



Housing Market Analysis for Meeker County, Minnesota

Prepared for:

Meeker Development Corp

Prepared by:

Viewpoint Consulting Group, Inc.

Date:

February 2, 2023



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Lisa Graphenteen
Consultant
Meeker Development Corp
422 South Johnson Drive
Litchfield, MN 55355

Subject: Housing Market Analysis for Meeker County, Minnesota

Dear Ms. Graphenteen:

Attached is the *Housing Market Analysis for Meeker County, Minnesota* conducted by Viewpoint Consulting Group, Inc. The analysis projects housing demand through 2030 and gives recommendations on the amount and type of housing that could be built in the larger communities within the county to satisfy demand over the next five years. These communities include Dassel, Darwin, Eden Valley, Grove City, Litchfield, and Watkins. Detailed information regarding recommended housing concepts can be found in the Demand Analysis and Conclusions section at the end of the report.

Thank you for selecting Viewpoint Consulting Group, Inc. to conduct this analysis of Meeker County's housing needs. Please contact us if you have any questions.

Sincerely,

Viewpoint Consulting Group, Inc.

A handwritten signature in blue ink that reads "Jay Thompson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jay Thompson
President

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Key Findings

The Meeker Development Corp engaged Viewpoint Consulting Group, Inc. to conduct an analysis of housing needs for Meeker County. Calculations of housing demand from 2022 to 2030 are found in the *Demand Analysis and Conclusions* section of the report.

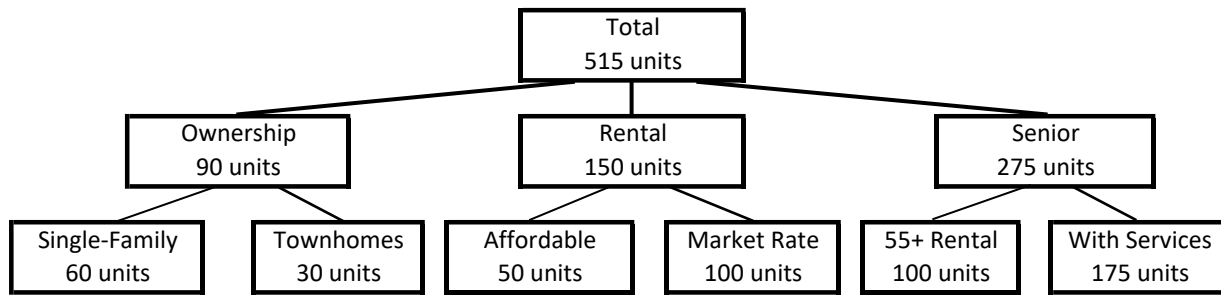
Recommendations are also provided on the amount and types of housing that should be developed to accommodate the housing needs over the next five years. The following are key highlights from the housing needs analysis.

At 6,624 people (2020 census), Litchfield is the largest community in Meeker County. Key findings are presented for Litchfield, then the Remainder of the County, including specific recommendations for five smaller communities.

Litchfield

1. Litchfield is a community of 6,624 people (2020 census) in Meeker County. As of 2022, about 4,000 people worked in Litchfield, of which over two-thirds are estimated to have commuted from residences outside the community.
2. Litchfield experienced growth of 521 people during the 1990s and 164 people during the 2000s. However, it is estimated to have lost 102 people during the 2010s, despite the addition of 68 households. Growth during the 2010s was curtailed by the Great Recession and corresponding housing downturn in the beginning of the decade. This decade (2020 to 2030) Litchfield is projected to grow by 316 people. This growth projection partly stems from recent development trends and the potential for Litchfield to draw some of the many people who commute to Litchfield for work.
3. Litchfield's population growth this decade is projected to be concentrated in the senior population as the baby boom generation ages, and also among young and middle-aged adults. Growth of these age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand in Litchfield include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs in Litchfield, and senior housing needs. All these sources combine for demand for 515 housing units in Litchfield between 2022 and 2030. The mix is estimated at 90 ownership units, 150 rental units, and 275 senior units.

Litchfield Housing Demand – 2022 to 2030



- Housing types by number of units to meet projected demand in Litchfield over the next five years (from 2023 to 2028) is shown below. The recommended housing units total about 350 units. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past few decades.

Housing Units Recommended in Litchfield from 2023 to 2028 to Meet Demand

Owner-Occupied Housing		Rental Housing		Senior Housing	
Single-Family		Market Rate	80 - 85	Supportive Senior Housing	
Entry-Level	20 - 24	Affordable	35 - 40	Independent	55 - 60
Move-up/Executive	14 - 16	Total	115 - 125	Assisted Living	40 - 50
Total	34 - 40			Memory Care	20 - 25
Townhomes	16 - 20			Market Rate 55+ Rental	50 - 55
				Total	165 - 190

- Litchfield currently has over 70 available lots remaining in five subdivisions that will meet much of the demand for single-family homes over the next five years. With that being said, it is going on 20 years since the existing subdivisions in Litchfield were platted. It is recommended that a new subdivision with up to 18 lots come on-line within the next five years with lots that would be appealing to move-up/executive home buyers. The lots should be priced to accommodate homes with base prices beginning at \$325,000.
- It is recommended that a subdivision be created to accommodate up to 20 townhomes or twinhomes, with the potential for more lots to be created in a second addition in following years. The most recent subdivision with this type of housing was Harmon Meadows, which is nearly built-out with single-level, detached patio homes with two car garages. It is recommended that lots be made available to accommodate one-level detached or attached townhomes or twinhomes with attached two-car garages to appeal to the primary target market – empty nesters. Townhomes should be in the \$250,000 to \$300,000 price range.
- It is recommended that 80 to 85 market rate apartment units be built within the next five years. The building(s) should be two or three stories and with common spaces (e.g., community room, fitness room, and outdoor patio) and garages available to the residents. There is demand from a wide variety of household types, including singles, roommates, and couples with and without children. Thus, the apartment buildings should contain a mix of

one-, two- and three-bedroom units. Recommended rents are about \$950 to \$1,050 for one-bedroom units, \$1,100 to \$1,200 for two-bedroom units, and \$1,300 to \$1,400 for three-bedroom units. These rents would be among the highest in Litchfield, but would still be affordable to households with incomes of 80% of AMI, and thus would be considered workforce units.

9. About 35 to 40 townhomes and/or twinhomes rental units are recommended in Litchfield over the next five years. These units should mostly be a mix of two- and three-bedroom units. The units could also contain a mix of one- and two-level units, but more than half should be one-level as these units would also be appealing to many older-adults and seniors. The units should have attached garages. Rents should begin at about \$1,350 for two-bedroom units and \$1,500 for three-bedroom units. Three-quarters of the units should have two-bedroom units, which would appeal to some singles, small families, and couples (including empty-nesters/retirees). Three-bedroom units would appeal to small families and some couples.
10. While a high proportion of Litchfield's renters have incomes that qualify them for affordable housing, the greater rental priority for new construction is for market rate rental housing. This is because almost all of Litchfield's rental stock has rents that are affordable to households with incomes below 60% of Area Median Income (AMI). What Litchfield has a more limited supply of is newer rental units that would be appealing to many renters.
11. It is recommended that a market rate 55+ rental development be added with 50 to 55 units within the next five years. This type of housing would meet the needs of younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. These units should be in a single, multistory building with common spaces and attached parking available to the residents. Additionally, some could be townhome-style units with attached garages that offer single-level living. Rents for senior (55+) housing should begin at about \$1,150 for one-bedroom units and \$1,350 for two-bedroom units.
12. It is recommended that a development(s) be built with 115 to 135 units of independent, assisted living, and memory care housing sometime within the next five years (2023 to 2028). This would be the first development of this type of housing in Litchfield in about 30 years. It is recommended a new development have a service-level mix of 55 to 60 independent units, 40 to 50 assisted living units, and 20 to 25 memory care assisted living units. It is recommended that these units be added in a single development, since a campus with a mix of service-levels would provide a continuum of care such that residents could remain on the campus as their care level changes. Alternatively, if a continuum of care campus is not added, a smaller building (32 to 40 units) that offers assisted living and memory care housing would also likely be successful and meet a portion of Litchfield's supportive senior housing needs.

Remainder of Meeker County

1. After Litchfield, there are eight other smaller communities in Meeker County. They combined for a population of 5,215 in 2020, which was relatively unchanged from 2010. In addition, there were another 12,039 people living in the County in 2020, with a large share living on farms, lake homes, and other estates.

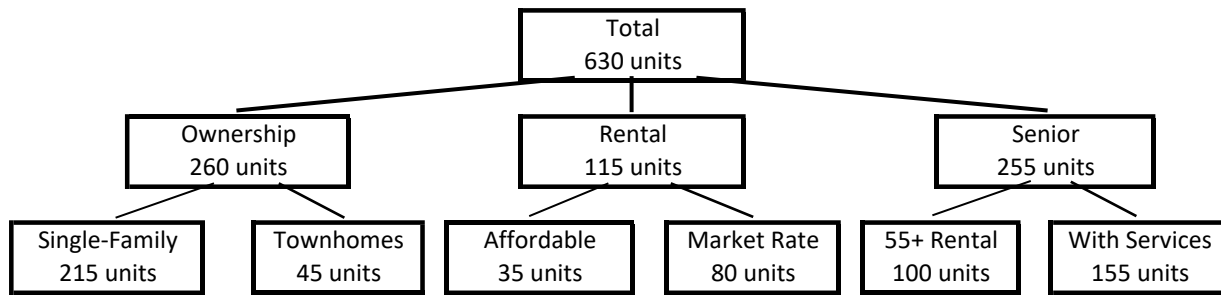
Meeker County Population Change, 2010 to 2020

	2010	2020	Change
Litchfield	6,726	6,624	-102
Cedar Mills	45	62	17
Cosmos	473	507	34
Darwin	350	348	-2
Dassel	1,469	1,472	3
Eden Valley	1,042	1,027	-15
Grove City	635	624	-11
Kingston	161	184	23
Watkins	962	991	29
Rural	11,926	12,039	113
Meeker County*	23,789	23,878	89

* Includes the portion of Eden Valley in Stearns County.

2. Projections are that this decade (2020 to 2030), the County's population outside Litchfield (Remainder of the County) will increase slightly (+4.1%). Growth is projected to be concentrated in Dassel, Eden Valley, Watkins, and the unincorporated rural areas. It should be noted that the growth projection partly stems from past development trends and there is potential to exceed it by adding to the County's housing stock to meet pent-up demand.
3. Like Litchfield, the Remainder of the County's population growth is projected among all major age groups this decade. The senior population is projected to grow more quickly as the baby boom generation ages. Projected growth of younger and middle-aged adults should lead to a corresponding growth of children. Growth of all age groups should create demand for a variety of housing types, including rentals, single-family homes, townhomes, and senior housing.
4. Sources of housing demand include projected household growth, pent-up rental demand, capturing a portion of commuters to jobs, and senior housing needs. All these sources combine for demand for 630 housing units in the Remainder of the County between 2022 and 2030. The housing mix is estimated at 260 ownership units, 115 rental units, and 255 senior units.

Remainder of Meeker County Housing Demand – 2022 to 2030



- Housing types by number of units to meet projected demand in the Remainder of the County over the next five years (from 2023 to 2028) is shown below. The recommended housing totals about 370 units, for an average of about 75 units annually. Recommendations for rental and senior housing over the next five years largely address pent-up demand created by limited development over the past few decades.

Housing Units Recommended in the Remainder of the County from 2023 to 2028

Owner-Occupied Housing		Rental Housing		Senior Housing	
Single-Family		MR Apartments	60 - 65	Supportive Senior Housing	
Entry-Level	40 - 45	MR Townhomes	35 - 40	Independent	30 - 35
Move-up/Executive	95 - 100	<u>Total</u>	<u>95 - 105</u>	Assisted Living	15 - 20
<u>Total</u>	<u>135 - 145</u>			Memory Care	15 - 20
Townhomes	30 - 35			Market Rate 55+ Rental	35 - 40
				<u>Total</u>	<u>95 - 115</u>

- To keep pace with demand, about 135 to 145 single-family homes should be built in the Remainder of the County over the next five years. Of this demand, about two-thirds will likely be built in rural parts of the County, with most of these homes being move-up or executive homes. The other one-third of demand will likely be met within the communities, primarily in Dassel, Eden Valley, and Watkins. These homes should be priced from about \$250,000 to \$300,000 to meet entry-level demand. Dassel, Eden Valley, and Watkins should have a sufficient number of lots for entry-level homes over the next five years. However, a subdivision with at least 10 lots is needed in Grove City in order to accommodate its entry-level demand. A new subdivision with about 10 lots is also needed in Darwin for it to accommodate some entry-level demand.
- Of the move-up/executive home demand (homes with prices beginning at \$300,000) outside of rural areas, most is in Dassel. Existing lots in Dassel’s Summit Hills should be able to accommodate this demand over the next five years.

Summary of Housing Recommendations for Larger Communities over the Next Five Years

<p>Darwin</p> <p>A single-family/townhome subdivision with 10 +/- lots Single-level, market rate rental twinhome (2 to 4 units)*</p>
<p>Dassel</p> <p>A single-family/townhome subdivision with 15+ lots Supportive senior housing with independent, assisted living, and memory care housing (60 - 75 units) Single-level, market rate rental twinhomes/townhomes (6 to 12 units)* A market rate rental housing apartment with 20 to 24 units (<i>a 20-unit apartment is under construction</i>)</p>
<p>Eden Valley</p> <p>Single-level, market rate rental twinhomes/townhomes (4 to 6 units)* A market rate apartment building with 20 to 24 units</p>
<p>Grove City</p> <p>A single-family/townhome subdivision with 10+ lots A market rate apartment building with 12+/- units Single-level, market rate rental twinhomes/townhomes (4 to 6 units)*</p>
<p>Watkins</p> <p>Single-level, market rate rental twinhomes/townhomes (2 to 4 units)* Market rate rental housing (apartment or townhomes) with 20+ units</p>
<p>* The recommended single-level townhomes could be open to all ages or some could be age-restricted (55+).</p>

- About 30 to 35 for-sale townhomes should be built from 2023 through 2028. The primary target market is seniors and empty nesters downsizing from larger single-family homes. To capture most of the target market, one-level homes with attached two-car garages are recommended. Homes could be twinhomes (duplex units), townhomes with more than two attached units, or detached villas. Most homes should be in the \$225,000 to \$275,000 price range. Potentially, more than 15 single-level units could be added to Dassel to meet demand. About five homes or less could be developed in each of the communities of Eden Valley, Grove City, and Watkins to meet demand.
- To meet rental demand over the next five years, it is recommended that 95 to 105 units of additional general-occupancy rental housing (open to all ages) be built in the Remainder of the County over the next five years. Two product types are recommended –apartments and single-level townhomes/twinhomes. Communities that have demand sufficient to support apartments are Dassel, Eden Valley, Grove City, and Watkins. It is recommended that apartment buildings with 20 or more units be built in Dassel, Eden Valley, and Watkins to meet demand (a 20-unit apartment in Dassel is under construction and a 20-unit apartment in Eden Valley is proposed – they will meet much of the demand in their communities). The apartments should not have income limits but have rents of about \$950 for one-bedroom units, \$1,100 for two-bedroom units, and \$1,300 for three-bedroom units. At these rents, the units would be affordable to households earning less than 80% of AMI (households

earning \$48,800 for one-person households to \$69,680 for four-person households). Thus, while market rate, these units would be considered workforce housing.

9. Grove City could support a rental apartment with up to 12 units. As with Dassel, Eden Valley, and Watkins, the apartments in Grove City should not have income limits. It should have rents of about \$900 for one-bedroom units, \$1,050 for two-bedroom units, and \$1,275 for three-bedroom units. While market rate, these rents would be affordable to households earning less than 60% of AMI and would be considered workforce housing.
10. Thirty-five to 40 units townhomes (duplex and/or four-plex units) are recommended in the Remainder of the County. The townhome units should be single-level units with attached garages. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. Most of the units should have two-bedroom units, which would appeal to some singles, small families, and couples (including empty-nesters/retirees). A few three-bedroom units should be built to appeal to small families and some couples. Dassel, Eden Valley, Grove City, and Watkins could support at least two to four rental townhome units (two duplex buildings).
11. Much of the senior demand will be realized later in the decade as the senior population begins to grow more rapidly. Over the next five years, two senior housing types are recommended – supportive senior housing (independent, assisted living, and memory care) and senior (55+) rental. A senior housing building with 60 to 75 supportive senior housing units is recommended in Dassel. Thirty to 35 units of senior rental housing are recommended throughout the county, with at least a few units in each community.
12. The most recent development of senior housing with supportive services has occurred in Watkins. The only other community large enough large enough to likely support a supportive senior housing development is Dassel, which currently contains Lakeside Generations, with 33 assisted living units. With projected growth in the area’s senior population, it is recommend that 60 to 75 supportive senior housing units be developed in Dassel within the next five years. The greatest number of units should be independent (30 to 35 units), as Lakeside Generations’ units are primarily catering to assisted living residents. About 15 to 20 memory care units are recommended, as this housing type is underserved in Meeker County and no units currently exist in Dassel. Memory care units were lost when Lakeview Ranch closed in 2018.
13. Thirty to 35 units of housing geared to younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. Because the demand is spread among all the communities, each could support just a few duplex units or one or two four-plex buildings. These units should be single-level townhomes with two bedrooms.

Purpose and Scope of Study

Viewpoint Consulting Group, Inc. was engaged by the Meeker Development Corp to conduct an analysis of the housing needs in Meeker County. The purpose of this analysis is to calculate the depth of unmet demand for various housing types in the county through 2030. Based on the analysis, recommendations are provided on specific housing developments that could be developed in the next five years in Dassel, Darwin, Eden Valley, Grove City, Litchfield, and Watkins, to meet the unmet need.

Scope of Services

The scope of this study includes the following:

1. Analysis of demographic trends and characteristics and economic conditions as they relate to the potential demand for additional housing in Meeker County.
2. Analysis of current market conditions for rental housing, owner-occupied housing, and senior housing in Meeker County.
3. Calculation of demand for rental, owner-occupied, and senior housing in Meeker County through 2030.
4. Recommendations on appropriate housing types to develop within the next five years to satisfy unmet housing demand.

The data analyzed in this report includes both primary and secondary data. Primary data is data collected by Viewpoint Consulting Group, Inc. through interviews with property managers, Realtors, major employers, and staff with communities within the county. Secondary data is gathered from other sources and is accurate to the best of our knowledge. Secondary data utilized in this report is from the U.S. Census Bureau, Minnesota Department of Employment and Economic Development, Minnesota Demographic Center, Meeker County Assessor, and ESRI (a national demographic firm).

Meeker County Overview

Meeker County is in central Minnesota, about 60 miles west of Minneapolis and 25 miles east of Willmar. It had a population of 23,400 in 2020. The county seat is Litchfield, which at 6,624 people, is its largest community. There are eight other communities in the County which range in size from 62 people (Cedar Mills) to 1,472 people (Dassel).

Cities in Meeker County

Cedar Mills	Grove City
Cosmos	Kingston
Darwin	Litchfield
Dassel	Watkins
Eden Valley	

Litchfield is the County Seat and is centered within the County, at the intersection of Highways 12 and 22. Litchfield has many major employers and overall has about 4,000 jobs, or about 54% of Meeker County's total. With about 850 jobs, Dassel has the second largest employment center in the County, followed by Eden Valley and Watkins, both with over 400 jobs.

Besides local jobs, Meeker County's proximity to the Twin Cities Metro Area, Hutchinson, Willmar, and St. Cloud has led to its growth. St. Cloud is about 35 miles northeast of Litchfield and Hutchinson is about 18 miles southeast of Litchfield. An estimated 7,500 people living in Meeker County commute to jobs in these and other communities for work.

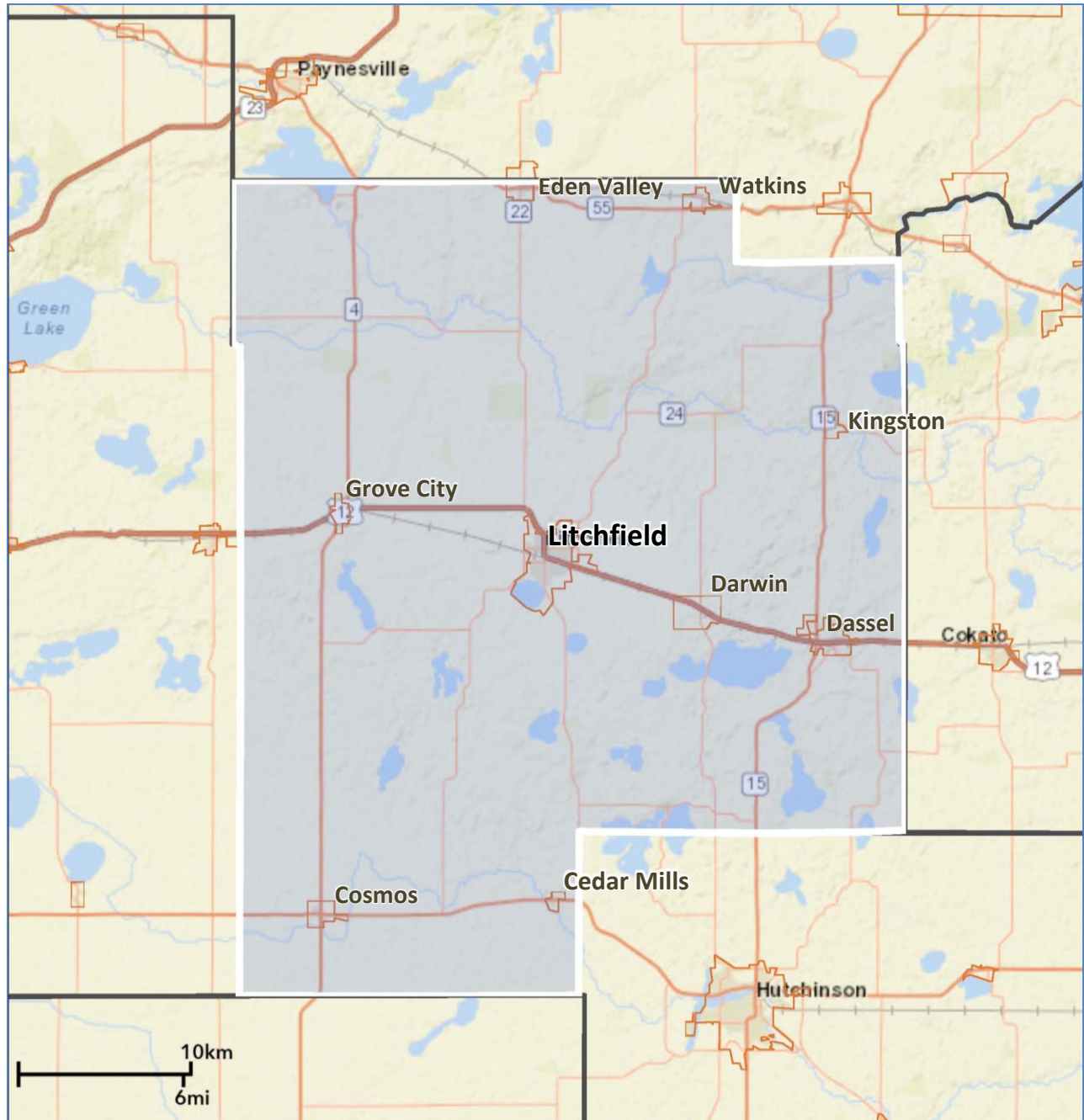
Meeker County Population

	Meeker County	Litchfield	Remainder of County
1940	19,277	3,920	15,357
1950	18,966	4,608	14,358
1960	18,887	5,078	13,809
1970	18,387	5,262	13,125
1980	20,594	5,904	14,690
1990	20,846	6,041	14,805
2000	22,644	6,562	16,082
2010	23,300	6,726	16,574
2020	23,400	6,624	16,776

Meeker County Regional Location



Litchfield & Meeker County



Demographic and Employment Analysis

This section of the report examines demographic and economic factors related to the current and future demand for housing in Meeker County. Demographic factors examined include population and household growth trends, population age distribution, and households by income, tenure, and size. Economic factors include employment growth trends, jobs by industry types, and major employer interviews. A review of these characteristics provides insight into the demand for various types of housing in each of the communities.

