work if they could find the housing they need, 43% would not, and the remainder (34%) already live in that community. [3]



Those with commutes of 25 minutes or more were significantly more willing to move if they could find the sort of housing they need (40% vs. 17% of those with shorter commutes) and those from households of one or two were also more willing to consider moving (27% vs. 17% of those with three or more in the household). It should be noted that of those in the representative sample with commutes of 25 minutes or more, 76% worked outside of Polk County. Hence, moving to the community in which they work would, for most with longer-duration commutes, mean moving out of Polk County.

[3] The proportion willing to consider moving to the community in which they work was very similar in Barron County.

Employment Factors

<u>Overview, Employment Factors</u>. Respondents in the representative Polk County sample were employed in nearly equal proportions across key sectors (retail, health/social services, education/government, financial/professional/management, and manufacturing). Those under 45 years of age were more likely to be working in manufacturing or education/government; older workers were, not surprisingly, more likely to not be working. Respondents working in the health/social services or retail, entertainment and business services or the financial, professional management sectors tended to have longer commutes. About one-quarter of respondents in the County sample work outside of Polk County, which is similar to the 19% reported by the Census. The sample includes workers in all but one of the cities/villages in the County. Similar proportions of people in the County sample worked for organizations with 100 or more workers (35%) as worked in organizations with fewer than 10 employees (38%). Those under 45 were more likely to work for an organization with fewer than 10 employees, while older workers were more likely to be retired or self-employed. Those working for firms with 100 or more employees tended to have longer commutes.

Respondents were asked three employment-related questions:

- What best described their current job.
- Where their primary job is.
- The size of their primary workplace in terms of number of employees.

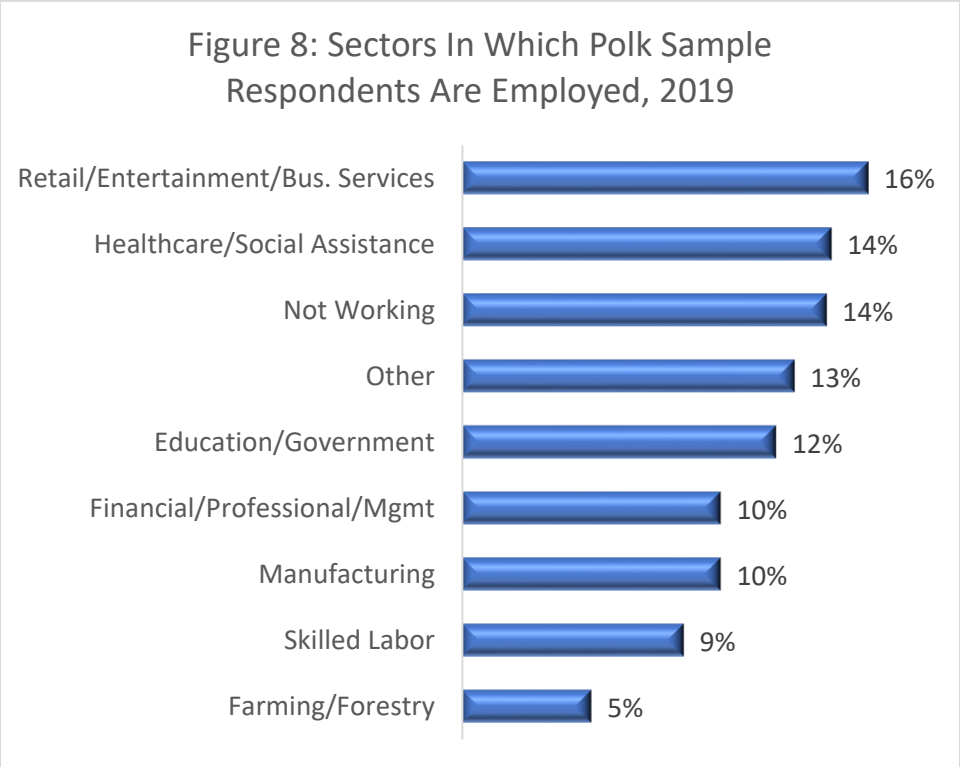


Figure 8 (previous page) indicates that the respondents included in the representative Polk County sample were employed in a wide variety of economic sectors. In the survey, respondents could choose from six sectors or an "other, please specify" option. The SRC noticed a fairly substantial number of respondents who work as skilled laborers (construction, auto mechanics, etc.) and in forestry/farming occupations and recoded respondents from "other" into those two additional categories as appropriate. Further, a number of respondents selected "other" and said they were retired, and such responses were re-coded into "not working." The highest proportion of respondents were in the retail, entertainment or business services (16% of respondents) and healthcare or social service sectors (14% of respondents).

In terms of differences in employment across demographic categories,

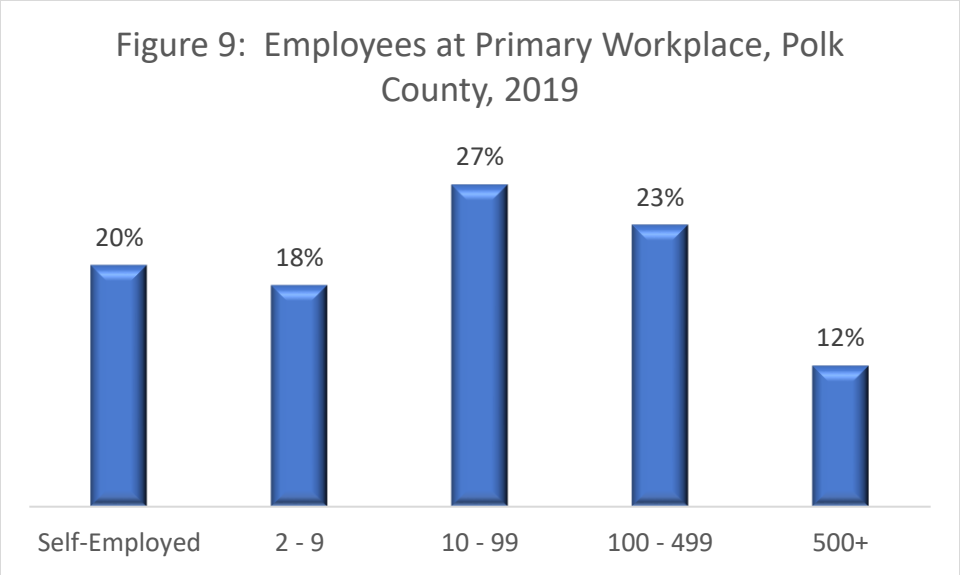
- Younger respondents were more likely to be employed in manufacturing, skilled labor, and education/government. Older respondents were more frequently employed in farming/forestry, other or were not working.
- Shorter commutes were associated with education/government and, obviously, those who are not working. Longer commutes were associated with health/social services or retail, entertainment and business services or the financial, professional management sectors.

Table 3 shows where respondents in the constructed Polk County sample work. About one-quarter (35 of 137, 26%) work outside of Polk County, which is somewhat similar to the 19% reported by the Census. A bit more than one-in-ten (15%) said they are not currently working and 14 of those 19 reported their age as 65+. Table 3 indicates the constructed sample includes workers in all but one of the cities/villages in the County.

Table 3: Location of Polk County Sample Respondents' Primary Job, 2019

20	Not working	4	Centuria	2	Dresser	9	Osceola
16	Work from Home	1	Clayton	4	Frederic	13	St. Croix Falls
14	Amery	7	Clear Lake	4	Luck	2	Turtle Lake
4	Balsam Lake	0	Cushing	2	Milltown	35	Outside Polk Co

Many of the respondents in the Polk County sample worked for relatively large organizations (Figure 9, next page). More than one-third (35%) reported that their primary workplace had at least 100 employees. A comparable proportion (38%) worked for themselves or for organizations of fewer than ten employees.



There were significant differences in the size of respondents' workplace, in terms of number of employees, based on the age of the respondent. Older respondents were, not surprisingly, more likely to say they are not working (20% of those 45 and older vs. 4% of younger respondents), but also more likely to be self-employed (26% of those 45 and older worked for themselves compared to 10% of younger respondents). Those under 45 tended to work for firms with fewer than 10 workers (26% vs. 12% of older workers).

The commute time also separated respondents by firm size. Shorter commutes are associated with firms with fewer employees (21% of those who commuted for fewer than 25 minutes worked for organizations with fewer than 10 employees vs. only 8% of those who drove more than 25 minutes to get to work) and longer commutes tended to mean the respondent worked for a larger business (56% of those who drove at least 25 minutes worked for organizations with at least 100 employees vs. 19% of those who commuted for 25 minutes or less).

In sum, based on the responses of people in the representative Polk County sample, most people choose to live where they do to be near friends and family, because of the cost of housing and to be near their job. But, for younger residents, the quality of schools is also very important. The housing issues that keep Polk County residents up at night are property taxes and the overall cost of buying a home. Most County residents want to be homeowners, living in a larger home, on a larger property in a less developed part of Polk County. The desire to live in less developed areas may not be completely compatible with another desire, which is to live in a home in which they can age in place; services for older residents are likely to be more available in more developed areas. Results for Polk County were similar to those for Barron County, suggesting that housing issues may be regional in nature. In terms of employment, the representative sample included people working in a wide variety of sectors. Younger workers were more likely to work in manufacturing or education/government and work in firms with fewer than 10 employees.

Part 2: Analysis by Key Subpopulations

The Data Used for the Population Subpopulations

<u>Overview, Data Used for the Demographic and Business Subsectors</u>. In this section the SRC compares the responses of renters vs. home-owners, households reporting incomes at or below the median for the County vs. higher income respondents, those open to moving to the community in which they are employed vs. those unwilling to consider such a move, and the those working in manufacturing vs. education/government vs. health/social assistance. After completing statistical tests, the SRC concluded that it was appropriate to use all of the data collected in the Polk County Housing Survey (559 surveys) rather than limiting the analysis to the representative County sample (145 surveys).

In this segment of the report, the SRC will summarize significant differences in the responses of:

- Those currently **renting versus** those who are currently **home-owners**.
- Those from households with **lower incomes** ($42,840 or less, which is 80% of the median household income for Polk County of $53,550) **compared** to those from households with **incomes greater than that**.
- Those who said they **would move** to the community in which they work if the housing they need was available and those who don't live in the community in which they work and **wouldn't consider moving** there even if the housing they need were available.
- Those working in the **education/government** sector, those working in the **health/social assistance** sector, and those in the **manufacturing** sector.

A key question for this section of the report is whether or not there is sufficient commonality within these groups to justify using the full dataset of 559 observations. Specifically, do respondents in the above categories who were included in the Polk County sample have opinions about housing that differed significantly from those who were not in the sample. Compared to those not in the County sample:

- **For renters**: Those in the County sample were more likely to say they've chosen to live where they do to be near family and friends, but the cost of housing was less important.
- **For homeowners**: Those in the County sample were less likely to say cost was important, more preferred starter houses (more of those not in the sample preferred senior housing or apartments/condos), being within walking distance of shops, schools and work was less important, as was having a home in a traditional neighborhood, but being in a less developed area on a larger property was more important.
- **Low income households**: Those in the County sample were less concerned about being near their job, but more concerned about property taxes and more likely to want to live in a less developed area on a larger property. They were less likely to be renters, to want to be renting in five years and were less interested in senior housing and more

interested in living in a larger home. They were likely to live in a home with more bedrooms.

- **High income households**: Those in the County sample were less concerned about the cost of a home and less interested in living near shops, work and school or in a traditional neighborhood and more interested in living in a less developed area on a large lot. They are more interested in a home in which they could age in place and tend to live in a home with more bedrooms.
- **Willing to move**: There were no significant differences in those in the County sample and those not in the sample among those who said they'd be willing to move to the community in which they work.
- **Not willing to move**: Those in the County sample who were not willing to move to the community in which they are employed were less likely to be renting, have less interest in living near shops, schools and their work or in a traditional neighborhood, but more interested in living in a less developed area on a large lot. They are more interested in a home design allowing them to age in place and to live in a home with more bedrooms.
- **Working in manufacturing**: Those in the County sample were less concerned about the cost of housing, but more interested in living close to recreational opportunities, in a less developed area on a larger property.
- **Education/Government**: Those in the County sample were more likely to say the cost of buying a home is a key challenge in their community and are more interested in living in a less developed part of the County.
- **Healthcare/Social Assistance**: Those in the County sample were more likely to live where they do to be near family/friends, to be less interested in living in a traditional neighborhood, and are more satisfied with the size of their current home.

Based on these analyses, in this section of the report, the SRC will be using the full dataset of 559 completed surveys, rather than the County sample of 145. Because the full dataset includes a disproportionate number of respondents from villages/cities, there are likely to be some biases in the results for a handful of variables (e.g. the importance of living near shops, schools and work or in a traditional neighborhood versus living in a less developed area on a larger property). But it seems that most respondents within a given group (e.g. renters), regardless of where they live in Polk County share broadly similar opinions about housing.

Renters vs. Homeowners

Overview, Renters vs. Homeowners. Renters tend to be younger, live in homes with fewer people and fewer bedrooms, have lower incomes, and to be more likely to be unemployed or retired. Renters like homeowners tend to live where they do because of the cost of housing, to be near friends and family and to be near their job. But, significantly higher proportions of renters said they live where they do because they don't think they could find their desired type of housing elsewhere. Not surprisingly, renters were significantly more likely than homeowners to say that key housing challenges facing their community are the cost of renting, a lack of quality rental units, and the overall cost of living. Most renters hope to own their own home in five years, but their preferred type of home is more diverse than current homeowners' preferences. Compared to current homeowners, higher proportions of renters are interested in living in a smaller, affordable single-family "starter" home, a mobile home, a duplex, an apartment, or senior housing than is the case for current homeowners (a majority of whom want to live in a larger, single-family home). Renters are nearly twice as likely as homeowners to express a willingness to move to the community in which they are employed, probably because they are less satisfied with many aspects of their current home. However, renters were also significantly more likely to feel they need housing financial assistance than homeowners.

In the full Polk County dataset, 85 (15%) of the respondents said they are currently renting their home and 468 (85%) are currently homeowners. There are many statistically significant differences in how these two groups answered the questions in this survey.

Demographically, renters are:

- Younger (20% under 35 compared to 10% of current homeowners).
- Have smaller households (43% have one person vs. 18% for homeowners).
- Live in homes with fewer bedrooms (32% have two or fewer bedrooms compared to 2% of homeowners).
- Have lower household incomes (62% reported household incomes of $53,550 (median income for Polk County) or less compared to 35% of homeowners).
- More likely to not be working (26% vs. 14% of homeowners)

The main reasons renters say they live where they do are similar to the reasons given by homeowners: the cost of housing, to be near family/friends, to be near their jobs. But, significantly higher proportions of renters live where they do because:

- They don't think they could find their desired housing elsewhere (28% vs. 8% of homeowners).
- They want to be near shopping (7% vs. 3% of homeowners).
- They want to be near community services (6% vs. 2% of homeowners).

Renters were significantly less influenced by the quality of the neighborhood (15% vs. 26% of homeowners).

In terms of the top three housing related challenges facing their community, renters, compared to homeowners, were

- More concerned about the cost of renting (39% vs. 13% of homeowners).
- More concerned about the quality of available rentals (34% vs. 23% of homeowners).
- More concerned about the overall cost of living (32% vs. 20% of homeowners).
- Less concerned about property taxes (25% vs. 50% of homeowners).

The preferred housing situation for renters in five years, was a substantial movement toward homeownership, with 63% of current renters hope to own their home. Never-the-less, current homeowners aspire to be homeowners five years from now in an even higher proportion (97%).

Table 4 shows the types of housing that current renters and homeowners hope to occupy in five years. The preferences of current renters are significantly different and more diverse than current homeowners. Higher proportions of renters are interested in living in a smaller, affordable single-family "starter" home, a mobile home, a duplex, an apartment, or senior housing than is the case for current homeowners. Current renters, compared to current homeowners, are less interested in a larger single-family home.

Table 4: Preferred Housing in Five Years, Polk County Renters and Owners, 2019

	Count	Starter Home	Mobile Home	Larger Single-family	Duplex	Townhome	Apartment	Senior Housing
Renter	67	39%	4%	30%	7%	1%	4%	13%
Homeowner	358	27%	1%	59%	3%	4%	0%	5%

When making a housing decision, renters were more likely to say:

- Access to financial assistance (rental subsidies or low-interest loans) is very important (42% vs. 10% of homeowners).
- That a home that is not a fixer upper is very important (37% vs. 31% of homeowners).
- Being able to walk/bike to work, downtown, schools, parks, clinics, etc. is important (21% vs. 7%).
- They were less concerned about living in a less developed area (20% said this was very important vs. 29% of homeowners).
- They were less influenced by living on a larger property (19% said this was important vs. 31% of homeowners).

Compared to current homeowners, current renters agree in significantly:

- Lower proportions that they are satisfied with their home's location (24% strongly agree vs. 34% of homeowners).
- Lower proportions that they are satisfied with their home's size (16% strongly agree vs. 26% of homeowners).
- Lower proportions that they are satisfied with their home's condition (60% agreed or strongly agreed vs. 72% of homeowners).
- Lower proportions would be willing to pay more to live in a place that looks nice, is in a neighborhood with parks or open space and is in a welcoming community (35% agreed or strongly agreed vs. 50% of homeowners).
- Higher proportions said that they have not been able to find their preferred housing at an affordable price (34% strongly agree vs. 9% of homeowners).
- Higher proportions said they need access to financial assistance such as rental subsidies or low-interest loans (33% strongly agree vs. 5% of homeowners).
- **Higher proportions that they would move if their preferred housing was available at an affordable price (48% strongly agree vs. 15% of homeowners).**
- Higher proportions would like to live in a smaller home in five years (17% strongly agree vs. 5% of homeowners).

Renters are nearly twice as likely to consider moving to the community in which they work if they could find the housing they need (48% of renters vs. 25% of homeowners). Excluding those who said they already live in the community in which they work, <u>62% of renters said they would consider moving to the community in which they work if they could find the housing they need, compared to only 38% of current homeowners</u>.

In sum, renters, compared to homeowners, tend to be:

- Younger and from households with lower income.
- Are most concerned about housing factors that directly affect them (cost of rent, availability of quality rentals and their high cost of living).
- Less satisfied with many aspects of their current home, feel they couldn't find a home that meets their needs elsewhere, but would be willing to move if they could find such housing.
- More open to different types of housing and less concerned about living in the country on a large lot.
- Less likely to live in the community in which they work, but more open to moving there if they could find suitable housing.

Lower versus Higher Income Households

<u>Overview, Lower vs. Higher Income Households</u>. Respondents from households with annual incomes of $42,840 (80% of the median income for Polk County) or less tended to be older, live in households of two or fewer people in homes with two or fewer bedrooms, to be out of the labor force or working for organizations with fewer than 100 employees. Lower income respondents were more likely to be renting their current residence and have a wider array of housing types in which they would like to be living. As might be expected, lower-income respondents were significantly more concerned about the cost of rent and more likely to say they need housing financial assistance. Lower-income respondents are less satisfied with some aspects of their current home but, interestingly, are not significantly more likely to say they would consider moving if their preferred housing was available at an affordable price.

For this section, households saying their household income is $42,840 per year or less, which is 80% of the median income level for Polk County, are considered lower income and those with incomes greater than this amount are classified as higher income households. A total of 148 respondents (28% of the total) were in the lower income group and 386 (72%) in the higher income group.

Again, there were many statistically significant differences in the responses of lower and higher income employees. Because there was a significant correlation between income and the type of housing (rental vs. owned), there is some similarity in the results in this section and the preceding one.

Demographically, lower-income respondents:

- Were likely to be older (70% were 55 and older vs. 45% of higher-income respondents).
- Have significantly fewer people in their household (45% lived alone vs. 14% of higher-income respondents).
- Have fewer bedrooms in their home (54% had 2 or fewer vs. 23% of higher-income respondents).
- Were more likely to not be working (40% vs. 11% of higher-income respondents) and, as a result, had shorter commutes (only 13% drove 25 minutes or more to get to work vs. 40% of higher-income respondents).
- Who were working, were less likely to work for a larger organization (18% worked for an organization with 100+ employees vs. 37% of higher-income respondents).
- Were more likely to be renting their home (35% vs. 8% of higher-income respondents)
- Were less likely to prefer to own their home in five years (80% vs. 96% of higher-income households).
- Were more likely to currently live in something other than a larger, single-family home (20% live in a larger, single-family home vs. 53% of higher-income respondents).

As Table 5 indicates, lower-income respondents, compared to their higher-income counterparts, were less likely to prefer to live in a larger, single family home (33% prefer a larger, single-family home vs. 64% of higher-income respondents). Higher proportions of lower-income respondents prefer most of the other types of housing shown in Table 5.

Table 5: Preferred Housing in Five Years, Polk County Lower- and Higher-Income Households, 2019

	Count	Starter Home	Mobile Home	Larger Single-family	Duplex	Townhome	Apartment	Senior Housing
Lower Income	106	39%	5%	33%	9%	2%	3%	10%
Higher Income	308	26%	0%	64%	2%	4%	0%	4%

In terms of factors that are important in the decision of where to live, both high- and low-income respondents said being close to family/friends and near their jobs were important. However, there were also a number of significant differences:

- Though a small proportion, lower-income households were three times as likely to choose their home location based on proximity to shopping (6% vs. 2% of higher earners).
- Similarly, a small proportion of lower-income households said community services were important in their home location choice (5%), but this was five-times the proportion of higher-income respondents (1%).
- A quality neighborhood was less important to lower-income respondents (17% vs. 28% of higher-income respondents).
- Quality schools were also less influential to lower-income respondents (11% vs. 26% of higher-income respondents).
- Aesthetics and beauty were less influential to lower-income respondents (10% vs. 17% of higher-income respondents).

In terms of the top three housing problems facing their communities, lower-income respondents were:

- More concerned about the cost of home maintenance (28% vs. 18% of higher earners).
- More concerned about the cost of renting (28% vs. 13% of higher-income households).
- Less concerned about property taxes (36% vs. 50% of higher-income groups).
- Less concerned about the lack of variety of housing choices (17% vs. 26% of higher-income respondents).
- Less concerned about the cost of land (10% vs 17% of higher-income respondents).

In terms of characteristics important to lower-income respondents when making a housing decision:

- Having access to financial assistance is more important (59% said this was important or very important vs. 24% of higher earners).
- Being in a less developed area/the country is less important (important or very important to 51% vs. 60% of higher earners).

- Having a larger lot or property is less important (42% said this was important or very important vs. 65% of high-income respondents).

Lower-income respondents, compared to those from higher income households, were:

- Less likely to agree their current home is affordable (83% agreed or strongly agreed vs. 93% of higher-income respondents).
- Less likely to be satisfied with the condition of their current home (58% agreed or strongly agreed vs. 74% of higher earners).
- Less likely to say that they would pay more for a house that looks nice, is in a neighborhood with parks/open space in a welcoming/friendly community (34% agreed or strongly agreed vs. 53% of the more financially secure).
- More likely to say they would like to live in a smaller house in five years (29% agreed or strongly agreed vs 19% of higher earners).
- More likely to say that they need access to financial assistance such as rent subsidies or low-interest loans (47% agreed or strongly agreed vs. 19% of higher-income households).