Study Area Definition

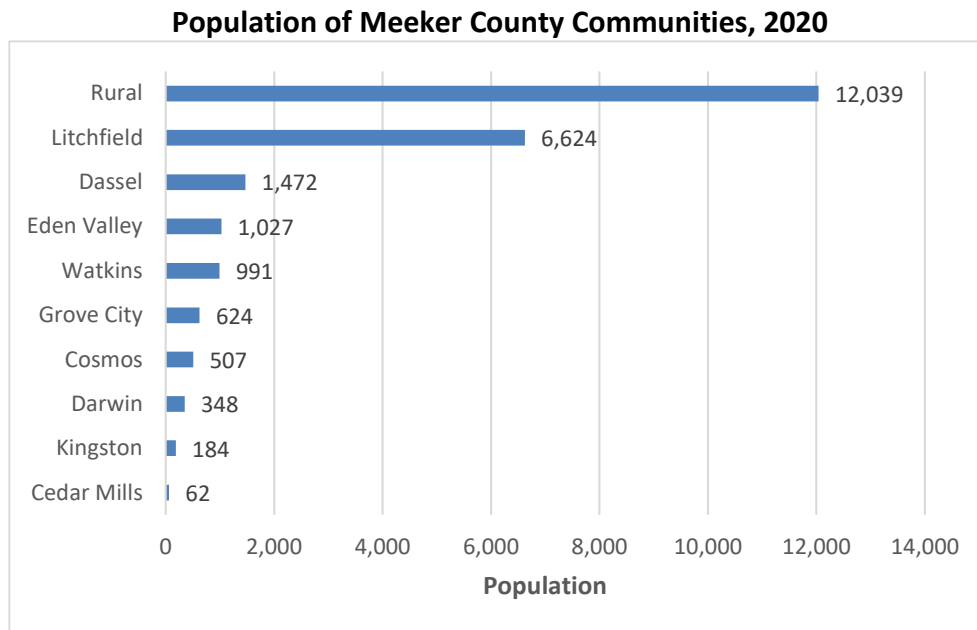
Demographic data for Meeker County is examined in this housing analysis. It is recognized that growth trends and characteristics of the county and each community within the county shed the greatest insight into future housing demand. However, for some types of housing, particularly senior housing, seniors currently living just beyond the county's border are also a potential market.

Demographic Highlights

The following are key demographic highlights as they pertain to the need for housing in Meeker County. Demographic data was obtained from the U.S. Census Bureau, from both the decennial census and the American Community Survey. Population and household projections were made by Viewpoint Consulting Group, Inc. based on data provided by the Census Bureau, ESRI, and the Minnesota Demographic Center, along with local building trends growth trends.

Population and Household Growth Trends

- Litchfield’s population increased from 6,041 in 2000 to 6,726 in 2010. However, the population declined slightly (-1.5%) during the 2010s, to 6,624 in 2020.
- While Litchfield’s population declined slightly during the 2010s, the County’s overall population held steady (0.4% gain). Four communities in the county saw their population decline, including Litchfield, while five saw their population increase slightly.
- As of 2020, 12,039 people lived in rural portions of Meeker County. Of the 11,839 that lived in incorporated communities, 56% lived in Litchfield and 44% were spread among the other eight communities. Dassel was the second largest community in the County, with a population of 1,472 people.



- The 2,815 households in Litchfield in 2020 is an estimate based on housing construction trends and data from the Census Bureau’s American Community Survey. The official 2020 census figure was 2,713 households, which was abnormally low given other data. The 2020 census population of 6,624 for Litchfield was in-line with American Community Survey data.

Table 1
Population and Household Growth Trends
Meeker County
1990 to 2020

	---- Census ----				--- Change ---			
	1990	2000	2010	2020	2000 to 2010 No.	Pct.	2010 to 2020 No.	Pct.
POPULATION								
Litchfield	6,041	6,562	6,726	6,624	164	2.5	-102	-1.5
Cedar Mills	80	53	45	62	-8	-15.1	17	37.8
Cosmos	610	582	473	507	-109	-18.7	34	7.2
Darwin	252	276	350	348	74	26.8	-2	-0.6
Dassel	1,082	1,233	1,469	1,472	236	19.1	3	0.2
Eden Valley	732	866	1,042	1,027	176	20.3	-15	-1.4
Grove City	547	608	635	624	27	4.4	-11	-1.7
Kingston	131	120	161	184	41	34.2	23	14.3
Watkins	849	880	962	991	82	9.3	29	3.0
Rem. of County	10,837	11,830	11,926	12,039	96	0.8	113	0.9
Total*	21,161	23,010	23,789	23,878	779	3.4	89	0.4
Meeker County	20,846	22,644	23,300	23,400	656	2.9	100	0.4
Greater Minn.	2,086,378	2,277,417	2,454,358	2,543,390	176,941	7.8	89,032	3.6
Minnesota	4,375,099	4,919,479	5,303,925	5,706,494	384,446	7.8	402,569	7.6
HOUSEHOLDS								
Litchfield	2,406	2,624	2,747	2,815	123	4.7	68	2.5
Cedar Mills	26	26	23	25	-3	-11.5	2	8.7
Cosmos	234	240	229	237	-11	-4.6	8	3.5
Darwin	110	119	139	142	20	16.8	3	2.2
Dassel	447	515	572	579	57	11.1	7	1.2
Eden Valley	306	360	434	428	74	20.6	-6	-1.4
Grove City	223	257	268	287	11	4.3	19	7.1
Kingston	47	48	61	62	13	27.1	1	1.6
Watkins	317	336	398	414	62	18.5	16	4.0
Rem. of County	3,646	4,214	4,503	4,581	289	6.9	78	1.7
Total*	7,762	8,739	9,374	9,570	635	7.3	196	2.1
Meeker County	7,651	8,590	9,176	9,365	586	6.8	189	2.1
Greater Minn.	772,349	873,671	969,478	1,014,464	95,807	11.0	44,986	4.6
Minnesota	1,647,853	1,895,127	2,087,227	2,253,990	192,100	10.1	166,763	8.0
* Total includes the portion of Eden Valley in Stearns County.								
Sources: US Census, Viewpoint Consulting Group, Inc.								

Population and Household Growth Projections

- Both Litchfield and Meeker County are projected to experience population growth this decade (2020 to 2030). Additional housing in the County will be needed to accommodate future residents and to meet the growth projections. In 2030, Litchfield is projected to have 6,940 people and 2,970 households. The County, plus the portion of Eden Valley in Stearns County, is projected to have 24,910 people and 9,930 households.
- Litchfield’s 2030 household projection represents an increase of 155 from 2020. This equates to a 5.5% growth rate. The household growth rate exceeds Litchfield’s growth rate last decade (+2.5%).
- While the projected growth of 155 households in Litchfield this decade is more than double the growth during the 2010s, it is in line with the three prior decades. Between 1980 and 2010, Litchfield also added an average of 155 households per decade.
- After Litchfield, the next greatest household growth this decade is projected in Dassel (+61), Watkins (+36), Grove City (+23) and Eden Valley (+22).
- Household growth is a better indicator of overall housing demand since households, by definition, are occupied housing units. With growth of 360 households projected this decade in Meeker County, there would essentially need to be 360 new housing units added to accommodate this growth. Additional housing units would be needed to accommodate pent-up demand and replacement demand.

Litchfield Population & Household Growth Trends and Projections

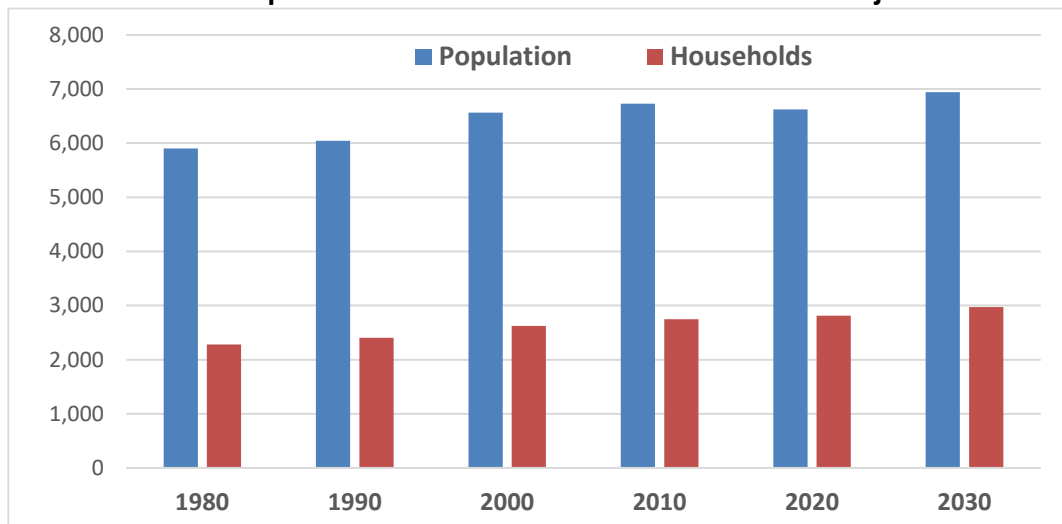


Table 2
Population and Household Growth Projections
Meeker County
2010 to 2030

	-- Census --		Projection 2030	--- Change ---			
	2010	2020		2010 to 2020		2020 to 2030	
				No.	Pct.	No.	Pct.
POPULATION							
Litchfield	6,726	6,624	6,940	-102	-1.5	316	4.8
Cedar Mills	45	62	60	17	37.8	-2	-3.2
Cosmos	473	507	540	34	7.2	33	6.5
Darwin	350	348	345	-2	-0.6	-3	-0.9
Dassel	1,469	1,472	1,620	3	0.2	148	10.1
Eden Valley	1,042	1,027	1,095	-15	-1.4	68	6.6
Grove City	635	624	630	-11	-1.7	6	1.0
Kingston	161	184	190	23	14.3	6	3.3
Watkins	962	991	1,070	29	3.0	79	8.0
Rem. of County	11,926	12,039	12,420	113	0.9	381	3.2
Total*	23,789	23,878	24,910	89	0.4	1,032	4.3
<i>Greater Minn.</i>	2,454,358	2,543,390	2,608,000	89,032	3.6	64,610	2.6
<i>Minnesota</i>	5,303,925	5,706,494	6,050,000	402,569	7.6	343,506	6.0
HOUSEHOLDS							
Litchfield	2,747	2,815	2,970	68	2.5	155	5.5
Cedar Mills	23	25	25	2	8.7	0	0.0
Cosmos	229	237	245	8	3.5	8	3.4
Darwin	139	142	145	3	2.2	3	2.1
Dassel	572	579	640	7	1.2	61	10.5
Eden Valley	434	428	450	-6	-1.4	22	5.1
Grove City	268	287	310	19	7.1	23	8.0
Kingston	61	62	60	1	1.6	-2	-3.2
Watkins	398	414	450	16	4.0	36	8.7
Rem. of County	4,503	4,581	4,635	78	1.7	54	1.2
Total*	9,374	9,570	9,930	196	2.1	360	3.8
<i>Greater Minnesota</i>	969,478	1,014,464	1,045,000	44,986	4.6	30,536	3.0
<i>Minnesota</i>	2,087,227	2,253,990	2,400,000	166,763	8.0	146,010	6.5
* Total includes the portion of Eden Valley in Stearns County.							
Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.							

Population Age Distribution

- The greatest growth rate in Meeker County this decade (2020 to 2030) is projected among seniors. This is a nationwide trend as the first baby boomers began turning age 75 in 2021. Growth of this age group should lead to increased need for single-level townhomes and senior housing in Litchfield and the Remainder of the County.
- A decline of 55-to-64-year-olds is projected in the County this decade. Again, this is a nationwide trend as baby boomers (born between 1946 and 1964) will be aging out of the 55 to 64 age group.
- Children (under age 20) are projected to grow slightly over the next five years as age-25-to-54 persons also grows. The growth of children will stem from growth of families. People ages 20 to 54 are projected to grow by about 230 in the County this decade.
- Growth in the County of both younger persons and seniors should lead to a variety of housing types needed to accommodate growth of people in various life-cycle stages – including owned and rented housing and senior housing.
- Seniors ages 75 and over are the primary target market for senior housing. This age group numbered 1,926 in the County in 2010. It remained almost stable during the 2010s (grew to 1,932 in 2020). With the first baby boomers turning age 75 in 2021, the population is projected to grow at a much faster pace this decade. There are projected to be 2,885 age 75+ seniors in the County in 2030 (an increase of 49% from 2010).

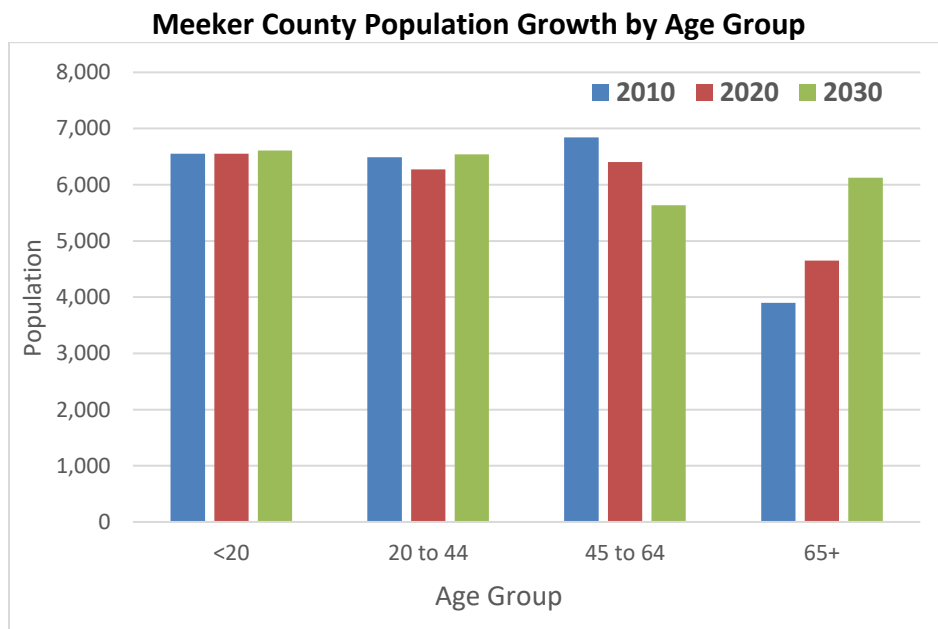


Table 3
Projected Population Growth by Age
Meeker County
2000 to 2030

	---- Change ----						
	2010	2020	2030	2010 - 2020		2020 - 2030	
				No.	Pct.	No.	Pct.
Litchfield							
<20	1,803	1,695	1,655	-108	-6.0%	-40	-2.4%
20-24	362	401	415	39	10.8%	14	3.4%
25-34	854	651	675	-203	-23.8%	24	3.8%
35-44	755	667	730	-88	-11.7%	63	9.5%
45-54	918	786	845	-132	-14.3%	59	7.5%
55-64	799	930	750	131	16.4%	-180	-19.4%
65-74	495	682	835	187	37.8%	153	22.4%
75 - 84	451	516	695	65	14.4%	179	34.7%
85+	289	296	340	7	2.4%	44	14.9%
Total	6,726	6,624	6,940	-102	-1.5%	316	4.8%
Remainder of County							
<20	4,748	4,859	4,955	111	2.3%	96	2.0%
20-24	723	784	770	61	8.5%	-14	-1.8%
25-34	1,771	1,721	1,830	-50	-2.8%	109	6.4%
35-44	2,027	2,050	2,120	23	1.1%	70	3.4%
45-54	2,782	2,001	1,905	-781	-28.1%	-96	-4.8%
55-64	2,346	2,684	2,135	338	14.4%	-549	-20.5%
65-74	1,480	2,034	2,405	554	37.4%	371	18.3%
75 - 84	869	830	1,400	-39	-4.4%	570	68.6%
85+	317	290	450	-27	-8.4%	160	55.0%
Total	17,063	17,254	17,970	191	1.1%	716	4.1%
Meeker County*							
<20	6,551	6,554	6,610	3	0.1%	56	0.8%
20-24	1,085	1,186	1,185	101	9.3%	-1	0.0%
25-34	2,625	2,371	2,505	-254	-9.7%	134	5.6%
35-44	2,782	2,717	2,850	-65	-2.3%	133	4.9%
45-54	3,700	2,788	2,750	-912	-24.7%	-38	-1.3%
55-64	3,145	3,614	2,885	469	14.9%	-729	-20.2%
65-74	1,975	2,716	3,240	741	37.5%	524	19.3%
75 - 84	1,320	1,346	2,095	26	2.0%	749	55.6%
85+	606	586	790	-20	-3.3%	204	34.8%
Total	23,789	23,878	24,910	89	0.4%	1,032	4.3%
* Meeker County total includes the portion of Eden Valley in Stearns County							
Sources: US Census; ESRI; Viewpoint Consulting Group, Inc.							

- For each community in Meeker County, Table 4 displays the percentage of the total population in 2020 within four primary age groups plus the median age of the population. The median age of the County's population in 2020 was 41.8 years. This was slightly higher than Minnesota's median age (38.8 years).
- The median age varies greatly between the smaller communities in the County, largely because their small population can allow the median to be skewed high or low by the age of just a few people. The lowest median age was in Grove City (29.7 years) while the highest was in Cosmos (46.6 years). Litchfield's median age was 45.8 years.

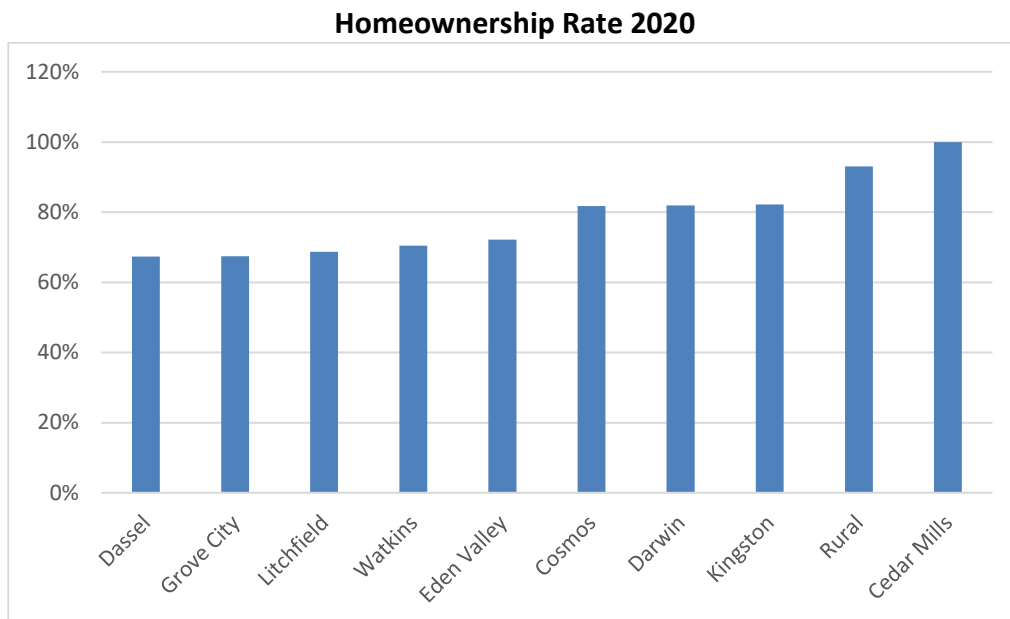
Table 4
Median Age of Population
Meeker County
2020

	2020 Population	---- Percent of Total Population ----				Median Age
		< 20	20 - 54	55-74	75+	
Litchfield	6,624	21.7%	39.6%	23.7%	14.9%	45.8
Cedar Mills	62	30.0%	42.5%	15.0%	12.5%	35.5
Cosmos	507	19.5%	45.0%	28.6%	6.9%	46.6
Darwin	348	28.8%	37.1%	22.2%	11.9%	41.6
Dassel	1,472	26.4%	43.9%	22.0%	7.7%	40.6
Eden Valley	1,027	28.9%	44.2%	18.7%	8.2%	36.6
Grove City	624	32.1%	40.1%	23.0%	4.8%	29.7
Kingston	184	27.8%	42.4%	26.6%	3.2%	37.5
Watkins	991	26.9%	49.9%	11.9%	11.3%	34.4
Rem. of County	12,039	27.4%	36.9%	29.5%	6.3%	40.3
Meeker County	23,878	26.2%	38.8%	26.1%	8.8%	41.8
<i>Greater Minnesota</i>	<i>2,543,390</i>	<i>25.5%</i>	<i>41.6%</i>	<i>25.1%</i>	<i>7.8%</i>	<i>40.1</i>
<i>Minnesota</i>	<i>5,706,494</i>	<i>25.5%</i>	<i>44.4%</i>	<i>23.4%</i>	<i>6.6%</i>	<i>38.8</i>

Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.

Households by Tenure

- ▶ The homeownership rate in Meeker County (plus the portion of Eden Valley in Stearns County) was relatively stable between 2010 and 2020, remaining at about 81%. Overall, the County had 7,731 owner households in 2020 and 1,839 renter households.
- ▶ Rental housing is concentrated in Litchfield. Of the 1,839 renters in the County in 2020, 880 were in Litchfield, or close to half of the County’s total.
- ▶ Litchfield had a 69% homeownership rate in 2020. The remaining communities had homeownership rates between 67% (Dassel and Grove City) and 100% (Cedar Mills). The rural portion of the County had a homeownership rate of about 92%.
- ▶ During the 20-year period from 2000 to 2020, Litchfield gained 136 renter households. Combined, the rest of the County gained only 88 renter households. After Litchfield, Watkins and Dassel saw the greatest increase in renters (+40 and +32, respectively).
- ▶ During the 20-year period from 2000 to 2020, the County gained 607 owner-occupied households, of which 374 were in the rural portions of the County. While Litchfield added 136 renter households, it added only 55 owner households. Among the smaller communities, Eden Valley (+57), Watkins (+38), and Dassel (+32) saw the most growth among owner-occupied households.



**Table 5
Households by Tenure
Meeker County
2000, 2010, & 2020 Estimate**

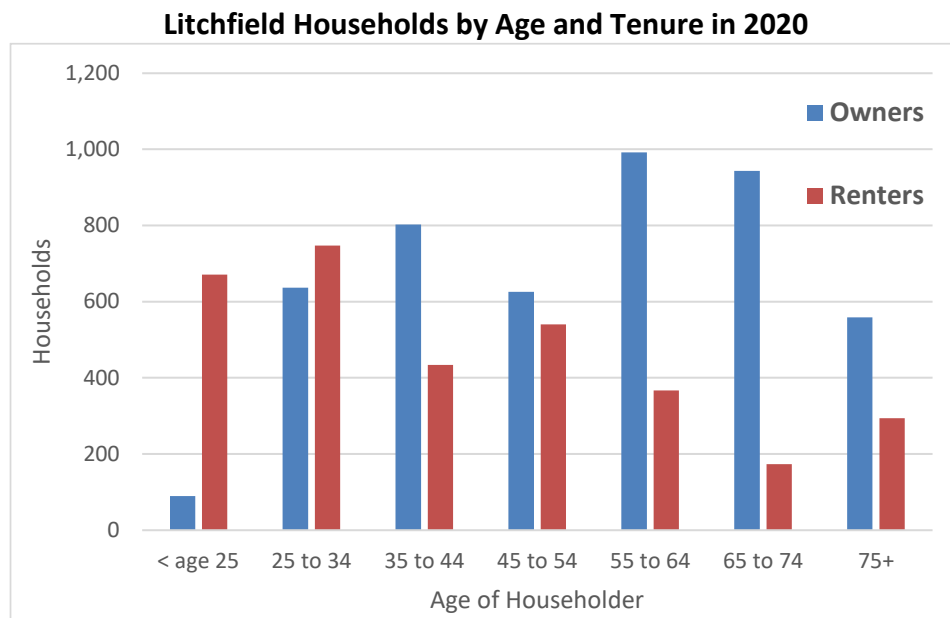
	2000			2010			2020		
	Owners	Renters	Own Rate	Owners	Renters	Own Rate	Owners	Renters	Own Rate
Litchfield	1,880	744	71.6%	1,917	830	69.8%	1,935	880	68.7%
Cedar Mills	23	3	88.5%	21	2	91.3%	25	0	100.0%
Cosmos	192	48	80.0%	184	45	80.3%	194	43	81.7%
Darwin	93	26	78.2%	113	26	81.3%	116	26	82.0%
Dassel	358	157	69.5%	385	187	67.3%	390	189	67.4%
Eden Valley	252	108	70.0%	282	152	65.0%	309	119	72.2%
Grove City	175	82	68.1%	174	94	64.9%	193	94	67.4%
Kingston	45	3	93.8%	55	6	90.2%	51	11	82.2%
Watkins	254	82	75.6%	297	101	74.6%	292	122	70.4%
Rem. of County	3,852	362	91.4%	4,138	365	91.9%	4,226	355	92.2%
Meeker County*	7,124	1,615	81.5%	7,566	1,808	80.7%	7,731	1,839	80.8%

* Includes portion of Eden Valley in Stearns County

Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.

Tenure by Age of Householder

- The youngest households have the greatest propensity to rent. The data in Table 6 reveals 63% of the households under age 25 in Litchfield rented their housing in 2020. This decreased to 40% of 25-to-34-year-olds and 27% of 35-to-44-year-olds. The primary markets for rental housing are younger households and seniors who are no longer able or willing to maintain their single-family homes. Among households ages 75+, 44% rented their housing.
- Although the propensity for households under age 25 to rent their housing is higher, the 25 to 34 age group had more renters in Litchfield in 2020 (84 renters under age 25 compared to 111 renters ages 25 to 34). Many of the renters in these younger age groups are people who choose to rent until they become established in their jobs and the community before making the long-term commitment of purchasing a home.



- ▶ Outside of Litchfield, the propensity to own is much higher in all age groups. Even among households under age 25, 64% were homeowners in 2020, compared to just 37% among Litchfield’s under age 25 households. In each age group between 35 and 74, over 85% of the households are homeowners in the Remainder of the County. The peak was among age 55-to-64-year-olds, among which 93% were homeowners.
- ▶ Among households ages 75+ in the Remainder of the County, 83% were homeowners in 2020. This compares to just 56% among Litchfield’s 75+ households. As seniors in the Remainder of the County age and need or want alternatives to their single-family homes, many move to housing options in Litchfield.

Remainder of Meeker County Households by Age and Tenure in 2020

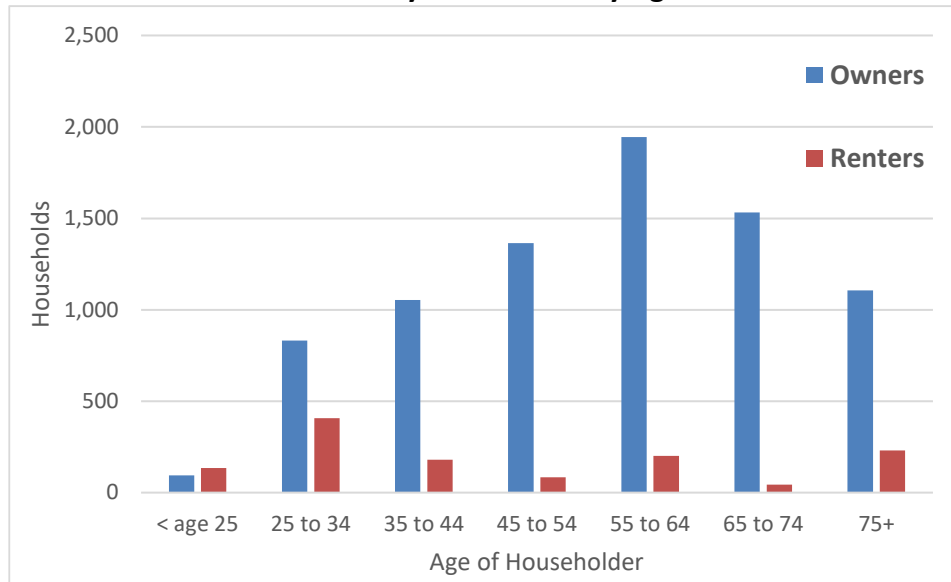


Table 6
Households by Age and Tenure
Primary Market Area
2000, 2010, & 2020 Estimate

	Litchfield			Remainder of County			Meeker County		
	2000	2010	2020*	2000	2010	2020*	2000	2010	2020*
Households	2,624	2,747	2,815	5,966	6,627	6,755	8,590	9,374	9,570
Owner Households	1,880	1,917	1,935	5,138	5,649	5,796	7,018	7,566	7,731
< age 25	48	37	50	115	89	141	163	126	192
25 to 34	248	263	166	637	635	617	885	898	783
35 to 44	411	294	256	1,215	914	956	1,626	1,208	1,212
45 to 54	398	395	333	1,143	1,341	1,067	1,541	1,736	1,400
55 to 64	253	387	396	826	1,205	1,433	1,079	1,592	1,829
65 to 74	262	250	382	668	832	960	930	1,082	1,343
75 to 84	193	220	292	440	492	437	633	712	728
85+	67	71	60	94	141	185	161	212	244
Renter Households	744	830	880	828	978	959	1,572	1,808	1,839
< age 25	97	77	84	120	115	81	217	192	165
25 to 34	147	160	111	170	181	231	317	341	342
35 to 44	94	118	94	150	165	175	244	283	269
45 to 54	70	116	97	100	176	110	170	292	207
55 to 64	35	94	129	58	106	109	93	200	238
65 to 74	70	52	89	73	82	125	143	134	214
75 to 84	131	102	106	91	86	67	222	188	173
85+	100	111	170	66	67	60	166	178	230
Homeownership Rate	72%	70%	69%	86%	85%	86%	82%	81%	81%
* Estimate based on data from the Census Bureau: American Community Survey.									
Sources: US Census; Viewpoint Consulting Group, Inc.									

Average Household Size

- Meeker County had an average household size in 2020 of 2.47 people per household. Average household size is the number of persons living in households divided by the number of households (it excludes persons living in institutions, such as nursing homes, dormitories, group quarters, and prisons).
- As shown below, Litchfield’s average household size declined each decade from 1990 to 2020. In many of the smaller communities, and in the county as a whole, the average household size increased during the 2010s.
- Litchfield has consistently had a smaller average household size than Meeker County and Minnesota. This is largely due to the greater proportion of rental housing in Litchfield versus the remainder of the communities in the County, as renters generally have a smaller average household size than homeowners.

Table 7
Average Household Size (People per Household)
Meeker County
1990 to 2020

	1990	2000	2010	2020
Litchfield	2.42	2.38	2.37	2.29
Cedar Mills	3.08	2.04	1.96	2.21
Cosmos	2.37	2.26	2.07	2.11
Darwin	2.29	2.32	2.52	2.60
Dassel	2.29	2.28	2.46	2.51
Eden Valley	2.35	2.37	2.40	2.18
Grove City	2.34	2.36	2.37	2.51
Kingston	2.79	2.50	2.64	2.84
Watkins	2.45	2.41	2.29	2.22
Meeker County	2.67	2.58	2.46	2.47
Minnesota	2.58	2.52	2.48	2.49

Sources: US Census, Viewpoint Consulting Group, Inc.

Households by Tenure and Size

- Table 8 shows that in 2020, among the owner households, the majority had two people (41% in Litchfield and 43% in the Remainder of the County). In Litchfield, about an equal proportion of owner households had either just one person or three or more people. Generally, one person owner households consist of a high percentage of seniors.
- Among renter households, 55% in Litchfield and 49% in the Remainder of the County had just one person. Families with children, which generally have three or more persons, often purchase their housing if they are able. Hence, a higher proportion of owner households have three or more persons compared to renter households.
- Families with children typically prefer to own single-family homes. Hence, 81% of Litchfield’s households and 91% of the Remainder of the County’s households with four or more people lived in owned housing.
- A larger percentage of young single persons rent their housing before purchasing a home. In addition, many single seniors choose rental housing as they age and no longer desire the responsibilities of maintaining a single-family home. Hence, the greatest number of renters in Litchfield and in the Remainder of the County are singles.

Meeker County Households by Size of Household in 2020

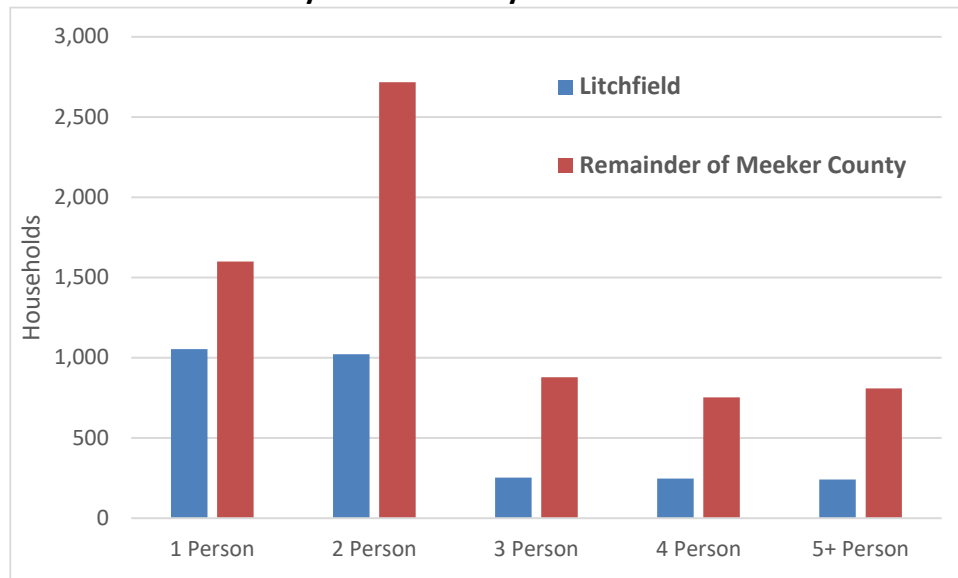


Table 8
Households by Size and Tenure
Meeker County
2020

Household Size	Litchfield	Remainder of County	Meeker County
Owner Households			
1 Person	568	1,140	1,707
2 Person	785	2,480	3,265
3 Person	186	752	938
4 Person	233	689	922
5+ Person	163	735	899
Total	1,935	5,796	7,731
Renter Households			
1 Person	486	459	944
2 Person	236	236	472
3 Person	67	127	194
4 Person	14	64	78
5+ Person	77	74	151
Total	880	959	1,839
Total Households			
1 Person	1,054	1,598	2,652
2 Person	1,021	2,716	3,737
3 Person	253	879	1,132
4 Person	247	753	1,000
5+ Person	240	809	1,049
Total	2,815	6,755	9,570
Source: Census Bureau; Viewpoint Consulting Group, Inc.			

Household Income by Age of Householder

Income by age of householder data helps determine the demand for different housing products based on the size of the market at specific cost levels. The Department of Housing and Urban Development defines affordable housing costs for families as 30% of a household's adjusted gross income. Younger households with greater living expenses often need to allocate a smaller portion toward housing (25% to 30%), while seniors can often spend 40% or more on housing since they generally have lower living expenses.

- The estimated median household income in Meeker County in 2022 was \$71,305. This is slightly lower than the estimated median household income in Greater Minnesota (\$72,205). While the countywide median was \$71,305, only three communities had a higher median – Cedar Mills, Darwin, and Kingston. These three small communities also had the highest homeownership rate. As is shown in Table 9, the median income is largely influenced by the percentage of renters in a community, as renters generally have lower incomes.

Median Household Income in 2022

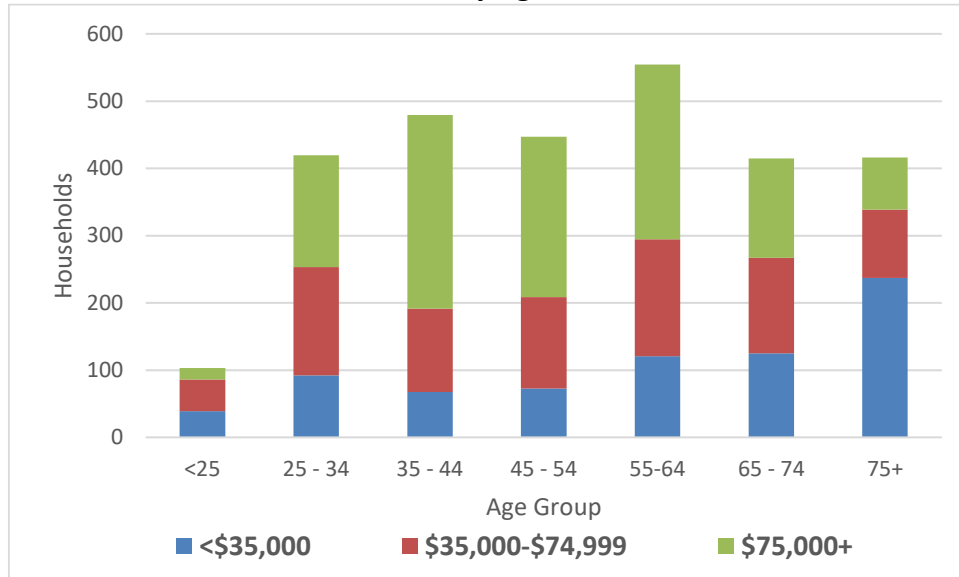
Cedar Mills	\$85,714
Darwin	\$82,902
Rural	\$79,612
Kingston	\$79,312
Meeker County	\$71,305
Litchfield	\$63,093
Dassel	\$62,787
Grove City	\$62,458
Eden Valley	\$60,817
Watkins	\$58,311
Cosmos	\$58,189

Source: ESRI

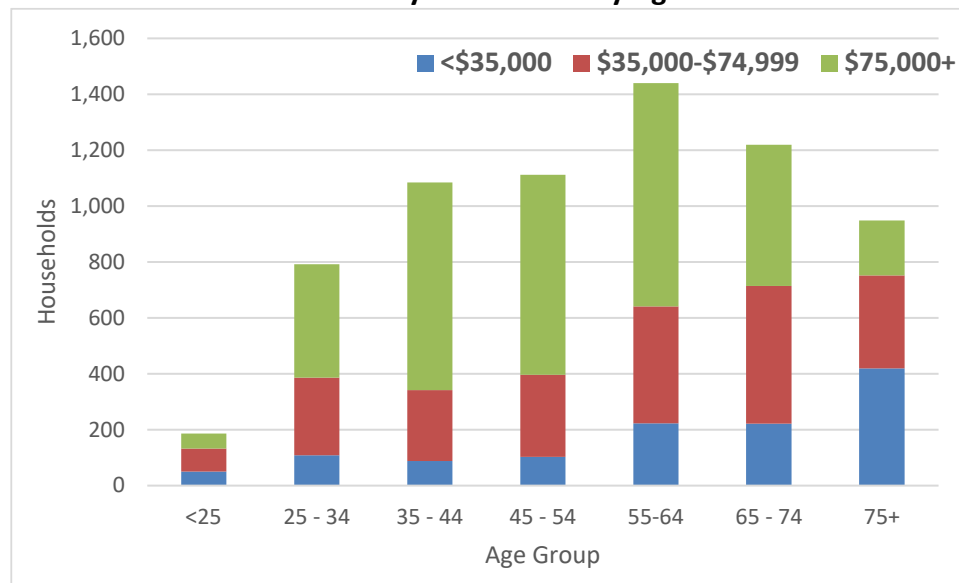
- Overall, Litchfield's incomes indicate that a below average percentage of households would likely be able to afford market rate housing. However, newer market rate housing would likely draw in some higher-income households, thereby increasing Litchfield's median income.
- Median incomes for households in Litchfield peaked at just over \$73,000 in the 35 to 44 age group in 2022. Most households with incomes at or above this median could afford to purchase a home valued at more than \$200,000. About 41% of all non-senior households (under age 65) in Litchfield had incomes of \$75,000 or more.
- As of 2022, 22% of Litchfield's non-senior households have incomes of \$100,000 or more. Depending on the amount of debt they have, size of their down payment, and interest

rates, most of these higher-income households could afford homes priced at about \$300,000 or more.

Litchfield Households by Age and Income in 2022



Remainder of Meeker County Households by Age and Income in 2022



- In 2022, only 20% of the non-senior households in Litchfield had incomes under \$35,000 (393 households). Most of these households would likely be eligible for affordable rental housing (in 2022, Meeker County’s income limits for the Housing Tax Credit Program were \$36,600 for 1-person households and \$41,820 for 2-person households at 60% of Adjusted Gross Income, or “AMI”). Most households with incomes above \$35,000 could afford older

market rate rental housing in Litchfield or purchase some older homes. If housing costs absorb 30% of income, households with incomes of \$35,000 could afford \$875 per month in gross rent or mortgage payments.

- ▶ Income-limits for the Low Income Housing Tax Credit program (LIHTC) from the Minnesota Housing Finance Agency are shown below at 50%, 60% and 80% of AMI. To be considered affordable, Minnesota Housing Finance Agency limited gross rents for units affordable at 60% AMI to \$980 for one-bedroom units, \$1,176 for two-bedroom units, and \$1,359 for three-bedroom units.

2022 Income Limits by Household Size for Meeker County

	<u>1P</u>	<u>2P</u>	<u>3P</u>	<u>4P</u>	<u>5P</u>
50% AMI	\$30,500	\$34,850	\$39,200	\$43,550	\$47,050
60% AMI	\$36,600	\$41,820	\$47,040	\$52,260	\$56,460
80% AMI	\$48,800	\$55,760	\$62,720	\$69,680	\$75,280

Source: Minnesota Housing Finance Agency

2022 Maximum Gross Rents by Bedroom Size for Meeker County

	<u>0BR</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
50% AMI	\$762	\$816	\$980	\$1,132	\$1,263
60% AMI	\$915	\$980	\$1,176	\$1,359	\$1,516
80% AMI	\$1,220	\$1,307	\$1,568	\$1,812	\$2,022

Source: Minnesota Housing Finance Agency

- Senior households with incomes greater than \$40,000 can generally afford new market-rate senior housing. Based on a 40% allocation of income for housing (higher than the 30% threshold for younger households since seniors generally have more savings and fewer living expenses), this translates to gross rents of about \$1,300. In 2022, an estimated 436 senior (age 65+) households in Litchfield had incomes above \$40,000, as did about 1,400 senior households in the Remainder of the County. Some seniors residing elsewhere in the County would consider new rental housing options in Litchfield as their care needs increase.

Table 9
Household Income by Age of Householder
City of Litchfield
2022 and 2027

2022 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	276	20	30	26	37	51	39	73
\$15,000 to \$24,999	246	12	28	17	17	34	45	92
\$25,000 to \$34,999	233	8	34	24	18	36	41	72
\$35,000 to \$49,999	258	17	41	26	33	39	43	58
\$50,000 to \$74,999	628	29	120	98	103	135	99	44
\$75,000 to \$99,999	443	11	64	80	79	113	65	30
\$100,000 to \$149,999	413	5	62	119	82	87	38	21
\$150,000+	338	1	40	89	77	60	45	26
Total	2,835	103	420	480	447	555	415	416
Median HH Income	\$63,093	\$44,692	\$63,033	\$88,146	\$78,463	\$70,430	\$57,396	\$30,142
Greater MN Median	\$72,205	\$44,137	\$75,230	\$94,018	\$90,493	\$79,031	\$61,931	\$37,870
2027 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	232	20	24	21	30	38	31	67
\$15,000 to \$24,999	192	10	22	13	13	23	38	73
\$25,000 to \$34,999	173	6	24	19	13	23	30	58
\$35,000 to \$49,999	250	17	44	26	31	33	40	59
\$50,000 to \$74,999	684	37	127	103	112	125	114	66
\$75,000 to \$99,999	523	13	73	94	99	120	87	37
\$100,000 to \$149,999	468	6	66	132	94	93	49	27
\$150,000+	389	1	44	93	92	69	56	34
Total	2,910	110	425	501	483	524	445	421
Median HH Income	\$70,198	\$50,599	\$66,951	\$91,699	\$83,766	\$77,799	\$65,972	\$37,424
Greater MN Median	\$81,802	\$50,026	\$84,386	\$102,770	\$101,816	\$90,308	\$73,526	\$45,713
Change From 2022 - 2027								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	-45	0	-6	-5	-7	-13	-8	-6
\$15,000 to \$24,999	-53	-2	-6	-5	-5	-10	-7	-19
\$25,000 to \$34,999	-60	-2	-9	-5	-6	-13	-11	-14
\$35,000 to \$49,999	-8	0	3	-1	-1	-7	-3	1
\$50,000 to \$74,999	56	8	7	6	8	-9	15	22
\$75,000 to \$99,999	80	2	9	14	19	7	22	7
\$100,000 to \$149,999	54	0	4	14	13	6	11	6
\$150,000+	50	0	4	4	15	9	11	8
Total	75	7	6	21	36	-30	30	5

Sources: ESRI; Viewpoint Consulting Group, Inc.

Table 10
Household Income by Age of Householder
Meeker County
2022 and 2027

2022 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	657	39	64	59	76	142	107	170
\$15,000 to \$24,999	654	25	61	42	48	103	122	253
\$25,000 to \$34,999	655	26	76	55	50	98	117	233
\$35,000 to \$49,999	1,037	54	131	98	109	150	227	269
\$50,000 to \$74,999	2,001	75	308	280	321	443	408	166
\$75,000 to \$99,999	1,608	44	212	316	286	387	266	97
\$100,000 to \$149,999	1,976	25	243	477	431	447	241	113
\$150,000+	1,027	2	117	238	236	225	146	63
Total	9,615	289	1,211	1,563	1,558	1,995	1,634	1,364
Median HH Income	\$71,305	\$50,299	\$71,091	\$93,162	\$88,224	\$77,905	\$62,198	\$35,991
Greater MN Median	\$72,205	\$44,137	\$75,230	\$94,018	\$90,493	\$79,031	\$61,931	\$37,870
2027 Households by Age								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	553	41	47	44	64	100	87	171
\$15,000 to \$24,999	532	23	42	30	36	68	107	226
\$25,000 to \$34,999	529	23	54	46	33	67	97	210
\$35,000 to \$49,999	937	49	118	84	95	110	211	271
\$50,000 to \$74,999	1,902	73	267	238	283	363	436	242
\$75,000 to \$99,999	1,672	48	209	318	298	352	310	139
\$100,000 to \$149,999	2,352	37	274	572	493	480	314	182
\$150,000+	1,277	3	131	292	282	264	208	97
Total	9,755	298	1,141	1,623	1,583	1,802	1,770	1,538
Median HH Income	\$79,494	\$52,707	\$78,910	\$102,368	\$98,162	\$86,677	\$70,673	\$42,672
Greater MN Median	\$81,802	\$50,026	\$84,386	\$102,770	\$101,816	\$90,308	\$73,526	\$45,713
Change From 2022 - 2027								
Income	Total	< 25	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75 +
<\$15,000	-103	2	-17	-14	-13	-43	-20	1
\$15,000 to \$24,999	-122	-1	-18	-13	-12	-35	-15	-27
\$25,000 to \$34,999	-125	-2	-22	-9	-18	-31	-20	-23
\$35,000 to \$49,999	-100	-5	-13	-14	-14	-40	-16	2
\$50,000 to \$74,999	-99	-2	-41	-42	-38	-79	28	76
\$75,000 to \$99,999	64	3	-3	2	11	-35	44	42
\$100,000 to \$149,999	376	12	31	95	62	33	73	69
\$150,000+	250	1	14	54	46	38	62	34
Total	140	8	-70	60	25	-193	136	174

Sources: ESRI; Viewpoint Consulting Group, Inc.

Household Income by Tenure

- ▶ Data on household incomes by tenure for 2020 is obtained from the Census Bureau’s American Community Survey. As is the case with most communities, the estimated percentage of renters steadily declines in Litchfield from the lower to higher income groups. Conversely, the percentage of owners steadily increases from the lower to higher income groups. In 2020, 69% of households with incomes below \$15,000 in Litchfield were renters, declining to 5.7% of households with incomes of \$100,000 to \$150,000.
- ▶ When applying the percentages in Table 9 to the 2022 households by income data, 90% of households with incomes of \$75,000 or more in Litchfield are owners. Eighty percent of households with incomes between \$50,000 and \$74,999 are also homeowners. Most of the homeowners with incomes below \$25,000 are likely seniors whose homes are paid off and who’s primary income is Social Security benefits.
- ▶ When applying the percentages in Table 9 to the 2022 households by income data, approximately 45% of the renters in Litchfield could afford market rate rental housing (incomes of \$40,000 or above). Most households with incomes below \$40,000 would be income-qualified for affordable housing, but many could also afford rents at older market rate properties.

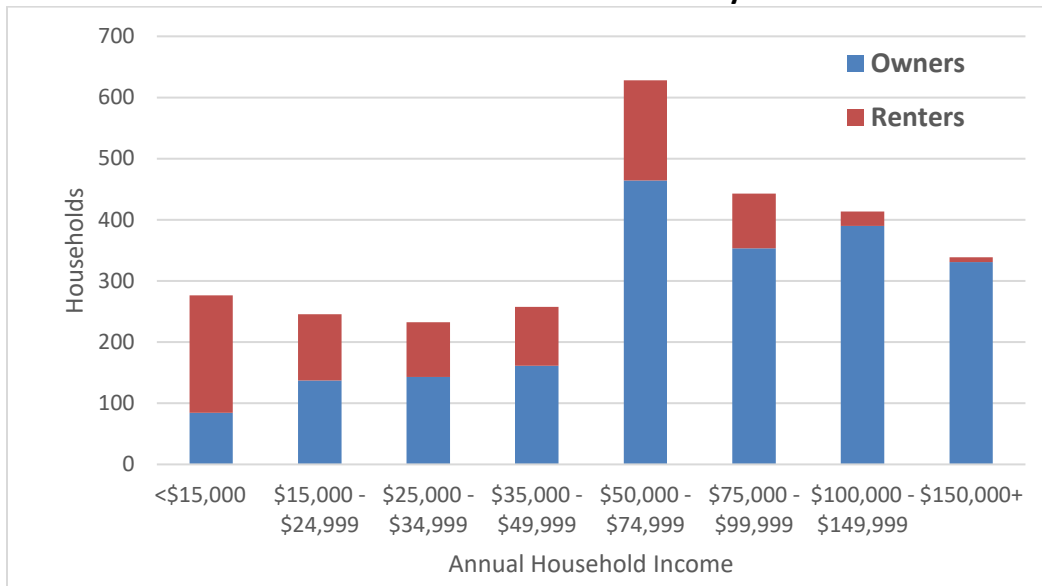
Table 11
Estimated Tenure by Household Income
Litchfield and Meeker County
2020

Income Range	Litchfield		Meeker County		Greater Minnesota
	Percent Owners	Percent Renters	Percent Owners	Percent Renters	Percent Renters
<\$15,000	30.6%	69.4%	47.7%	52.3%	58.4%
\$15,000 - \$24,999	55.9%	44.1%	63.0%	37.0%	46.8%
\$25,000 - \$34,999	61.5%	38.5%	65.5%	34.5%	38.8%
\$35,000 - \$49,999	62.6%	37.4%	74.9%	25.1%	31.0%
\$50,000 - \$74,999	73.9%	26.1%	82.7%	17.3%	21.7%
\$75,000 - \$99,999	79.8%	20.2%	90.4%	9.6%	13.0%
\$100,000 - \$149,999	94.3%	5.7%	97.2%	2.8%	7.9%
\$150,000+	97.7%	2.3%	97.9%	2.1%	4.6%
Median Household Income	\$60,100	\$31,996	\$73,174	\$34,973	

Sources: American Community Survey 2020; Viewpoint Consulting Group, Inc.