In sum, compared to their higher-income neighbors, lower-income respondents were:

- Likely to be older and live in smaller household who, if working, were more likely to be employed by smaller organizations.
- More likely to be renting currently and more flexible in terms of their preferred housing five years from now.
- More cost-conscious and likely in need of housing financial assistance.
- Less satisfied with their current home but, surprisingly, no more open to moving than those from higher-income households.

Those Willing to Move

Overview, Those Willing to Move to Work Community. For this analysis, respondents who already live in the community where they work were excluded. Those under 45 years of age and renters were significantly more likely to be willing to move than older respondents and homeowners. Those willing to move said their choice of where to live is more heavily influenced by the cost of housing, being close to work and not being able to find their desired type of housing elsewhere. The overall cost of living is a bigger worry to those willing to move. As would be expected, those willing to move are less satisfied with many aspects of their current residence (size, location, condition). Respondents who said they would consider moving were more open to smaller homes and apartments, but also said they need housing financial assistance.

In the full data set, 28% of the respondents said they'd consider moving to the community in which they work, 39% would not, and 33% already live in their work community. Excluding respondents who already live there, there were 152 (42%) respondents who said they would consider moving to the community in which they work and 212 (58%) who wouldn't.

Those willing to move were:

- Disproportionately young (37% were under 45 vs. 24% of those unwilling to move).
- More likely to be renters (25% of those willing to move were renters vs. 11% of those unwilling to move)
- More likely to live in something other than a larger, single-family home (34% live in a larger, single-family home vs. 50% of those unwilling to move).

Compared to those unwilling to move, those who would move to the community in which their job is located, were more influenced in where they've chosen to live by:

- The cost of homes (chosen by 61% of those willing to move vs. 43% of those unwilling to move)
- Being near their job (34% of those willing to move vs. 24% of those unwilling to do so)
- Not being able to find their desired type of housing elsewhere (21% of those willing to move vs. 6% of the unwilling).

In contrast, the quality of schools was less influential in their location choice (15% vs. 25% of those unwilling to move).

The only significant difference in the housing challenges facing their community was that those willing to move were more concerned about the overall cost of living (28% vs. 19% of those unwilling to move).

There were no statistically significant differences between those willing to move and those unwilling to do so in terms of how important factors such as having a large lot, being in a traditional neighborhood, access to financial assistance for housing costs, etc. were in their housing decisions.

Those willing to move to the community in which they work, compared to those unwilling to do so, were less likely to agree that:

- They are satisfied with the location of their current home (16% strongly agreed vs. 36% of those unwilling to move).
- They are satisfied with the size of their current home (14% strongly agreed vs. 31% of those unwilling to move).
- They are satisfied with the condition of their current home (15% strongly agree vs. 23% of those unwilling to move).
- They would be able to find their preferred housing at an affordable price (33% of those with an opinion agreed or strongly agreed vs. 60% of those unwilling to move).
- They would be more willing to move if their preferred housing type was available at an affordable price (74% vs. 36% of those unwilling to move).

Those willing to move were more likely to be willing to move to a smaller home/apartment in the next five years (29% agree or strongly agree vs. 17% of those unwilling to move) and that they need access to housing financial assistance such as rent subsidies or low-interest loans (38% agree or strongly agree vs. 22% of those unwilling to move).

In sum, those willing to consider moving to the community in which they work were disproportionately young renters who are “cost constrained” and are less satisfied with many aspects of their current dwelling.

Economic Sector

<u>Overview, Analysis by Economic Sector</u>. Compared to those employed in education/government or health/social services, respondents working in manufacturing were significantly more likely to live in households of one or two people in homes with three or fewer bedrooms and have longer commutes to get to work. Those working in manufacturing or health/social services were more likely to choose to live where they do to be near family/friends, those in education/government because of good schools. There were no differences with respect to respondents' current, future, or preferred housing across the three sectors. But, those in manufacturing were less satisfied with their current home's location, would like to live on a larger lot and think they need housing financial assistance.

The SRC assessed the opinions of respondents in three economic sectors: manufacturing, health and finance, and government and education. There were 91 responses from employees in the manufacturing sector, 70 in the government and education sector, and 52 in the health and finance sector.

Those working in manufacturing tended to live in smaller family units, in a home with fewer bedrooms and have longer commutes (Table 6).

Table 6: Demographic Differences by Employment Sector, Polk County, 2019

	Manufacturing	Education/ Government	Health/Social Services
Percent Households of Two or Fewer	64%	52%	47%
Percent with Two or Fewer Bedrooms	32%	19%	27%
Percent Commuting 25 Minutes or More	49%	20%	50%

Table 7 summarizes significant differences in the factors respondents working in different sectors considered important in their choice of where to live.

- Those working in manufacturing were less influenced by aesthetics/beauty or quality schools, but more swayed by being near friends and family than workers in the other sectors.
- Those working in education/government were more influenced by aesthetics/beauty and quality schools and less by friends and family.
- Those in healthcare and social assistance were more influenced by aesthetics/beauty and being near friends and family, but less by quality schools.

Table 7: Housing Location Differences by Employment Sector, Polk County, 2019

	Manufacturing	Education/ Government	Health/Social Services
Percent Swayed by Aesthetics/Beauty	4%	16%	15%
Percent Swayed by Nearness Friends/Family	43%	31%	56%
Percent Swayed by Quality Schools	21%	36%	21%

There were no significant differences across the sectors in respondents current housing situation (renting vs. ownership), in the type of home they currently occupy (e.g. starter home, larger single-family home, apartment, etc.) or the type of home they hope to occupy in five years.

There were also no significant differences across sectors in terms of the factors important to respondents when making a housing decision (e.g. living within walking/biking distance of work, shops, etc., living on a larger lot/property, etc.).

Table 8 summarizes differences across sectors in respondents' opinions about housing issues.

- Those working in manufacturing are less satisfied with their home's location, tend to prefer a larger lot over access to open space, parks and nice views, and are more likely to feel they need housing financial assistance (rent subsidies or low-interest loans).
- Opinions of those working in education or government and healthcare or social services are similar to each other: respondents in both groups are more satisfied with their current home's location, they value access to open space, parks and a nice view more highly, and only about one-quarter feel they would need housing financial assistance.

Table 8: Opinions about Housing Issues by Employment Sector, Polk County, 2019

	Manufacturing	Education/ Government	Health/Social Services
Percent Strongly Agree Location of Home is Satisfactory	21%	36%	33%
Percent Strongly Agree or Agree Access to Open Space/Parks/Views Trump Lot Size	36%	50%	46%
Percent Strongly Agree or Agree They Need Housing Financial Assistance	40%	23%	26%

A significantly higher proportion of those working in the education/local government sector currently live in the community in which they work (44% vs. 31% for health/social services and 24% for manufacturing). Excluding those who already live in the community in which they work, higher proportions of those working for a manufacturer (53%) and education/ government (44%) would be willing to move the community in which they work if they could find appropriate housing than was the case for those in healthcare and social services (31% willing to move).

In sum, workers in the manufacturing sector in Polk County appear to be the most likely to be willing to relocate. They are less satisfied with the location of their current home, tend to have longer commutes and are more likely to be willing to consider relocating. This group, however, is also more likely to feel they need some sort of housing financial assistance.

Subpopulation Summary

The results of the analysis of the four subpopulations seem to tell a similar tale. Housing constraints pinch most on renters, younger workers, those with lower household incomes and those working in the manufacturing sector. There are, in addition, significant correlations between several of these variables. Thus, younger workers are more likely to be renters with lower household incomes who work in manufacturing.

These types of workers tend to be more concerned about the cost of living, less satisfied with aspects of their current home, less likely to live in the community where they work, have longer commutes and, hence, may be more open to moving to the community where they work (if they could find appropriate/affordable housing and housing financial assistance were available).

Part 3: Community Summaries

In the following pages, the SRC will discuss how residents in the eight sponsoring communities feel about housing issues. The SRC will summarize the responses for each community and compare the responses for a given community to the responses received from people living elsewhere in Polk County. In terms of some unique results from each community:

- ***Amery**: Compared to respondents from other sponsoring jurisdictions, Amery residents were more interested in traditional neighborhoods with sidewalks, front porches and smaller lots and less in living in a less developed area on a larger lot. A higher proportion of Amery respondents work in their hometown than is true in other cities/villages.*
- ***Balsam Lake**: Compared to other cities/villages, a significantly higher proportion of Balsam Lake respondents said they chose to live there because of the recreational opportunities. A relatively high proportion of respondents from Balsam Lake are currently not working and had slightly lower household incomes.*
- ***Clear Lake**: Residents of Clear Lake appear less willing to move from that village to their work community than is true in other communities. Respondents from here seem more concerned about the availability of land/lots and a lack of quality rental housing.*
- ***Dresser**: Residents of this village were more apt to say they live there because of the cost of housing and the quality of the schools than was true in other cities/villages. These respondents were more concerned about property taxes than respondents from elsewhere in the County. Respondents from Dresser tended to be younger and be in households with a higher than average number of people.*
- ***Luck**: Compared to other sponsoring communities, residents of Luck are more concerned about property taxes and a lack of variety in housing choices. They are somewhat more drawn to traditional neighborhoods with sidewalks, front porches and smaller lots and less to underdeveloped portions of the County.*
- ***Milltown**: Residents of Milltown, compared to respondents from elsewhere, are more likely to say that the cost of a house is a key reason they live in the Village and they are more concerned about the cost of living. A higher proportion of Milltown residents currently live in smaller, starter homes than is true elsewhere in the County and are somewhat less satisfied with its affordability or condition.*
- ***Osceola**: Residents of this village were more likely to say the quality of the schools was important in their decision to live there. There was a higher proportion of renters among the respondents from Osceola and greater concern about the cost of renting. Residents of the village are more drawn to traditional neighborhoods rather than larger properties.*
- ***St. Croix Falls**: Residents of this city were more likely to say that recreational opportunities were important in their decision to live there. Probably because more respondents from St. Croix Falls were currently renting their home and living in apartments, they were also more concerned about the cost of rental housing.*

Amery

As noted in Table 1, the Census estimates that there are 1,215 occupied housing units in Amery. The 65 surveys received from Amery residents are expected to produce results accurate to within plus/minus 12% with 95% confidence. This means that if we surveyed residents of Amery 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 12%.

Table 9, over the next three pages, summarize the responses from Amery residents.

The most important factors considered by people when they chose to live in Amery were the cost of their home (important to 47% of respondents), being near friends and family (42%), and being near their job (41%). Compared to people living elsewhere in Polk County, Amery residents were less swayed by aesthetics and beauty (0% in Amery vs. 17% elsewhere) or recreational opportunities (13% vs. 22% elsewhere), but more so by the welcoming community and social activities (14% vs. 5% elsewhere) and the belief that they couldn't find their desired type of housing elsewhere (22% vs. 10%).

The biggest housing-related challenges according to Amery respondents are property taxes (55%) and the cost of buying a home (40%); the overall high cost of living and a lack of rental housing (27% each) were concerning to a substantial minority. There were no statistically significant differences between how Amery versus other Polk County respondents viewed housing challenges.

The Census indicates that 31% of occupied dwellings in Amery are rented; only 19% of the survey respondents from Amery said they are currently renters. While this is a slightly higher proportion than in the overall dataset (15%), it still means that renters were under-represented in the Amery sample. Most Amery residents hope to be homeowners in five years (93%).

Though not statistically significant, a substantially lower proportion of Amery respondents said they currently live in a larger, single-family home (34% vs. 45% elsewhere in Polk County); more Amery residents said they live in a smaller, starter home (42%) than in a larger, single-family home. In terms of the sort of home they would like to live in five years down the road, 46% hope to live in a larger, single-family home. The proportion who hope to be living in senior housing in five years is four-times greater than the current proportion (from 3% to 12%).

A solid majority of Amery respondents say it is important or very important, when making a housing decision, that a home is not a fixer upper (71%) and that it be a home with low property maintenance (69%). Nearly half would like to live on a larger property or lot (49%) and in a less developed area (44%). However, compared to people living elsewhere in Polk County, Amery residents are not as drawn to less developed areas (59% elsewhere said this was important or very important) or larger lots (60% elsewhere). Further, living in a more traditional neighborhood with smaller lots, sidewalks and front porches was more important to Amery residents (28%) than to people living elsewhere in Polk County (21%).

Table 9: City of Amery Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
3%	Appearance of Home	19%	Low Crime Rate	27%	Quality Neighborhood
5%	Community Services	0%	Aesthetics & Beauty	23%	Quality Schools
47%	Cost of Home	42%	Near Friends/Family	13%	Recreational Opportunities
6%	Near Shopping	41%	Near Job	14%	Welcoming Community
11%	Property Taxes	8%	Job Availability	22%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
40%	Cost Buying Home	27%	High Cost of Living	15%	Deteriorating Housing
22%	Cost Renting	55%	Property Tax	12%	Lack Starter Homes
20%	Cost of Land	7%	Lack Senior Housing	22%	Lack Variety Houses
13%	Availability Land/Lot	27%	Lack Rental Housing	18%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	19%	81%
Preferred housing situation in five years	7%	93%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	42%	30%
Mobile Home	6%	2%
Larger, Single-Family Home	34%	46%
Duplex/Twin Home	8%	4%
Townhome/Condo	2%	6%
Apartment	5%	0%
Senior Housing	3%	12%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	36%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	28%
Live in the country or less developed area, not a traditional neighborhood	44%
Live on a larger lot or property	49%
A home with low property maintenance	69%
A home that is not a fixer-upper	71%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	31%

Table 9: City of Amery Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	87%
I am satisfied with the location of my current housing	83%
I am satisfied with the size of my current housing	78%
I am satisfied with the condition of my current housing (no major repairs needed)	61%
I have not been able to find my preferred housing at an affordable price	39%
I would move if my preferred housing was available at an affordable price	52%
I want to live in a smaller home or apartment in the next five years	24%
Access to open space, parks, and nice views are more important to me than lot/property size	44%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	48%
I want a home designed to be accessible and to allow my household to age in place	76%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	25%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Amery	30%	27%	44%

Question 8. What is the location of your primary job?							
16%	N/A-Not Working	0%	Centuria	0%	Dresser	8%	Osceola
0%	Work from Home	2%	Clayton	0%	Frederick	2%	St. Croix Falls
34%	Amery	5%	Clear Lake	2%	Luck	2%	Turtle Lake
5%	Balsam Lake	0%	Cushing	0%	Milltown	26%	Outside Polk Co

Question 9. Which best describes your current primary job?				
19%	N/A - Not Working		16%	Education or Government
23%	Manufacturing		8%	Healthcare or Social Assistance
10%	Retail, Entertainment, Business Services		10%	Other (See Appendix B)
8%	Financial, Professional, Office Management		6%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
17%	N/A - Not Working	16%	2 - 9 Employees	16%	100 - 499 Employees
5%	Self-employed	35%	10 - 99 Employees	11%	500+ Employees

Question 11. What is your age?				
25 – 34	35 - 44	45 - 54	55 - 64	65+
22%	11%	19%	34%	14%

Table 9: City of Amery Summary (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		23%	44%	11%	9%	8%	2%	3%
Bedrooms are there	2%	10%	29%	41%	14%	5%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
18%	0%	32%	5%	11%	18%	15%

Question 15. What is your estimated total annual household income							
11%	Under $26,774	10%	$42,841 - $53,550	32%	$75,001 - $150,000	0%	$300,001+
25%	$26,775 - $42,840	19%	$53,551 - $75,000	3%	$150,001 - $300,000		

A majority of Amery respondents agreed or strongly agreed that their current house is affordable (87%), its location is satisfactory (83%), is of adequate size (78%), and its condition is also satisfactory (61%). A large majority would like a home that would allow them to age in place (76%). About half the respondents said they would move if they could find their preferred type of home at an affordable price (52%). There were no statistically significant differences between Amery respondents and those elsewhere with respect to these housing issues in Question 6.

A higher proportion of Amery residents said they work in their hometown (44%) than is the case for the rest of the Polk County respondents (31%). However, more than half (53%) of those who don't work in Amery said they would be willing to move to the community in which they work, which is significantly higher than for the rest of the Polk County sample (41%).

One-third of the respondents said their job was in Amery and one-quarter outside of Polk County. The proportion working outside of Polk County is similar to the rest of the sample (26% in Amery vs. 29% elsewhere), but lower than 40% of Polk's workforce that the Census indicates works outside of the County. About one-quarter of the Amery respondents said they work in manufacturing. The distribution of sectors in Amery is similar to the rest of the County. More than one-third of Amery respondents work in moderate sized organizations with between 10 and 99 employees. Again, there is not a significant difference compared to the rest of Polk County. The pattern of commuting in Amery is different than in the rest of the County. None of the respondents from Amery said they work from home (vs. 9% in the rest of Polk County), but 32% had a commute of less than 10 minutes (vs. 24% elsewhere), and only 15% drove for 35 minutes or more to get to work (vs. 22% elsewhere).

Though not quite statistically significant, Amery respondents were a bit younger than average, with 22% being under 35 compared to only 10% in the rest of the Polk County sample. The average respondent had 2.5 people living in the household and were living in a house with 3.7 bedrooms; both align with figures for all households in the study (2.5 people and 3.9 bedrooms). With respect to household income, Amery is similar to the rest of the sample. Amery respondents' household income was somewhat higher than the median income for Polk County of $53,550 as reported by the Census.

Balsam Lake

The Census indicates that there are 325 occupied housing units in Balsam Lake. Of the 185 Balsam Lake households invited to participate in the study, 37 returned a completed survey. The SRC expects the estimates for Balsam Lake to be accurate to within plus/minus 15% with 95% confidence. This means that if we surveyed residents of Balsam Lake 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 15%.

Table 10, over the next three pages, summarizes the responses for Balsam Lake

The primary reasons Balsam Lake residence gave for living in the Village were the cost of homes (43%), being near friends/family (34%), and recreational opportunities (34%). Compared to residents elsewhere in Polk County, Balsam Lake residents appear to be less influenced by schools (11% vs. 23% elsewhere), but much more so by recreational opportunities (34% vs. 19% elsewhere). Given the Village's location, the influence of recreational opportunities is understandable.

In terms of housing challenges facing Balsam Lake, the three most commonly cited problems were property taxes (50%), the high cost of buying a home (44%), and the lack of quality rental housing (29%). There were no statistically significant differences between Balsam Lake and the rest of Polk County with respect to the rating of the importance of housing challenges.

Currently, 21% of the respondents from Balsam Lake said they are renting their home and the remaining 79% are homeowners. In the next five years, 88% of the respondents hope to be homeowners. These proportions are not significantly different than the rest of Polk County.

In terms of the type of home respondents are currently living in and hope to be living in in five years, about half (52%) classified their current home as a larger, single-family dwelling and nearly two-thirds (62%) hope to be living in a larger home in the next five years. Though a slightly higher proportion of Balsam Lake respondents live in larger, single-family homes than is true elsewhere in Polk County, the difference is not statistically significant.

Half or more of the Balsam Lake respondents said that having a home that requires low property maintenance (68%), is not a fixer-upper (59%), is in a less developed area (58%) and is on a larger lot/property (53%) are important or very important factors in their housing decisions. However, only 11% of Balsam Lake respondents said living in a less developed area was very important to them (vs. 28% for those living elsewhere in Polk County) and being on a larger property was very important to only 14% (vs. 30% for the rest of the County).

Large majorities of Balsam Lake respondents agreed or strongly agreed that their current house is affordable (91%), in a satisfactory location (85%), is of an adequate size (76%), and in acceptable condition (69%). Most would also like a home that allows them to age in place (71%) and half said that having access to open space, parks and nice views are more important to them than lot size (50%). A higher proportion of Balsam Lake residents strongly agreed that their home's condition is satisfactory (38% vs. 18% elsewhere in Polk County).

Table 10: Village of Balsam Lake Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
9%	Appearance of Home	23%	Low Crime Rate	23%	Quality Neighborhood
3%	Community Services	17%	Aesthetics & Beauty	11%	Quality Schools
43%	Cost of Home	34%	Near Friends/Family	34%	Recreational Opportunities
0%	Near Shopping	31%	Near Job	3%	Welcoming Community
6%	Property Taxes	6%	Job Availability	6%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Three Challenges Facing Community					
44%	Cost Buying Home	12%	High Cost of Living	21%	Deteriorating Housing
18%	Cost Renting	50%	Property Tax	15%	Lack Starter Homes
18%	Cost of Land	12%	Lack Senior Housing	21%	Lack Variety Houses
6%	Availability Land/Lot	29%	Lack Rental Housing	12%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	21%	79%
Preferred housing situation in five years	13%	88%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	35%	23%
Mobile Home	0%	0%
Larger, Single-Family Home	52%	62%
Duplex/Twin Home	3%	4%
Townhome/Condo	3%	4%
Apartment	6%	0%
Senior Housing	0%	8%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	24%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	12%
Live in the country or less developed area, not a traditional neighborhood	58%
Live on a larger lot or property	53%
A home with low property maintenance	68%
A home that is not a fixer-upper	59%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	29%

Table 10: Village of Balsam Lake Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	91%
I am satisfied with the location of my current housing	85%
I am satisfied with the size of my current housing	76%
I am satisfied with the condition of my current housing (no major repairs needed)	69%
I have not been able to find my preferred housing at an affordable price	29%
I would move if my preferred housing was available at an affordable price	41%
I want to live in a smaller home or apartment in the next five years	15%
Access to open space, parks, and nice views are more important to me than lot/property size	50%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	38%
I want a home designed to be accessible and to allow my household to age in place	71%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	15%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Balsam Lake	26%	35%	38%

Question 8. What is the location of your primary job?							
34%	N/A - Not Working	3%	Centuria	0%	Dresser	3%	Osceola
3%	Work from Home	0%	Clayton	0%	Frederick	0%	St. Croix Falls
0%	Amery	0%	Clear Lake	3%	Luck	0%	Turtle Lake
31%	Balsam Lake	0%	Cushing	6%	Milltown	17%	Outside Polk Co

Question 9. Which best describes your current primary job?				
29%	N/A - Not Working		12%	Education or Government
0%	Manufacturing		6%	Healthcare or Social Assistance
12%	Retail, Entertainment, Business Services		24%	Other (See Appendix B)
6%	Financial, Professional, Office Management		12%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
35%	N/A - Not Working	18%	2 - 9 Employees	18%	100 - 499 Employees
3%	Self-employed	21%	10 - 99 Employees	6%	500+ Employees

Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 – 64	65+
9%	11%	17%	43%	20%

Table 10: Village of Balsam Lake (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		20%	49%	14%	11%	3%	3%	0%
Bedrooms are there	0%	12%	21%	27%	30%	9%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
34%	3%	34%	9%	0%	6%	14%

Question 15. What is your estimated total annual household income							
21%	Under $26,774	15%	$42,841 - $53,550	33%	$75,001 - $150,000	0%	$300,001+
15%	$26,775 - $42,840	6%	$53,551 - $75,000	9%	$150,001 - $300,000		

About one-quarter (26%) of Balsam Lake residents said they would move to the community in which they work if they could find their preferred housing there. This is similar to the proportion in the rest of Polk County.

About one-third (31%) of the respondents said they work in Balsam Lake, another third are not working (34%) and only 17% work outside of Polk County (much less than the 29% of respondents in the rest of the County). The Census indicates that 40% of Polk's residents of working age are employed outside of the County.

None of the Balsam Lake respondents work in manufacturing, 29% are retired, and 12% work in the trades (e.g. construction), education/government, and retail/entertainment/business services. There are similar proportions of Balsam Lake respondents working in organizations with 2 – 9 employees (18%), 10 – 99 employees (21%), and 100 – 499 employees (18%). Because a higher proportion of Balsam Lake respondents were not working, the length of the commute to work was somewhat shorter than in the rest of the County; 20% drove for at least 25 minutes to get to work compared to 32% of other Polk County respondents.

Though not statistically significant, Balsam Lake respondents were a bit older than in the rest of the county (63% were 55 or older compared to 52% of those living elsewhere in Polk County). The average Balsam Lake respondent lived in a household with 2.4 people and in a home with 4 bedrooms; both are similar to the overall sample averages of 2.5 people and 3.9 bedrooms. The median income for Balsam Lake respondents was slightly below the overall Polk County median of $53,550, 52% of the respondents had household incomes of less than or equal to that amount.

Clear Lake

According to the Census, there are 488 occupied housing units in Clear Lake. The SRC sent surveys to 200 households in the Village and received 70 completed surveys. This was the highest response rate of the eight sponsoring jurisdictions. The SRC expects estimates for Clear Lake to be accurate to within plus/minus 11% with 95% confidence. This means that if we surveyed residents of Clear Lake 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 11%.

Table 11, over the next three pages summarizes the responses for Clear Lake.

The primary reasons people have chosen to live in Clear Lake are the cost of homes (45%), to be near friends and family (40%), and to be near their job (40%). Compared to people living elsewhere in Polk County, a significantly higher proportion of Clear Lake residents said that they lived in the Village because of the property tax rate (19% vs. 8% elsewhere).

The responses to the question asking residents to identify the biggest housing-related challenges facing the Village were more dispersed than in most Polk County jurisdictions. The most important challenges identified by Clear Lake respondents were a lack of rental housing (35%), a lack of variety in housing choices, and lack of land/lot availability. Clear Lake residents were significantly more concerned about a lack of land/lots (28% vs. 9% elsewhere) and the lack of quality rental housing (35% vs. 23% elsewhere). They were much less concerned about property taxes (25% vs 49% elsewhere) and deteriorating housing conditions (8% vs. 19% elsewhere).

Currently, 14% of the Clear Lake respondents rent their home and 86% are homeowners. In five years, 89% of the respondents hope to be homeowners, which is a smaller shift toward homeownership than seen in other communities. In the rest of Polk County, home ownership goes from 85% currently to 92% in five years.

Currently about half of the Clear Lake respondents said they live in a larger, single-family home (53%) and one-third in a smaller, “starter” home (33%). There is, again, a relatively small aspirational change in the preferred housing type of Clear Lake respondents: 31% hope to be in a smaller, starter home and 59% in a larger single-family home.

Half or more of the Clear Lake respondents said it was important or very important to them that they have a home with low property maintenance (59%), live in the country/a less developed area (58%), live on a larger property (56%), and live in a home that is not a fixer-upper (51%). While it is important to Clear Lake residents to not live in a fixer-upper, they are less adamant about this than elsewhere in the County (51% of Village residents said this is important or very important vs. 63% of respondents elsewhere in the County). Living in a traditional neighborhood was modestly less important to Clear Lake residents (17% said this was important or very important vs. 23% of those elsewhere).

Table 11: Village of Clear Lake Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
6%	Appearance of Home	27%	Low Crime Rate	19%	Quality Neighborhood
1%	Community Services	15%	Aesthetics & Beauty	16%	Quality Schools
45%	Cost of Home	40%	Near Friends/Family	16%	Recreational Opportunities
3%	Near Shopping	40%	Near Job	10%	Welcoming Community
19%	Property Taxes	4%	Job Availability	10%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Top Three Challenges Facing Community					
26%	Cost Buying Home	26%	High Cost of Living	8%	Deteriorating Housing
17%	Cost Renting	25%	Property Tax	14%	Lack Starter Homes
23%	Cost of Land	12%	Lack Senior Housing	29%	Lack Variety Houses
28%	Availability Land/Lot	35%	Lack Rental Housing	20%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	14%	86%
Preferred housing situation in five years	11%	89%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	33%	31%
Mobile Home	5%	2%
Larger, Single-Family Home	53%	59%
Duplex/Twin Home	3%	4%
Townhome/Condo	0%	0%
Apartment	6%	0%
Senior Housing	0%	4%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	30%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	17%
Live in the country or less developed area, not a traditional neighborhood	58%
Live on a larger lot or property	56%
A home with low property maintenance	59%
A home that is not a fixer-upper	51%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	36%

Table 11: Village of Clear Lake Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	93%
I am satisfied with the location of my current housing	84%
I am satisfied with the size of my current housing	73%
I am satisfied with the condition of my current housing (no major repairs needed)	70%
I have not been able to find my preferred housing at an affordable price	31%
I would move if my preferred housing was available at an affordable price	46%
I want to live in a smaller home or apartment in the next five years	18%
Access to open space, parks, and nice views are more important to me than lot/property size	43%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	45%
I want a home designed to be accessible and to allow my household to age in place	83%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	25%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Clear Lake	23%	49%	28%

Question 8. What is the location of your primary job?							
9%	N/A - Not Working	0%	Centuria	0%	Dresser	3%	Osceola
3%	Work from Home	0%	Clayton	0%	Frederick	2%	St. Croix Falls
17%	Amery	32%	Clear Lake	0%	Luck	0%	Turtle Lake
0%	Balsam Lake	0%	Cushing	2%	Milltown	33%	Outside Polk Co

Question 9. Which best describes your current primary job?				
16%	N/A - Not Working		13%	Education or Government
31%	Manufacturing		4%	Healthcare or Social Assistance
12%	Retail, Entertainment, Business Services		10%	Other (See Appendix B)
9%	Financial, Professional, Office Management		3%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
15%	N/A - Not Working	13%	2 - 9 Employees	22%	100 - 499 Employees
4%	Self-employed	29%	10 - 99 Employees	16%	500+ Employees

Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 - 64	65+
14%	4%	30%	42%	9%

Table 11: Village of Clear Lake (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		30%	37%	14%	10%	4%	1%	3%
Bedrooms are there	0%	9%	13%	54%	21%	3%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
16%	3%	29%	9%	4%	12%	28%

Question 15. What is your estimated total annual household income							
16%	Under $26,774	18%	$42,841 - $53,550	38%	$75,001 - $150,000	1%	$300,001+
10%	$26,775 - $42,840	13%	$53,551 - $75,000	3%	$150,001 - $300,000		

High proportions of Clear Lake residents agreed or strongly agreed that their current house was affordable (93%), in a satisfactory location (84%), of an adequate size (73%), and in satisfactory condition (70%). Most respondents would like to live in a home that would allow them to age in place (83% agreed or strongly agreed). Clear Lake residents were significantly less interested in moving to a smaller home/apartment in the next five years (18% agreed or strongly agreed vs. 22% elsewhere in Polk County).

Slightly more than one-quarter of the Clear Lake respondents work in the Village and slightly less than one-quarter would consider moving to the community in which they work if their preferred housing was available. Though not statistically significant, more Clear Lake residents said they would not consider moving to where they work than was true elsewhere in the County (49% vs. 38% elsewhere).

About one-third of the respondents said their primary job is in Clear Lake (32%) and a comparable proportion work outside of Polk County (33%). The Census indicates that 40% of Polk's residents of working age are employed outside of the County. Clear Lake residents were significantly more likely to say their primary job is in manufacturing (31% vs. 15%) and less likely to be employed in the healthcare/social assistance sector (4% vs. 10%) than elsewhere in the County. Half the respondents said their employer has either 10 – 99 (29%) or 100 – 499 (22%) employees. Perhaps because a relatively high proportion of Clear Lake respondents work outside of Polk County, a somewhat higher proportion (though not statistically significant) reported a commute of at least 25 minutes (40% vs. 30% of those living elsewhere)

Clear Lake respondents were somewhat younger than those elsewhere in the County, with 49% under 55 compared to only 37% of those elsewhere in Polk. The average number of people per household in Clear Lake was 2.4 people and they lived in a home with an average of 4 bedrooms; both are similar to the overall sample averages of 2.5 people and 3.9 bedrooms. Fifty-six percent of Clear Lake respondents said their household income was above the Polk County median reported by the Census of $53,550, so incomes of Village respondents were slightly higher than average for the County.

Dresser

According to the Census, there are 400 occupied housing units in Dresser. The SRC sent surveys to 195 households in the Village and received 51 completed surveys. The SRC expects estimates for Dresser to be accurate to within plus/minus 13% with 95% confidence. This means that if we surveyed residents of Dresser 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 13%.

Table 12, over the next three pages summarizes the responses for Dresser.

The factors most important to respondents when deciding to live in Dresser were the cost of housing (59%), to be near friends and family (47%), and quality schools (37%). Compared to those living elsewhere in Polk County, the cost of housing (59% vs. 45% elsewhere) and the quality of schools (37% vs. 20% elsewhere) were significantly more important in their decision of where to live. Beauty/aesthetics of the home was significantly less important to Dresser residents (6% vs. 16% elsewhere).

When asked to identify the three top housing-related challenges facing Dresser, residents were, by a wide margin, most concerned about property taxes (62%). The next biggest concerns were the cost of buying a home and deteriorating housing conditions (both at 32%). Compared to those living elsewhere in Polk County, Dresser respondents were more concerned about property taxes (62% vs. 44% elsewhere) and deteriorating housing conditions (32% vs. 17% elsewhere), but less concerned about the cost of land (6% vs. 16% elsewhere) or the availability of land/lots (4% vs 12% elsewhere).

Currently, 12% of the Dresser respondents are renting their home and 88% are homeowners. In the next five years, 90% hope to be homeowners and 10% renting. The shift from current renters to future homeowners was smaller in Dresser (going from 88% to 90%) than in the rest of Polk County (going from 84% to 92%).

A high proportion of Dresser respondents currently live in smaller, starter-type homes (52%), which is much higher than elsewhere in Polk County (38%) and a relatively small proportion in larger, single-family homes (34% vs. 45% elsewhere). There are substantial differences in where Dresser residents would like to live with only 26% in starter homes, 48% in larger, single-family homes and a jump from 0% to 22% hoping to be in either senior housing or a townhome/condo. Though not statistically significant, substantially higher proportions of Dresser residents hope to be in townhomes/condos and senior housing than is the case elsewhere in Polk County.

Half or more of Dresser respondents said it is important or very important to them that they live in a home that is not a fixer-upper (59%), has low property maintenance (57%), and is on a larger lot or property (50%). Compared to elsewhere in Polk County, Dresser residents were significantly more interested in living in a traditional neighborhood (important or very important to 28% vs. 21% elsewhere), but less interested in living in a less developed area (41% important or very important vs. 59% elsewhere).

Table 12: Village of Dresser Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
4%	Appearance of Home	27%	Low Crime Rate	33%	Quality Neighborhood
0%	Community Services	6%	Aesthetics & Beauty	37%	Quality Schools
59%	Cost of Home	47%	Near Friends/Family	16%	Recreational Opportunities
0%	Near Shopping	31%	Near Job	2%	Welcoming Community
8%	Property Taxes	4%	Job Availability	14%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
32%	Cost Buying Home	26%	High Cost of Living	32%	Deteriorating Housing
14%	Cost Renting	62%	Property Tax	20%	Lack Starter Homes
6%	Cost of Land	18%	Lack Senior Housing	28%	Lack Variety Houses
4%	Availability Land/Lot	20%	Lack Rental Housing	16%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	12%	88%
Preferred housing situation in five years	10%	90%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	52%	26%
Mobile Home	0%	0%
Larger, Single-Family Home	34%	48%
Duplex/Twin Home	8%	5%
Townhome/Condo	0%	10%
Apartment	6%	0%
Senior Housing	0%	12%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	20%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	27%
Live in the country or less developed area, not a traditional neighborhood	41%
Live on a larger lot or property	50%
A home with low property maintenance	57%
A home that is not a fixer-upper	59%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	37%

Table 12: Village of Dresser Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	92%
I am satisfied with the location of my current housing	84%
I am satisfied with the size of my current housing	76%
I am satisfied with the condition of my current housing (no major repairs needed)	73%
I have not been able to find my preferred housing at an affordable price	43%
I would move if my preferred housing was available at an affordable price	61%
I want to live in a smaller home or apartment in the next five years	18%
Access to open space, parks, and nice views are more important to me than lot/property size	47%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	49%
I want a home designed to be accessible and to allow my household to age in place	71%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	24%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Dresser	30%	38%	32%

Question 8. What is the location of your primary job?							
10%	N/A - Not Working	0%	Centuria	14%	Dresser	8%	Osceola
4%	Work from Home	0%	Clayton	0%	Frederick	14%	St. Croix Falls
2%	Amery	2%	Clear Lake	0%	Luck	0%	Turtle Lake
2%	Balsam Lake	0%	Cushing	0%	Milltown	43%	Outside Polk Co

Question 9. Which best describes your current primary job?				
14%	N/A - Not Working		18%	Education or Government
14%	Manufacturing		6%	Healthcare or Social Assistance
14%	Retail, Entertainment, Business Services		8%	Other (See Appendix B)
18%	Financial, Professional, Office Management		10%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
14%	N/A - Not Working	8%	2 - 9 Employees	24%	100 - 499 Employees
6%	Self-employed	26%	10 - 99 Employees	22%	500+ Employees

Table 12: Village of Dresser (Continued)				
Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 – 64	65+
12%	31%	16%	31%	8%

Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		27%	27%	16%	20%	10%	0%	0%
Bedrooms are there	0%	2%	35%	39%	20%	4%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
14%	8%	25%	6%	8%	4%	35%

Question 15. What is your estimated total annual household income							
8%	Under $26,774	18%	$42,841 - $53,550	43%	$75,001 - $150,000	0%	$300,001+
14%	$26,775 - $42,840	10%	$53,551 - $75,000	6%	$150,001 - $300,000		

Most Dresser respondents agree or strongly agree that their home is affordable (92%), in a satisfactory location (84%), a satisfactory size (76%), and in satisfactory condition (73%). Most also agree or strongly agree they would like to live in a home that allows them to age in place (71%). A significantly higher proportion of Dresser respondents would move if their preferred housing was available and affordable (61%) than was true for other Polk County respondents (46%).

There were roughly equal proportions of Dresser residents who said they already live in the community in which they work (32%), would not consider moving (38%), and would move to the community in which they work (30%).

A significantly higher than average proportion of Dresser residents work outside of Polk County (43% vs. 27% in the rest of Polk County respondents). The Census indicates that 40% of Polk's residents of working age are employed outside of the County, so Dresser's respondents align with this figure. The type of jobs Dresser residents hold were fairly evenly split between education/government (18%), financial/professional/ office management (18%), manufacturing (14%), and retail/entertainment/business services (14%). The organizations for which Dresser residents work mostly had 10 – 99 workers (26%), 100 – 499 workers (24%), or 500 or more workers (22%). Dresser respondents seem to have longer commutes, perhaps because so many work outside of Polk County (35% commute at least 35 minutes vs. 20% elsewhere in Polk).

Dresser respondents were significantly younger than those responding from elsewhere in Polk County (43% were under 45 compared to only 26% elsewhere). The average household in the Dresser sample was 2.7 people and significantly larger than respondents from other parts of Polk County; 49% of Dresser households had three or more people, compared to only 35% elsewhere. The average Dresser home included 3.8 bedrooms; slightly smaller than the overall sample average 3.9 bedrooms. The household income of Dresser respondents was well above the Polk County median ($53,550); only 41% of respondents reported incomes at or below the median and 43% reported incomes in the $75,000 to $150,000 range.

Luck

According to the Census, there are 516 occupied housing units in Luck. The SRC sent surveys to 203 households in the Village and received 63 completed surveys. The SRC expects estimates for Luck to be accurate to within plus/minus 12% with 95% confidence. This means that if we surveyed residents of Luck 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 12%.

Table 13, over the next three pages summarizes the responses for Luck.

The factors most important to respondents when deciding to live in Luck were to be near family and friends (49%), the cost of homes in Luck (44%), and to be near their job (37%). Luck residents, compared to respondents living elsewhere in Polk County, were more likely to choose to live in the Village because of the quality of their neighborhood (33% vs. 23% elsewhere).

The top housing-related challenges facing Luck according to these respondents are property taxes (59%), a lack of variety of housing choices (36%), and the cost of buying a home (33%). Compared to those living elsewhere in Polk County, Luck residents were significantly more concerned about property taxes (59% vs. 44% elsewhere) and the lack of variety in housing choices (36% vs. 22% elsewhere).

Currently, 16% of Luck respondents are renting their home with 84% being homeowners. In five years, 93% of Luck respondents hope to be homeowners.

Nearly half (49%) of Luck respondents said their current home is a larger, single-family house and 40% said it is more of a starter home. In terms of preferences, 61% want to be in a larger, single family home, only 24% in a starter home and 9% in senior housing.

Large majorities of Luck respondents said it's important or very important to them to live in a home that is not a fixer-upper (71%) and has low property maintenance (70%). Half or more would like to live on a larger lot/property (58%) in a less developed area (52%). While being in a traditional neighborhood is not all that important to Luck respondents, it is more so than for those living elsewhere; 29% said it was important or very important compared to 21% elsewhere. Luck residents are also less adamant about living in a less developed area; only 15% said this was very important compared to 29% of other Polk County residents.

Solid majorities of Luck residents agree or strongly agree that their current house is affordable (87%), has a satisfactory location (86%), is a satisfactory size (73%), and is in satisfactory condition (67%). Most want a home in which they could age in place (79%) and would move if they could find their preferred type of home at an affordable price (58%). Compared to residents in other parts of Polk County, significantly higher proportions of Luck residents agreed or strongly agreed that they need access to housing financial assistance (40% vs. 24% elsewhere) but less likely to agree or strongly agree that access to open space, parks, and nice views are more important than lot/property size (37% vs. 48% elsewhere).

Table 13: Village of Luck Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors Choosing Where to Live					
8%	Appearance of Home	29%	Low Crime Rate	33%	Quality Neighborhood
3%	Community Services	13%	Aesthetics & Beauty	19%	Quality Schools
44%	Cost of Home	49%	Near Friends/Family	17%	Recreational Opportunity
0%	Near Shopping	37%	Near Job	3%	Welcoming Community
5%	Property Taxes	6%	Job Availability	10%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
33%	Cost Buying Home	18%	High Cost of Living	16%	Deteriorating Housing
13%	Cost Renting	59%	Property Tax	15%	Lack Starter Homes
11%	Cost of Land	16%	Lack Senior Housing	36%	Lack Variety Houses
11%	Availability Land/Lot	18%	Lack Rental Housing	28%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	16%	84%
Preferred housing situation in five years	7%	93%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	40%	24%
Mobile Home	5%	2%
Larger, Single-Family Home	49%	61%
Duplex/Twin Home	2%	0%
Townhome/Condo	2%	4%
Apartment	2%	0%
Senior Housing	0%	9%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	26%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	29%
Live in the country or less developed area, not a traditional neighborhood	52%
Live on a larger lot or property	58%
A home with low property maintenance	70%
A home that is not a fixer-upper	71%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	44%

Table 13: Village of Luck Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	87%
I am satisfied with the location of my current housing	86%
I am satisfied with the size of my current housing	73%
I am satisfied with the condition of my current housing (no major repairs needed)	67%
I have not been able to find my preferred housing at an affordable price	37%
I would move if my preferred housing was available at an affordable price	58%
I want to live in a smaller home or apartment in the next five years	30%
Access to open space, parks, and nice views are more important to me than lot/property size	37%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	39%
I want a home designed to be accessible and to allow my household to age in place	79%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	40%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Luck	36%	28%	36%

Question 8. What is the location of your primary job?							
13%	N/A - Not Working	5%	Centuria	0%	Dresser	0%	Osceola
6%	Work from Home	0%	Clayton	2%	Frederick	5%	St. Croix Falls
0%	Amery	0%	Clear Lake	40%	Luck	0%	Turtle Lake
5%	Balsam Lake	0%	Cushing	3%	Milltown	21%	Outside Polk Co

Question 9. Which best describes your current primary job?				
16%	N/A - Not Working		17%	Education or Government
16%	Manufacturing		10%	Healthcare or Social Assistance
11%	Retail, Entertainment, Business Services		11%	Other (See Appendix B)
14%	Financial, Professional, Office Management		5%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
18%	N/A - Not Working	20%	2 - 9 Employees	5%	100 - 499 Employees
7%	Self-employed	41%	10 - 99 Employees	10%	500+ Employees

Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 - 64	65+
6%	16%	19%	51%	8%

Table 13: Village of Luck (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		23%	41%	23%	5%	8%	0%	0%
Bedrooms are there	0%	11%	21%	46%	19%	3%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
19%	8%	35%	10%	6%	5%	17%

Question 15. What is your estimated total annual household income							
12%	Under $26,774	12%	$42,841 - $53,550	29%	$75,001 - $150,000	0%	$300,001+
17%	$26,775 - $42,840	22%	$53,551 - $75,000	8%	$150,001 - $300,000		

Equal proportions of Luck respondents said they would consider moving to the community in which they work if they could find an appropriate home as said they already live in the community in which they work (36%). Only 28% of Luck residents said they'd not consider moving, which is not statistically significant, but is a much smaller percentage than elsewhere in the County (41%).

A relatively low proportion of Luck respondents said they work outside of Polk County (21% vs. 30% of respondents elsewhere in the County). The Census indicates that 40% of Polk's residents of working age are employed outside of the County. Roughly equal proportions of Luck respondents work in education/government (17%), manufacturing (16%), or financial/professional/office management (14%). Luck respondents work for significantly smaller organizations than those elsewhere in the County; a majority work for organizations with between two and ninety-nine employees. Though not significant, a lower proportion of Luck respondents have commutes of 25 minutes or more than workers elsewhere in the County (23% vs. 33% elsewhere).

Demographically, about half the respondents from Luck reported their age as between 55 and 64. The average Luck respondent household had 2.5 people living in a home with 3.8 bedrooms; both are similar to the overall sample averages of 2.5 people and 3.9 bedrooms. Only 41% of the households in the Luck sample reported incomes at or below the County median of $53,550 per year. None of these demographic differences are significantly different from respondents from other parts of the County.

Milltown

According to the Census, there are 514 occupied housing units in Milltown. The SRC sent surveys to 203 households in the Village and received 55 completed surveys. The SRC expects estimates for Milltown to be accurate to within plus/minus 13% with 95% confidence. This means that if we surveyed residents of Milltown 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 13%.

Table 14, over the next three pages summarizes the responses for Milltown.

The factors most important to respondents when deciding to live in Milltown were the cost of homes (67%), being near friends and family (52%), and being near their job (33%). Compared to those living elsewhere in Polk County, Milltown respondents were more influenced in where to live by the cost of a home (67% vs. 44% elsewhere), the home's appearance (15% vs. 6% elsewhere), and community services (7% vs. 2% elsewhere). They were less influenced by the quality of the neighborhood (13% vs. 25% elsewhere), the quality of schools (13% vs. 23% elsewhere), and the low crime rate (7% vs. 22% elsewhere).