- ▶ The chart below highlights that the propensity to own increases as household incomes increase. Overall, among Litchfield’s households with incomes below \$50,000, 48% were renters and 52% were owners. Conversely, 84% of households with incomes greater than \$50,000 were owners and 16% were renters. In the Remainder of the County, 91% of households with incomes of \$50,000 or more were owners.
- ▶ Among households with incomes below \$50,000, even 65% in the Remainder of the County were homeowners.

Estimated Distribution of Litchfield’s Households by Income and Tenure



Estimated Distribution of the Remainder of the County’s Households by Income and Tenure



Table 12
Households by Tenure and Income in 2020
Meeker County

	----- Households by Tenure -----							
	Owners				Renters			
	<\$35K	\$35-\$75K	\$75K+	Med. Income	<\$35K	\$35-\$75K	\$75K+	Med. Income
Litchfield	604	586	746	\$60,100	461	272	147	\$31,996
Cedar Mills	11	7	8	\$45,417	0	0	0	-
Cosmos	61	87	46	\$52,321	27	16	0	\$22,232
Darwin	22	41	54	\$66,250	14	7	5	\$31,544
Dassel	63	133	195	\$75,000	73	102	14	\$50,063
Eden Valley	62	119	128	\$66,877	69	51	0	\$29,780
Grove City	39	63	92	\$72,188	53	29	12	\$32,201
Kingston	6	19	27	\$85,417	7	4	0	\$32,000
Watkins	61	94	136	\$71,630	94	19	9	\$21,458
Rem. of County	624	1,295	2,307	\$80,472	140	124	91	\$43,762
Meeker County	1,552	2,442	3,738	\$73,012	938	623	277	\$34,614

Sources: US Census, ESRI, Viewpoint Consulting Group, Inc.

Housing Cost Burden

The generally accepted definition of affordability is for a household to pay no more than 30% of its annual income on housing. Households who pay more than 30% for housing are considered cost burdened and may have difficulty affording other necessities such as food, clothing, transportation and medical care.

- ▶ Table 13 shows that as of 2020, there were an estimated 1,462 owner-occupied households and 637 renter-occupied households that were paying more than 30% of their annual income on housing, and therefore are considered cost burdened. Litchfield accounted for 24% of the County’s cost burdened homeowners and 49% of its cost burdened renter households.
- ▶ Households with incomes below \$35,000 accounted for 54% of Meeker County’s cost burdened renter households and 91% of the cost burned owner households. Many of the cost burdened homeowners are likely retirees who have low incomes (often just Social Security, pensions, and other retirement funds), but who have sufficient savings that they can allocate toward their housing.

**Number of Cost Burdened Households by Tenure
Meeker County Communities, 2020**

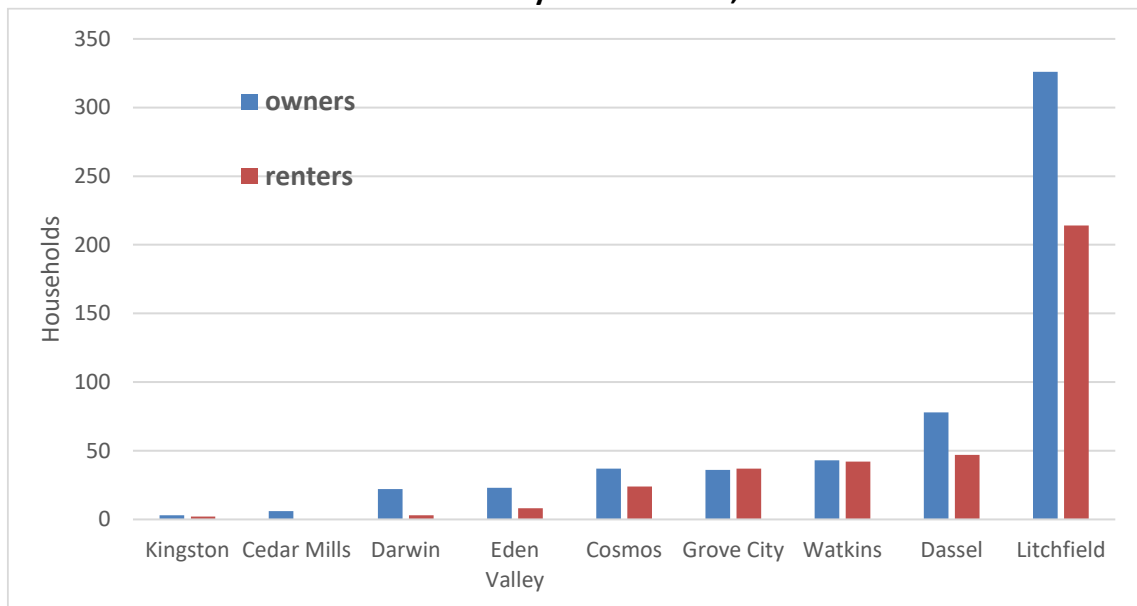
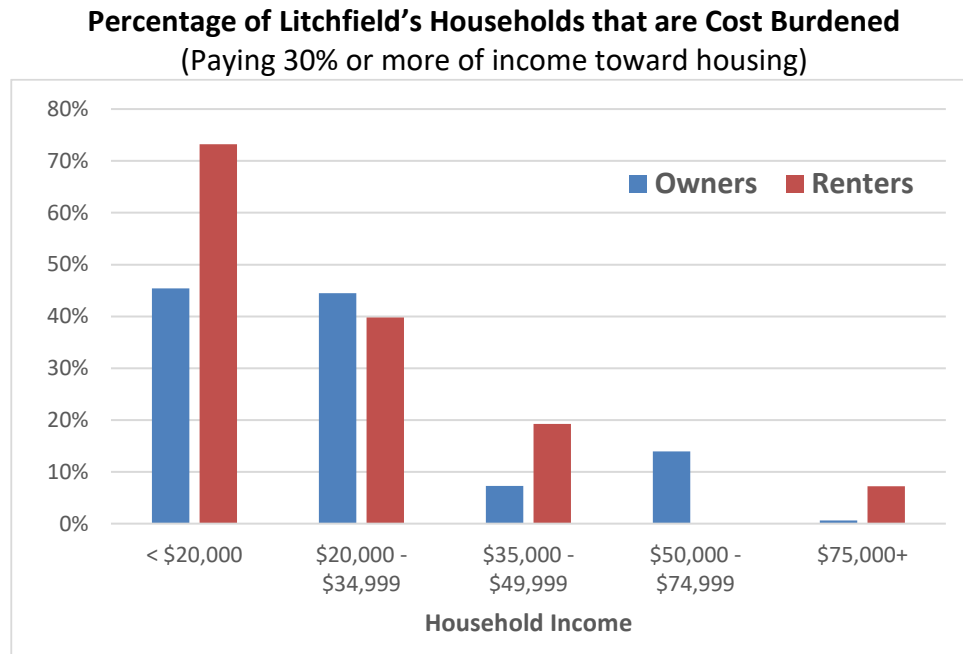


Table 13
Estimated Housing Costs as Percentage of Income by Tenure
City of Litchfield and Meeker County
2020

Percentage of Income Spent on Housing	Litchfield		Rem. of County		Meeker County	
	Owners	Renters	Owners	Renters	Owners	Renters
< \$20,000	200	283	365	214	564	497
<20%	22	0	37	11	59	11
20%-29%	87	76	52	40	139	116
30%+	91	207	275	163	366	370
\$20,000 - \$34,999	404	185	560	260	963	445
<20%	91	0	177	16	268	16
20%-29%	133	111	137	108	270	220
30%+	180	74	246	136	425	210
\$35,000 - \$49,999	199	108	669	160	868	268
<20%	116	64	266	80	381	144
20%-29%	69	24	155	66	224	90
30%+	14	21	248	14	263	35
\$50,000 - \$74,999	387	152	1,196	198	1,583	350
<20%	267	114	644	110	910	224
20%-29%	67	38	294	80	361	118
30%+	54	0	258	8	312	8
\$75,000+	746	151	3,007	127	3,752	278
<20%	631	119	2,410	114	3,040	233
20%-29%	110	21	506	9	616	30
30%+	5	11	91	4	96	15
Total	1,935	880	5,796	959	7,731	1,839
<i>No. of Households payin</i>	344	312	1,119	325	1,462	637
<i>Pct. of Households payin</i>	18%	36%			19%	35%

Sources: 2020 American Community Survey; Viewpoint Consulting Group, Inc.

- ▶ Lower-income households were the most likely to be cost burdened. Forty-six percent of Litchfield’s owners and 73% of Litchfield’s renters with incomes below \$20,000 were estimated to be cost burdened. Among Litchfield’s households with incomes above \$75,000, less than one percent of the owners and 7.3% of the renters were cost burdened.



- ▶ Like Litchfield, lower-income households in the Remainder of the County were the most likely to be cost burdened. In the Remainder of the County, 76% of renters with incomes below \$20,000 were cost burdened. This percentage continually decreased in each income bracket to 3% among renters with incomes of \$75,000 or more. The percentage of households that were cost burdened in each income bracket in the Remainder of the County in 2020 was as follows:

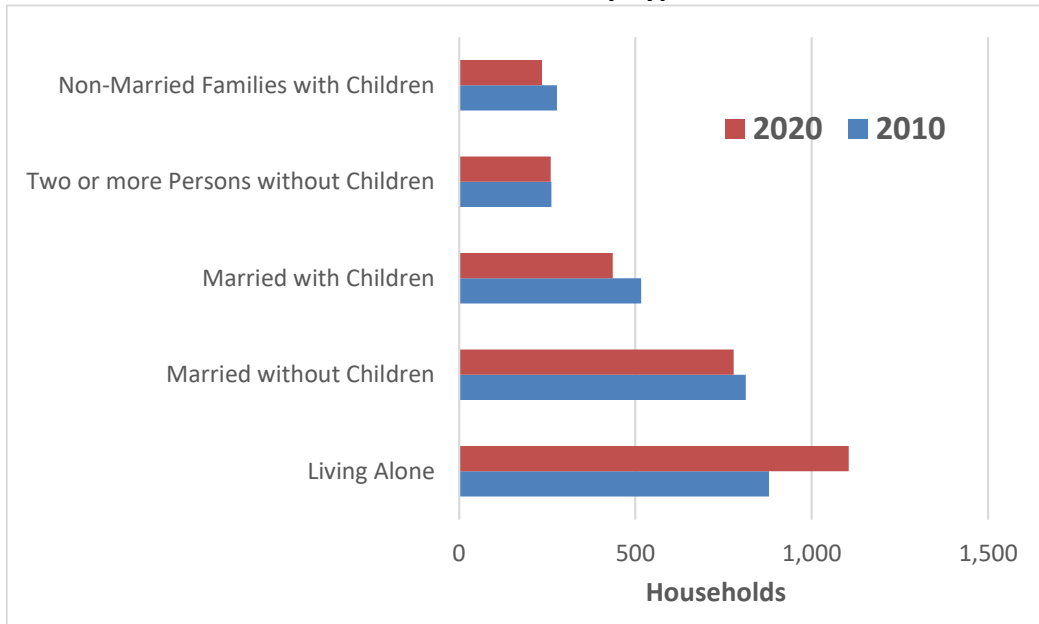
<u>Household Income</u>	<u>Owner</u>	<u>Renter</u>
<\$20,000	76%	76%
\$20,000 to \$34,999	44%	52%
\$35,000 to \$49,999	37%	9%
\$50,000 to \$74,999	22%	4%
\$75,000+	3%	3%

Household Type

Table 14 shows the composition of Meeker County's households by type of household in 2000, 2010, and 2020. The types of households in the table are categorized by those with children and those without children. Within each of these main categories are married households. For households without children, non-married households include those living alone and those not living alone. Those not living alone are generally cohabitating couples and roommates. Among Other Families, most are likely single parents.

- Countywide, 72% of the households in 2020 did not have children while 28% had children. This proportion was relatively similar between Litchfield and the Remainder of the County, with the Remainder of the County having a slightly higher proportion of families with children.
- The biggest difference in the composition of households between Litchfield and the Remainder of the County was among households without children. In the Remainder of the County, 54% of households without children were married couples. In Litchfield, however, 40% of households without children were of married couples. This was largely because Litchfield had a much higher percentage of persons living alone.
- In Litchfield from 2010 to 2020, households with children declined by 9.1% (-72 households) while households without children increased by 7.2% (+140 households). The greatest numerical growth was among persons living alone (+126 households). Besides young singles, seniors comprise much of this category, which has grown as the oldest baby boomers (born in 1946) entered their mid-70s during the decade.
- The only two household types to grow in Litchfield last decade were persons living alone and married couples without children, which grew by 2.0%. Empty nesters comprise the bulk of married couples without children.
- There were an estimated 1,005 persons living alone and 829 married couples without children in Litchfield in 2020, the greatest of any household types. They were followed by married couples with children (461 households).

Litchfield's Households by Type of Household



Remainder of Meeker County's Households by Type of Household

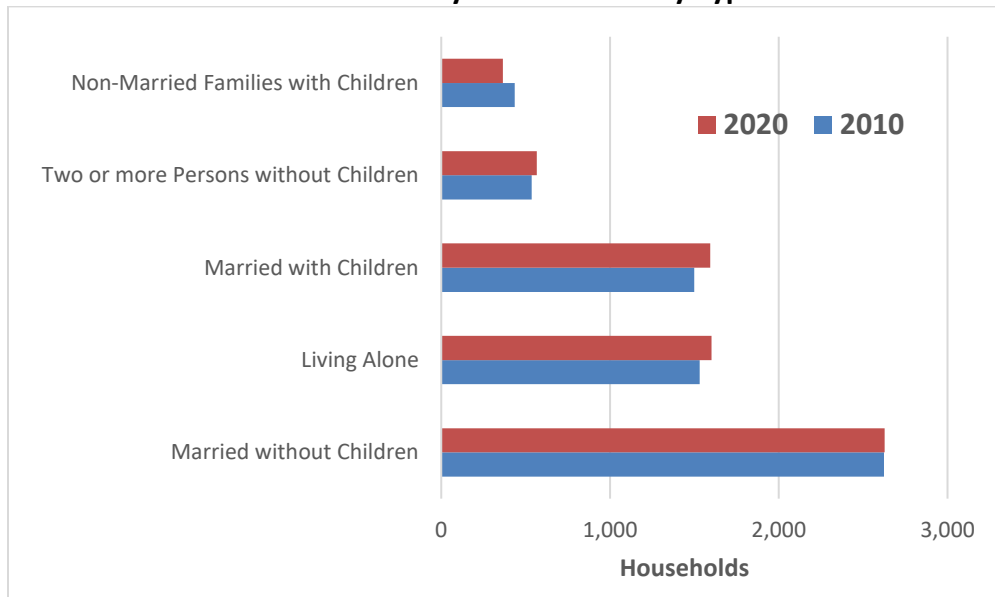


Table 14
Household Type
City of Litchfield and Meeker County
2000, 2010 & 2020 Estimate

	2000	2010	2020	Change, 2010-2020	
				No.	Pct.
Litchfield					
<u>Households with Children</u>					
Married	603	516	461	-55	-10.7%
Other Family	227	277	260	-17	-6.1%
Subtotal	830	793	721	-72	-9.1%
<u>Households with no Children</u>					
Married	728	813	829	16	2.0%
Living Alone	842	879	1,005	126	14.3%
Two or More	224	262	260	-2	-0.8%
Subtotal	1,794	1,954	2,094	140	7.2%
Total	2,624	2,747	2,815	68	2.5%
Remainder of County					
<u>Households with Children</u>					
Married	1,750	1,500	1,594	94	6.3%
Other Family	355	436	366	-70	-16.1%
Subtotal	2,105	1,936	1,960	24	1.2%
<u>Households with no Children</u>					
Married	2,272	2,623	2,627	4	0.2%
Living Alone	1,297	1,532	1,602	70	4.6%
Two or More	441	536	566	30	5.6%
Subtotal	4,010	4,691	4,795	104	2.2%
Total	6,115	6,627	6,755	128	1.9%
Meeker County					
<u>Households with Children</u>					
Married	2,353	2,016	2,055	39	1.9%
Other Family	582	713	626	-87	-12.2%
Subtotal	2,935	2,729	2,681	-48	-1.8%
<u>Households with no Children</u>					
Married	3,000	3,436	3,456	20	0.6%
Living Alone	2,139	2,411	2,607	196	8.1%
Two or More	665	798	826	28	3.5%
Subtotal	5,804	6,645	6,889	244	3.7%
Total	8,739	9,374	9,570	196	2.1%

Source: US Census Bureau - 2020 American Community Survey; Viewpoint Consulting Group, Inc.

Employment Growth Trends

Employment growth is a predictor of housing demand since employment growth generally leads to household formation. If given a choice, many people prefer to live close to their place of employment. Rental housing demand has a particularly strong correlation with job growth since people recently hired and moving into a new community often choose to rent for a period of time before they invest in a home of their own.

Recent employment growth trends for Meeker County are shown in Tables 15 and 16. Table 15 presents resident employment data in the county from 2011 through November 2022. Resident employment data is an annual average of the work force and number of employed people living in the County. Not all these employed people work in the County. Table 16 shows the number of jobs (“covered employment”) in Litchfield and Meeker County from 2011 to 1st Half 2022. Covered employment data is from the Quarterly Census of Employment and Wages (QCEW) data and includes all establishments covered under the Unemployment Insurance Program – hence covered employment. The employment data represents the number of covered workers who worked, or received pay, on the 12th of the month. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Most farm jobs are not covered by unemployment insurance and are not included in the table. Table 18 shows covered employment and wage trends by industry sector for the 1st Half of 2018, 2020, and 2022. The data in these tables is from the Minnesota Department of Employment and Economic Development. The following are key trends from the employment data.

Resident Employment

- The unemployment rate in Meeker County decreased from a high of 7.7% in 2011 to 3.5% in 2018. The unemployment rate inched up to 4.1% in 2019, and because of the COVID-19 pandemic, it spiked at 6.7% in April 2020. By November 2022, it had dropped to 2.4%.
- While the unemployment dropped to 2.4% in November 2022, total employed persons has not yet reached its pre-pandemic level, although it is getting close. As of November 2022, there were 12,602 employed persons in the County, down from 12,945 in 2019.
- Over the past decade, the unemployment rate in Meeker County has generally been below Minnesota’s and the nation’s unemployment rate. In 2021, the unemployment rate was 3.4%; or below Minnesota’s (3.6%) and below the nation’s (5.3%).
- With an unemployment rate of 2.4%, it is likely that growing businesses will need to draw employees from outside the area to fill new positions, or coax local residents back into the labor force. Bringing in workers from outside the area will lead to housing demand to accommodate the growing population. If the supply of housing in Meeker County is not

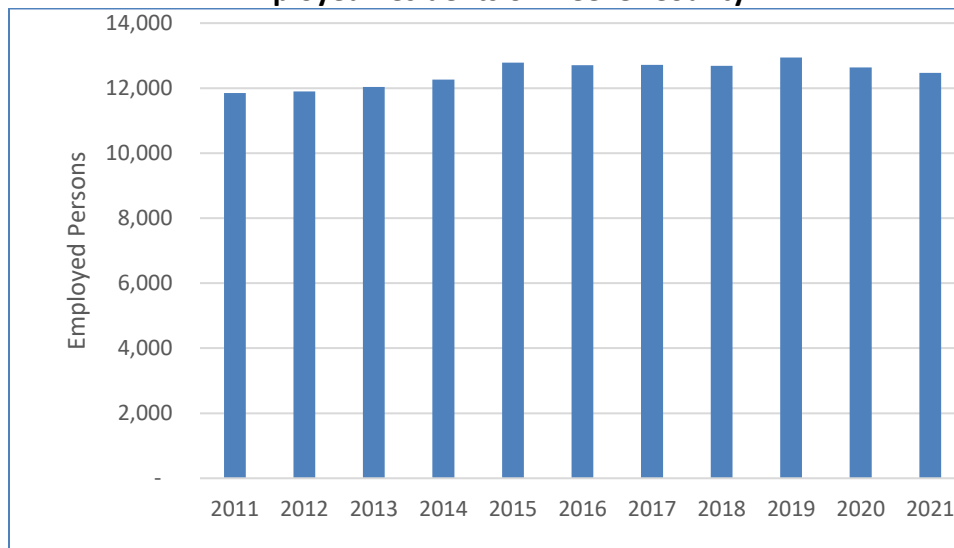
sufficient to accommodate new employees to the community, some people will seek housing in nearby communities where housing is available.

**Table 15
Resident Employment
Meeker County
2011 to November 2022**

	<u>Labor Force</u>	--- Meeker County --- <u>Employment</u>	<u>% Unemploy.</u>	<u>MN</u>	<u>USA</u>
2011	12,844	11,853	7.7%	6.5%	8.9%
2012	12,736	11,897	6.6%	5.6%	8.1%
2013	12,741	12,036	5.5%	4.9%	7.4%
2014	12,859	12,267	4.6%	4.1%	6.2%
2015	13,338	12,780	4.2%	3.7%	5.3%
2016	13,298	12,702	4.5%	4.0%	4.7%
2017	13,241	12,713	4.0%	3.6%	4.4%
2018	13,143	12,685	3.5%	2.9%	3.9%
2019	13,499	12,945	4.1%	3.3%	3.7%
2020	13,372	12,642	5.5%	6.2%	8.1%
2021	12,907	12,470	3.4%	3.6%	5.3%
April 2020	13,057	12,187	6.7%	8.6%	14.4%
Nov. 2022	12,911	12,602	2.4%	2.0%	3.4%

Source: MN Department of Employment and Economic Development; Viewpoint Consulting Group, Inc.

Employed Residents of Meeker County



Job Growth Trends

- Table 13 shows that Litchfield had 4,066 jobs in 1st Half 2022, up from 3,969 in 2019, before the COVID-19 pandemic began. This erased the job loss of 233 between 2019 and 2020.
- Litchfield accounts for 54% of Meeker County's jobs, despite Litchfield accounting for just 28% of the County's population. Litchfield is the commercial center of Meeker County, and hence a major employment destination.

Table 16
Job Growth Trends
Litchfield and Meeker County
2010 to 2021

	<u>Litchfield</u>	<u>Remainder of Meeker County</u>	<u>Meeker County</u>	<u>Minnesota</u>
2011	3,377	3,233	6,610	2,603,526
2012	3,387	3,277	6,664	2,644,935
2013	3,464	3,299	6,763	2,692,170
2014	3,529	3,479	7,008	2,729,613
2015	3,714	3,557	7,271	2,774,426
2016	3,717	3,552	7,269	2,814,002
2017	3,754	3,591	7,345	2,854,004
2018	3,826	3,482	7,308	2,882,004
2019	3,969	3,534	7,503	2,901,632
2020	3,736	3,329	7,065	2,704,197
2021	3,871	3,386	7,257	2,759,931
1st H 2022	4,066	3,407	7,473	2,801,911
<i>Change, 2012 to 1st Half 2022</i>				
Number	679	130	809	156,976
Percent	20.0%	4.0%	12.1%	5.9%
Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages; Viewpoint Consulting Group, Inc.				

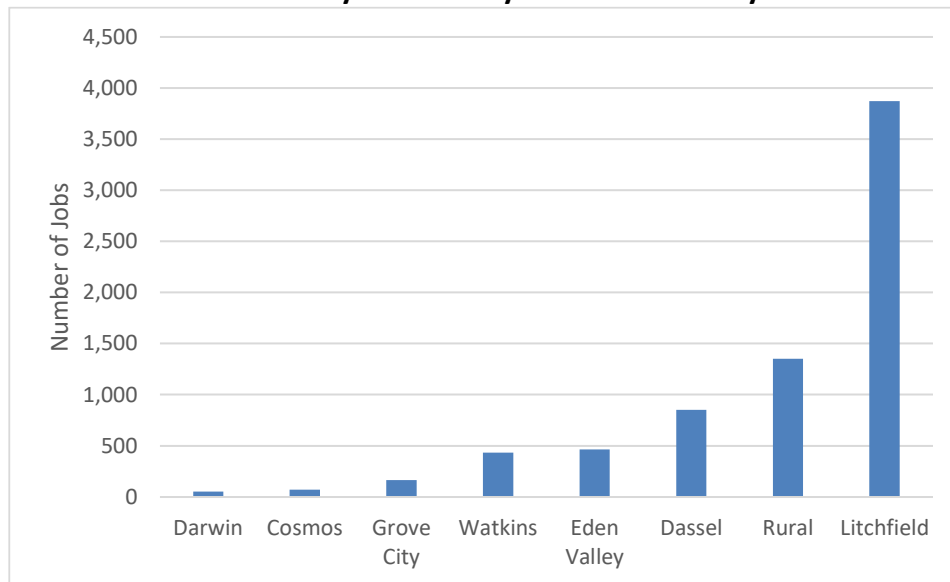
- Table 17 and the chart below highlight Litchfield’s presence as the commercial and employment center of the County. Litchfield’s 3,871 jobs were four and a half times more than Dassel, which had the next highest number of jobs (850). Eden Valley had 464 jobs and Watkins 434 jobs. After them, Grove City had the next most jobs, at 164.