In terms of the most important housing-related challenges facing Milltown, respondents were most concerned about property taxes (42%), the cost of buying a home (35%) and the high cost of living (35%). The only statistically significant difference between Milltown and elsewhere is that Village residents are more concerned about the cost of living (35% vs. 21% elsewhere).

Currently only 11% of the Milltown respondents said they were renting their residences with 89% being homeowners. Five years from now, only 8% would prefer to be renting and 92% want to be homeowners.

The type of home in which 51% of respondents currently reside is a "starter" home and only 29% live in a larger, single-family home. In contrast, 39% of those living elsewhere in Polk County are in a starter home and 46% in a larger, single-family home. These differences between Milltown and the rest of Polk County are statistically significant. Thirty percent of respondents would prefer to be in a starter home, and 55% in a larger, single-family home. The type of housing preferred by Milltown residents is similar to the preferences of those living elsewhere in Polk County.

Strong majorities of respondents in Milltown said it is important or very important to them that they live in a home with low property maintenance (77%), in a less developed area (68%), on a larger lot/property (62%), and that the home not be a fixer-upper (60%). There were no statistically significant differences between those living in Milltown and those living elsewhere in Polk County with respect to desired housing characteristics.

Table 14: Village of Milltown Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors Choosing Where to Live					
15%	Appearance of Home	7%	Low Crime Rate	13%	Quality Neighborhood
7%	Community Services	17%	Aesthetics & Beauty	13%	Quality Schools
67%	Cost of Home	52%	Near Friends/Family	19%	Recreational Opportunities
0%	Near Shopping	33%	Near Job	2%	Welcoming Community
9%	Property Taxes	2%	Job Availability	11%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
35%	Cost Buying Home	35%	High Cost of Living	25%	Deteriorating Housing
19%	Cost Renting	42%	Property Tax	10%	Lack Starter Homes
15%	Cost of Land	12%	Lack Senior Housing	17%	Lack Variety Houses
12%	Availability Land/Lot	29%	Lack Rental Housing	29%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	11%	89%
Preferred housing situation in five years	8%	92%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	51%	30%
Mobile Home	12%	5%
Larger, Single-Family Home	29%	55%
Duplex/Twin Home	0%	0%
Townhome/Condo	0%	5%
Apartment	6%	3%
Senior Housing	2%	3%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	26%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	17%
Live in the country or less developed area, not a traditional neighborhood	68%
Live on a larger lot or property	62%
A home with low property maintenance	77%
A home that is not a fixer-upper	60%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	34%

Table 14: Village of Milltown Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	89%
I am satisfied with the location of my current housing	85%
I am satisfied with the size of my current housing	78%
I am satisfied with the condition of my current housing (no major repairs needed)	75%
I have not been able to find my preferred housing at an affordable price	31%
I would move if my preferred housing was available at an affordable price	38%
I want to live in a smaller home or apartment in the next five years	30%
Access to open space, parks, and nice views are more important to me than lot/property size	46%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	25%
I want a home designed to be accessible and to allow my household to age in place	85%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	22%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Milltown	25%	41%	33%

Question 8. What is the location of your primary job?							
28%	N/A - Not Working	2%	Centuria	0%	Dresser	6%	Osceola
8%	Work from Home	0%	Clayton	2%	Frederick	6%	St. Croix Falls
0%	Amery	0%	Clear Lake	4%	Luck	2%	Turtle Lake
13%	Balsam Lake	0%	Cushing	6%	Milltown	25%	Outside Polk Co

Question 9. Which best describes your current primary job?				
28%	N/A - Not Working		9%	Education or Government
11%	Manufacturing		17%	Healthcare or Social Assistance
9%	Retail, Entertainment, Business Services		9%	Other (See Appendix B)
6%	Financial, Professional, Office Management		9%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
29%	N/A - Not Working	12%	2 - 9 Employees	10%	100 - 499 Employees
17%	Self-employed	21%	10 - 99 Employees	12%	500+ Employees

Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 - 64	65+
11%	13%	17%	41%	19%

Table 14: Village of Milltown (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		28%	41%	17%	9%	4%	2%	0%
Bedrooms are there	0%	7%	26%	52%	11%	4%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
28%	11%	17%	7%	9%	9%	19%

Question 15. What is your estimated total annual household income							
22%	Under $26,774	18%	$42,841 - $53,550	29%	$75,001 - $150,000	0%	$300,001+
10%	$26,775 - $42,840	18%	$53,551 - $75,000	4%	$150,001 - $300,000		

Large majorities of Milltown residents agreed or strongly agreed that their current home is affordable (89%), has a satisfactory location (85%), is of adequate size (78%), and in satisfactory condition (75%). Most would like to have a home that enables them to age in place (85%). Compared to respondents elsewhere in Polk County, Milltown workers were less likely to strongly agree that their current home is affordable (13% vs 27% elsewhere) or in satisfactory condition (9% vs. 21%). Milltown residents are less likely to agree or strongly agree that they would be willing to pay more in housing costs to live in a nice looking house in a neighborhood with parks/open space and a welcoming/friendly community (25% vs. 50% elsewhere), but are more open to moving to a smaller home or apartment in five years (30% vs. 21% elsewhere).

In terms of willingness to move to the community in which the respondent works if they could find the type of housing the want/need, one-quarter (25%) would do so, 41% would not and 33% live and work in Milltown.

Compared to other communities, Milltown has a high proportion of respondents who are not working (28%). Of those in the workforce, there is a relatively high proportion working in healthcare or social services (17%). The size of organizations for which Milltown residents work are significantly different than for those from elsewhere in Polk County. In addition to more Milltown respondents not being in the labor force (29% vs. 18% elsewhere), more were self-employed (17% vs. 8%) and fewer worked for organizations with between 100 and 499 employees (10% vs 19% elsewhere). In terms of a commute, 28% of the respondents drove 10 minutes or less to get to work and an equal proportion drove 25 minutes or more each way.

Demographically, a majority of the respondents from Milltown were at least 55 years old (60%) and the average number of people per household was 2.3. The average home of a Milltown respondent contained 3.8 bedrooms. Both the number of people per household and average number of bedrooms are slightly smaller than the overall sample averages of 2.5 people and 3.9 bedrooms. Household income in Milltown was very similar to the County as a whole given that 49% reported incomes of $53,550 or less, which is the median income for the County.

Osceola

According to the Census, there are 1,078 occupied housing units in Osceola. The SRC sent surveys to 220 households in the Village and received 55 completed surveys. The SRC expects estimates for Osceola to be accurate to within plus/minus 13% with 95% confidence. This means that if we surveyed residents of Osceola 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 13%.

Table 15, over the next three pages summarizes the responses for Osceola.

The factors most important to respondents when deciding to live in Osceola were the cost of their home (49%), to be near friends and family (47%), being near their job (36%), and quality schools (36%). Compared to residents living elsewhere in Polk County, Osceola respondents were significantly more influenced by the quality of schools (36% vs. 20% elsewhere).

In terms of the most important housing-related challenges, Osceola respondents were most concerned about property taxes (46%), the cost of buying a home and lack of housing variety (both at 35%), and the lack of quality rental housing (33%). Compared to other Polk County residents, Osceola respondents were significantly more concerned about the cost of renting (29% vs. 16% elsewhere) and a lack of variety in housing choices (35% vs. 22% elsewhere). Osceola respondents were significantly less concerned about the overall cost of living (13% vs. 23% elsewhere), the cost of land (8% vs. 16% elsewhere), and the availability of land/lots (2% vs. 12% elsewhere).

Though not statistically significant, a substantially higher proportion of Osceola residents are currently renting their home (22% vs. 15% elsewhere); the other 78% of Village respondents were homeowners. The higher proportion of current renters probably explains the concerns about rental conditions in the Village noted in the preceding paragraphs. In five years, 93% of Osceola respondents hope to be homeowners, similar to elsewhere in the County (92%).

The type of homes in which Osceola respondents currently live is significantly different than elsewhere in the County; more live in smaller, starter-type homes (50% vs. 39% elsewhere) and fewer in larger, single-family homes (28% vs. 46% elsewhere). In terms of preferred housing types, only 33% want to be in smaller starter-type homes and 56% in larger, single-family homes; both proportions are similar to aspirations elsewhere in the County.

Majorities of Osceola respondents said it is important or very important to live in a home with low property maintenance (64%) and one that is not a fixer-upper (57%). Compared to respondents from elsewhere in Polk County, more Osceola residents said it is important or very important that they live in a more traditional neighborhood with smaller lots, sidewalks, and front porches (41% vs. 20% elsewhere), but less important that they live on a larger property (44% vs. 61% elsewhere).

Very large proportions of Osceola respondents agreed or strongly agreed that their current home is affordable (96%), in a satisfactory location (91%), is a good size (82%), and in satisfactory condition (72%). A majority also said they would like a home that is designed to allow them to age in place (75%), they would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and

Table 15: Village of Osceola Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
5%	Appearance of Home	24%	Low Crime Rate	25%	Quality Neighborhood
0%	Community Services	9%	Aesthetics & Beauty	36%	Quality Schools
49%	Cost of Home	47%	Near Friends/Family	15%	Recreational Opportunities
5%	Near Shopping	36%	Near Job	9%	Welcoming Community
5%	Property Taxes	4%	Job Availability	7%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
35%	Cost Buying Home	13%	High Cost of Living	23%	Deteriorating Housing
29%	Cost Renting	46%	Property Tax	19%	Lack Starter Homes
8%	Cost of Land	10%	Lack Senior Housing	35%	Lack Variety Houses
2%	Availability Land/Lot	33%	Lack Rental Housing	19%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	22%	78%
Preferred housing situation in five years	7%	93%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	50%	33%
Mobile Home	2%	0%
Larger, Single-Family Home	28%	56%
Duplex/Twin Home	4%	5%
Townhome/Condo	6%	5%
Apartment	8%	2%
Senior Housing	2%	0%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	30%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	41%
Live in the country or less developed area, not a traditional neighborhood	44%
Live on a larger lot or property	44%
A home with low property maintenance	64%
A home that is not a fixer-upper	57%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	29%

Table 15: Village of Osceola Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	96%
I am satisfied with the location of my current housing	91%
I am satisfied with the size of my current housing	82%
I am satisfied with the condition of my current housing (no major repairs needed)	72%
I have not been able to find my preferred housing at an affordable price	43%
I would move if my preferred housing was available at an affordable price	58%
I want to live in a smaller home or apartment in the next five years	16%
Access to open space, parks, and nice views are more important to me than lot/property size	56%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	67%
I want a home designed to be accessible and to allow my household to age in place	75%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	29%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
Osceola	38%	38%	24%

Question 8. What is the location of your primary job?							
13%	N/A - Not Working	0%	Centuria	4%	Dresser	26%	Osceola
2%	Work from Home	0%	Clayton	0%	Frederick	6%	St. Croix Falls
0%	Amery	0%	Clear Lake	2%	Luck	0%	Turtle Lake
2%	Balsam Lake	0%	Cushing	0%	Milltown	45%	Outside Polk Co

Question 9. Which best describes your current primary job?				
16%	N/A - Not Working		11%	Education or Government
24%	Manufacturing		13%	Healthcare or Social Assistance
13%	Retail, Entertainment, Business Services		7%	Other (See Appendix B)
7%	Financial, Professional, Office Management		9%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
15%	N/A - Not Working	7%	2 - 9 Employees	24%	100 - 499 Employees
6%	Self-employed	33%	10 - 99 Employees	15%	500+ Employees

Question 11. What is your age?				
25 - 34	35 - 44	45 - 54	55 - 64	65+
18%	20%	18%	33%	9%

Table 15: Village of Osceola (Continued)								
Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		19%	40%	26%	8%	8%	0%	0%
Bedrooms are there	0%	2%	37%	35%	17%	9%	0%	0%

Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
17%	4%	24%	6%	7%	13%	30%

Question 15. What is your estimated total annual household income							
7%	Under $26,774	15%	$42,841 - $53,550	43%	$75,001 - $150,000	0%	$300,001+
11%	$26,775 - $42,840	20%	$53,551 - $75,000	4%	$150,001 - $300,000		

friendly community (67%), they would move if they could find their preferred housing at an affordable price (58%), and nice views are more important than lot/property size (56%). Compared to respondents from elsewhere in Polk County, higher proportions of Osceola residents agreed or strongly agreed that they would pay more for housing that looks nice, has access to parks/open space and is in a friendly/welcoming community (67% vs. 45% elsewhere) and that they've been unable to find their preferred type of home at an affordable price (43% vs 32% elsewhere), but are less likely to agree/strongly agree that they would like to live in a smaller home/apartment in the next five years (16% vs. 26% elsewhere).

Though not statistically significant, a smaller proportion of Osceola respondents (24%) said they live in the community in which they work compared to elsewhere in Polk County (34%) and a higher proportion would consider moving to their work community if their preferred type of housing was available (38% vs. 27% elsewhere).

The willingness to move to their work community is somewhat problematic for Osceola since a large percentage work outside of Polk County (45% vs. 27% elsewhere). The Census indicates that 40% of Polk's residents of working age are employed outside of the County, so Osceola's numbers align with the Census. A much higher proportion of Osceola respondents said they work in manufacturing (24% vs. 16% elsewhere). More than half of the respondents work for organizations with either between 10 and 99 employees (33%) or between 100 and 499 employees (24%). Perhaps because such a high proportion of Osceola respondents work outside the County, they also tend to have longer commutes (43% have commutes of at least 25 minutes vs. 30% of those from elsewhere in the County).

Respondents from Osceola appear to be somewhat younger than average; 38% said they were younger than 45 compared to 27% elsewhere. The average household in Osceola had 2.6 people in a home with 4 bedrooms; both are slightly larger than the overall sample averages of 2.5 people and 3.9 bedrooms. Incomes among Osceola respondents are also substantially higher than the County median; only 33% of the respondents reported an income at or below the median for Polk County of $53,550. Forty-three percent of Osceola respondents reported incomes in the $75,001 - $150,000 range.

St. Croix Falls

According to the Census, there are 984 occupied housing units in St. Croix Falls. The SRC sent surveys to 220 households in the City and received 62 completed surveys. The SRC expects estimates for St. Croix Falls to be accurate to within plus/minus 12% with 95% confidence. This means that if we surveyed residents of St. Croix Falls 20 times, only once would we expect to have results that differ from those reported here by more than plus or minus 12%.

Table 16, over the next three pages summarizes the responses for St. Croix Falls.

The factors most important to respondents when deciding to live in St. Croix Falls were the cost of the home (44%), being near their job (38%), and recreational opportunities (34%). Factors that were, relative to those living elsewhere in Polk County, more important to residents of St. Croix Falls in their decision to live in the City were its recreational opportunities (34% vs. 19% elsewhere), the beauty and aesthetics of the area (30% vs. 14% elsewhere), and nearby shopping (13% vs. 2% elsewhere). Being near friends and family was significantly less important to them (31% vs. 46% elsewhere).

The most important housing-related challenges facing St. Croix Falls, according to these respondents, are property taxes (51%), the cost of buying a home (43%), the high cost of living (26%) and the cost of renting (26%). Compared to respondents from elsewhere in Polk County, residents of St. Croix Falls were significantly more concerned about the cost of renting in the City (26% vs. 16% elsewhere), but less concerned about a lack of variety of housing choices (11% vs. 25% elsewhere).

A significantly higher proportion of St. Croix Falls' respondents are currently renting their home (30%) than in other parts of the County (14%). In five years, 83% of St. Croix Falls respondents hope to be homeowners and 17% expect to still be renting. The proportion who expect to be renting remains significantly higher in St. Croix Falls than in the rest of Polk County (17% vs. 7% elsewhere).

Currently about one-third of the respondents from St. Croix Falls live in what they classified as a starter, single-family home and a comparable proportion (32%) lived in a larger, single-family home. A significantly higher proportion of City residents live in apartments (22% vs. 4% elsewhere). When asked about their preferred housing, there were substantial increases in those hoping to live in a larger single-family home (from 32% to 44%) or in senior housing (from 5% now to 14%). The proportion that hope to be living in an apartment falls dramatically, from 22% currently to 2%. Compared to the rest of Polk County, significantly higher proportions of City residents would like to be living in a duplex (10% vs 3% elsewhere) or in senior housing (14% vs. 6% elsewhere), but lower proportions in a larger, single-family home (44% vs. 56%).

Solid majorities of St. Croix Falls respondents said it was important or very important that their home not be a fixer-up (67%), that it be on a larger lot/property (61%), and that it have low maintenance (60%). Being within walking/biking distance of work, downtown, etc. was

Table 16: City of Saint Croix Falls Summary					
Question 1. Percent Selecting Reason as One of Top Three Factors in Choosing Where to Live					
7%	Appearance of Home	20%	Low Crime Rate	26%	Quality Neighborhood
0%	Community Services	30%	Aesthetics & Beauty	16%	Quality Schools
44%	Cost of Home	31%	Near Friends/Family	34%	Recreational Opportunities
13%	Near Shopping	38%	Near Job	5%	Welcoming Community
7%	Property Taxes	2%	Job Availability	16%	Can't Find Home Elsewhere
Question 2. Percent Selecting Issue as One of Top Three Challenges Facing Community					
43%	Cost Buying Home	26%	High Cost of Living	16%	Deteriorating Housing
26%	Cost Renting	51%	Property Tax	15%	Lack Starter Homes
8%	Cost of Land	18%	Lack Senior Housing	11%	Lack Variety Houses
8%	Availability Land/Lot	25%	Lack Rental Housing	23%	Cost Home Maintenance

Question 3. Current and Preferred Housing		
	Rent	Own
Current housing situation	30%	70%
Preferred housing situation in five years	17%	83%

Question 4. Current and Preferred Type of Housing		
	Current	Preferred
Starter, Single-Family Home	33%	28%
Mobile Home	0%	0%
Larger, Single-Family Home	32%	44%
Duplex/Twin Home	7%	10%
Townhome/Condo	2%	2%
Apartment	22%	2%
Senior Housing	5%	14%

Question 5. Percent Rating Characteristic as Important or Very Important in Housing Decision	
	Percent
Live within walking/biking distance of work, downtown, schools, parks, clinic, etc.	34%
Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	23%
Live in the country or less developed area, not a traditional neighborhood	41%
Live on a larger lot or property	61%
A home with low property maintenance	60%
A home that is not a fixer-upper	67%
Access to financial assistance for housing costs, such as rental subsidies or low-interest loans	47%

Table 16: City of Saint Croix Falls Summary (Continued)	
Question 6. Percent Agreeing or Strongly Agreeing that	
	Percent
My current house is affordable	90%
I am satisfied with the location of my current housing	85%
I am satisfied with the size of my current housing	74%
I am satisfied with the condition of my current housing (no major repairs needed)	66%
I have not been able to find my preferred housing at an affordable price	33%
I would move if my preferred housing was available at an affordable price	48%
I want to live in a smaller home or apartment in the next five years	25%
Access to open space, parks, and nice views are more important to me than lot/property size	62%
I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community	52%
I want a home designed to be accessible and to allow my household to age in place	77%
I need access to housing financial assistance, such as rental subsidies or low-interest loans	39%

Question 7. If the housing I need or desire was available in the community in which I work, I would consider moving to that community.	Yes	No	Already Live There
St. Croix Falls	32%	40%	28%

Question 8. What is the location of your primary job?							
26%	N/A - Not Working	2%	Centuria	2%	Dresser	8%	Osceola
5%	Work from Home	0%	Clayton	2%	Frederick	28%	St. Croix Falls
0%	Amery	2%	Clear Lake	2%	Luck	2%	Turtle Lake
2%	Balsam Lake	0%	Cushing	0%	Milltown	21%	Outside Polk Co

Question 9. Which best describes your current primary job?				
30%	N/A - Not Working		8%	Education or Government
22%	Manufacturing		10%	Healthcare or Social Assistance
15%	Retail, Entertainment, Business Services		5%	Other (See Appendix B)
10%	Financial, Professional, Office Management		0%	Skilled Trades

Question 10. What is the size of your primary workplace (number of employees)?					
27%	N/A - Not Working	3%	2 - 9 Employees	23%	100 - 499 Employees
7%	Self-employed	27%	10 - 99 Employees	13%	500+ Employees

Question 11. What is your age?				
25 – 34	35 - 44	45 - 54	55 - 64	65+
7%	12%	17%	45%	20%

Questions 12 and 13. In your household, how many:								
	0	1	2	3	4	5	6	7
People, including you, are there		18%	53%	17%	5%	3%	3%	0%
Bedrooms are there	2%	10%	33%	40%	10%	5%	0%	0%

Table 16: City of Saint Croix Falls (Continued)						
Question 14. The travel time, one way, from my home to work is:						
N/A - Not Working	Work from Home	Under 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
28%	8%	23%	7%	3%	12%	18%

Question 15. What is your estimated total annual household income							
20%	Under $26,774	10%	$42,841 - $53,550	36%	$75,001 - $150,000	0%	$300,001+
19%	$26,775 - $42,840	10%	$53,551 - $75,000	5%	$150,001 - $300,000		

significantly more important to residents of the City (34% said this was important or very important vs. 24% elsewhere) and that they need access to housing financial assistance such as subsidized rent (47% vs. 33% elsewhere).

A majority of respondents agreed or strongly agreed that their current home is affordable (90%), in a satisfactory location (85%), adequate in size (74%), and in satisfactory condition (66%). A majority would also like a home designed to allow them to age in place (77%), have access to open space/parks and nice views (62%), and that they'd be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space and in a welcoming and friendly community (52%). Compared to other places in Polk County, St. Croix Falls' respondents were more interested in access to open spaces/parks and nice views even if on a smaller lot (62% vs. 45% elsewhere) and more in need of housing financial assistance (39% vs. 24% elsewhere).

Nearly one-third (32%) of St. Croix Falls respondents said they would consider moving to the community in which they work if they could find the type of housing they desire, 40% would not consider moving and 28% said they work in St. Croix Falls.

Given its location, a surprisingly low proportion of St. Croix Falls respondents work outside of Polk County (21% vs. 30% of respondents elsewhere in the County), but this is at least partially explained by the relatively high proportion of respondents from the City who are not working (26% vs. 16% elsewhere in the County). By comparison, the Census indicates that 40% of Polk's residents of working age are employed outside of the County. A relatively high proportion of the respondents said they currently work in the manufacturing sector (22%) and most of those work in moderate (27% in organizations with 10 to 99 workers) or larger (23% with 100 – 499 employees) organizations. Similar proportions of respondents said their commute was under ten minutes (31%) as said they spent at least 25 minutes getting to work (30%).

In terms of the demographic profile of St. Croix Falls' respondents, though not statistically significant, they seem to be somewhat older (65% were 55 or older vs. 51% of respondents from elsewhere in the County). Respondents lived in households with an average of 2.3 people in homes 3.6 bedrooms; both are smaller than the overall sample averages of 2.5 people and 3.9 bedrooms. Household incomes of the respondents were about equal to median income for the County reported by the Census ($53,550); 49% of St. Croix Falls respondents reported household incomes of $53,550 or less.

Part 4: Polk County Employee Survey Results.

The relatively few surveys completed by workers commuting into Polk County (60) and the fact that almost all of them work in either Osceola or Balsam Lake, raises questions about how representative the opinions voiced by these respondents are of all workers coming into the County from elsewhere. Compared to Polk County respondents, in-commuting workers were younger, live with more people in homes with more bedrooms and have considerably higher household incomes. The main reasons these workers choose to live where they do are similar to the reasons given by County residents (to be near friends and family, the cost of housing, and to be near their work). The cost of buying a home is a bigger housing challenge to these workers and property taxes a smaller one than for Polk County residents. More than half of these workers live in larger, single-family homes and three-quarters aspire to such accommodations. Like Polk County residents, these in-bound workers value living on a larger property in a less developed area in a home that is not a fixer-upper. Low property maintenance is less of a priority for them. Similarly, like Polk County residents, most of these workers think their current home is affordable, in a satisfactory location, and of a satisfactory size and most would like to live in a home in which they can age in place. Perhaps encouragingly, nearly half (46%) of these workers would consider moving to their work community in Polk County if their needed housing was available.

In order to understand the housing needs of people working in Polk County but residing outside the County, Vince Netherland, Executive Director of the Polk County Economic Development Corporation, recruited ten businesses to participate in a separate survey. These businesses were asked to invite their employees who live outside of Polk County to take an online survey. Different organizations issued the invitation to their employees at different times, so the data collection period ran from September 18 to November 8, 2019.

Profile of Employee Respondents

While 119 people started the on-line survey, 57 were employees who already live in Polk County and no additional information was gathered from those respondents. Two of the 62 respondents from outside of Polk answered too few questions to include in the dataset. So, this final section of the Polk County Housing Study will focus on the responses of 60 employees. Because we don't know the total number of employees who commute into Polk County to work, the SRC can't estimate the confidence interval for this portion of the study. However, given the relatively small number of respondents, the confidence interval will be fairly wide, probably in excess of plus/minus 20%. Thus, the results reported in Part 4 of this report may not accurately represent the opinions of all workers commuting into Polk County to work.

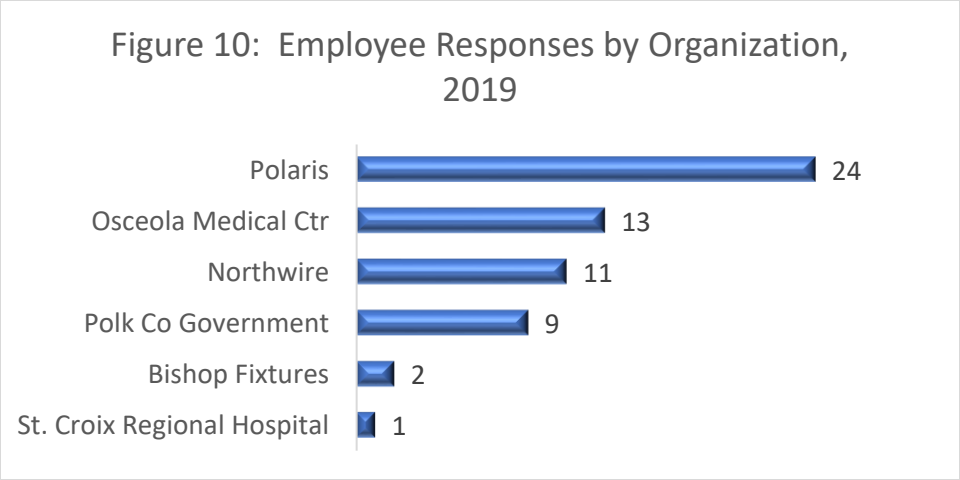
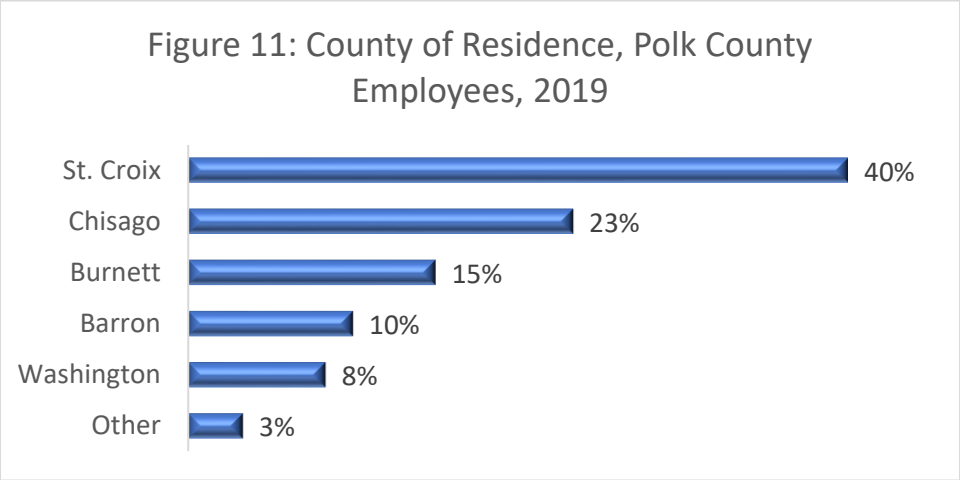


Figure 10 indicates that feedback was received from six of the ten organizations invited to participate in this portion of the study, though very few completed surveys were received from two of the organizations. Most of the employees who responded to the survey work in either Osceola (Polaris, Osceola Medical, Northwire) or Balsam Lake (Polk County Government). This geographic concentration is additional cause to be skeptical that the results reported in this section are representative of all the workers who commute into Polk County for work.



Workers commuting into Polk County were asked to indicate the county in which their primary residence was located. Figure 11 shows that about 40% of these respondents live in St. Croix County and another 23% drive in from Chisago County in Minnesota. One of the "other" respondents lives in Anoka County and one in Ramsey County. This commuting pattern aligns with expectations given the relatively large population of St. Croix County and the proximity of Chisago County, especially its easy access to Osceola, where most of the survey respondents work.

Table 17 indicates that 62% of the respondents to the employee survey were under 45 years of age and 38% are 45 or older. These employees were quite a bit younger than Polk County residents; 31% of the Polk County respondents were under 45 years of age.

About half of the employee survey respondents lived in a household of two or fewer people. In contrast 62% of the residents of Polk County live in households of two or fewer. So, the employees live in somewhat larger households.

Sixty percent of the employee survey respondents live in homes with three or fewer bedrooms, slightly lower than the 68% of Polk County residents who live in homes with three or fewer bedrooms. So, the employees commuting into the County live in slightly larger homes.

More than half (57%) of the employee survey respondents drive for at least 25 minutes to get to their worksite. Only about half that proportion (29%) of Polk County residents drive 25 minutes or more to get to work. As would be expected, those commuting into the County to work have longer average commutes.

Table 17: Demographic Profile, Polk County Employee Respondents, 2019

	Count	Under 25	25 - 34	35 - 44	45 - 54	55 - 64	65+
Age	58	3%	28%	31%	12%	26%	0%

	Count	1	2	3	4	5	6+
People in Household	57	14%	35%	16%	21%	7%	7%
Bedrooms in House	58	5%	19%	36%	36%	3%	0%

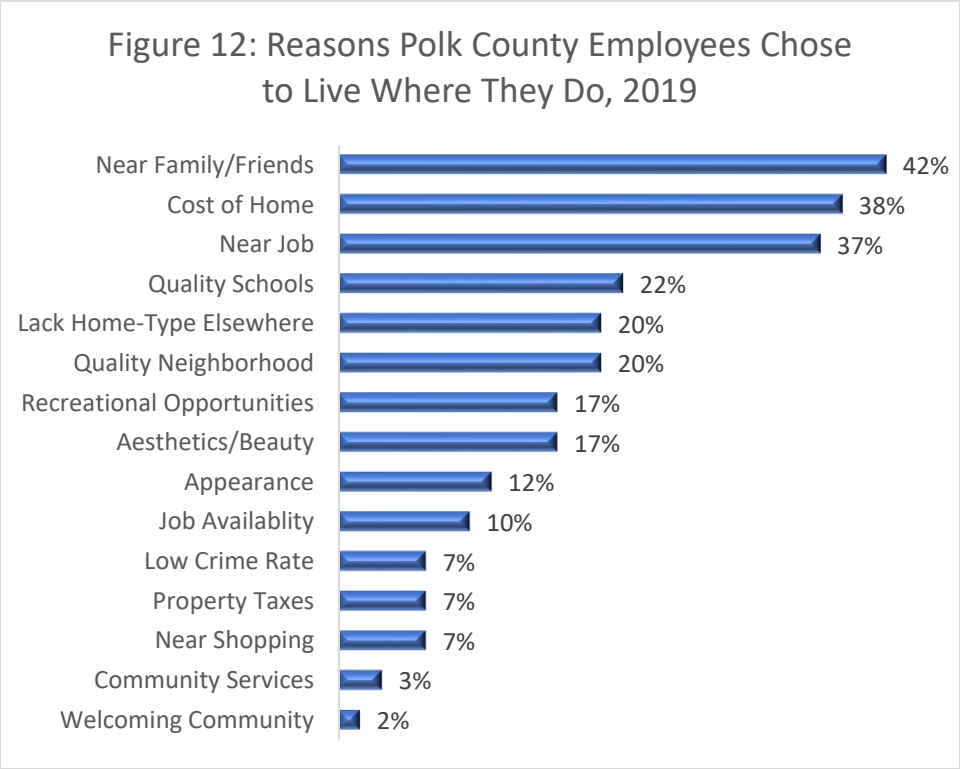
	Count	< 10 Minutes	10 - 14 Minutes	15 - 24 Minutes	25 - 34 Minutes	35+ Minutes
Commute	58	3%	10%	29%	28%	29%

	Count	< $26,774	$26,775-$42,840	$42,841-$53,550	$53,551 - $75,000	$75,001-$150,000	$150,001-$300,000	$300,001+
Income	56	2%	4%	5%	11%	55%	18%	5%

Table 17 indicates that only 11% of the employee survey respondents have incomes at or below the median household income for Polk County ($53,550). Since, at the median, half the households would have less than that level of income and half would have more, those commuting into Polk County for work earn considerably more than the average County household.

Housing Opinions Employees

The reasons that employees commuting to Polk County for work live where they do are similar to those given by residents of the County (see Figure 1). These employees live where they do to be near friends and family, the cost of their home and, somewhat surprisingly, to be near their job. For about one-in-five, being in a quality school district, being unable to find their preferred home type elsewhere, and living in a quality neighborhood were also important factors.



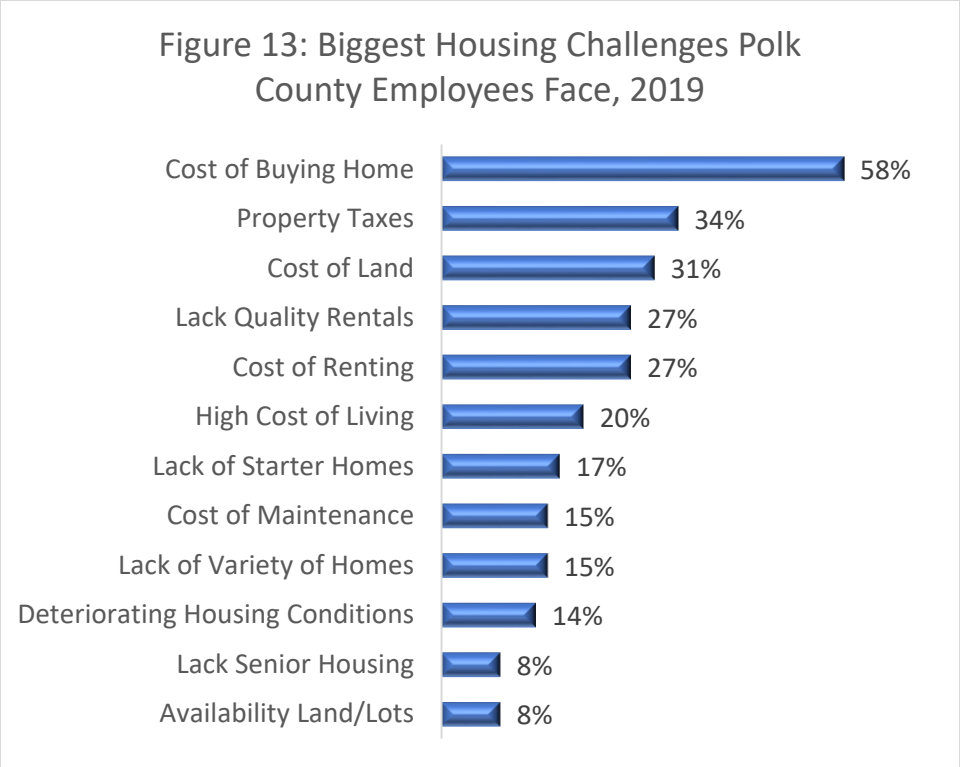
As above, the SRC will look at the responses to survey questions based on whether the respondent is:

- Currently a renter or a homeowner.
- Under 45 years of age or older than that.
- Lives in a household of two or less versus in a household with three or more.
- If they are willing to consider moving to the community in which they work.
- Commuting for under 25 minutes or for longer than that.
- If their household income is above or below the median for Polk County ($53,550).
- A resident of Wisconsin or Minnesota.

In terms of these subgroups, the SRC notes the following statistically significant differences:

- **Renters vs. owners**: compared to those who currently own their home, renters were more likely to be influenced in their choice of where to live by the appearance of homes (38% vs. 9% of homeowners), being in a welcoming community (13% vs. 0% of homeowners), and because they couldn't find their desired housing elsewhere (63% vs. 11% of homeowners).
- **Younger vs**. **older respondents**: being near shopping is more important to older respondents (18% vs. 0% for those under 45).
- **Households of 2 or less vs**. **larger households**: households of one or two were more likely to say they live where they do because they couldn't find their preferred housing elsewhere (32% vs. 10% of those from larger households), but less likely to be concerned about property taxes (0% vs. 14% of those from larger households) or crime rates (again 0% vs 14% of those from larger households).
- **Willing to move or not**: Those willing to move were more likely to say they live where they do because they couldn't find their preferred housing elsewhere (33% vs. 9% of those unwilling to move).
- **Short vs**. **long commutes**: Those with commutes of under 25 minutes were more likely to say they live where they do in order to be near their job (52% vs. 24% of those with longer commutes). Those with commutes of 25 minutes or more were more likely to live where they do to be near family and friends (55% vs. 24% of those with a shorter commute), which may make a relocation to Polk County less probable.
- **Low vs. higher income respondents**: Those from lower income households were more likely to say they live where they do because they couldn't find their preferred housing elsewhere (83% vs. 14% of those from higher income households).
- **Wisconsin vs. Minnesota**: Those commuting from Minnesota were more likely to say they live where they do because of the beauty/aesthetics of their residence (38% vs. 5% of Wisconsinites) or the recreational opportunities available to them (33% vs. 8% of Wisconsinites).

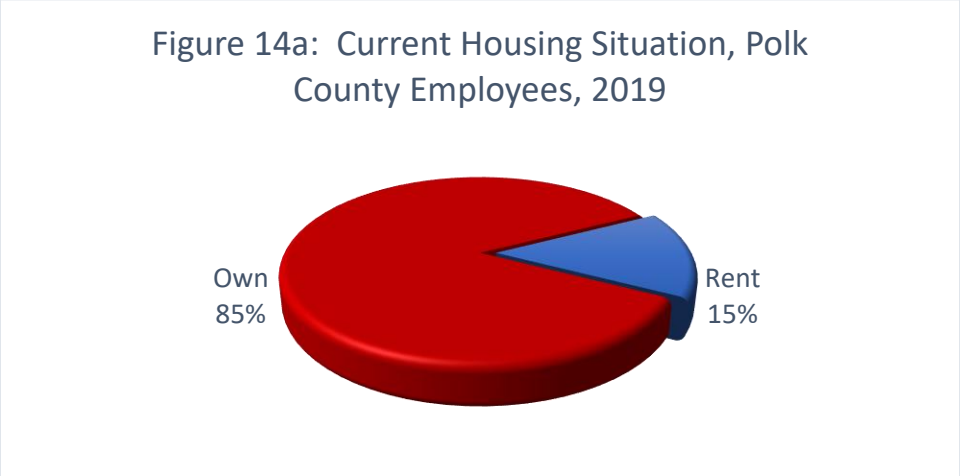
Employees commuting into Polk County were asked to identify the three biggest housing-related challenges their communities face. Figure 13 (next page) summarizes their responses. By a wide margin, the biggest challenge identified by the 59 employees represented in Figure 13 is the cost of buying a home (58%). Similar proportions of respondents said property taxes (34%), the cost of land (31%), the quality of rental housing available (27%) and the cost of renting (27%) were key challenges. Relative to Polk County residents, these commuters were more concerned about the cost of housing (38% of the Polk sample said this was a top challenge) and the cost of renting (13% of the Polk County sample listed this as a top challenge), and less concerned about property taxes (49% of the Polk County sample listed this as a top challenge).

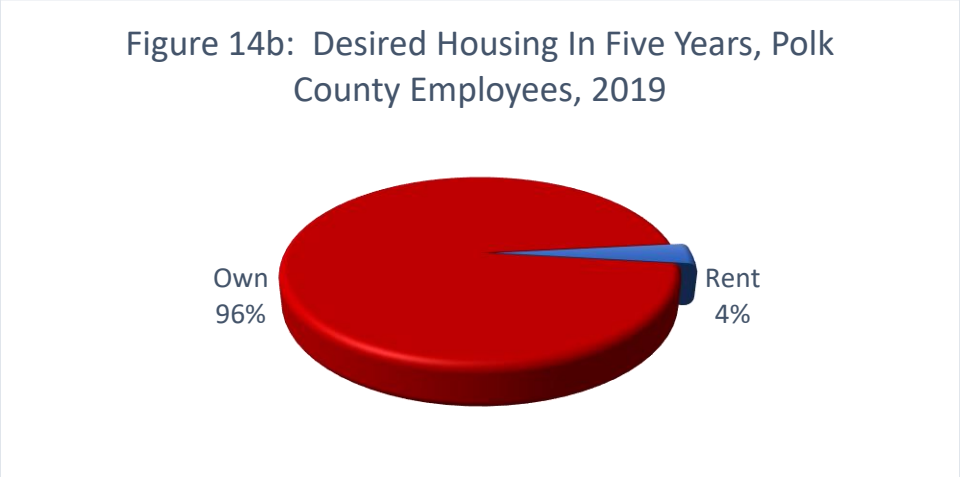


In terms of differences across employee subgroups:

- **Renters vs. owners**: compared to those who currently own their home, renters were, as would be expected, more concerned about the cost of renting (50% vs. 18% of homeowners).
- **Younger vs**. **older respondents**: those 45 or older were more concerned about a lack of senior housing (18% vs. 3% of younger respondents).
- **Willing to move or not**: Those willing to move were more likely to be concerned about the cost of renting (44% vs. 9% of those unwilling to move), but less concerned about property taxes (19% vs. 44%% of those unwilling to move).
- **Wisconsin vs. Minnesota**: Those commuting from Minnesota were more likely to be concerned about the cost of living (33% vs. 13% of those from Wisconsin).

Figure 14a shows the current housing situation of employees commuting into Polk County for work. Only 15% of the respondents are currently renting their home, though this is a higher proportion than for the sample of Polk County residents (9% said they were currently renting). Figure 14b indicates that almost all the workers commuting into Polk County hope to be homeowners within the next 5 years (96%).





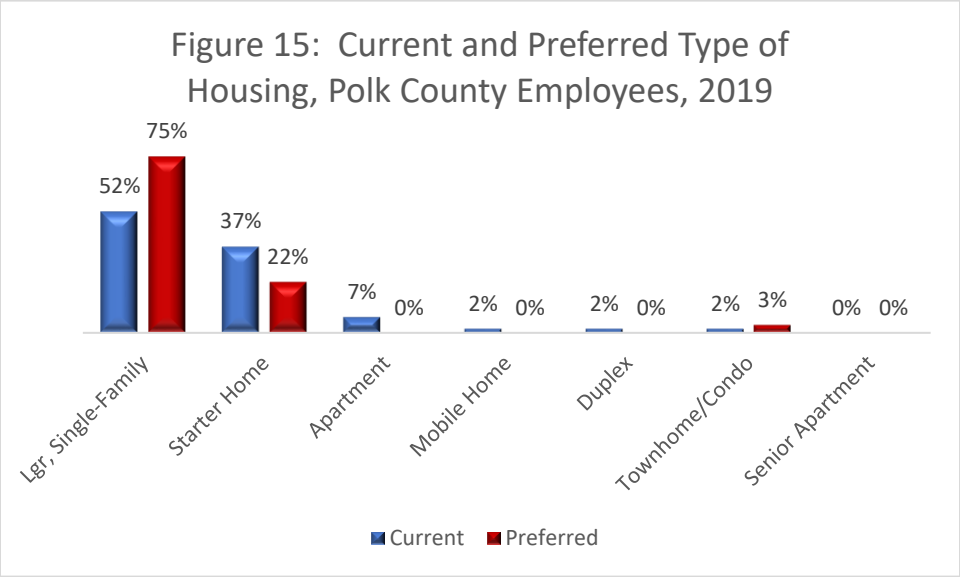
In terms of the subgroups of in-bound commuters, the only significant differences were with respect to:

- **Move or not**: Those willing to consider moving to the community in which they are employed were more likely to be currently renting their home (86% vs. 38% of homeowners).
- **Young vs. old**: those under 45 were more likely to be renting currently (21% vs. 0% of older respondents).

Figure 15 summarizes the current and preferred type of housing of the 60 workers currently commuting into Polk County. Nearly 90% of these respondents live in either a starter home (37%) or in a larger, single family home (52%). Generally, the current housing of these workers is similar to those of the representative Polk County sample (Figure 4). There is a higher proportion of in-bound commuters who currently live in an apartment (7% vs. 0% in the representative sample).

There were significant differences in the type of current housing based on:

- **Renters vs. Owners**: Renters were less likely to be living in a larger, single-family home (13% vs. 53% of homeowners) and less likely to be living in a starter home (13% vs. 47% of homeowners).
- **Lower vs**. **Higher Income**: Those with incomes at or below the median for Polk County ($53,550) were more likely to be living in a starter home (50% vs. 18% of higher income households) and less likely to be in a larger, single-family home (33% vs. 80% of higher income households).



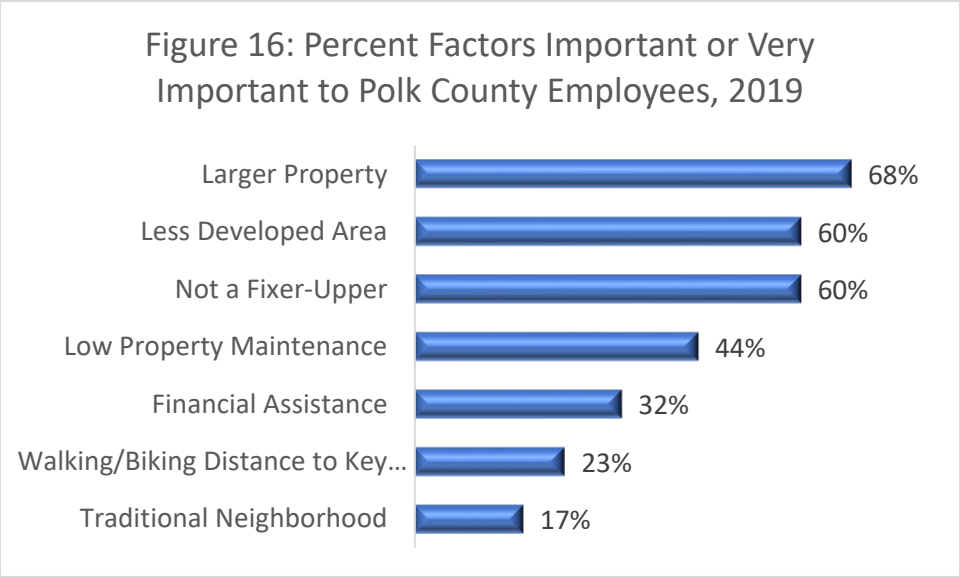
In terms of the type of home these commuters would prefer to live in, three-quarters (75%) want to live in a larger single-family home and a bit more than one-in-five in a starter home (22%). The only other type of home these respondents would prefer to live in was a townhome/condo (3%).