Table 17
Employment Trends (Number of Jobs)
Meeker County, 2011 to 2021

	2011	2019	2020	2021	Change, 2010-2021	
					No.	Pct.
Litchfield	3,377	3,969	3,736	3,871	494	14.6%
Cedar Mills	-	-	-	-	-	-
Cosmos	182	69	65	72	-110	-60.4%
Darwin	54	52	50	52	-2	-3.7%
Dassel	811	937	846	850	39	4.8%
Eden Valley	511	528	471	464	-47	-9.2%
Grove City	191	179	158	164	-27	-14.1%
Kingston	-	-	-	-	-	-
Watkins	310	412	443	434	124	40.0%
Rem. of County	1,174	1,357	1,296	1,350	176	15.0%
Meeker County	6,610	7,503	7,065	7,257	647	9.8%

Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages; Viewpoint Consulting Group, Inc.

Number of Jobs by Community in Meeker County in 2021



Note: Includes only jobs covered by unemployment insurance.

Job Growth by Industry in Meeker County

- ▶ Table 18 shows Manufacturing is the largest sector of Meeker County’s job base. During 3rd Quarter 2022, the 2,086 Manufacturing jobs accounted for 27% of the County’s jobs covered by unemployment insurance. Manufacturing was followed by Health Care and Social Assistance (14% of all jobs), and Retail Trade (10%).
- ▶ Wages in Meeker County are modest in comparison to the State. The average annual wage of \$50,960 in 2nd Quarter 2022 compared to an average of \$69,940 statewide. Thus, a good portion of the workforce will need affordable or modestly priced housing. The employment sectors with lower wages are Leisure and Hospitality (average annual wage of \$16,952), followed by Information (\$31,460), and Retail Trade (\$34,060).
- ▶ From 2nd Quarter 2018 to 2nd Quarter 2022, the sector with the greatest numerical job growth was Manufacturing (+585 jobs), followed by Construction (+91 jobs). Job gains in these two sectors, along with Wholesale Trade, offset job losses in the other nine sectors during this period. The greatest decline was in Health Care and Social Assistance (-137 jobs).

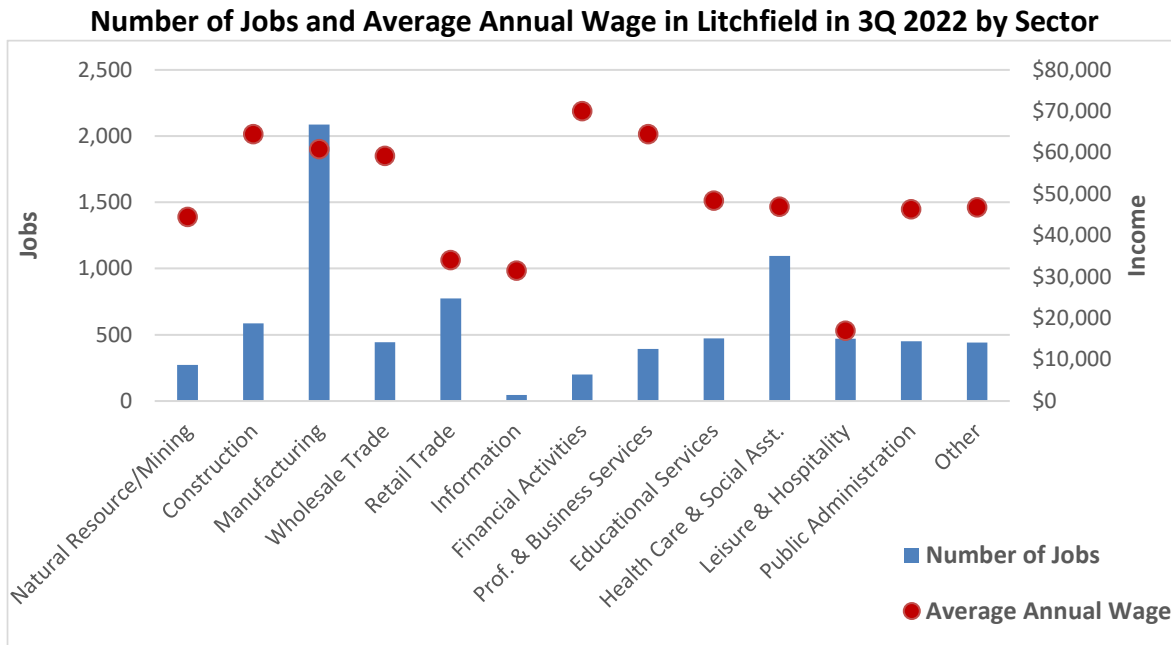


Table 18
Number of Jobs and Average Wages by Employment Sector
Meeker County
3Q 2018, 2020, & 2022

	---- 3Q 2018 ----		---- 3rd Q 2020 ----		---- 3rd Q 2022 ----		Change, 2018 - 2022	
	Employment	Avg. Wage	Employment	Avg. Wage	Employment	Avg. Wage	Number	Pct.
Natural Resource/Mining	280	\$33,072	304	\$36,816	273	\$44,460	-7	-2.5%
Construction	494	\$51,272	575	\$56,680	585	\$64,480	91	18.4%
Manufacturing	1,501	\$48,724	1,543	\$50,596	2,086	\$60,840	585	39.0%
Wholesale Trade	424	\$48,152	414	\$52,208	443	\$59,176	19	4.5%
Retail Trade	791	\$24,388	774	\$28,184	774	\$34,060	-17	-2.1%
Information	36	\$22,776	24	\$47,372	46	\$31,460	10	27.8%
Financial Activities	208	\$51,064	205	\$54,236	201	\$70,044	-7	-3.4%
Prof. & Business Services	428	\$49,816	339	\$54,704	392	\$64,428	-36	-8.4%
Educational Services	492	\$41,505	454	\$45,656	473	\$48,360	-19	-3.9%
Health Care & Social Asst.	1,232	\$33,124	1,119	\$41,496	1,095	\$46,956	-137	-11.1%
Leisure & Hospitality	536	\$14,144	384	\$14,716	469	\$16,952	-67	-12.5%
Public Administration	466	\$40,716	472	\$43,784	452	\$46,280	-14	-3.0%
Other	498	\$38,772	460	\$39,982	441	\$46,782	-57	-11.4%
Total / Average	7,386	\$38,896	7,067	\$43,576	7,730	\$50,960	344	4.7%
<i>Minnesota</i>	<i>2,897,339</i>	<i>\$59,228</i>	<i>2,684,218</i>	<i>\$61,360</i>	<i>2,880,269</i>	<i>\$69,940</i>	<i>-17,070</i>	<i>-0.6%</i>

Source: MN Department of Employment and Economic Development; Viewpoint Consulting Group, Inc.

Commuting Patterns

Not all residents of Meeker County work in Meeker County and vice versa – some workers in Meeker County commute from elsewhere. Data on commuting trends as of 2019 is shown in Tables 19 through 21. The data (Local Employment Dynamics) is from Census Bureau’s Center for Economic Studies. The following are key highlights.

- ▶ Litchfield is the primary job center in the County and a large number of people commute to Litchfield for work. As of 2019, an estimated 2,525 people commuted to jobs in Litchfield (inflow). These commuters filled 69% of Litchfield’s total jobs (the other 33% of jobs were filled by people who lived and worked in Litchfield (interior flow).
- ▶ While 1,230 Litchfield residents also worked in Litchfield, another 2,145 Litchfield residents commuted to jobs elsewhere (outflow). While this is a significant number of persons commuting to jobs elsewhere, Litchfield is still a net importer of jobs (+380).
- ▶ Besides Litchfield, the only other communities that were net importers of jobs were Dassel (+334 jobs) and Eden Valley (+24 jobs). In all other communities, more residents commuted to jobs elsewhere than people commuting to jobs into the community (net exporters of jobs).

Table 19
Estimated Worker Commuting Patterns
Meeker County
2019

	<u>Live & Work in Community</u>	<u>Inflow to Jobs</u>	<u>Total Jobs in Community</u>	<u>Outflow to Jobs</u>	<u>Workers Living in Community</u>	<u>Net Flow of Jobs</u>
Litchfield	1,230	2,525	3,755	2,145	3,375	380
Cedar Mills	0	6	6	39	39	-33
Cosmos	5	120	125	241	246	-121
Darwin	1	59	60	176	177	-117
Dassel	65	924	989	590	655	334
Eden Valley	17	376	393	386	369	24
Grove City	14	159	173	315	301	-128
Kingston	0	5	5	56	56	-51
Watkins	19	373	392	483	464	-72
Meeker County	4,247	3,145	7,392	7,515	11,762	-4,370
Note: Inflow = live outside of community, employed in community; Outflow = live in community, employed outside community.						
Source: MN Dept. of Employment and Economic Development - Quarterly Census of Employment and Wages; Viewpoint Consulting Group, Inc.						

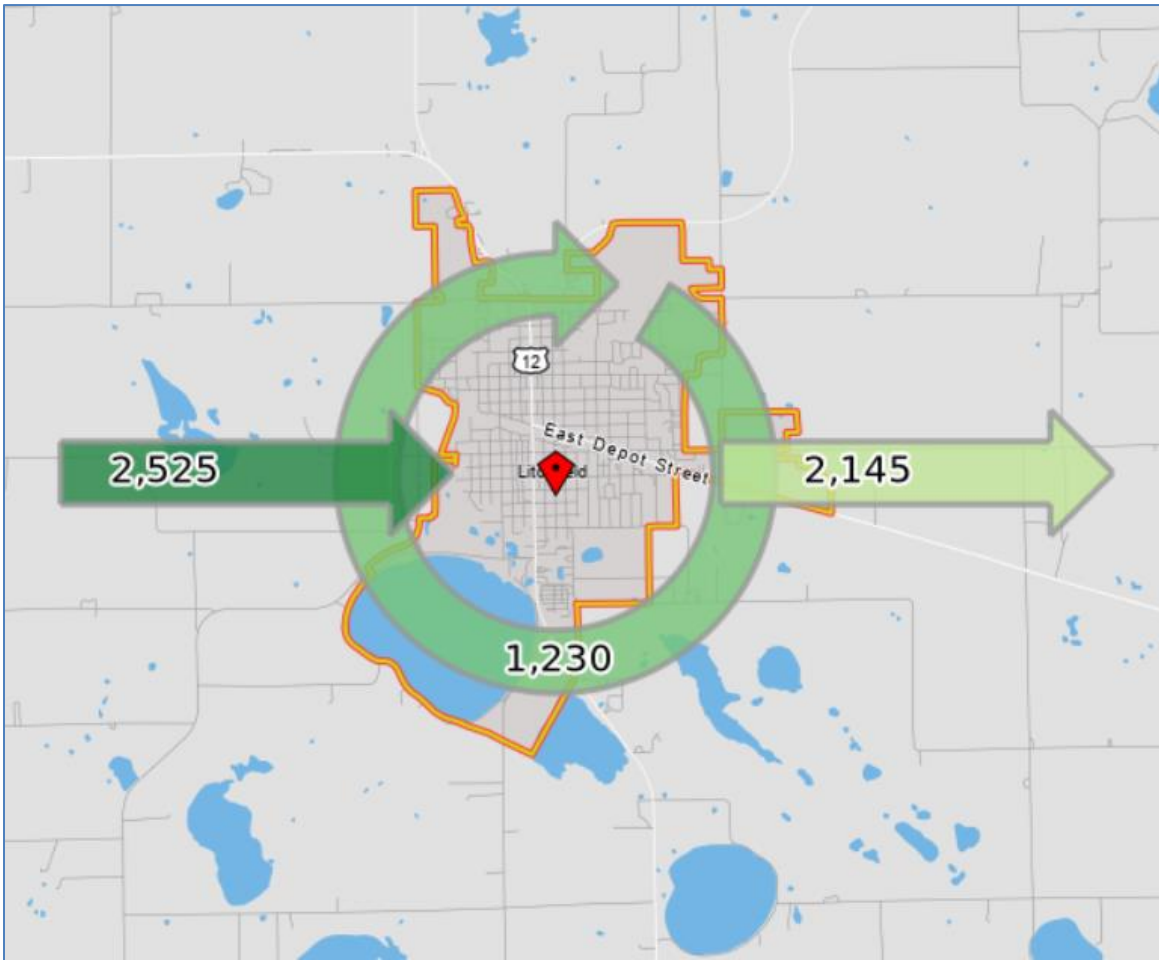
- ▶ Table 20 shows that people are commuting to work in Litchfield from the greater surrounding area. However, the greatest single source of employees is still the remainder of Meeker County (1,242 residents of the remainder of Meeker County commute to Litchfield for work). This is followed by Stearns and McLeod Counties. Overall, 66% of people who worked in Litchfield lived in Meeker County.
- ▶ After people who live and work in Litchfield, the remainder of Meeker County is the primary work destination for Litchfield residents (estimated at 13% of commuters in 2019). The next largest destinations are Hennepin, Kandiyohi, Wright, and McLeod Counties.

Table 20
Estimated Worker Commuting Patterns
Litchfield
2019

Place of Employment	Place of Residence	--- Workers ---	
		Number	Pct.
Litchfield	Litchfield	1,230	32.8%
Litchfield	Elsewhere in Meeker County	1,242	33.1%
Litchfield	Stearns County	251	6.7%
Litchfield	McLeod County	219	5.8%
Litchfield	Kandiyohi County	205	5.5%
Litchfield	Wright County	64	1.7%
Litchfield	Other	544	14.5%
Total		3,755	100.0%
Place of Employment	Place of Residence		
Litchfield	Litchfield	1,230	36.4%
Elsewhere in Meeker County	Litchfield	438	13.0%
Hennepin County	Litchfield	324	9.6%
Kandiyohi County	Litchfield	296	8.8%
Wright County	Litchfield	226	6.7%
McLeod County	Litchfield	182	5.4%
Other	Litchfield	679	20.1%
Total		3,375	100.0%

Sources: US Census Bureau - Center for Economic Studies; Viewpoint Consulting Group, Inc.

Litchfield Workforce Inflow/Outflow in 2019



Source: US Census - OnTheMap

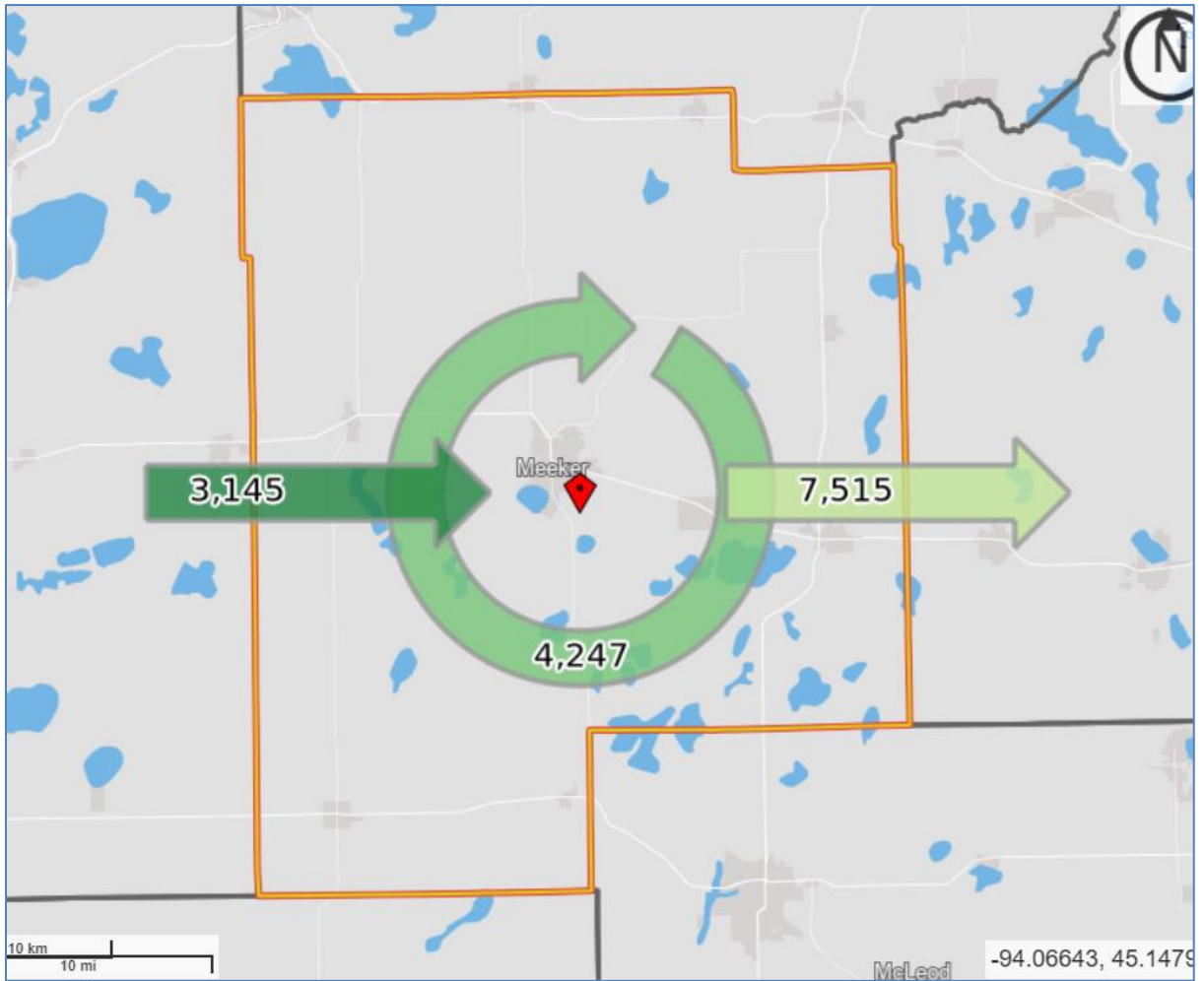
- ▶ In 2019, 4,247 Meeker County residents also worked in the County. After these residents, more than twice as many commuted to jobs outside the County (7,515 persons) as persons who commuted into the County for jobs (3,145 persons). This is evidenced by Tables 15 and 16, which show that there are as of 2019 there were 12,945 employed persons living in Meeker County (Table 15) but only 7,503 jobs covered by unemployment insurance existed in the County (Table 16).
- ▶ Table 21 shows that among the Meeker County residents who work outside the county, the greatest destinations were Stearns County, Wright County, Hennepin County, and McLeod County. Each of these counties drew over 1,000 Meeker County residents to jobs.

Table 21
Estimated Worker Commuting Patterns
Meeker County
2019

Place of Employment	Place of Residence	--- Workers ---	
		Number	Pct.
Meeker County	Meeker County	4,247	57.5%
Meeker County	Stearns County	784	10.6%
Meeker County	McLeod County	474	6.4%
Meeker County	Kandiyohi County	420	5.7%
Meeker County	Wright County	367	5.0%
Meeker County	Sherburne	101	1.4%
Meeker County	Other	999	13.5%
Total		7,392	100.0%
Place of Employment	Place of Residence		
Meeker County	Meeker County	4,247	36.1%
Stearns County	Meeker County	1,235	10.5%
Wright County	Meeker County	1,146	9.7%
Hennepin County	Meeker County	1,131	9.6%
McLeod County	Meeker County	1,020	8.7%
Kandiyohi County	Meeker County	963	8.2%
Other	Meeker County	2,020	17.2%
Total		11,762	100.0%

Sources: US Census Bureau - Center for Economic Studies; Viewpoint Consulting Group, Inc.

Meeker County Workforce Inflow/Outflow in 2019



Source: US Census - OnTheMap

Housing Characteristics

The variety and condition of the housing stock in a community provides the basis for an attractive living environment. The housing stock in Meeker County was examined by reviewing data on the age of the existing housing, examining the housing stock by structure type; and examining residential building trends since 2000. Data was obtained from the U.S. Census Bureau. The following are key findings about the existing housing stock.

Age of Housing Stock

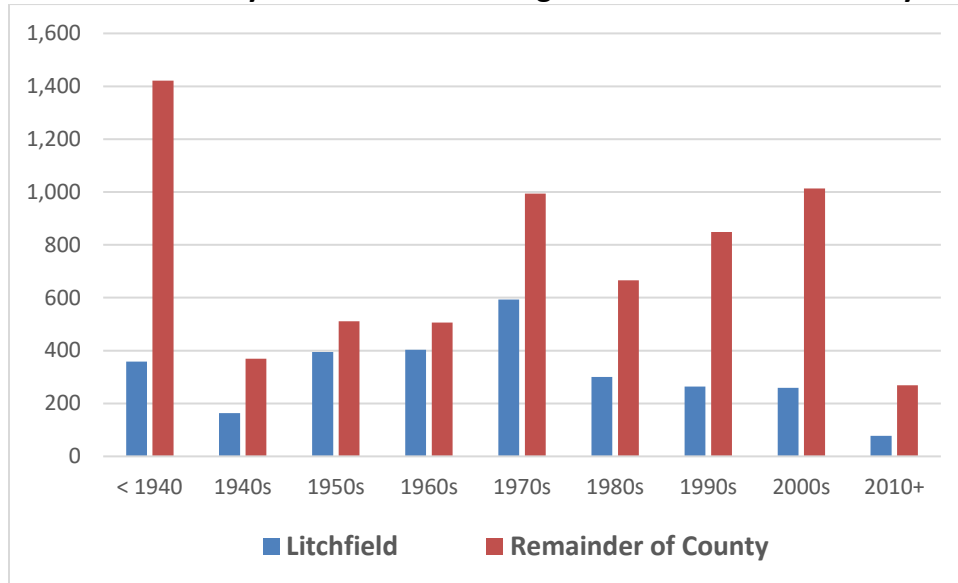
- A review of Meeker County's housing stock from American Community Survey data shows that beginning with the 1940s, an average of 570 owner-occupied housing units and 95 rental units were built during each decade. The peak decade was the 1970s, when 860 owner-occupied homes were built.
- Due largely to the downturn in the nationwide housing market which coincided with the Great Recession, the 2010s accounted for the fewest number of occupied housing units in both Litchfield and the Remainder of the County since before the 1940s. Only 77 occupied units in Litchfield were built after 2010 as were 275 homes in the Remainder of the County.
- The 1970s was the peak decade for rental housing construction. About 465 units built during the 1970s are occupied by renters in the County, including about 300 units in Litchfield and 165 in the Remainder of the County.
- Homes built prior to 1950, which are now 70+ years old, are more likely to have a substantial need for rehabilitation and/or replacement due to physical or functional obsolescence. In Litchfield, about 19% of the housing units were built before 1950. In the Remainder of the County, about 65% of the housing units were built before 1950.

Table 22
Estimated Occupied Housing Units by Age of Structure
Meeker County
2020

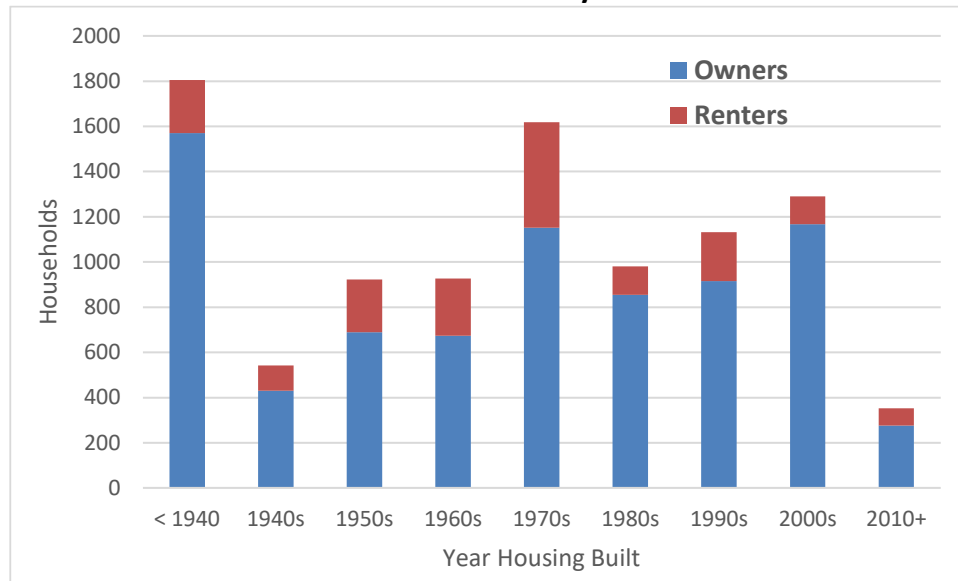
	Owner		Renter		Total	
	Units	Pct.	Units	Pct.	Units	Pct.
Litchfield						
< 1940	324	16.8%	34	3.8%	358	12.7%
1940 - 1949	142	7.3%	21	2.4%	163	5.8%
1950 - 1959	233	12.0%	162	18.4%	395	14.0%
1960 - 1969	253	13.1%	151	17.1%	404	14.3%
1970 - 1979	293	15.1%	301	34.2%	594	21.1%
1980 - 1989	249	12.9%	51	5.8%	300	10.7%
1990 - 1999	179	9.2%	86	9.8%	265	9.4%
2000 - 2009	216	11.2%	42	4.8%	259	9.2%
2010+	46	2.4%	31	3.5%	77	2.7%
Total	1,935	100.0%	880	100.0%	2,815	100.0%
Remainder of Meeker County						
< 1940	1246	64.4%	201	22.8%	1,447	51.4%
1940 - 1949	288	14.9%	91	10.3%	379	13.5%
1950 - 1959	457	23.6%	71	8.1%	528	18.8%
1960 - 1969	420	21.7%	103	11.7%	523	18.6%
1970 - 1979	860	44.4%	165	18.8%	1,025	36.4%
1980 - 1989	606	31.3%	74	8.4%	680	24.1%
1990 - 1999	737	38.1%	130	14.8%	867	30.8%
2000 - 2009	951	49.1%	80	9.1%	1,031	36.6%
2010+	231	11.9%	44	5.1%	275	9.8%
Total	5,796	299.5%	959	109.0%	6,755	240.0%
Meeker County*						
< 1940	1571	20.3%	234	12.7%	1,805	18.9%
1940 - 1949	430	5.6%	112	6.1%	542	5.7%
1950 - 1959	690	8.9%	233	12.7%	923	9.6%
1960 - 1969	673	8.7%	254	13.8%	927	9.7%
1970 - 1979	1152	14.9%	467	25.4%	1,619	16.9%
1980 - 1989	855	11.1%	125	6.8%	980	10.2%
1990 - 1999	916	11.8%	216	11.7%	1,132	11.8%
2000 - 2009	1167	15.1%	122	6.6%	1,290	13.5%
2010+	277	3.6%	75	4.1%	352	3.7%
Total	7,731	100.0%	1,839	100.0%	9,570	100.0%
* Includes the portion of Eden Valley in Stearns County.						
Sources: US Census (2020 American Community Survey); Viewpoint Consulting Group, Inc.						