The only statistically significant difference is:

- **Lower vs**. **Higher Income**: Those with incomes at or below the Polk County median are more likely to prefer to be living in a starter home (50% vs. 18% of higher income

groups) and less likely to aspire to a larger, single-family home (33% vs. 80% of higher income respondents).

Employees commuting into Polk County for work were asked how important a set of factors were to them when making a housing decision. Answer options were not important, somewhat important, important and very important. In Figure 16, the SRC combined the important and very important responses to show the factors of greatest importance to workers commuting into Polk County. A majority of respondents said it was important or very important that they live on a larger property, in a less developed area/in the country, and that their home not be a "fixer-upper." A substantial minority would like a home with low property maintenance (44%) and access to financial assistance for housing costs (32%). The factors of importance for these Polk County Employees is similar to the Polk County Resident Sample (Figure 5), though Polk County Employees are somewhat less adamant about being on a larger property in a less developed area and are less concerned about low property maintenance.



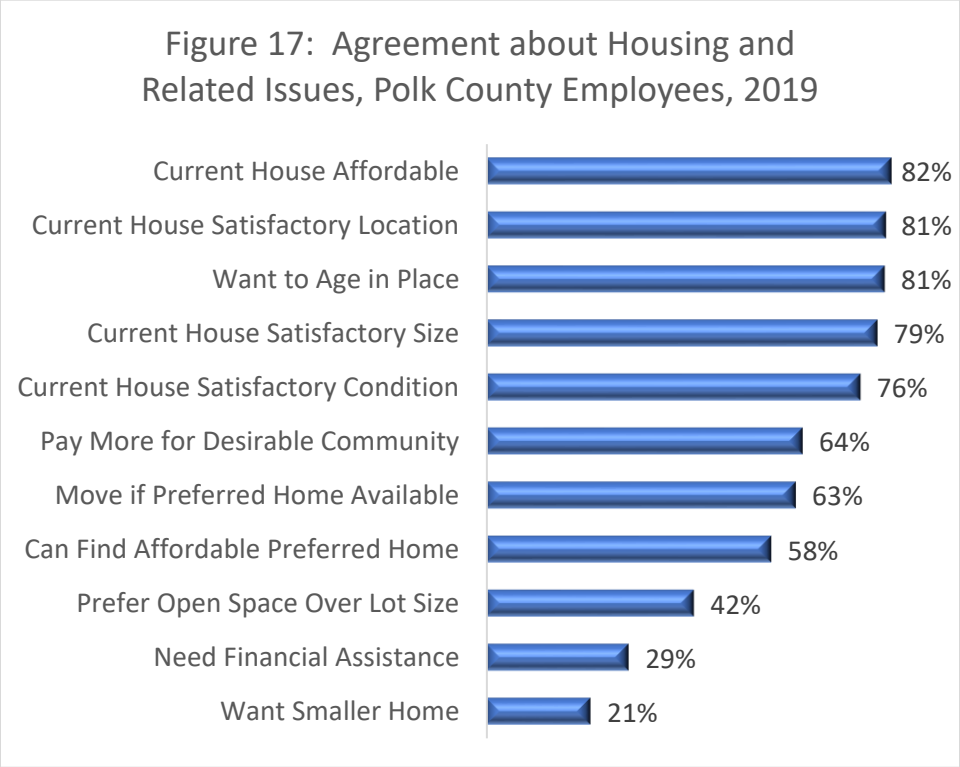
In terms of the preferences of subgroups, there were statistically significant differences based on:

- **Small vs. larger households**: having a home on a large lot/property is more important to households with three or more people (62% said this is very important vs. 33% of households of two or fewer people).
- **Renters vs. homeowners**: having access to financial assistance in the form of rent subsidies or low-interest loans is more important to renters (50% said this is very important vs. 14% of homeowners).
- **Wisconsin vs**. **Minnesota**: being within walking/biking distance of destinations such as stores, schools and hospitals is at least somewhat important to a higher proportion of Minnesotans (71% vs. 41% of Wisconsinites), but being in a less developed area is more important to Wisconsinites (51% said this is very important vs. 19% of Minnesotans) as

is access to financial assistance for housing costs (very important to 23% of Wisconsin residents vs. 5% of those from Minnesota).

- **Lower vs. higher income**: Lower income respondents were more interested in being within biking distance of key destinations (100% said this was at least somewhat important vs. 41% of higher income respondents), having access to financial assistance (83% said this was at least somewhat important vs. 37% of higher income respondents), and in a home with low maintenance (100% said this was at least somewhat important vs. 88% of higher income respondents). Being on a larger lot was more important to higher income respondents (51% said this was very important vs. 17% of lower income respondents).

Employees were asked to indicate their level of agreement with a series of statements about housing. Answer options included strongly agree, agree, disagree, strongly disagree and not applicable. In the analysis to follow, the SRC disregarded the "not applicable" responses. In Figure 17, the SRC combined the strongly agree and agree responses.



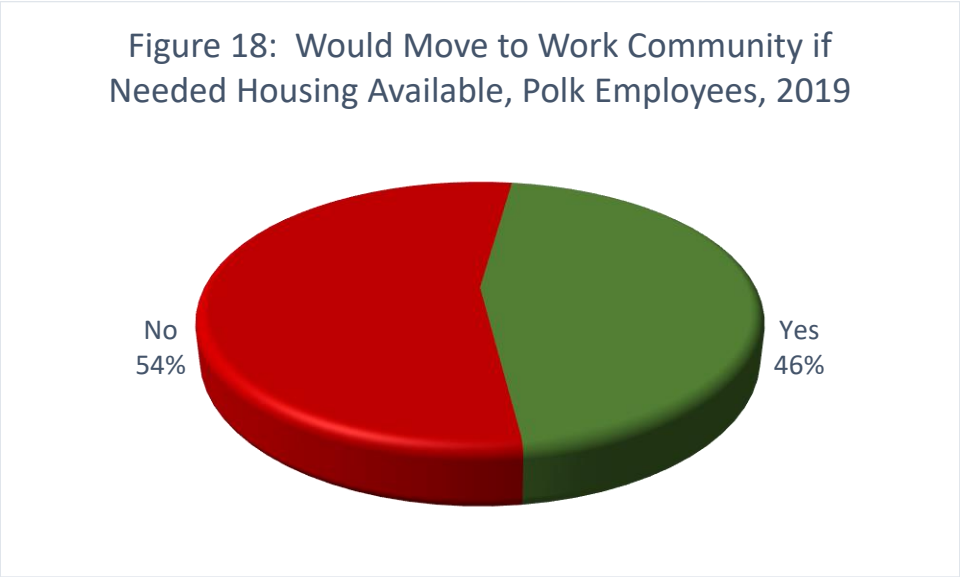
About eight of every ten respondents agree that their current home is affordable, in a satisfactory location, a good size, in satisfactory condition, and that they would like a house in which they could age in place. More than half also agree that they would pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open spaces and is in a welcoming and friendly community, that they would move if they could find their preferred type of housing at an affordable price, and that they've not been able to find that sort of home. Comparing the results in Figure 17 to those for the sample of Polk County residents (Figure 6),

we see a similar order and level of agreement. Those commuting into Polk County for work agreed in slightly lower proportions that they want a house in which they can age in place and that their current home is affordable and in a satisfactory location. These employees were somewhat more satisfied with the condition of their current home than were Polk County residents.

There were statistically significant differences in the level of agreement based on:

- **Current housing**: Employees who are renting were less satisfied with the current location of their home (14% agreed or strongly agreed vs. 91% of homeowners), its size (43% agreed or strongly agreed vs. 84% of homeowners), but were more likely to agree that they would move if they could find their preferred house at an affordable price (100% strongly agreed vs. 16% of homeowners) and that they'd need access to housing financial assistance (80% agreed or strongly agreed vs. 24% of homeowners).
- **Willingness to move**: Those willing to move agreed in higher proportions that they've not been able to find their preferred housing type at an affordable price (36% strongly agreed vs. 4% of those unwilling to move) and they'd like to be living in a smaller home/apartment in five years (40% agreed or strongly agreed vs. 4% of those unwilling to move). Those willing to move were less likely to agree that they are satisfied with the current location of their home (15% strongly agreed vs. 44% of those unwilling to move).
- **Age**: Those 45 or older were more likely to disagree that they've not been able to find their preferred housing at an affordable price (28% disagreed strongly vs. 0% of those under 45), but more likely to agree they'd like to move to a smaller home or apartment in the next five years (39% agreed or strongly agreed vs. 12% of those under 45).
- **Household size**: Respondents living alone or with one other person were more interested in moving to a smaller home/apartment (42% agreed or strongly agreed vs. 4% of those from households of 3 or more) and that access to open space/parks and nice views are more important than lot size (61% agree or strongly agree vs. 25% of those from households of 3+).
- **State**: Those from Minnesota were more interested in access to open space/parks and nice views than lot size (65% agree or strongly agree vs. 30% of those from Wisconsin).
- **Commute**: Those with commutes of 25 minutes plus are more interested in a home in which they can age in place (93% vs. 64% of those with shorter commutes).

Nearly half (46%) of the workers commuting into Polk County who responded to the survey said they would be willing to move to the community in which they work if the housing they need was available (Figure 18). Interestingly, this is exactly twice the proportion of Polk County residents in the representative sample who said they would move (Figure 7).

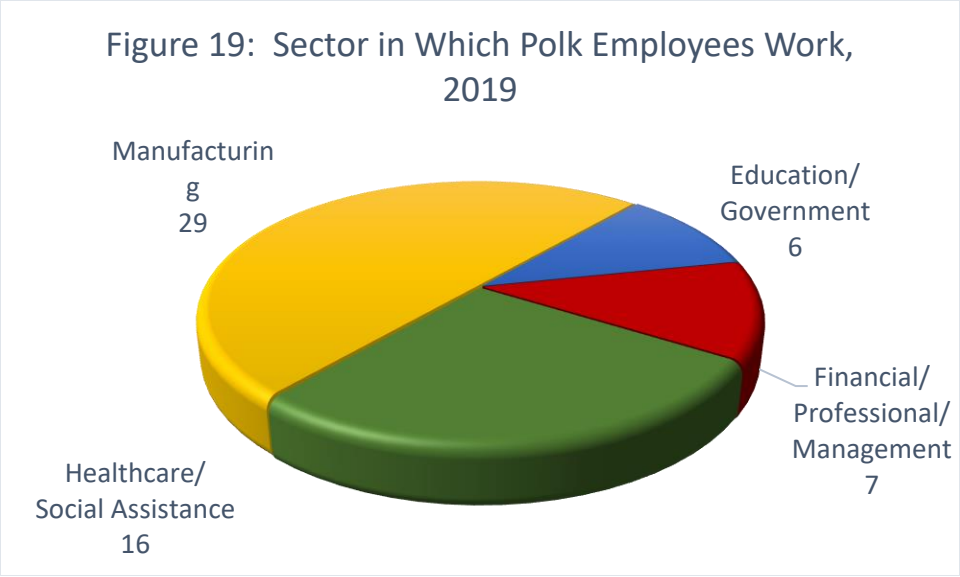


The only statistically significant difference in terms of willingness to move is whether the respondent is renting their current home or is a homeowner; 86% of renters would consider relocating to their work community compared to only 38% of homeowners.

Employment Factors

In the first portion of this section of the report we noted that most of the organizations in which in-bound commuters who completed the survey work are located in Osceola or Balsam Lake. Thus, it is not surprising that virtually all of the respondents said their primary workplace in Polk County is in one of those villages. Of the 58 employees who answered this question, 46 work in Osceola, 11 in Balsam Lake and one in St. Croix Falls.

As Figure 19 (next page) shows, half the Polk County employees who responded to this question said they work in the manufacturing sector. Again, given that Polaris employees completed the most surveys, this result is not surprising. A bit more than one-quarter of the respondents work in the healthcare/social assistance sector, and the remaining work in financial/professional office/management sector (12%) or education/government (10%).



Interestingly, those commuting into Polk County from elsewhere in Wisconsin were more likely to be working in the financial/professional/management (16% vs. 5% of Minnesota residents) or government/education (16% vs. 0% of Minnesota residents) sectors and those coming from Minnesota in the healthcare/social assistance sector (50% vs. 16% of Wisconsin commuters).

In terms of the number of employees in the workplaces of in-commuting Polk County workers, all of the organizations from which we heard fall into the 100 – 499 employee category. As a result, the SRC was unable to do any statistical analysis of this variable.

Conclusions

It is difficult to generalize the results obtained in this portion of the study given the relatively few responses received (60) and the fact that almost all worked in either Osceola or Balsam Lake. It is not likely that these results capture the opinions of all employees who commute into Polk County from neighboring jurisdictions.

For these 60 respondents, we know that:

- They are somewhat younger and live in households with higher incomes than the residents of Polk County who responded to a parallel survey.
- As was true for most Polk County jurisdictions, being near family and friends and the cost of homes were important factors for these in-commuting workers' choice of where to live.
- They were less concerned about property taxes as a housing challenge than were Polk County residents, but, like County residents, were concerned about the cost of buying a home.

- A high proportion of them are currently homeowners and almost all hope to be homeowners five years from now.
- Half of them currently live in larger, single-family homes and three-quarters would like to occupy this type of home.
- They are drawn to larger properties in less developed portions of the county and to homes that are not fixer-uppers, which is similar to the feelings of Polk County residents.
- Those currently renting their home were less satisfied with their residence's size and location and most are open to moving to Polk County if they could find their preferred type of housing at an affordable price. Renters also were more likely to say they need access to rent subsidies or low-interest loans.

Based on this relatively small sample, Polk County seems more likely to be able to induce younger people who are currently renting their home to move to the County. Many of these renters, however, indicate that they would need access to housing financial assistance.

Overall Conclusions

With respect to why people choose to live where they do, there are a few consistently important reasons given across the groups we looked at: **being near family and friends, the cost of a home, and being near their jobs**. Certain subgroups have other factors that are important in their decisions where to live:

- The quality of schools is important to those younger than 45, those with higher household incomes, those working in the education/governmental sector, people living in Dresser and Osceola, and from households of three or more people.
- Those currently renting their home are influenced in where they live because they don't feel they can find their desired type of housing elsewhere.
- Recreational opportunities were more important to those living in Balsam Lake and St. Croix Falls.
- Respondents from Luck were more influenced by the quality of their neighborhoods.
- Respondents from St. Croix Falls were more swayed by the beauty/aesthetics of the area.

Similarly, when asked to identify the top three housing-related challenges facing their community, **the cost of buying a home and property taxes** tended to be near the top of every group's list. Again, subgroups identified other challenges that were more important to them:

- The high cost of living was a bigger concern to those living in St. Croix Falls, Milltown, Amery, lower income respondents, and renters.
- The cost of renting was a bigger concern to those living in St. Croix Falls, lower income respondents, and renters.
- The lack of quality rental units was a bigger concern to residents Osceola, Clear Lake, Balsam Lake, and Amery, and renters.
- The lack of variety in housing choices was a bigger concern to those living in Amery and Luck, as well as those under 45 years of age.
- Deteriorating housing conditions were a bigger concern to those living in Dresser.
- The lack of land/lots was a bigger concern to those in Clear Lake.
- The cost of home maintenance was a bigger concern to low income respondents, those living alone or with one other person, and Polk residents who drive 25 minutes or more to their workplace.

A very high proportion of all groups from which we heard were homeowners rather than renters. Renters have many differences with respect to housing issues compared to homeowners. So, the relative lack of renters in the dataset is unfortunate.

In terms of the types of housing preferred by respondents. In all cases, most respondents said they **currently live in either a smaller, starter-type home or a larger, single-family home**. In some jurisdictions (Amery, Dresser, Milltown, Osceola) more currently live in starter homes and

in others (Balsam Lake, Clear Lake, Luck) more live in larger, single family homes. Generally, more **would like to be living in larger, single-family homes**, but, in some communities, we also saw increases in the proportion who would prefer to be living in some sort of **senior-friendly accommodation**. A few subgroups had different current or preferred housing types:

- Those currently renting and lower income respondents, compared to homeowners and higher income respondents, are more interested in a variety of housing options (smaller, affordable single-family "starter" homes, mobile homes, duplexes, apartments, and senior housing). Higher income respondents and homeowners mainly want to live in larger, single-family homes.
- A relatively high proportion of Dresser respondents would like to be living in a townhouse or condo.
- A high proportion of St. Croix Falls respondents said they currently live in an apartment.

The factors most important in housing decisions, according to most groups, were having **a larger property, living in a less developed area, a home that is not a fixer-upper**, and has **low property maintenance**. Relatively few other factors were important to a majority of given subgroups:

- Access to financial assistance for housing costs was more important to renters, lower income respondents, and those living in St. Croix Falls.
- Being within biking/walking distance of key destinations was more important to lower income respondents.

The four housing features that were at the top of all groups, with about three-quarters or more of the respondents agreeing or strongly agreeing were that their current home is **affordable, in a satisfactory location, is a good size** and that they'd like a home **designed to allow them to age in place**. There were few other housing issues for which a similar proportion of subgroups agreed:

- Those currently renting agreed that they'd consider moving if their preferred housing was available at an affordable price.
- Residents of Milltown and workers commuting into Polk County agreed in significantly higher proportions that the condition of their current home is satisfactory.

Finally, respondents were asked if they would consider moving to the community in which they work if the housing they need was available. Table 18 summarizes the responses across the various populations this report analyzed. It should be noted for the sponsoring communities, the "yes" answers to this question, if acted upon, would mean a decrease in their population. Thus, for those communities, it is likely that the preferred pattern would be a low percent in the "Yes" column and high percentages in the "No" and "Live There" columns. Overall the Polk County populations, an average of 30% said they'd consider moving to their work community, 38% would not, and 33% already live in the community in which they work.

Table 18: Willingness to Move to Work Community, Percent, 2019

	Yes	No	Live There
Polk Sample	23	43	34
Renter	**48**	29	24
Homeowners	25	**41**	34
Lower Income	32	35	34
Higher Income	26	**41**	33
Manufacturing	**40**	36	24
Education/Government	25	32	**44**
Health/Social Assistance	21	**48**	31
Amery	30	27	**44**
Balsam Lake	26	35	38
Clear Lake	23	**49**	28
Dresser	30	38	32
Luck	**36**	28	36
Milltown	25	**41**	33
Osceola	**38**	38	24
St. Croix Falls	32	**40**	28
In-Commuting Employees	**46**	54	

Renters and employees working in the manufacturing sector were most open to moving to their work community. Current homeowners, respondents from households with incomes above the median for the County and those working in health care/social assistance were the least likely to be willing to move to their work community. Those working in education/ government sector were most likely to already live in the community in which they work

In terms of the sponsoring communities, Luck and Osceola stand out in terms of having a relatively high proportion of their respondents saying they would consider moving from those villages to the community in which they work. Clear Lake, Milltown and St. Croix Falls respondents seem less interested in moving to their work community and Amery stands out in terms of having a higher proportion of its respondents working in that village.

The fact that nearly half of the employees who commute into Polk County for their job are willing to consider moving (mostly to Osceola or Balsam Lake), is encouraging.

Finally, for questions that were similar in a study of Barron County, the response patterns were quite similar. This suggests that the patterns discussed in the report may represent regional opinions about housing issues.

Appendix A: Non-Response Bias Test

Any survey has to be concerned with "non-response bias." Non-response bias refers to a situation in which people who do not return a questionnaire have opinions that are systematically different from the opinions of those who return their surveys. For example, suppose a disproportionate number of respondents to the Polk County Housing Survey were particularly happy with their current housing. In this case, non-response bias might exist, and the raw results might not reflect overall opinions about housing in the County.

A standard way to test for non-response bias is to compare the responses of those who completed their survey after the first mailing to those who responded to the second mailing. Those who respond to the second mailing are, in effect, a sample of non-respondents (to the first mailing), and we assume that they are more representative of all non-respondents.

Among respondents to this survey, there were 359 responses to the first mailing and 186 to the second mailing. The SRC found 6 variables with statistically significant differences among the 59 questions in the questionnaire.

Those who responded to the second mailing were significantly different with respect to:

- Job availability being one of the three most important factors that led them to live where they do (9% selected this vs. 2% of those responding to the first mailing).
- Whether they want to live in a smaller home or apartment in the next five years (71% disagreed or strongly disagreed with this vs. 60% of those responding to the first mailing).
- Where their primary workplace is located; more work outside of Polk County (34% vs. 26% of those responding to the first mailing).
- Size of household; they tended to have larger families (14% had five or more in the household vs. 8% of those responding to the first mailing).
- Number of bedrooms; they also had more bedrooms in their current home (30% had five or more bedrooms vs. 24% of those responding to the first mailing).
- Having longer commutes (46% spend at least 15 minutes getting from home to work vs. 35% of those responding to the first mailing). As noted above, more of those who responded to the second mailing work outside of Polk County, which may account for the longer commutes.

Because there were few significant differences between the responses to the first and second mailing, the Survey Research Center (SRC) concludes that there is little evidence that non-response bias is a concern for the Polk County Housing Survey dataset.

Appendix B: Open-Ended Comments

Not Working (27X)
- Retired (22X)
- Disabled (5x)

Retail, Entertainment, Business Services (19X)
- Sales (2X)
- Food business (2X)
- Hospitality (2X)
- Environmental Consulting (2X)
- Customer support
- Data Entry Specialist
- Food sales to restaurants
- Hospitality Industry. Also, Art/design
- Inspection
- IT Services
- Nonprofit consultant
- Restaurant
- Retail
- Technical writer/ admin
- Technical Customer Service- Banking Technology

Financial, Professional Office, Management (3X)
- Admin Asst
- Investment Properties
- Realtor

Education or Government (1X)
- Teacher

Healthcare or Social Assistance (4X)
- Health Care
- Medical Banning Specialist
- Mental health online program- start up- coaching role
- Self-employed health care professional

Skilled Trades (33X)
- Construction (21X)
- Mechanic (3X)
- Auto Repair
- Automotive
- Building and Remodeling Contractor
- Maintainer
- Oil field in Alaska
- Operator Roadwork
- Property preservation throughout Polk County
- Trades
- Trades, it's where all the money is at.

Agriculture and Forestry (14X)
- Farming (3X)
- Ag Repair
- Beef Cattle
- Cut brush like my ancestors: by hand under fences and in ditch.
- Dairy Farm
- Dairy Food Cheese
- Forestry
- Internet/food to government
- Logger
- Mill Lumber
- Millwright

Other (48X)
- Self-employed (4X)
- Laborer (3X)
- Engineering (2X)
- Truck driver (2X)
- Transportation (2X)
- Pastor/Preacher (2X)
- Aerospace R&D
- Architecture
- Business Owner
- Campground, Senior Mobile Home Court
- Caregiver for husband
- Child Care
- Church/ Non-profit
- Clergy
- DNR
- Evs Thru SCRMC
- Field Service Engineer
- Flight Attendant
- Funeral Home
- Hair stylist
- I have a real job
- Lawn and Landscape
- Lawn Service
- Long haul truck driver
- Long-Term care- Assisted Living
- Metrology
- Mining
- Nanny
- Newspaper carrier
- Nonprofit
- Public Services
- Railroad
- Retired working part time

Other (Continued)
- Salon
- self-employed landscaping-residential
- Services- Home
- Utility
- Veterinary technician
- Veterinary clinic

Appendix C1: Numerical Summary All 559 Responses

POLK COUNTY HOUSING SURVEY

QUALITY OF LIFE

1. What are the **three** most important reasons you and your family choose to live where you do? **(choose up to 3)**

38	Appearance of Homes	117	Low Crime Rate	135	Quality Neighborhood
12	Community Services	85	Aesthetics & Beauty	122	Quality Schools
258	Cost of Home	245	Near Family & Friends	114	Recreational Opportunities
19	Near Shopping	201	Near Job	35	Welcoming Community & Social Activities
54	Property Taxes	25	Job Availability	62	Cannot Find Desired Housing Elsewhere

2. What are the top **three** housing-related challenges facing your community? **(choose up to 3)**

189	Cost of Buying a Home	124	High Cost of Living	100	Deteriorating Housing Conditions
96	Cost of Renting	256	Property Taxes	83	Lack of Smaller, Starter Homes
84	Cost of Land	69	Lack of Senior Housing	130	Lack of Variety of Housing Choices
61	Availability of Land/Lots	136	Lack of Quality Rental Housing	117	Cost of Home Maintenance

HOUSING PREFERENCES

3. What best describes your current and preferred future housing situation?	Renter	Homeowner
a. Please describe your current housing situation:	85	468
b. In 5 years, I would like to be a:	43	478

4. What best describes your current and preferred type of housing?	Current **(choose 1)**	Preferred **(choose 1)**
a. Smaller, affordable single-family or "starter" home (1 home on 1 lot)	207	125
b. Mobile home	18	5
c. Larger, single-family home (1 home on 1 lot)	230	235
d. Duplex or twin home (2 homes, usually attached)	19	16
e. Townhome or condominium (3+ homes/units attached)	7	15
f. Apartment (1 or more rental homes/units in same building)	33	4
g. Senior apartments, assisted living facility, or retirement community	8	28

5.	How important to you are the following when making a housing decision?	Not Important	Somewhat Important	Important	Very Important
a.	Live within walking or biking distance to work, downtown, school, parks, clinic, etc.	229	181	84	52
b.	Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	270	157	106	15
c.	Live in the country or less developed area, not a traditional neighborhood.	112	122	164	148
d.	Live on a larger lot or property.	109	115	163	157
e.	A home with low property maintenance	54	147	221	129
f.	A home that is not a fixer-upper	79	129	164	171
g.	Access to financial assistance for housing costs, such as rental subsidies or low-interest loans.	249	114	106	81

6.	Please indicate your level of agreement with the following:	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable
a.	My current housing is affordable.	138	357	37	13	3
b.	I am satisfied with the location of my current housing.	176	302	54	20	0
c.	I am satisfied with the size of my current housing.	133	302	90	28	1
d.	I am satisfied with the condition of my current housing; no major repairs are needed.	109	274	115	50	5
e.	I have not been able to find my preferred housing at an affordable price.	68	115	135	53	178
f.	I would move if my preferred housing was available at an affordable price.	109	149	109	47	133
g.	I want to live in a smaller home or apartment in the next five years.	36	81	168	182	76
h.	Access to open space, parks, and nice views are more important to me than lot/property size.	52	205	181	61	48
i.	I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space, and in a welcoming and friendly community.	32	227	165	70	54
j.	I want a home designed to be accessible and to allow my household to "age in place."	104	330	55	12	48
k.	I need access to housing financial assistance, such as rental subsidies or low-interest loans.	48	93	152	86	166

		Yes, I would consider moving	No, I would not consider moving	I already live in the community in which I work
7.	If the housing I need or desire was available in the community in which I work, I would consider moving to that community. **(choose one only)**	152	212	178

8. What is the location of your primary job?

94	N/A – Not working	10	Centuria	11	Dresser	40	Osceola
33	Work from Home	1	Clayton	6	Frederic	42	St. Croix Falls
42	Amery	31	Clear Lake	34	Luck	5	Turtle Lake
28	Balsam Lake	0	Cushing	8	Milltown	154	Outside Polk County

9. Which best describes your current primary job?

107	N/A – Not working	73	Education or Government
91	Manufacturing	56	Healthcare or Social Assistance
61	Retail, Entertainment, or Business Services	104	Other (please specify): **See Appendix B**
54	Financial, Professional Office/Management		

10. What is the size of your primary workplace (number of employees)?

104	N/A – Not working	69	2-9 Employees	97	100-499 Employees
48	Self-Employed	153	10-99 Employees	68	500+ Employees

Demographics

	Under 18	18-24	25-34	35-44	45-54	55-64	65+
11. What is your age?	0	2	61	92	106	220	72

	0	1	2	3	4	5	6	7	8	9	10+
12. Number of people in your household, including yourself:		119	232	94	53	35	9	11	0	0	0
13. Number of **bedrooms** in your home or apartment:	2	36	137	236	106	28	3	0	0	0	0

	NA – Not Working	Work from Home	Less than 10 Minutes	10 - 14 Min.	15 – 24 Min.	25 – 34 Min.	35+ Min.
14. The travel time, one way, from my home to work is:	109	44	138	44	41	55	117

15. What is your estimated total annual **household** income?

70	Under $26,774	73	$42,841-$53,550	193	$75,001-$150,000	2	$300,001-$400,000
78	$26,775-$42,840	87	$53,551-$75,000	31	$150,001-$300,000	0	$400,001 or more

Appendix C2: Numerical Summary Polk County Representative Sample (based on 145 Responses)

POLK COUNTY HOUSING SURVEY

QUALITY OF LIFE

1. What are the **three** most important reasons you and your family choose to live where you do? **(choose up to 3)**					
10	Appearance of Homes	23	Low Crime Rate	33	Quality Neighborhood
1	Community Services	25	Aesthetics & Beauty	35	Quality Schools
52	Cost of Home	76	Near Family & Friends	32	Recreational Opportunities
6	Near Shopping	51	Near Job	8	Welcoming Community & Social Activities
15	Property Taxes	7	Job Availability	14	Cannot Find Desired Housing Elsewhere

2. What are the top **three** housing-related challenges facing your community? **(choose up to 3)**					
53	Cost of Buying a Home	31	High Cost of Living	23	Deteriorating Housing Conditions
18	Cost of Renting	68	Property Taxes	23	Lack of Smaller, Starter Homes
27	Cost of Land	19	Lack of Senior Housing	31	Lack of Variety of Housing Choices
17	Availability of Land/Lots	32	Lack of Quality Rental Housing	35	Cost of Home Maintenance

HOUSING PREFERENCES

3. What best describes your current and preferred future housing situation?	Renter	Homeowner
c. Please describe your current housing situation:	13	132
d. In 5 years, I would like to be a:	4	132

4. What best describes your current and preferred type of housing?	Current **(choose 1)**	Preferred **(choose 1)**
h. Smaller, affordable single-family or "starter" home (1 home on 1 lot)	50	40
i. Mobile home	5	1
j. Larger, single-family home (1 home on 1 lot)	79	68
k. Duplex or twin home (2 homes, usually attached)	3	4
l. Townhome or condominium (3+ homes/units attached)	2	1
m. Apartment (1 or more rental homes/units in same building)	0	1
n. Senior apartments, assisted living facility, or retirement community	1	3

5.	How important to you are the following when making a housing decision?	Not Important	Somewhat Important	Important	Very Important
h.	Live within walking or biking distance to work, downtown, school, parks, clinic, etc.	81	36	16	10
i.	Live within a more traditional neighborhood with smaller lots, sidewalks, front porches, etc.	97	22	20	3
j.	Live in the country or less developed area, not a traditional neighborhood.	15	19	51	58
k.	Live on a larger lot or property.	12	22	44	62
l.	A home with low property maintenance	17	41	61	25
m.	A home that is not a fixer-upper	19	29	45	46
n.	Access to financial assistance for housing costs, such as rental subsidies or low-interest loans.	75	24	28	17

6.	Please indicate your level of agreement with the following:	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable
l.	My current housing is affordable.	36	91	13	4	0
m.	I am satisfied with the location of my current housing.	53	73	13	5	0
n.	I am satisfied with the size of my current housing.	33	85	18	8	0
o.	I am satisfied with the condition of my current housing; no major repairs are needed.	28	63	41	12	0
p.	I have not been able to find my preferred housing at an affordable price.	16	28	36	15	49
q.	I would move if my preferred housing was available at an affordable price.	22	37	25	17	42
r.	I want to live in a smaller home or apartment in the next five years.	9	24	46	45	19
s.	Access to open space, parks, and nice views are more important to me than lot/property size.	13	56	41	19	12
t.	I would be willing to pay more in housing costs to live in a house that looks nice, is in a neighborhood with parks or open space, and in a welcoming and friendly community.	6	66	34	18	18
u.	I want a home designed to be accessible and to allow my household to "age in place."	30	87	13	1	10
v.	I need access to housing financial assistance, such as rental subsidies or low-interest loans.	12	16	45	24	44

		Yes, I would consider moving	No, I would not consider moving	I already live in the community in which I work
7.	If the housing I need or desire was available in the community in which I work, I would consider moving to that community. **(choose one only)**	33	62	48

8. What is the location of your primary job?							
20	N/A – Not working	4	Centuria	2	Dresser	9	Osceola
16	Work from Home	1	Clayton	4	Frederic	13	St. Croix Falls
14	Amery	7	Clear Lake	4	Luck	2	Turtle Lake
4	Balsam Lake	0	Cushing	2	Milltown	35	Outside Polk County

9. Which best describes your current primary job?			
20	N/A – Not working	20	Healthcare or Social Assistance
14	Manufacturing	15	Other (please specify): **See Appendix B**
22	Retail, Entertainment, or Business Services	12	Skilled Labor
14	Financial, Professional Office/Management		
17	Education or Government	7	Farming/Forestry

10. What is the size of your primary workplace (number of employees)?					
19	N/A – Not working	22	2-9 Employees	28	100-499 Employees
24	Self-Employed	32	10-99 Employees	14	500+ Employees

Demographics

	Under 18	18-24	25-34	35-44	45-54	55-64	65+
11. What is your age?	0	0	12	33	26	54	19

	0	1	2	3	4	5	6	7	8	9	10+
12. Number of people in your household, including yourself:		21	68	23	14	13	3	1	0	0	0
13. Number of **bedrooms** in your home or apartment:	0	3	31	63	37	7	2	0	0	0	0

	NA – Not Working	Work from Home	Less than 10 Minutes	10 - 14 Min.	15 – 24 Min.	25 – 34 Min.	35+ Min.
14. The travel time, one way, from my home to work is:	20	22	29	15	13	16	24

15. What is your estimated total annual **household** income?							
13	Under $26,774	17	$42,841-$53,550	53	$75,001-$150,000	1	$300,001-$400,000
17	$26,775-$42,840	27	$53,551-$75,000	11	$150,001-$300,000	0	$400,001 or more

Appendix D: Constructing the Representative Polk County Sample

Wanting to produce as accurate estimates as possible for the eight sponsoring jurisdictions, generate results representative of Polk County as a whole, and stay within reasonable budget constraints, made for a more complex than normal sample structure. Table D1 will help explain how the Polk County housing survey sample was structured.

Table D1: Construction of Polk County Housing Survey Sample and Returns by Jurisdiction, 2019

1	2	3	4	5	6	7	8
	Occupied Housing Units[1]	Percent Occupied Homes	Responses Needed (+/- 10%)	Mailout	Percent Mailout	Responses Received	Confidence Interval (+/-)
Amery	1,215	7%	89	223	11%	62	12%
Balsam Lake	325	2%	74	185	9%	35	16%
Clear Lake	488	3%	80	200	10%	69	11%
Dresser	400	2%	78	195	10%	50	13%
Luck	516	3%	81	203	10%	62	12%
Milltown	514	3%	81	203	10%	55	13%
Osceola	1,078	6%	88	220	11%	53	13%
St. Croix Falls	984	5%	88	220	11%	62	12%
Rest of Polk	12,669	70%	95	353	18%	101	10%
Constructed Polk Sample	18,189	100%	96	2,000	100%	145	8%

1. 2013-2017 American Community Survey 5-Year Estimates, US Census, Table DP04

According to the US Census' American Community Survey, there were 18,189 occupied housing units in Polk County, 30% of which were in the eight sponsoring jurisdictions. The specific number of occupied housing units in each area of Polk County is shown in column 2 of the table. Column 3 shows the occupied housing units in each jurisdiction as a percentage of all occupied houses in the County.

In order to remain within budget constraints for this project, the survey team jointly decided to try to achieve estimates that were accurate to within plus/minus 10% for each of the eight sponsoring jurisdiction and the rest of the County and assumed that 40% of those in the mailing list would complete and return their surveys. The 4th column in Table D1 shows the number of responses needed from each jurisdiction to achieve the chosen level of accuracy. The column labeled "Mailout" in Table D1 (Column 5) is simply the preceding column divided by 0.4 (the assumed 40% response rate). Column 6 is the percent of the 2,000 addresses to which the SRC sent surveys accounted for by each jurisdiction.

Column 7 shows the number of surveys actually received from each jurisdiction and Column 8 shows the estimated confidence interval based on the number of completed surveys and the total number of occupied housing units for each jurisdiction.

Finally, the eight sponsoring jurisdictions were over-represented in the mailout and in the surveys returned relative to the proportion of occupied houses in Polk County. The SRC first tested to see if there were significant differences in the opinions and preferences about housing in the eight sponsoring villages/cities and those from elsewhere in Polk County. Had there been few significant differences, the SRC could use all 554 returned surveys in the analysis. Unfortunately, there were a number of significant differences and many of them were in questions that are particularly important to this study. As a result, the SRC constructed a representative sample of from the responses to more accurately represent Countywide opinions and preferences about housing.

The Constructed Polk Sample was derived as follows:

- The 101 surveys received from the Polk County residents living outside of the eight sponsoring jurisdiction should comprise 70% of the houses in an appropriately structured sample for the County (see Table 1, column 2). Dividing 101 by 0.7 (70%) gives us an overall sample size of 145, meaning that 44 responses (30%) would come from the sponsoring jurisdictions.
- The 44 responses from the sponsoring jurisdictions were randomly selected from the replies from each city/village in proportion to their percent of the total Polk County occupied housing stock. For example, Amery accounts for 7% of the occupied houses in Polk County and 7% of 44 is 3. So, the SRC randomly selected 3 responses from the 62 received from Amery to include in the "Constructed Polk County" sample. The same process was applied to each of the other seven cities/villages.

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APPENDIX B

Development Potential Map

Village of Clear Lake

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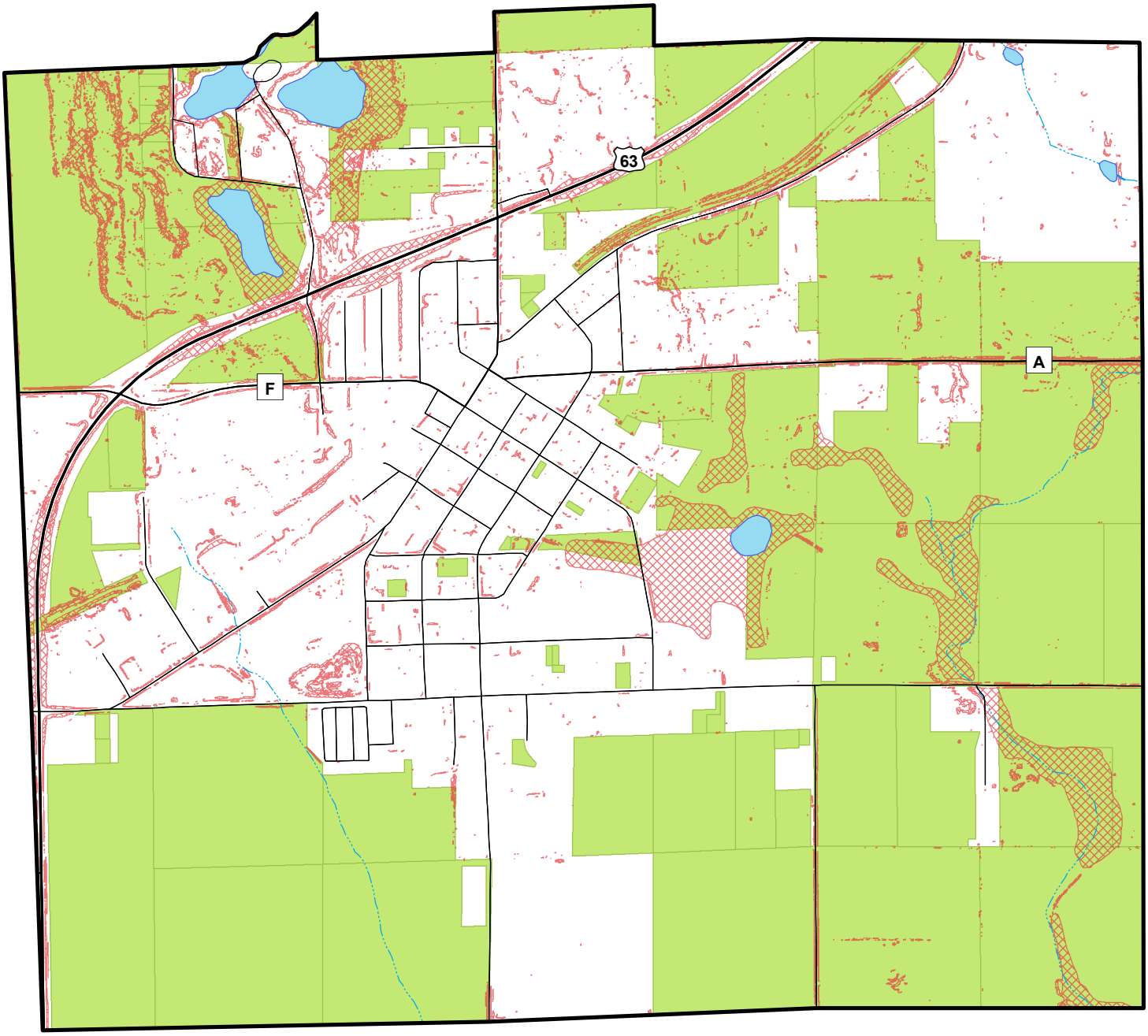
DEVELOPMENT POTENTIAL

VILLAGE OF CLEAR LAKE



LEGEND

Potentially Developable Lands

Includes parcels assessed as:
-Residential <5 acres w/o improvements
-Residential >5 acres
-Agricultural, forestland, or undeveloped

Environmentally Sensitive Area (ESA)

-Slopes 20% or greater
-WDNR wetlands
-FEMA 100-year floodplain

Summary of Potentially Developable Lands

Number of Parcels	Acres Available	Acres w/ESA	Developable Acres
82	956	79	877

N

0 0.125 0.25 0.5 Miles

Using this Map: To be used for general planning purposes only. Highlighted lands have no assessed improvements, except residential assessed parcels >5 acres. Such larger residential lots may be candidates for subdivision. Note that some residential uses may be assessed as commercial or tax-exempt (e.g. rental units) and may not be highlighted. Environmentally sensitive areas shown may limit development potential. IMPORTANT: This map does not consider unique site characteristics, the availability of infrastructure, zoning regulations (e.g. min. lot size, setbacks), deed restrictions, or market factors, such as individual landowner preferences and other local plans. Data Source: WI DOA, WI SCO.

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APPENDIX C

Housing Snapshot

Village of Clear Lake

Polk County

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VILLAGE OF CLEAR LAKE HOUSING SNAPSHOT

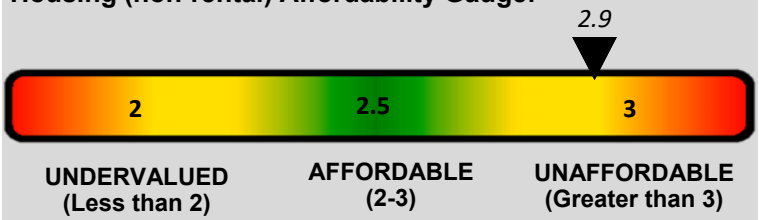
draft

Current (2017) Housing Mix:

- The overall Village occupied housing mix is 67% owner and 33% renter.
- There is a need for more rental units with an estimated 2017 vacancy rate of 0%.
- There is a need for more owner units with an estimated 2017 vacancy rate of 0.9%.
- 17.2% of housing structures were built in 1939 which may suggest a need for rehabilitation or replacement.

Housing Affordability at a Glance

Housing (non-rental) Affordability Gauge:



The Village of Clear Lake's housing affordability ratio was **2.9** indicating that the median house is affordable but is close to being unaffordable for the median household income.

Cost-Burdened Households:
A household is considered to be "**cost burdened**" if it pays **30 percent or more** of its income on housing costs. In 2017, **30.8 percent** of Clear Lake's owner households with a mortgage were cost burdened, an increase from **14.8 percent** in 2000.

Households in Poverty and ALICE Households:
In 2016, **46 percent** of households in the Village of Clear Lake were below the Federal Poverty Level or were classified as ALICE households. ALICE households earn more than the Federal Poverty Level, but less than the basic cost of living for the county. Combined, the number of ALICE and poverty-level households equals the total population struggling to afford basic needs. The percentage of households in these two categories decreased 3 **percentage point** between 2014 and 2016.