- Beginning with the 1940s, an average of 215 owner-occupied housing units were built in Litchfield during each decade. The peak decade was the 1970s, when an estimated 293 owner-occupied homes were built. More recently, 216 owner-occupied homes in Litchfield were built during the 2000s and 46 during the 2010s.

Households by Decade their Housing was Built – Meeker County



Owner & Renter Households by Decade their Housing was Built Meeker County



Residential Construction

- Table 23 shows that in the incorporated communities in Meeker County (excludes permits for homes in the rural portion of the County), permits were issued for 542 housing units during the 2000s and 255 housing units during the 2010s. The drop during the 2010s was experienced in both Litchfield and the smaller communities. Only Cedar Mills saw its permitted housing units increase between the 2000s and 2010s (from three to four permitted units).
- Permits were issued for 126 new housing units in Litchfield during the 2010s. Of the total units, 53 were single-family homes. This was down from 234 permits for single-family homes issued during the 2000s. During the first two and a half years of the 2020s, permits have been issued for 22 single-family homes in Litchfield.
- During the 2010s, permits were issued for 74 housing units in Watkins, second most in the County after Litchfield. This includes permits for just eight single-family homes (down from 55 single-family homes during the 2000s), but for 66 multifamily units. The multifamily units added in Watkins during the decade included Meeker Leased Housing (20 units) and Garden View Assisted Living (46 units).
- Permits were issued for 38 single-family homes in Dassel during the 2010s, down from 57 during the 2000s. The pace of construction has increased this decade, as permits have been issued for 18 homes during the first three years. A permit was also issued for a 20-unit apartment, after no permits for multifamily units were issued last decade.

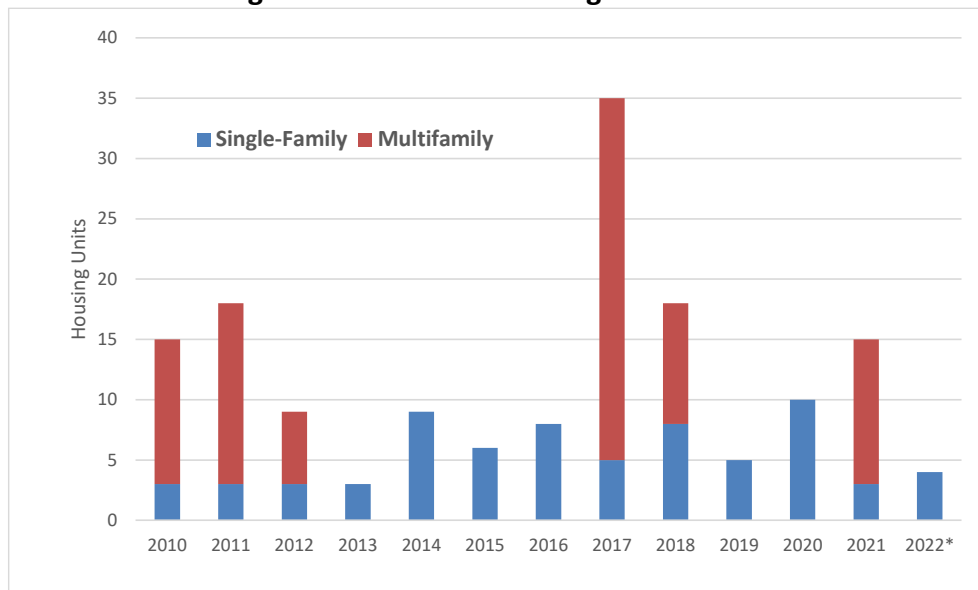
Table 23
Building Permit Trends
Meeker County Communities
2000 to November 2022

	2000s			2010s			2020-Nov. 2022		
	SF	MF	Total	SF	MF	Total	SF	MF	Total
Litchfield	234	36	270	53	73	126	22	12	34
Cedar Mills	3	0	3	4	0	4	2	0	2
Cosmos	6	0	6	0	0	0	0	0	0
Darwin	12	0	12	3	0	3	0	0	0
Dassel	57	32	89	38	0	38	18	20	38
Eden Valley	70	20	90	9	0	9	4	20	24
Grove City	5	6	11	1	0	1	0	0	0
Kingston	2	0	2	0	0	0	0	0	0
Watkins	55	4	59	8	66	74	3	0	3
Total	444	98	542	116	139	255	49	52	101

Sources: US Census, Viewpoint Consulting Group, Inc.

- Permits were issued for nine new housing units in Eden Valley during the 2010s, all of them for single-family homes. This was down from 70 permits for single-family homes issued during the 2000s. During the first two and a half years of the 2020s, permits have been issued for four single-family homes in Eden Valley.
- The lingering effects of the Great Recession on the housing market lasted into most of last decade. Only 12 permits were issued for new single-family homes in Litchfield from 2010 through 2013, or an average of three per year. After that, an average of six permits for single-family homes were issued annually. This was still well below the average of 23 permits annually during the 2000s.
- Permits were issued for 73 multifamily units in Litchfield during the 2010s. In the beginning, permits were issued for 20 units at Cottonwood Avenue Townhomes. Near the end of the decade, permits were issued for 40 units at The Villages East Apartments. These two properties accounted for the majority of the multifamily units permitted.
- While the development of single-family homes declined substantially from the 2000s to 2010s, the number of multifamily unit permits doubled. During the 2000s, permits were issued for only 36 units in Litchfield, compared to 73 units during the 2010s.
- Since 2020, permits for new single-family homes in Litchfield has continued to remain below historic levels. Twenty-two permits were issued from 2020 through November 2022. At the current pace, single-family home construction in Litchfield will continue to be well below the levels built each decade before 2010.

Building Permits for New Housing Construction in Litchfield



* Through November 2022

**Table 24
Building Permit Trends
Litchfield
2000 to November 2022**

Year	---- Housing Units ----		Total
	Single-Family	Multifamily	
2000s	234	36	270
2010	3	12	15
2011	3	15	18
2012	3	6	9
2013	3	0	3
2014	9	0	9
2015	6	0	6
2016	8	0	8
2017	5	30	35
2018	8	10	18
2019	5	0	5
Total	53	73	126
2020	10	0	10
2021	3	12	15
2022*	9	0	9
Total	22	12	34
* Through November 2022			
Source: US Census Bureau; Viewpoint Consulting Group, Inc.			

Housing Stock by Type of Housing

- The dominant housing type in Meeker County is a single-family home with this type representing an estimated 85% of all housing units in 2020. Single-family homes (which includes twinhomes) account for about 94% of owner-occupied housing units in the County and 44% of the rental units. In Litchfield, which has a greater supply of multifamily housing, single-family homes accounted for about 92% of owner-occupied housing units and 29% of the rental units. Outside Litchfield, single-family homes accounted for 57% of rental units.
- Of the 972 multifamily rental units in Meeker County in 2020, 625 were in Litchfield, representing 64% of the County's multifamily rental stock. After Litchfield, the greatest supplies of multifamily rental units were in Dassel (107 units), Eden Valley (86 units), and Watkins (73 units).

Table 25
Estimated Occupied Housing Units by Type of Structure
Meeker County
2020

	----- Households by Housing Type and Tenure -----					
	Owned			Rented		
	<u>Single- Family</u>	<u>Multi- Family</u>	<u>Mobile Home</u>	<u>Single- Family</u>	<u>Multi- Family</u>	<u>Mobile Home</u>
Litchfield	1,776	22	137	255	625	0
Cedar Mills	24	0	1	0	0	0
Cosmos	185	0	8	14	29	0
Darwin	112	0	5	9	16	0
Dassel	378	5	7	82	107	0
Eden Valley	293	4	12	31	86	2
Grove City	177	0	17	67	27	0
Kingston	51	0	0	3	8	0
Watkins	278	0	14	31	73	17
Rem. of County	<u>4,014</u>	<u>0</u>	<u>212</u>	<u>314</u>	<u>0</u>	<u>41</u>
Meeker County*	7,286	32	413	806	972	61
* Includes the portion of Eden Valley in Stearns County						
Sources: US Census, MN Demographic Center, Viewpoint Consulting Group, Inc.						

- Mobile homes accounted for about 5% of the County's housing stock, with 87% of the mobile homes being owned.

Owner-Occupied Housing Market Analysis

This section analyzes Meeker County's owner-occupied housing market. Analyzed are single-family home resale trends, subdivisions being actively marketed, pending subdivisions, and interviews with local real estate professionals and others involved in the local housing market to solicit their impressions of existing market conditions and trends. The Meeker County Assessor's Office provided the data on resale trends. The following are key findings regarding the for-sale housing market.

Home Resale Trends

- The median price of homes sold in Litchfield in 2022, through October, was \$187,510. This was up from \$127,150 in 2018. Over the five-year period, the annual average increase in the median sale price was 10.5%.
- Countywide, including the portion of Eden Valley in Stearns County, the median price of homes sold in 2022 (through October) was \$221,038. the average annual increase in the median sale price was slightly lower – at 9.3%.
- From 2018 through 2021, the number of annual home sales in Litchfield averaged 72, with 2018 having the most sales (81 sales). Overall, about 4% of Litchfield's owner-occupied housing stock is sold each year.
- In Litchfield, the median sale price of homes was typically about \$13,000 less than the average sale price. Countywide, the difference between the two was typically about \$37,000 over the four-year period. Sales of higher-priced estates and lake homes skews the average higher in the rural part of the county more so than in Litchfield.
- During the four-year period from 2018 through 2021, the number of annual home sales in the County averaged 242, with 2018 having the most sales (264). Overall, an average of just over 3.0% of the County's owner-occupied housing stock is sold each year.

Table 26
Resale Trends of Existing Single-Family Homes
Litchfield and Meeker County
2018 through October 2022

Year	No. Sold	Avg Sales		Change in Median
		Price	Median Price	
Litchfield				
2018	81	\$138,290	\$127,150	--
2019	56	\$147,673	\$129,338	1.7%
2020	77	\$164,688	\$159,500	23.3%
2021	74	\$195,975	\$178,650	12.0%
2022*	48	\$200,380	\$187,510	5.0%
Meeker County Total				
2018	264	\$179,716	\$154,820	--
2019	246	\$191,408	\$153,150	-1.1%
2020	241	\$198,266	\$170,720	11.5%
2021	217	\$249,646	\$198,000	16.0%
2022*	149	\$265,980	\$221,038	11.6%
* Through October 2022				
Sources: Meeker County Assessor; Viewpoint Consulting Group, Inc.				

- Table 27 shows the number of single-family homes sales by community from 2018 through October 2022. After Litchfield, the greatest number of sales were in the rural parts of the County, which averaged about 95 sales annually. Among the smaller communities, Dassel and Watkins had the most sales, with annual averages of 22 and 17 sales, respectively.
- Table 28 shows the median sale price of single-family homes by community from 2018 through October 2022. By far the highest median sale price was in the rural part of the County. The 2022 median sale price (through October) was \$370,900 in the rural part of the County, or about double Litchfield's median sale price. The median sale price was \$211,000 in Dassel, highest among Meeker County's communities. After Dassel and Litchfield, Darwin had the next highest median (\$178,275), followed by Eden Valley (\$166,400).
- Because of the small number of sales, the median sale price in the communities can vary wildly from year to year based on which particular homes were sold. With that being said, overall, the communities in Meeker County experienced strong growth in home values over the four-year period.

Table 27
Number of Single-Family Home Sales
Meeker County
2018 through October 2022

	2018	2019	2020	2021	2022	Total Sales ('18 - '21)	
						Avg.	Pct.
Litchfield	81	56	77	74	48	72	1.6%
Cedar Mills	1	3	1	1	0	2	0.4%
Cosmos	6	6	9	4	6	6	10.1%
Darwin	6	5	2	3	4	4	2.7%
Dassel	12	24	21	30	12	22	20.3%
Eden Valley*	17	14	13	7	10	13	4.1%
Grove City	12	9	10	6	4	9	6.6%
Kingston	3	4	3	0	1	3	1.4%
Watkins	17	17	20	12	8	17	7.1%
Rem. of County	109	108	84	80	57	95	1.7%
Meeker County*	264	246	240	217	150	242	2.0%

* Includes the portion of Eden Valley in Stearns County.

Sources: Meeker County Assessor; Viewpoint Consulting Group, Inc.

Number of Home Sales by Community, 2018 to 2021

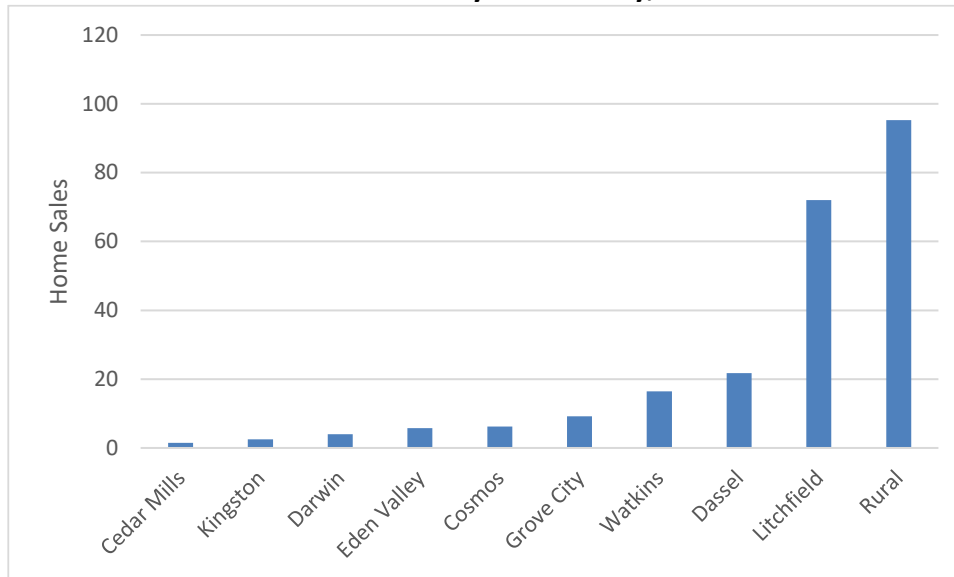


Table 28
Median Sale Price of Single-Family Home
Meeker County, 2018 to October 2022

	2018	2019	2020	2021	2022	--- Change ---	
						No.	Pct.
Litchfield	\$127,150	\$129,338	\$159,500	\$178,650	\$187,510	\$60,360	47.5%
Cedar Mills	--	--	--	--	--	--	--
Cosmos	\$62,320	\$56,950	\$111,860	\$134,725	\$67,400	\$5,080	8.2%
Darwin	\$86,250	\$68,500	\$124,200	\$84,500	\$178,275	\$92,025	106.7%
Dassel	\$135,632	\$175,800	\$185,000	\$199,100	\$211,000	\$75,368	55.6%
Eden Valley*	\$115,430	\$145,700	\$148,500	\$192,000	\$166,400	\$50,970	44.2%
Grove City	\$90,250	\$91,050	\$127,715	\$91,250	\$151,450	\$61,200	67.8%
Kingston	--	--	--	--	--	--	--
Watkins	\$135,000	\$146,450	\$150,000	\$185,000	\$159,200	\$24,200	17.9%
Rem. of County	\$240,000	\$232,240	\$277,376	\$337,350	\$370,900	\$130,900	54.5%
Meeker County*	\$154,820	\$153,150	\$170,720	\$198,000	\$221,038	\$66,218	42.8%

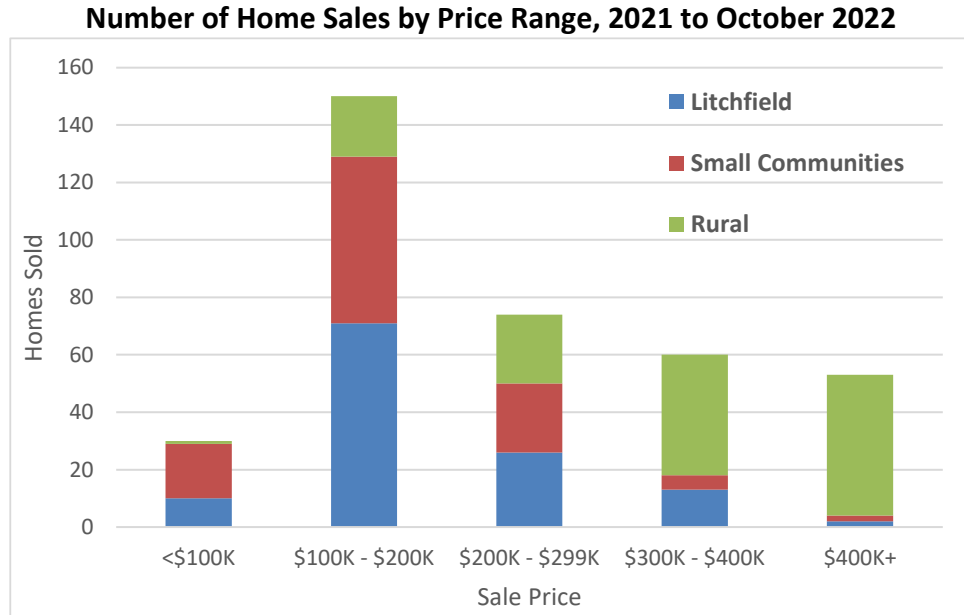
* Includes the portion of Eden Valley in Stearns County.

Sources: Meeker County Assessor; Viewpoint Consulting Group, Inc.

- Table 29 shows that from 2018 through October 2022, the number of home sales in Litchfield peaked in the \$100,000 to \$199,999 range. Over half the homes sold each year in Litchfield were in this price range. While most homes were in this price range, the number of homes sold for less than \$100,000 steadily declined while sales of those priced at \$200,000 or more steadily increased. By 2022, 38% of the homes sold in Litchfield were priced over \$200,000, compared to only 14% in 2018.
- Like Litchfield, the number of home sales in the smaller communities from 2018 through October 2022 peaked in the \$100,000 to \$199,999 range. In 2022, 53% of the homes sold in the smaller communities were in the \$100,000 to \$199,999 price range. The number of sales above \$200,000 increased from 5% of all sales in 2018 to 29% in 2022.
- The rural part of the County had a much higher median sale price in 2022 (\$370,900) than either Litchfield or the smaller communities. More sales occurred above \$400,000 than in any other price range (40% of sales in 2022). In 2022, sales above \$200,000 accounted for 89% of sales in the rural part of the County.
- Data from Table 11 on Page 33 reveals that about 57% of Litchfield's homeowners had incomes of less than \$87,100 (the median income for Meeker County's four-person households at Area Median Income) in 2022. Most of these homeowners would be seeking homes priced at about \$250,000 or less. In 2022, about three-quarters of Litchfield's homes sold for under \$250,000.

Table 29
Home Resales by Price Range
Meeker County
2018 to October 2022

Sale Price	2018	2019	2020	2021	2022
Litchfield					
< \$100,000	24	14	12	7	3
\$100,000 - \$199,999	46	31	49	44	27
\$200,000 - \$299,999	9	9	11	12	14
\$300,000 - \$399,999	2	0	4	10	3
\$400,000 +	0	2	1	1	1
Total Sales	81	56	77	74	48
Percent over \$200K	14%	20%	21%	31%	38%
Median Sale Price	\$127,150	\$129,338	\$159,500	\$178,650	\$187,510
Small Communities					
< \$100,000	28	24	14	11	8
\$100,000 - \$199,999	42	51	55	34	24
\$200,000 - \$299,999	3	6	10	12	12
\$300,000 - \$399,999	1	1	0	4	1
\$400,000 +	0	0	0	2	0
Total Sales	74	82	79	63	45
Percent over \$200K	5%	9%	13%	29%	29%
Median Sale Price	\$120,000	\$125,425	\$146,796	\$178,525	\$162,000
Rural					
< \$100,000	5	6	2	1	0
\$100,000 - \$199,999	34	38	17	15	6
\$200,000 - \$299,999	38	34	36	14	10
\$300,000 - \$399,999	23	18	20	24	18
\$400,000 +	9	12	9	26	23
Total Sales	109	108	84	80	57
Percent over \$200K	64%	59%	77%	80%	89%
Median Sale Price	\$240,000	\$232,240	\$277,376	\$337,350	\$370,900
Sources: Meeker County Assessor; Viewpoint Consulting Group, Inc.					



current Supply of Homes on the Market

- As of January 2023, there were nine single-family homes actively listed for sale in Litchfield. Table 30 shows that of the nine homes listed for sale, six were priced above \$200,000, or two-thirds of the listings. The median list price was \$239,900, or well above the median sale price of homes sold during 2022 through October (\$187,510).
- There were five single-family homes actively listed for sale in the Remainder of Meeker County in January 2023. Table 30 shows that three homes listed for sale were priced between \$100,000 and \$199,999. The median list price was \$199,900, or well above the median sale price of homes sold during 2022 through October (\$162,000).
- There were more homes listed for sale in the rural parts of Meeker County than in either Litchfield or the other smaller communities. The sales listings in the rural part of the county includes many larger estates and lake homes. Thus, the median list price of homes in the rural part of the county (\$399,000) was much higher than the median list price in Litchfield (\$239,900) or in the remaining smaller communities (\$199,900).

Table 30
Active Single-Family Home Listings
Meeker County
January 2023

List Price	--- Number of Active Listings ---		
	Litchfield	Small Communities	Rural
< \$100,000	1	0	0
\$100,000 - \$199,999	2	3	1
\$200,000 - \$299,999	5	1	1
\$300,000 - \$399,999	1	1	4
\$400,000 +	0	0	5
Total	9	5	11
Average List Price	\$232,444	\$226,740	\$519,318
Median List Price	\$239,900	\$199,900	\$399,000
Median Sq. Ft.	1,623	1,372	1,791

Source: Realtor.Com; Viewpoint Consulting Group, Inc.

Meeker County's housing market is very strong based on data resale trend data from Realtor.com. According to Realtor.com, the median days on market for new listings in December 2022 was 57 days. This was generally consistent for the past three years.

Active Subdivisions

The supply of lots in Litchfield available for new housing construction is primarily contained in five subdivisions, which are displayed in Table 31 along with subdivisions in surrounding communities in Meeker County. The following are summaries of these subdivisions.

- Litchfield has 73 available lots in the five subdivisions listed in Table 31, which accounts for most of its lots. Outside Litchfield, there are another 136 lots available in subdivisions in smaller surrounding communities in Meeker County. Of these communities, the greatest lot supplies are in Dassel and Watkins.
- The subdivisions in Litchfield were platted in the 2000s, before the Great Recession and resulting downturn in the housing market. Combined, they have 133 lots on which 60 homes have been built. Since they were platted, that equate to an average of between three and four new homes per years. The Harmon Meadows subdivision was also platted in the mid-2000s and its 23 lots have become built out (it is not shown in Table 31). Harmon Meadows consisted of single-level patio homes marketed to 55+ seniors. A patio home currently being marketed for sale in Harmon Meadows has two bedroom and an attached two car garage for \$289,500.
- The largest of the subdivisions in Litchfield is Capwood 5th Addition. It has 48 lots that were platted in 2005. Thirty of its lots remain available, with a typical lot price of \$38,000. Newer homes in Capwood 5th Addition have sold for an average of about \$345,000.
- The highest priced homes on average in Litchfield are being built in Cedar Meadows. It is a 17-lot subdivision that, although platted in 2005, has just recently begun to see homes built after the initial first few. The typical lots are priced at about \$40,000. A recently built home in Cedar Meadows is being marketed for \$380,000 (it has 1,623 finished square feet, three-bedroom, and a three-car garage). Eleven lots remain.
- Natures Edge has 30 lots, of which 21 remain available. At an average of 7,000 square feet, the lot sizes are considerably smaller than those at other subdivisions in Litchfield. Lots are being marketed for about \$37,900 on average, and recently built spec homes are being marketed for about \$300,000. This is for either a four-bedroom home with 1,879 finished square feet and a two-car attached garage (\$304,500) or a three-bedroom home with 1,688 square feet and a two-car garage (\$299,500).
- At the subdivisions in Litchfield, lots average about \$37,000 and new home prices are generally priced at about \$300,000 or more. At subdivisions in the smaller communities in the County, lots are generally priced at about \$20,000 with newer homes priced at about \$250,000 or more. In the smaller communities, the lot costs tend to be a slightly lower proportion of the total home cost.

Table 31
Actively Marketing Subdivisions
Meeker County
December 2022

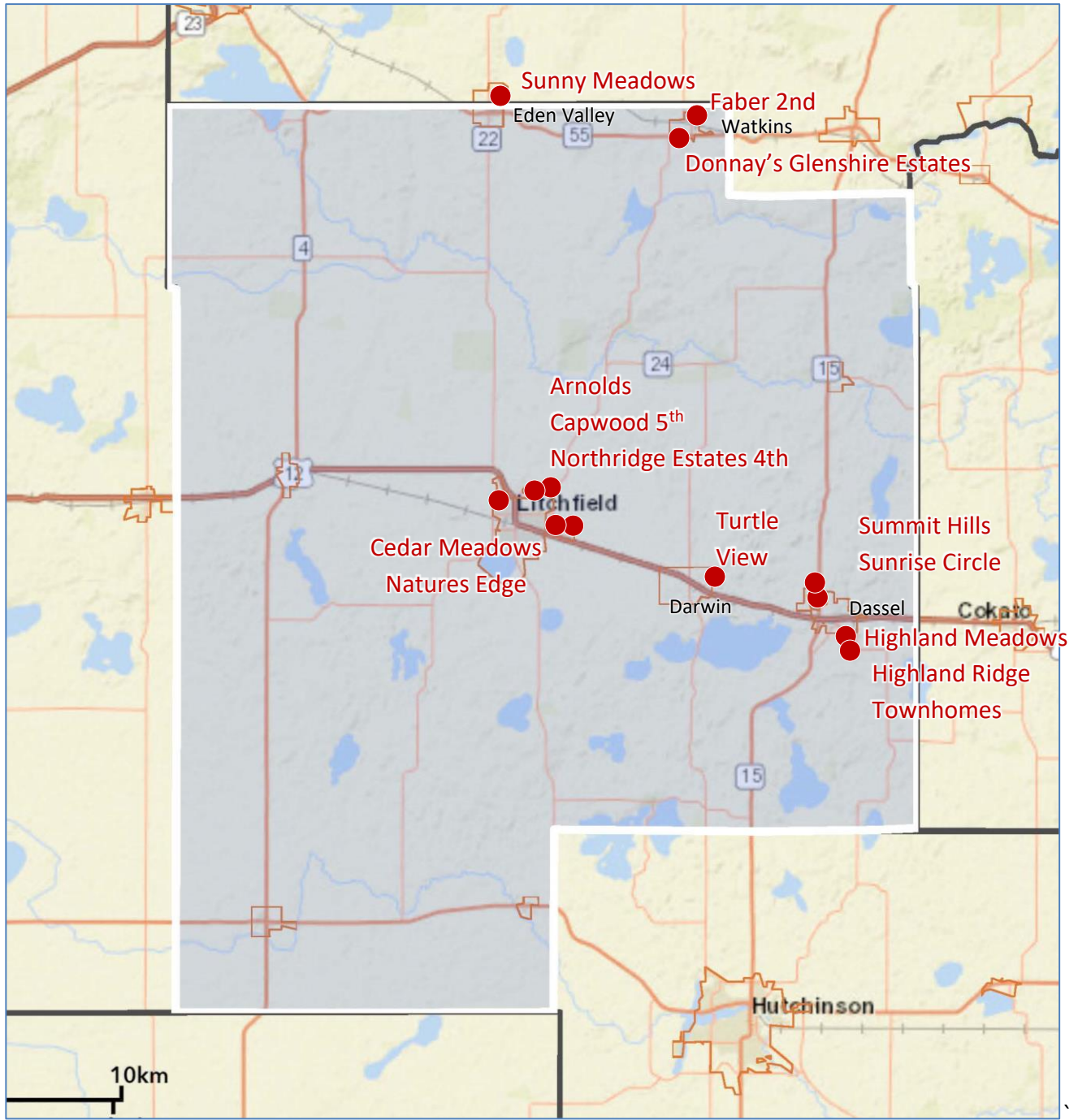
Subdivision	City	Year Platted	Total Lots	Avail. Lots	Avg. Lot Size (sf)	Typical Lot Price	Typical Home Price
Litchfield							
Arnolds Addition	Litchfield	2004	22	5	18,000	\$30,000	\$250,000
Cedar Meadows	Litchfield	2005	17	11	19,000	\$40,000	\$380,000
Capwood 5th Add.	Litchfield	2005	48	30	14,800	\$38,000	\$345,000
Northridge Estates 4th Add.	Litchfield	2005	16	6	9,200	n.a.	\$225,000
Natures Edge	Litchfield	2008	30	21	7,000	\$37,900	\$300,000
Total			133	73			
Remainder of County							
Turtle View	Darwin	2004	25	8	2 acres	\$28,000	\$295,000
Highland Meadows	Dassel	2005	32	15	10,000	\$10,000	\$225,000
Highland Ridge THs	Dassel	2005	28	20	n.a.	\$20,000	\$230,000
Summit Hills	Dassel	2005	59	34	10,500	\$31,000	\$325,000
Sunrise Circle	Dassel	2017	17	4	n.a.	n.a.	\$275,000
Sunny Meadows	Eden Valley	2000	54	14	6,800	\$21,900	\$250,000
Faber 2nd Add.	Watkins	2003	19	10	12,500	\$29,000	\$245,000
Donnay's Glenshire Townhomes	Watkins	2004	42	30	n.a.	n.a.	\$150,000
Donnay's Glenshire Estates	Watkins	2001	28	9	10,500	\$15,000	\$225,000
Total			304	144			

Source: Viewpoint Consulting Group, Inc.

- Four subdivisions in Dassel contain a total of 136 lots, of which 73 remain available. Three were platted in 2005, before the Great Recession and downturn in the housing market. Among the subdivisions are Highland Meadows, which has 15 single-family homes remaining with average home price of about \$225,000. Highland Meadows contains a townhome subdivision where eight homes have been built and lots remain for 20 more. The average price of the townhomes that have been built is about \$230,000. At current construction costs, it is unlikely that many new homes could be built at these prices.
- Besides Highland Ridge Townhomes, Dassel contains Sunrise Circle, which consists of 17 single-level detached patio homes. It was platted in 2017 and only four lots remain, making it one of the fastest selling subdivisions in the County. Prices of the patio homes has averaged about \$275,000.

- Summit Hills in Dassel has 59 lots. Lot sales and construction were impacted by the downturn in the housing market shortly after it was platted. Construction has picked up and currently, 34 lots remain. Homes in Summit Hills have averaged about \$325,000, the highest among subdivisions in Meeker County's smaller communities. Two spec homes listed for sale in Summit Hills are priced at \$379,900 and \$384,900.
- Watkins contains three subdivisions with a total of 49 available lots. However, one of the subdivisions – Donnay's Glenshire Townhomes – has been sold to a developer with the intent of constructing rental townhomes. Thus, these lots are no longer available. Excluding them, Watkins has a supply of 19 available lots. Ten are in Faber 2nd Addition and nine are in Donnay's Glenshire Estates. Recent homes sales in Faber 2nd Addition have averaged about \$245,000 while recent sales in Glenshire Estates have averaged about \$225,000. At current construction costs, it is unlikely that many new homes could be built at these prices.
- Eden Valley has one active subdivision, which is in the Stearns County part of the community. Sunny Meadows was platted in 2000 with 54 lots. Fourteen lots remain, with an average lot price of about \$21,900. Recent home sales have averaged about \$250,000.

Actively Marketed Subdivisions in Meeker County



Typical Homes in Meeker County's Active Housing Subdivisions



Capwood 5th (Litchfield)



Cedar Meadows (Litchfield)



Natures Edge (Litchfield)



Northridge Estates 4th (Litchfield)



Highland Ridge Townhomes (Dassel)



Sunrise Circle (Dassel)

Typical Homes in Meeker County's Active Housing Subdivisions



Highland Meadows (Dassel)



Summit Hills (Dassel)



Sunny Meadows (Eden Valley)



Faber 2nd (Watkins)



Glenshire Estates (Watkins)

Pending Subdivisions

There are no new subdivision plats under planning review in Litchfield or Meeker County's smaller communities.

Interview Summary

Real estate agents, developers, and builders familiar with Litchfield's owner-occupied market were interviewed to solicit their impressions of the current for-sale housing market. The following are key points from those interviews.

- Homes that come on the market in Litchfield and the smaller communities are typically sold quickly. In particular, demand is strong for homes affordable to first-time homebuyers. Demand increased during the COVID-19 pandemic as more people from the Twin Cities Metro Area began looking for homes in the County.
- The number of homes built recently in Litchfield is down. Part of the reason is that some home builders are being kept busy in nearby communities, such as Hutchinson, which can command higher prices than the same home in Litchfield.
- Rising interest rates on home loans has hindered some potential buyer's ability to afford homes. Despite this, home prices have not dipped much in Litchfield, even though there is more ability of buyers to negotiate prices than in the past.
- Home construction has slowed recently due to uncertainty about construction costs and interest rates impacting builders' eagerness to build spec homes.
- For new construction, there is greater demand in the County for homes priced under \$300,000. Payments of homes priced above \$300,000 are often higher than what many young homeowners are able or willing to spend as they also have other spending priorities.
- Sales of mobile homes have been slow the past several years at Litchfield's largest mobile home park (Park Village). The rising cost of mobile homes coupled with construction and shipping delays after the COVID-19 pandemic are the primary reasons. Recent interest rate increases have overall difficulty getting financing for mobile homes has also impacted sales.
- Often there is nothing available for seniors to buy. There is a need for more slab-on-grade homes that would appeal to seniors who still want to be homeowners.

Rental Housing Market Analysis

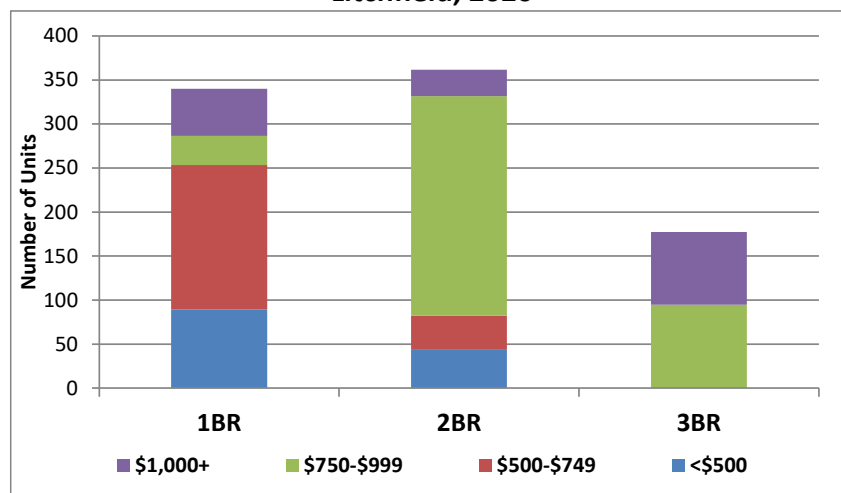
This section of the report analyzes the rental housing market in Meeker County. The analysis includes a survey of rental properties and interviews with real estate agents, rental housing managers, property owners, and others familiar with the Meeker County’s rental housing stock. Properties are categorized in this section as rental (general occupancy) or senior (age-restricted).

Overall Rental Housing Supply

Table 32 on the following page shows the estimated number of rental units in Litchfield and the Remainder of Meeker County in 2020 by number of bedrooms and gross rent. The rental units include those in all housing types – from mobile homes to single-family homes and apartment buildings. The data is from the Census Bureau’s American Community Survey. The American Community Survey is conducted annually by the Census Bureau. The following are key points from Table 32.

- ▶ Of the estimated 880 occupied rental units in Litchfield in 2020, an estimated 41% had two bedrooms, which accounts for the greatest proportion of Litchfield’s rental housing supply. Units with one bedroom accounted for 39% of the Litchfield’s rental supply and three or more bedrooms accounted for about 20%.
- ▶ The apartment properties in Litchfield contain a relatively small number of three-bedroom units. The three-bedroom units in Table 32 (177 units) are primarily found in single-family homes and townhomes that are converted to rentals.

**Estimated Number of Units by Unit Type and Gross Monthly Rent*
Litchfield, 2020**



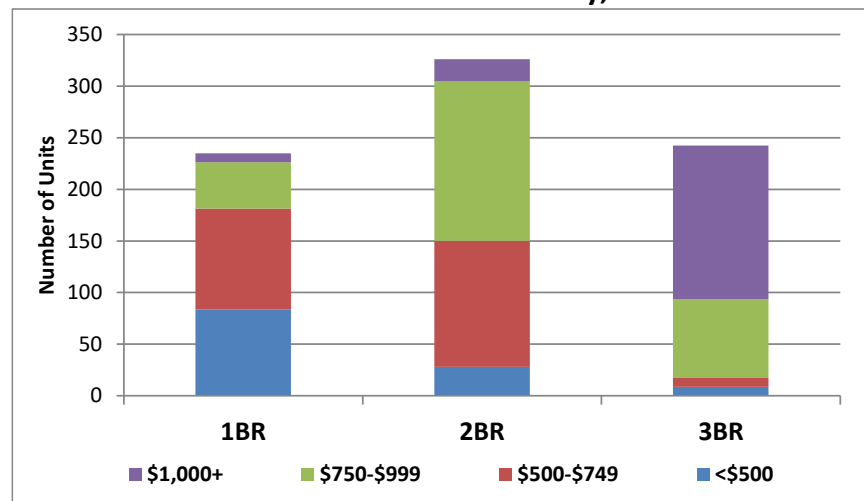
*Gross rent includes the cost of all utilities, whether they are paid by the landlord or tenant.

Table 32
Estimated Gross Rent by Bedrooms in Unit
Litchfield & Remainder of Meeker County
2020

	Litchfield		Remainder of County	
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>
Studio	38	4.3%	15	1.6%
1 bedroom				
Less than \$300	65	7.4%	19	2.0%
\$300 to \$499	25	2.8%	64	6.7%
\$500 to \$749	164	18.6%	98	10.2%
\$750 to \$999	33	3.7%	45	4.7%
\$1,000 to \$1,499	9	1.1%	5	0.6%
\$1,500 or more	44	5.0%	3	0.3%
Subtotal	340	38.6%	235	24.5%
2 bedrooms				
Less than \$300	0	0.0%	8	0.8%
\$300 to \$499	44	5.0%	20	2.1%
\$500 to \$749	38	4.3%	122	12.8%
\$750 to \$999	249	28.3%	154	16.1%
\$1,000 to \$1,499	30	3.4%	17	1.8%
\$1,500 or more	0	0.0%	4	0.4%
Subtotal	362	41.1%	326	34.0%
3 or more bedrooms				
Less than \$300	0	0.0%	0	0.0%
\$300 to \$499	0	0.0%	9	0.9%
\$500 to \$749	0	0.0%	9	0.9%
\$750 to \$999	95	10.8%	76	7.9%
\$1,000 to \$1,499	71	8.1%	135	14.1%
\$1,500 or more	11	1.3%	14	1.5%
Subtotal	177	20.1%	242	25.3%
No cash rent	35	4.0%	141	14.7%
Total	880	100.0%	959	100.0%
Sources: 2020 American Community Survey; Viewpoint Consulting Group, Inc.				

- ▶ Table 32 shows that the greatest portion of one-bedroom units in Litchfield have gross rents (rent plus utilities) of \$500 to \$749. Most one-bedroom units with rents below \$500 are likely subsidized or affordable units.
- ▶ The greatest proportion of two-bedroom units in Litchfield have rents between \$750 and \$999. As with one-bedroom units, most of the units below this level are likely subsidized or affordable. Only a small portion of two-bedroom units in Litchfield have rents of \$1,000 or more.
- ▶ Among the three-bedroom units in Litchfield, just over half have gross rents of more than \$1,000. The remainder have rents between \$750 and \$999.
- ▶ There were an estimated 326 occupied rental units with two bedrooms in the Remainder of the County in 2020, which accounts for its greatest proportion the rental housing supply (34%). Units with three or more bedrooms accounted for about 25% of the rental stock and units with one bedroom accounted for about 25%. A large portion of the units with three or more bedrooms are likely in single-family homes versus multifamily buildings.
- ▶ Table 32 shows that the greatest portion of one-bedroom units in the Remainder of the County have gross rents (rent plus utilities) of \$500 to \$749. Like Litchfield, many one-bedroom units with rents below \$500 are likely subsidized or affordable units.
- ▶ The greatest portion of two-bedroom units in the Remainder of the County have rents between \$750 and \$999. This is followed closely by units with rents below \$750. Some of these are likely subsidized or affordable, as most market rate units have rents above \$750.
- ▶ Among the three-bedroom units in Remainder of the County, about 62% have gross rents of more than \$1,000.

**Estimated Number of Units by Unit Type and Gross Monthly Rent*
Remainder of Meeker County, 2020**



Litchfield Rental Housing Inventory

As shown in the demographic and housing stock overview sections, there were an estimated 880 renter households in Litchfield as of 2020. About 30% the renters lived in rented single-family homes. Larger rental properties were surveyed as part of this analysis, and in total they contained 513 units, or 82% Litchfield's multifamily rental housing supply. Information on the surveyed rental properties is summarized in Table 33. The following types of properties were inventoried:

<u>Property Type</u>	<u>Total Units</u>
Market Rate	330
Subsidized/Affordable	113
Market Rate Senior with Services	70

The following are key highlights about Litchfield's rental housing supply.

Market Rate, General-Occupancy Rental Summary

- Twelve market rate general-occupancy rental properties totaling 269 units were surveyed. This equates to an average property size of 22 units. The largest market rate properties are Creekside (40 units) and The Villages East / The Villages East Patio Homes (42 units).
- The newest property is The Villages East Patio Homes. It is a 12-unit building with attached garages that opened in 2022. It consists of six one-bedroom units with a rent of \$900 and six two-bedroom units with a rent of \$1,590. One unit recently became available at The Villages East Patio Homes, but the property maintains a waiting list of prospective residents and the unit will likely be leased quickly.
- The Villages East Patio Homes is adjacent to The Villages East. The Villages East opened in phases beginning in 2018 and is the second newest rental property in Litchfield. It consists of three 10-unit buildings. The units are townhomes with attached garages. The units at The Villages East leased quickly upon opening and it is currently fully occupied. Rents are \$800 for one-bedroom units, \$1,085 for two-bedroom units, and \$1,285 for three-bedroom units. Rent includes attached garages and heat. Residents pay electricity, water/sewer, and trash.
- Of Litchfield's market rate, multifamily rental supply, three properties totaling 62 units opened since 2010. Another 50 units opened during the 2000s. After them, most of Litchfield's rental housing supply is in buildings that opened during the 1980s or earlier.
- The unit mix at the market rate properties surveyed is 26% one-bedroom, 68% two-bedroom, and 6% three-bedroom. Most three-bedroom and larger units in Litchfield are in single-family homes.

- Among the 269 general-occupancy units surveyed, five were vacant, for a vacancy rate of 1.9%. However, three of the vacancies were in one property. Excluding it, there were only two vacancies in Litchfield resulting in a communitywide vacancy rate of 0.8%. One of the vacancies is expected to be filled from a waiting list of prospective residents and the other vacancy is a remodeled unit that was just completed. Overall, there are limited choices available for persons seeking rental housing in Litchfield.
- The average rent among the properties surveyed was \$745 for one-bedroom units, \$965 for two-bedroom units, and \$1,140 for three-bedroom units. Typical rents are lower for the older properties and higher among the newer properties. Among the five newest properties, the average rent was \$850 for one-bedroom units and \$1,085 for two-bedroom units, and \$1,205 for three-bedroom units.
- ▶ Among Litchfield's rental supply is Cottonwood Avenue Townhomes. They contain 20 one-level units with attached garages that opened in phases between 2011 and 2014. The 20 units are in five buildings ranging from two to five units. All 20 units are occupied with a waiting list of prospective residents, primarily over age 55. Rent is \$1,000 plus utilities. The attached garages are included.

Market Rate Senior Rental Summary

- Litchfield contains one senior (age 62+) market rate rental property. Gloria Dei Manor is on the Ecumen campus, attached to Bethany Assisted Living and Emmaus Place. It opened in 1963 and contains 61 units. Section 8 assistance is available in Gloria Dei Manors' six studio units. While the units are market rate, they have modest rents that are affordable to many low-income seniors. Rent \$455 for studio units and \$743 for one-bedroom units.
- A fire in January 2022 resulted in residents being moved out of Gloria Dei Manor and relocated to other housing. In July 2022, Gloria Dei Manor changed its licensure and no longer had on-site nursing staff that provided care. It became fully independent. While meals are available to the residents at the campus cafeteria, residents who need care must contract home health services on their own.
- Before the fire, Gloria Dei Manor typically was at about 90% occupancy. It began leasing back up in September 2022 and is now 41% occupied. Before the fire and licensure change, the average age of residents at Gloria Dei Manor was 89. The average age is now 72.

Affordable General-Occupancy Rental Summary

- One property affordable through the Low Income Housing Tax Credit program (LIHTC) is in Litchfield. To be eligible, LIHTC properties must have 20% or more of the units occupied by individuals or families whose income is 50% or less than the area median gross income and the unit is rent restricted. Alternatively, 40% percent or more of the units in the project

must be occupied by individuals or families whose income is 60% or less than the area median income (AMI). All the units at Terraceview Townhomes are affordable at 60% of AMI. The 2022 income limit at 60% for Meeker County is \$36,600 for one-person households to \$56,460 for five-person households. The maximum gross rent for units restricted at 60% of area median income is \$980 for one-bedroom units, \$1,176 for two-bedroom units, and \$1,359 for three-bedroom units. Rents at Terraceview Townhomes are \$850 for two-bedroom units and \$920 for three-bedroom units. Terraceview Townhomes is fully occupied and has low turnover of units.

Subsidized General-Occupancy Rental Summary

- Litchfield contains one general occupancy subsidized property in which low-income residents pay 30% of their adjusted gross income (AGI) for rent. Edgewood Townhomes is HUD Section 8 property that has 30 two- and three-bedroom townhome units. The two-bedroom units are one level while the three-bedroom units have two levels. Since it consists of larger units, it caters toward the general population.

Subsidized Senior Rental Summary

- Litchfield contains one subsidized property with a preference for senior/disabled residents. Lincoln Apartments, which has 61 Public Housing units through the Litchfield HRA, is a four-story building consisting of all one-bedroom units. It serves mainly seniors along with some younger disabled residents. About one-third of its residents receive home health care services. Residents at Lincoln Apartments pay 30% of their adjusted gross income (AGI) for rent.

Table 33
Selected Litchfield Rental Housing Properties
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate General-Occupancy					
The Villages East 1325 US Hwy 12 E	2018	6 - 1BR 18 - 2BR <u>6 - 3BR</u> 30	0	\$800 \$1,085 \$1,285	Four 10-plex, 2-level townhomes with attached garages. Rent includes heat and garages.
The Villages East Patio Homes 1325 US Hwy 12 E	2022	6 - 1BR <u>6 - 2BR</u> 12	1	\$900 \$1,590	12-plex, 1-level units in two-story building with attached garages. Rent includes heat and garages.
Cottonwood Ave Townhomes	2011-2014	20 - 2BR	0	\$1,000	One-level townhomes with attached garages in five buildings. Residents pay all utilities.
609-709 S Gorman	2000s	16 - 2BR	0	\$750	Four 4-plex buildings built from 2003 to 2008. Rent includes trash and detached garages.
Meeker Leased Housing Stearns Ave.	1999/ 2002	26 - 2BR <u>8 - 3BR</u> 34	0	\$1,000 \$1,125	Eight 1-story buildings. Rent includes attached garages.
Lake Ripley Apts. 1205 S. Sibley	n.a./ 2010	14 - Stu 9 - 1BR 7 - 2BR <u>1 - 3BR</u> 31	3	\$575 \$725 \$825 - \$850 \$1,010	19 units are in former motel and 12 units are in a 2010 addition. Rent includes hot water & trash.
Town Square 514 N Sibley Ave	1980	14 - 2BR	0	n.a.	Former grocery store converted to apartments. Rent includes water & trash.