Sources: 2000 U.S. Census, 2016 ACS Five Year Estimates, & 2018 ALICE Report

Population & Housing Characteristics, 2000 to 2017

	2000	2017	2000-2017 Change in #	2000-2017 % Change
Population	1,051	1,045	-6	-0.6%
Average Age	39.4	42.7	3.3	8.4%
# of Households	453	488	35	-7.7%
Average Household Size	2.3	2.1	-0.2	-7.0%
% of One Person	36.0%	43.4%	49	30.1%
% of Households with Own Children	27.4%	25.6%	1	0.8%
Owner Vacancy Rate	3.3%	0.9%	-2.4%	—
Renter Vacancy Rate	2.2%	0.0%	-2.2%	—
Seasonal Units	5	8	3	60.0%
Vacant Units	25	41	16	64.0%
Median # of Rooms	5.3	5.7	0.4	7.5%
Units 50 Years or Older	196	196	0	0.0%
% of Units 50 Years or Older	40.8%	37.1%	-3.7%	—
Single Family Units	298	343	45	15.1%
Multi-Family Units	96	114	18	18.8%
Mobile Homes	86	69	-17	-19.8%

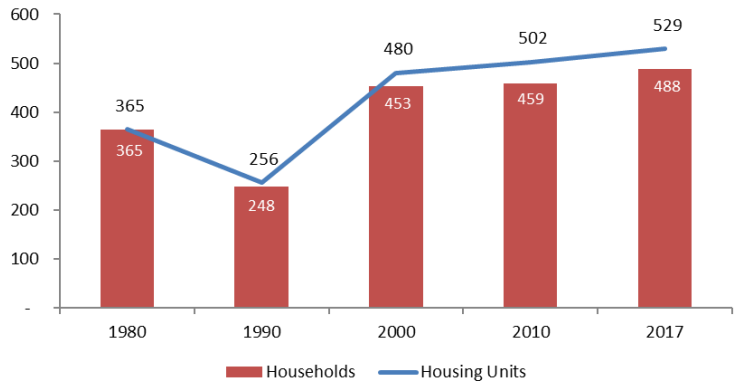
Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

Household Growth by Age Group & Tenure, 2000 to 2017

Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

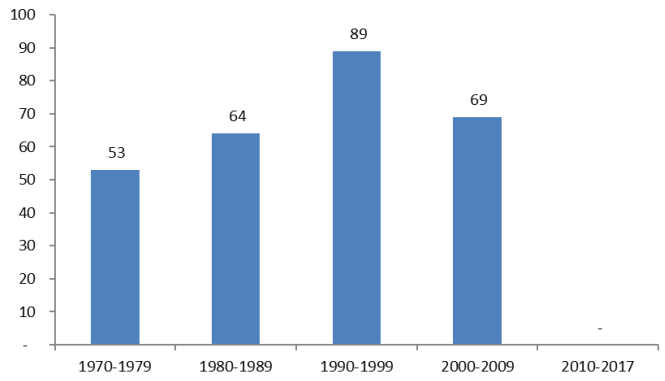
WCWRPC coordinate. partner. advocate. serve.

Housing Units & Household Growth, 1980-2017



Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

Number of Housing Units Built by Decade, 1970-2017



Sources: IPUMS 1970-90, 2000 U.S. Census & 2017 ACS Five Year Estimates

Renter Households

161 | **33% of all households**

Median gross rent, 2000: $354
Median gross rent, 2017: $542
↑ **Rent up** **53%**

Median renter income, 2000: $15,000
Median renter income, 2017: $27,946
↑ **Income up** **86%**

Polk County fair market rent for 2-bedroom apartment: **$763**

Clear Lake median income renter can afford: **$699**

Owner Households

327 | **67% of all households**

Median home value, 2000: $80,500
Median home value, 2017: $119,500
↑ **Value up** **48%**

Median owner income, 2000: $40,000
Median owner income, 2017: $47,422
↑ **Income up** **19%**

Change in homeownership rate for Clear Lake Households younger 35 years old, 2000-2017: **-36%**

Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates, HUD, rent.org, & WCWRPC Calculations

Polk County Housing Sales

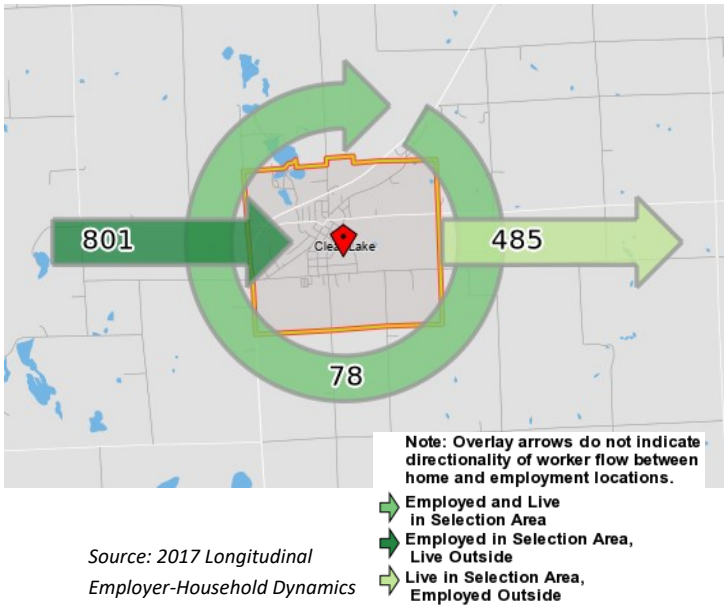
2018 # of Home Sales: 865
2008 # of Home Sales: 375

2018 Median Sale Price: $174,000
2008 Median Sale Price $132,500

- There were 865 homes sold in 2018, a slight decrease from home sales in 2017.
- The median sales price from January to May 2019 was $205,500, higher than the previous year of $174,000.

Sources: Wisconsin Realtors Association, 2008, 2018, & 2019

Inflow/Outflow Job Counts, 2017



Source: 2017 Longitudinal Employer-Household Dynamics

KEY FINDINGS

Rental Housing (2017):

- 24% of all renter-occupied units are single-family detached homes; 50% are in 5+ unit structures.
- 34% of renter-occupied units have 2 bedrooms, while 55% have 1 bedroom.
- The median renter-occupied structure was built in 1975.
- 52% of single-person households rented.
- Median household income for renters in the Village was $27,946 compared with $41,083 for all Village households.

Village of Clear Lake Rental Supply, 2017	2017 ACS
Population in Rental Units	293
Rental Units	161
Renter-Occupied Units	161
Vacant Units for Rent, excludes seasonal	0

Rental Demand:

- WCWRPC estimates there were 0 vacant rental units in the Village of Clear Lake in 2017.
- An additional 14-17 units for rent are needed for a healthy housing market (vacancy rate & overcrowding).
- Wisconsin DOA projects that the Village population and households will increase through 2035.

Additional Rental Units Needed*	2017 est.	2020	2025	2030	2035	2040	Net
Based on WDOA Projections	14 - 17	2	10	8	3	0	37 - 40

*It was estimated that there were no vacant rental units in 2017. Assumes continued housing mix of 33% renter and 67% owner.

Owner / For Sale Housing (2017):

- 80% of owner-occupied units were single-family detached units while 15% were mobile homes.
- 50% of owner-occupied units have 3 bedrooms while 16% have 4+ bedrooms.
- The median owner-occupied structure was built in 1973.
- 89% of married-couple families were homeowners, while 48% of single-person households owned a home.
- There were 8 reported seasonal units within the Village in 2017.

Village of Clear Lake Owner Supply, 2017 ACS	
Population in Owner Units	749
Owner Units	360
Owner-Occupied Units	327
Vacant Units for Sale, excludes seasonal	3

Owner Demand:

- The 2013-2017 ACS estimates that there were 3 units for sale in the Village of Clear Lake in 2017.
- 4-6 additional units for sale are needed in 2017 for a healthy housing market (vacancy rate).
- This estimate does not include seasonal, recreational, or occasional use homes.

Additional Owner Units Needed*	2017 est.	2020	2025	2030	2035	2040	Net
Based on WDOA Projections	4 - 6	4	19	15	7	0	49 - 51

*It was estimated that there were 3 vacant for sale units in 2017. Assumes continued housing mix of 33% renter and 67% owner.

SELECTED KEY HOUSING PRIORITIES

Update the Village's Comprehensive Plan. The Village's Comprehensive Plan was adopted in 2009 and will need to be updated in the near future. The Village should incorporate the housing study into the Comprehensive Plan update.

Community Education & Involvement. A community has housing for everyone. All housing, regardless of type, size, and price, provides the same essential purpose of providing a place to live. Minimizing or mitigating differences can help ensure housing for all is provided in the community.

Build More Units. There is an immediate need for owner and rental units, based on pent-up demand, with additional units needed to meet the projected increases in population and households. Rental units with contract rents targeted to workforce and market-rate groups, along with quality starter and "move-up" homes, are in high demand.

Focus on Infill/Redevelopment Opportunities. Given the topographical and infrastructure challenges associated with land development in the Village, opportunities for infill and redevelopment of existing buildings and sites should be explored. The Village should identify these opportunities and pursue/encourage redevelopment.

Be a Partner in the Development Process. Opportunities exist for the village to play a role in the development process by supporting a developer committed to building housing that meets the Village's housing needs. The Village should consider participating in the development process.

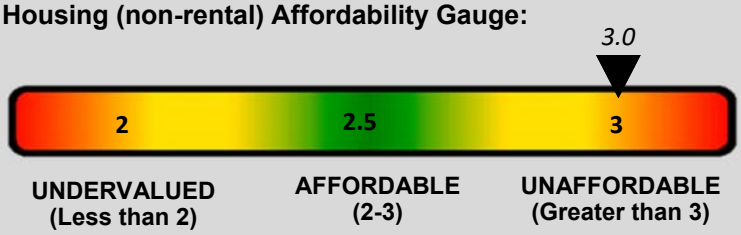
POLK COUNTY HOUSING SNAPSHOT

Current (2017) Housing Mix:

- The mix of occupied housing units in the County (22% Rental / 78% Owner) appears to be generally balanced.
- There is a need for additional rental units with the WCWRPC-estimated vacancy rate of 4%.
- There is a need for additional owner units with an estimated vacancy rate of 1.4%.
- Approximately 20% of the County's housing stock if for seasonal, recreational, or occasional use.

Housing Affordability at a Glance

Housing (non-rental) Affordability Gauge:



Polk County's housing affordability ratio in 2017 was **3.0** indicating that the median house is at the highest end of being affordable but is close to being unaffordable for the median household income.

Cost-Burdened Households:
A household is considered to be "**cost burdened**" if it pays **30 percent or more** of its income on housing costs. In 2017, **33 percent** of Polk County's owner households with a mortgage were cost burdened, an increase from **23 percent** in 2000.

Households in Poverty and ALICE Households:
In 2016, **34 percent** of households in the Polk County were below the Federal Poverty Level or were classified as ALICE households. ALICE households earn more than the Federal Poverty Level, but less than the basic cost of living for the county. Combined, the number of ALICE and poverty-level households equals the total population struggling to afford basic needs. The percentage of households in these two categories decreased 4 percentage points between 2014 and 2016.

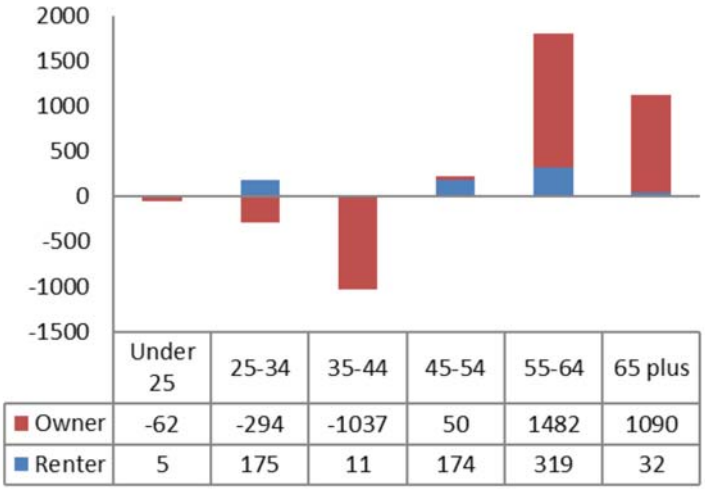
Sources: 2000 U.S. Census, 2016 ACS Five Year Estimates, & 2018 ALICE Report

Population & Housing Characteristics, 2000 to 2017

	2000 Census	2017 ACS	2000-2017 Change in #	2000-2017 % Change
Population	41,319	43,328	2,009	4.9%
Average Age	38.7	44.8	6.1	15.8%
# of Households	16,254	18,189	1,935	11.9%
Average Household Size	2.51	2.35	-0.2	-6.4%
% of One Person	25.2%	26.7%	760	18.5%
% of Households with Own Children	32.1%	26.6%	-384	-7.4%
Owner Vacancy Rate	0.9%	1.4%	0.5%	—
Renter Vacancy Rate	5.9%	5.8%	-0.1%	—
Seasonal Units	4,211	4,985	774	18.4%
Vacant Units	4,875	6,267	1,392	28.6%
Median # of Rooms	5.7	5.6	-0.1	-1.8%
Units 50 Years or Older	9,799	8,781	-1,018	-10.4%
% of Units 50 Years or Older	46.4%	35.9%	-10.5%	—
Single Family Units	16,801	20,126	3,325	19.8%
Multi-Family Units	2,040	2,280	240	11.8%
Mobile Homes	2,068	2,043	-25	-1.2%

Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

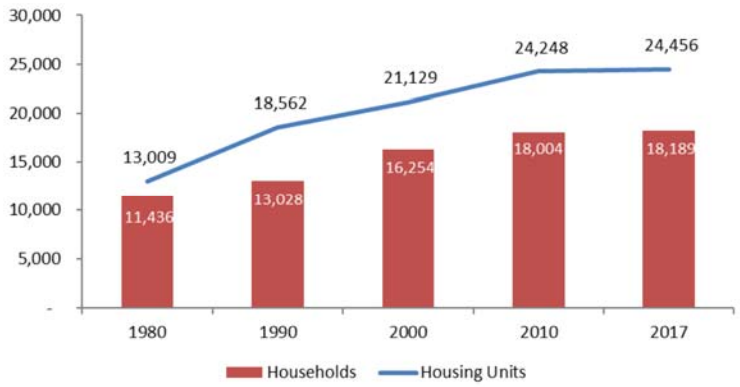
Household Growth by Age Group & Tenure, 2000 to 2017



Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

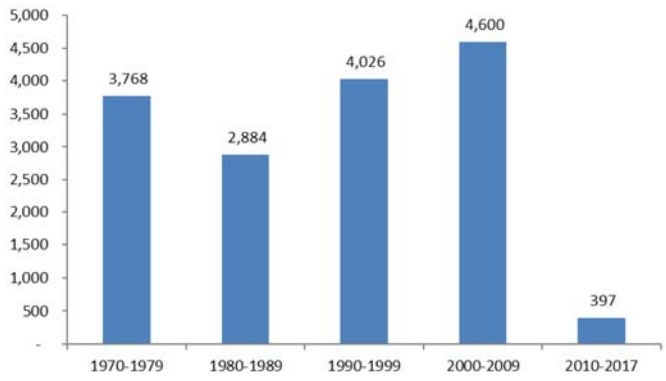
WCWRPC coordinate. partner. advocate. serve.

Housing Units & Household Growth, 1980-2017



Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates

Number of Housing Units Built by Decade, 1970-2017



Sources: IPUMS 1970-90, 2000 U.S. Census & 2017 ACS Five Year Estimates

Renter Households

3,933 | **22% of all households**

Median gross rent, 2000: $440
Median gross rent, 2017: $740
↑ **Rent up** **68%**

Median renter income, 2000: $23,479
Median renter income, 2017: $31,199
↑ **Income up** **33%**

Polk County fair market rent for 2-bedroom apartment: **$763**

Polk County median income renter can afford: **$780**

Owner Households

14,256 | **78% of all households**

Median home value, 2000: $100,200
Median home value, 2017: $158,300
↑ **Value up** **58%**

Median owner income, 2000: $45,789
Median owner income, 2017: $61,850
↑ **Income up** **35%**

Change in homeownership rate for Polk County Households younger 35 years old, 2000-2017: **-24.2%**

Sources: 2000 U.S. Census & 2017 ACS Five Year Estimates, HUD, rent.org, & WCWRPC Calculations

Polk County Housing Sales

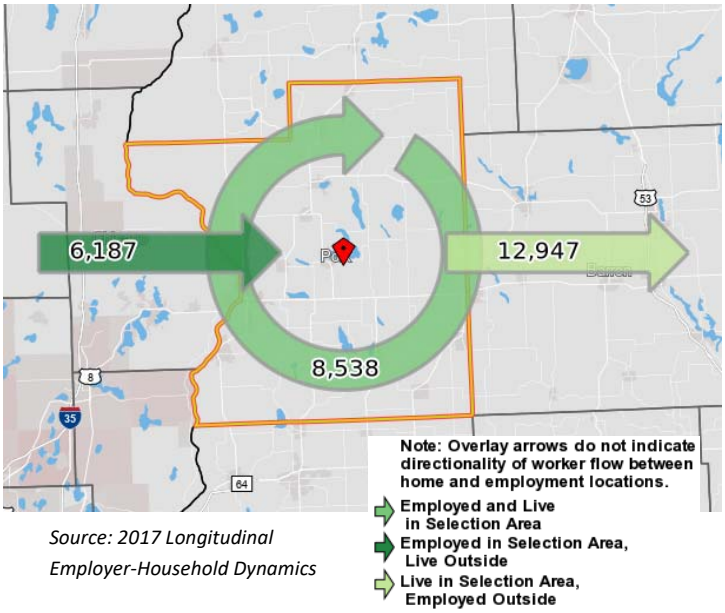
2018 # of Home Sales: 865
2008 # of Home Sales: 375

2018 Median Sale Price: $174,000
2008 Median Sale Price $132,500

- There were 865 homes sold in 2018, a slight decrease from home sales in 2017.
- The median sales price from January to May 2019 was $205,500, higher than the previous year of $174,000.

Sources: Wisconsin Realtors Association, 2008, 2018, & 2019

Inflow/Outflow Job Counts, 2017



Source: 2017 Longitudinal Employer-Household Dynamics

KEY FINDINGS

Rental Housing (2017):

- 39% of all renter-occupied units are single-family detached homes.
- 38% of renter-occupied units have 2 bedrooms, while 24% have 1 bedroom.
- The median renter-occupied structure was built in 1978.
- 34% of single-person households rented.
- Median household income for renters in the County was $31,199 compared with $53,551 for all County households.

Polk County Rental Supply, 2017	
Population in Rental Units	8,434
Rental Units	4,254
Renter-Occupied Units	3,933
RPC Adjusted Vacant Units for Rent, excludes seasonal	170

Rental Demand:

- WCWRPC estimates there were 170 vacant rental units in Polk County in 2017.
- An additional 43 - 128 units for rent are needed for a healthy housing market (vacancy rate).
- Wisconsin DOA projects that the County population and households will increase through 2035.

Additional Rental Units Needed*	2017 est.	2020	2025	2030	2035	2040	Net
Based on WDOA Projections	43 - 128	315	337	282	131	0	1,108 - 1,193

*It was estimated that there were 170 vacant rental units in 2017. 2020 estimate decreased by 60 units to reflect changes since 2017. Assumes continued housing mix of 22% renter and 78% owner.

Owner / For Sale Housing (2017):

- 89% of owner-occupied units were single-family detached units while 7% were mobile homes.
- 47% of owner-occupied units have 3 bedrooms while 24% have 4+ bedrooms.
- The median owner-occupied structure was built in 1981.
- 90% of married-couple families were homeowners, while 66% of single-person households owned a home.
- The 2013-2017 ACS reported 4,985 seasonal units within the County.

Polk County Owner Supply, 2017 ACS	
Population in Owner Units	34,375
Owner Units	14,540
Owner-Occupied Units	14,256
Vacant Units for Sale, excludes seasonal	206

Owner Demand:

- The 2013-2017 ACS estimates that there were 206 units for sale in Polk County in 2017.
- 85 - 158 additional units for sale are needed in 2017 for a healthy housing market (vacancy rate).
- This estimate does not include seasonal, recreational, or occasional use homes.

Additional Owner Units Needed*	2017 est.	2020	2025	2030	2035	2040	Net
Based on WDOA Projections	85 - 158	1,079	1,111	931	486	0	3,692 - 3,765

*It was estimated that there were 206 vacant for sale units in 2017. 2020 estimate decreased by 404 units to reflect changes since 2017. Assumes continued housing mix of 22% renter and 78% owner.

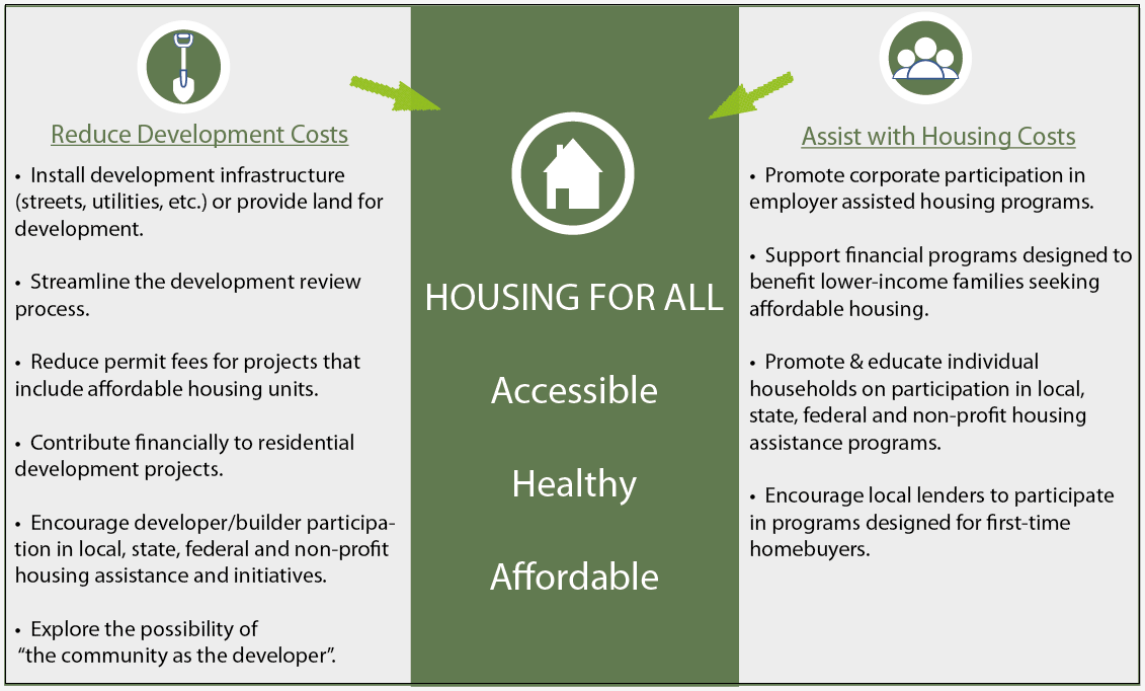
KEY HOUSING GOALS / PRIORITIES

Market Housing Needs & Opportunities to Developers. Be "Housing Ready." Proactively engage developers in a clear, simple, and creative manner. Demonstrate demand and support. Provide confidence that the investment will be profitable. Be a partner, not a regulator; share the risks.

Shift & Balance the Market. Considering the housing preferences within the Study, build more rental and owner units and achieve a balanced mix of housing types for all residents that address While rental units to meet the needs of the workforce and income constrained populations and starter homes for low-to-moderate income households are needed, there is also a need for new, quality, market-rate units.

Take Action to "Narrow the Gap". As reflected in the graphic below, make housing affordable by collaborating with key partners to reduce development costs and assist residents with housing costs.

Address Unique Needs. In addition to providing access to affordable housing for all, the Study identifies specialized housing needs and recommendations regarding three groups in particular: seniors, transitional housing and Low– and Moderate-Income households.

Encourage Rehabilitation, Renovation, & Adaptive Reuse. The County's housing stock is aging and structural deterioration is a concern in some communities. Rehabilitation must be part of the County's housing strategy and can decrease demand for new construction.

Collaborate & Partner. Form a private-public work group to put the study into action and monitor market changes. As recommended in the Study, advocate for State & Federal housing policy changes.