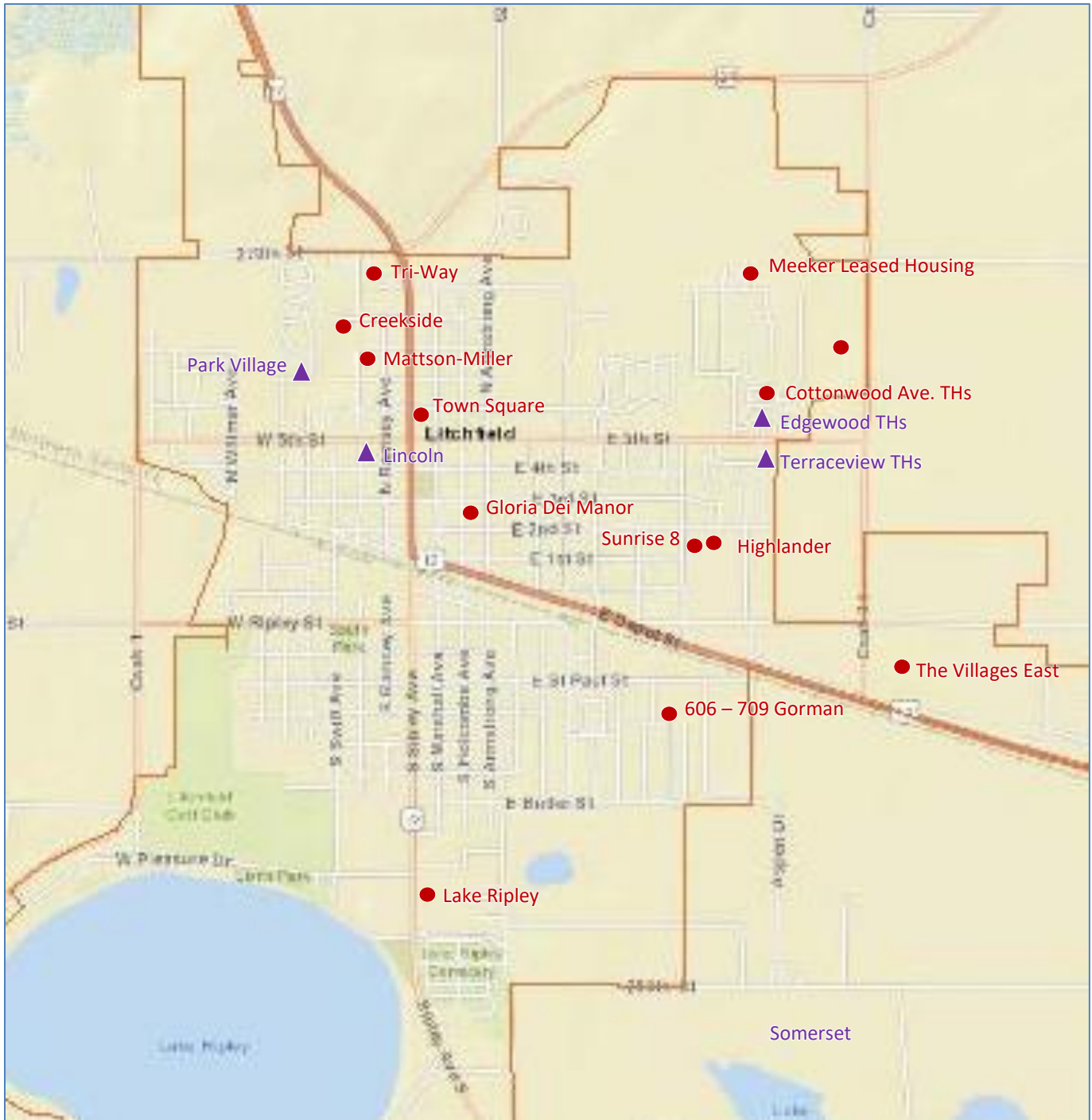
**Table 33
Selected Litchfield Rental Housing Properties
January 2023**

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Market Rate General-Occupancy (Continued)					
Sunrise 8 & 16 802 & 910 E 2nd St.	1970s	9 - 1BR 14 - 2BR <u>1 - 2BR</u> 24	1	\$700-\$800 \$900 \$1,150	Former Rural Development buildings. Two Two-story buildings. Rent includes water/sewer & trash. 2BR at \$1,150 is renovated unit.
Highlander 810 E 2nd St.	1977	1 - 1BR <u>23 - 2BR</u> 24	0	n.a.	3-story building. Rent includes water/sewer, hot water, and trash.
Creekside 205-211 W 9th St	1968	20 - 1BR <u>20 - 2BR</u> 40	0	n.a.	Two 2-story buildings. Rent includes heat, water/sewer, & trash.
Park Village 402-410 W 7th St.	1983	11 - 1BR <u>5 - 2BR</u> 16	0	\$725 \$825	Former Rural Development converted to market rate. Two-story building. Ten residents are market rate and 6 receive Housing Choice Vouchers.
720 N Miller Ave.	1960s	5 - 1BR <u>3 - 2BR</u> 8	0	\$560 \$725	Row houses. Rent includes trash.
Market Rate Senior Rental					
Gloria Dei Manor 901 E 5th St.	1963	6 - Stu <u>55 - 1BR</u> 61	36	\$455 \$743	62+. Gloria Dei Manor is on the Ecumen Senior Living campus. A fire in January 2022 resulted in residents being moved out and in July 2022 services were no longer offered. Section 8 is available in six studio units.

Table 33
Selected Litchfield Rental Housing Properties
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
<i>Affordable (LIHTC)</i>					
Terraceview Townhomes 462 Terrace View Dr.	1998	4 - 2BR	0	\$850	LIHTC. Townhomes with attached garages. Rent includes trash.
		18 - 3BR		\$920	
		22			
<i>Subsidized Rental</i>					
Edgewood Townhomes 901 E 5th St.	1978	20 - 2BR	0	30% of AGI	HUD Section 8. Two-bedroom units are 1-level and three-bedroom units are 2-levels. Water/sewer & trash are included in rent.
		10 - 3BR			
		30			
<i>Subsidized Senior/Disabled</i>					
Lincoln Apts. 122 W 4th St.	1971	61 - 1BR	0	30% of AGI	Public Housing. Preference for Senior/Disabled. Residents pay 30% of AGI to a maximum of \$544. About 1/3 of residents receive home health care services.
Source: Viewpoint Consulting Group, Inc.					

Surveyed Litchfield Apartments



- Market Rate
- ▲ Affordable/Subsidized

Selected Litchfield Market Rate Rental Properties



609 – 709 Gorman



Cottonwood Ave. Townhomes



Creekside



Highlander



Lake Ripley



Meeker Leased Housing

Selected Litchfield Market Rate Rental Properties



Sunrise



Town Square



Tri-Way



Villages East



Gloria Dei Manor



Park Village

Selected Litchfield Affordable/Subsidized Rental Properties



Edgewood Townhomes



Lincoln



Terraceview Townhomes

Remainder of Meeker County Rental Housing Inventory

As shown in the demographic and housing stock overview sections, there were an estimated 959 renter households in the Remainder of Meeker County as of 2020. Roughly 57% the renters lived in rented single-family homes. Larger rental properties were surveyed as part of this analysis, and in total they contained 396 units, or nearly all the Remainder of the County's multifamily rental housing supply. Information on the surveyed general-occupancy rental properties is summarized in Table 34. Supportive senior housing properties are discussed in the next section. The following types of properties were inventoried:

<u>Property Type</u>	<u>Total Units</u>
Market Rate	177
Subsidized/Affordable	124
Market Rate Senior with Services	95

The following are key highlights about the Remainder of the County's rental housing supply.

Market Rate, General-Occupancy Rental Summary

- Fourteen market rate general-occupancy rental properties in five communities in the Remainder of Meeker County, totaling 139 units, were surveyed. The average size of the properties surveyed was 14 units.
- The number of market rate, general-occupancy properties surveyed by community are shown below, along with total units and vacant units. Only one vacant unit was identified, and the manager stated that it just became available and will likely be leased quickly. The overall vacancy rate equates to 0.7%. Along with the low vacancy rate in Litchfield, this low vacancy rate indicates demand for additional rental housing throughout the County.

	<u>Properties</u>	<u>Units</u>	<u>Vacant Units</u>
Darwin	1	8	0
Dassel	4	36	0
Eden Valley	4	43	1
Grove City	3	16	0
Watkins	2	22	0

- The Remainder of the County's rental supply includes a mix of older and newer properties. Of those surveyed, seven were built during the 1980s or earlier totaling 56 units. Another four properties opened during the 1990s and 2000s, and 40 units opened after 2019. The two properties built after 2019 are Meeker Leased Housing in Eden Valley and Watkins. Both are 20-unit, two-story buildings. Most of the units built during the 1990s and 2000s

were by the Meeker County EDA and were later sold to a private owner (Meeker County Rentals in Dassel, Eden Valley, Grove City, and Watkins).

- Meeker Leased Housing in Watkins opened in 2019 and consists of six one-bedroom units and 14 two-bedroom units. Rents are \$975 for one-bedroom units and \$1,100 for two-bedroom units. Meeker Leased Housing in Eden Valley opened two years later. It also has six one-bedroom units and 14 two-bedroom units. Its rents are \$1,000 for one-bedroom units and \$1,125 for two-bedroom units. They leased quickly when they opened and have stayed fully occupied.
- The Meeker County Rentals properties are single-level townhome units with attached garages. All but two of the units have two bedrooms. The average rent is \$920. The three-bedroom units are in the Dassel property, and their rent is \$1,085. Meeker County Rentals are fully occupied. Along with the two Meeker Leased Housing properties (they share the same owner), there is a 50-name waiting list of prospective residents. The resident mix is varied, consisting of younger families, singles, and seniors.
- Managers of several smaller properties declined to provide rent information. Of those that did, the average rent was \$630 for one-bedroom units and \$750 for two-bedroom units. While these rents are market rate, they would also be considered affordable at less than 50% of AMI according to Minnesota Housing guidelines.

Market Rate Senior Rental

- There are three market rate senior rental properties in the Remainder of Meeker County. They are Brookview and Premier Apartments in Eden Valley and SouthGrove Square in Grove City. The three properties combine for 42 units, and all are fully occupied.
- Brookview is a two-story building with 17 one- and two-bedroom units. It opened in 1998 and has rents of \$760+ for one-bedroom units and \$860 to \$980 for two-bedroom units. Premier Apartments is a one-level building that opened in 2003. It contains seven one-bedroom units and three two-bedroom units. Rents were unavailable.
- SouthGrove Square is the conversion of a former school into 15 senior apartment units. It is owned by the City of Grove City. Rents are \$709 to \$848 for one-bedroom units and \$907+ for two-bedroom units. It is fully occupied.

Table 34
Selected Market Rate Rental Housing Properties
Remainder of Meeker County
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Darwin					
Meadowood 321 E Curran St.	n.a.	8 - 1BR	0	\$535	Former Rural Development converted to market rate.
Dassel					
Meeker County Rentals Erickson Way, N 5th St	2002	6 - 2BR <u>2 - 3BR</u> 8	0	\$980 \$1,085	Single-level townhomes with attached garages. Tennants pay all utilities.
Foxwood 530 Parker Ave. W	n.a.	8 - 2BR	0	n.a.	Did not participate in study
Great Oaks 731 Parker Ave. W	n.a.	8 - 2BR	0	n.a.	Did not participate in study
415 Simon Ave W	1978	4 - 1BR <u>8 - 2BR</u> 12	0	n.a	Former Rural Development.

Table 34
Selected Market Rate Rental Housing Properties
Remainder of Meeker County
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Eden Valley					
Meeker Leased Housing 1042 Stearns Ave E	2021	6 - 1BR 14 - 2BR <hr/> 20	0	\$1,000 \$1,125	Two-story apartment building with detached garages.
Meeker County Rentals	2002	8 - 2BR	0	\$875	One-level townhomes with attached garages. Tenant pays all utilities.
Brookview 150 Coleman Ave	1998	13 - 1BR 4 - 2BR <hr/> 17	0	\$760+ \$860 - \$980	Senior (55+). Rent includes heat, water/sewer, and trash.
Eden Place 150 Hutchinson Ave NE	1997	5 - 2BR 2 - 3BR <hr/> 7	1	\$695 \$770	LIHTC. 12-unit mixed-income (7 market rate & 5 income-restricted). Rent includes heat, water/sewer, & trash.
Getzkow Apts.	1970	8 - 2BR	0	n.a.	Rent includes heat, water/sewer, and trash. Detached garages available.
Premier Apts 300 Douglas Dr.	2003	7 - 1BR 3 - 2BR <hr/> 10	0	n.a.	Senior (55+). One-level building. Rent includes heat, water/sewer, and trash. Detached garages available.

Table 34
Selected Market Rate Rental Housing Properties
Remainder of Meeker County
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Monthly Rents	Comments
Grove City					
Birchwood	1984	3 - 1BR 5 - 2BR <hr/> 8	0	\$725 \$825	Former Rural Development. Two-level building. Rent includes heat, water/sewer, and trash.
Sunrise	1970s	4 - 2BR	0	\$825	Rent includes heat, water/sewer, trash, and detached garage.
SouthGrove Square	1990s	8 - 1BR 7 - 2BR <hr/> 15	0	\$709 - \$848 \$907+	Senior (55+). Converted former school. Rent includes all utilities. Garages are \$40/mo.
Meeker County Rentals 4th St. S	2002	4 - 2BR	0	\$875	One-level townhomes with attached garages. Tenants pay all utilities.
Watkins					
Meeker Leased Housing	2019	6 - 1BR 14 - 2BR <hr/> 20	0	\$975 \$1,100	Two-story apartment building with detached garages.
Meeker County Rentals Luella St.	1999	16 - 2BR	0	\$950	One-level townhomes with attached garages. Tenants pay all utilities.
Source: Viewpoint Consulting Group, Inc.					

Subsidized General-Occupancy Rental Summary

- Subsidized rental properties in the Remainder of the County are shown in Table 35. There are 10 such properties, including seven that are general-occupancy (open to all ages) and three that are elderly (discussed below). The general-occupancy properties are in Dassel, Eden Valley, Grove City, and Watkins. They combine for 80 units.
- Among the 80 general-occupancy units at the seven properties, three were vacant. All three vacancies were at one property – Watkins Area Homes. The vacant units became open due to flooding in 2022. They have been rehabbed and are now being leased again. Leasing has been slow as many inquiries are coming from larger communities in the surrounding area and Watkins. Excluding Watkins Area Homes, there are no vacant general-occupancy rental units vacant in the Remainder of the County.
- Rents at most properties are based on income. In the Rural Development properties, all but Grove Heights have Rental Assistance available in all units allowing very low-income residents to pay 30% of their AGI for rent, even if it is below the minimum. For residents without Rental Assistance, the properties accept Housing Choice Vouchers so that those residents can also pay less than the minimum.
- Eden Place is a mixed-income developed using the Low Income Housing Tax Credit program. The property consists of seven market rate units and five affordable units. Rents for the affordable units are \$635 for one-bedroom units and \$710 for two-bedroom units.

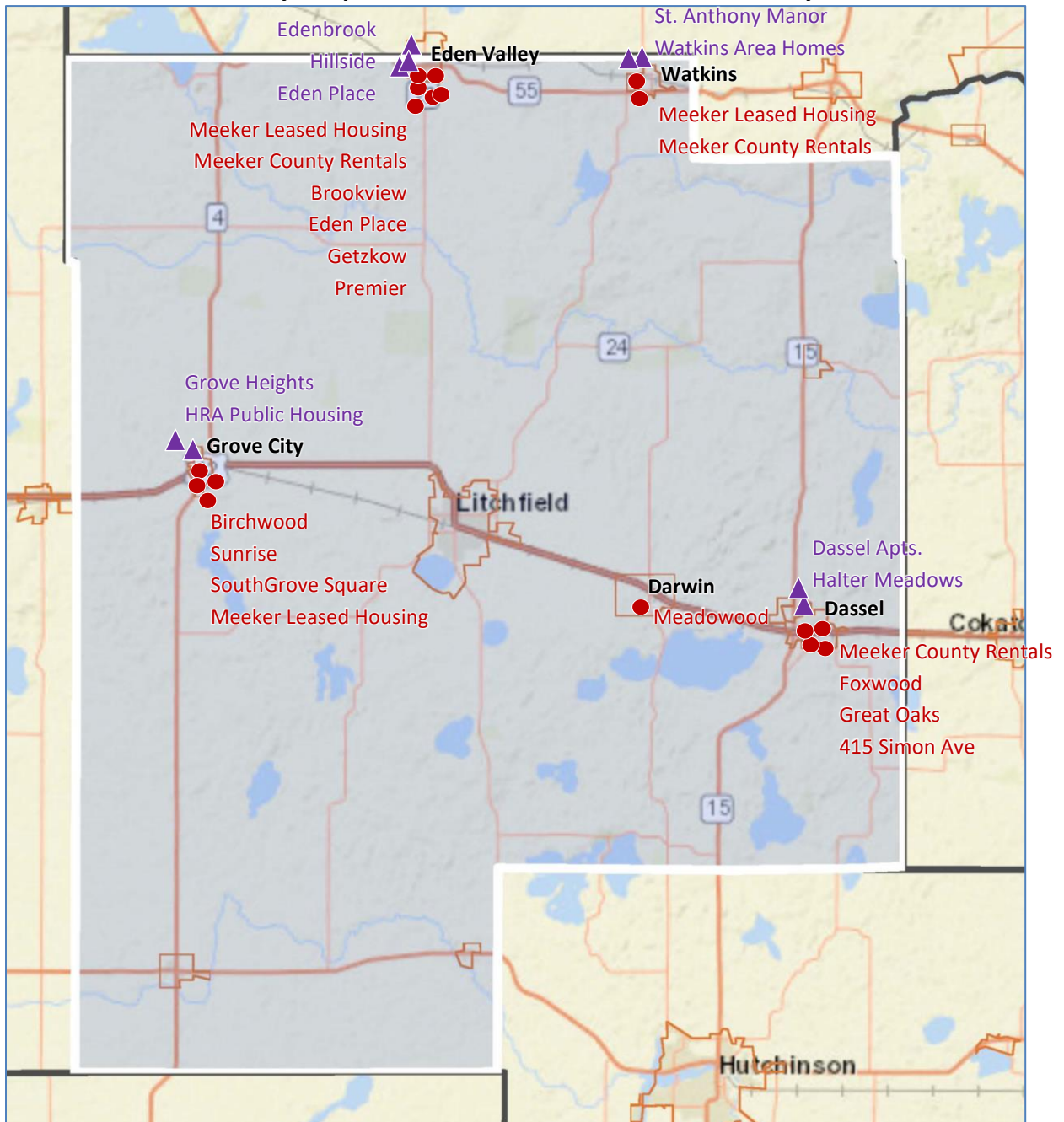
Subsidized Senior Rental Summary

- There are two subsidized senior rental properties in the Remainder of the County. Edenbrook in Eden Valley is an eight-unit property and St. Anthony Manor in Watkins is a 36-unit property. Edenbrook is fully occupied while St. Anthony Manor has two openings. Income-qualified residents at both properties pay 30% of their adjusted gross income for rent.
- St. Anthony Manor in Watkins is a HUD 202 property that opened in 1985. Meals are served five days a week to its residents. The two vacancies opened recently due to residents moving to assisted living.

Table 35
Affordable/Subsidized Rental Housing Properties
Remainder of Meeker County
January 2023

Property Name	Year Built	Number of Units	Vacant Units	Rent	Comments
Dassel					
Dassel Apts 840 N 3rd St.	1980s	16 - 1BR <u>1 - 2BR</u> 17	0	30% of AGI	Project Based Section 8.
Halter Meadows 835 3rd St. N	1980s	6 - 1BR <u>2 - 2BR</u> 8	0	30% of AGI	Rural Development. Rental Assistance is available in all 8 units (Rent = 30% of AGI).
Eden Valley					
Edenbrook 169 Hambroer st.	1980s	8 - 1BR	0	30% of AGI	Senior (55+). HUD subsidized Rural Development property.
Hillside 349 Coleman Ave.	1980s	8 - 1BR	0	30% of AGI	HUD Section 8 (former Rural Development). 1-story building. Rent includes water/sewer & trash.
Eden Place 150 Hutchinson Ave NE	1997	3 - 2BR <u>2 - 3BR</u> 5	0	\$635 \$710	LIHTC. 12-unit mixed-income (7 market rate & 5 income-restricted). Rent includes heat, water/sewer, & trash.
Grove City					
Grove Heights 614 Maple Ln	n.a.	1 - Stu 19 - 1BR <u>6 - 2BR</u> 26	0	\$595-\$625 \$638-\$668	Rural Deveopment. Rental Assistance is available in 23 units (Rent = 30% of AGI).
Public Housing scattered sites	n.a.	4 - 2BR	0	30% of AGI	One-level townhomes with attached garages. Tenant pays all utilities.
Watkins					
St. Anthony Manor 131 Church St. S	1985	36 - 1BR	2	30% of AGI	Senior (62+)/Disabled. HUD Section 202. Meals served 5 days/week.
Watkins Area Homes 161 S 3rd St.		3 - 1BR <u>9 - 2BR</u> 12	3	\$550-\$565 \$585-\$600	Rural Deveopment. Rental Assistance is available in all units (Rent = 30% of AGI).
Source: Viewpoint Consulting Group, Inc.					

Surveyed Apartments – Remainder of Meeker County



- Market Rate
- ▲ Affordable/Subsidized

Selected Market Rate Rental Properties



415 Simon Avenue West (Dassel)



Foxwood (Dassel)



Great Oaks (Dassel)



Meeker County Rentals (Dassel)



Meeker Leased Housing (Eden Valley)



Brookview (Eden Valley)

Selected Market Rate Rental Properties



Premier Apartments (Eden Valley)



Meeker Leased Housing (Watkins)



Meeker County Rentals (Watkins)

Selected Subsidized Affordable Rental Properties



Dassel Apartments (Dassel)



Halter Meadows (Dassel)



Edenbrook (Eden Valley)



Hillside (Eden Valley)



St. Anthony Manor (Watkins)



Watkins Area Homes (Watkins)

Housing Choice Vouchers

In addition to subsidized apartments, there is a “tenant-based” subsidy called Housing Choice Vouchers available to help lower income households find affordable housing. The tenant-based subsidy is funded by the Department of Housing and Urban Development (HUD). Meeker County’s program is managed by the Meeker County HRA.

Under the Housing Choice Voucher program, qualified households are issued a voucher that the household can take to an apartment that has rent levels allowable under HUD guidelines. The household then pays 30% of their adjusted gross income for rent and utilities, and the Federal government pays the remainder of the rent to the landlord. Applicants in Meeker County may be eligible for the program if their income is below the 50% of area median income – which in 2022 ranged from \$30,500 for one-person households to \$47,050 for five-person households.

To be eligible for the Housing Voucher program, rental units must have rent levels allowable under HUD guidelines – or below the “Payment Standard.” In Meeker County, the Payment Standard is \$745 for one-bedroom units, \$881 for two-bedroom units, \$1,247 for three-bedroom units, and \$1,394 for four-bedroom units. Most residents pay much less in rent than the payment standard. Again, the Federal government pays the remainder of the market rent to the landlord.

There are funds available for the use of about 55 vouchers in Meeker County. The number of vouchers in use totals 49, with 39 of them being used in Litchfield. There is a 93-name waiting of applicants for the program and some recent recipients are actively seeking an available unit to rent. On overall lack of vacancies in the County makes it challenging for persons to find a housing unit to rent.

Meeker County Supportive Senior Housing

Information on Meeker County's senior housing supply is shown in Table 36. Senior housing encompasses a wide variety of product types. The least service-intensive properties are **adult** properties, which offer virtually no support services or health care, but restrict tenancy to those ages 55 and over. Adult properties can be rental or owner-occupied (attached or detached townhomes, condominiums, and cooperatives). Congregate independent or **independent** properties, offer support services such as meals and housekeeping, sometimes included in rent and sometimes a-la-carte. Independent projects attract an older and frailer senior population than adult projects (generally seniors age 75 and over).

The most service-intensive housing types, **assisted living** and **memory care**, offer the highest level of services short of a nursing home. Typical services provided are meals, housekeeping, linen changes, personal laundry, 24-hour emergency response, and a wide range of personal-care and therapeutic services. The meals and services are either built into the monthly fee, charged through a tiered service package, or charged a-la-carte.

As shown in Table 36, there is market rate senior property in Litchfield totaling 131 housing units (Ecumen) plus a 75-bed skilled nursing facility (Meeker Manor). There are another three properties in the remainder of Meeker County totaling 95 housing units and 104 skilled nursing beds. The following are key highlights from the senior housing supply.

- There is only one market rate senior housing property in Litchfield. Ecumen is a campus that contains 61 market rate rental units (Gloria Dei Manor) plus 45 assisted living/independent units (Emmaus Place) and 25 units of assisted living and memory care (Bethany).
- Bethany on the Ecumen campus is in a 1960s building that was converted in 2012 to 25 units for assisted living and memory care housing. Eleven units at Bethany are utilized for assisted living and 14 units for memory care. Emmaus Place opened in 1997. Emmaus Place was independent but is now licensed as assisted living. About half the residents are independent and half receive assisted living care services. Overall, there are about 23 units occupied by independent residents and 33 by assisted living residents.
- Bethany and Emmaus Place are connected to each other and to Gloria Dei Manor. Gloria Dei Manor is also listed in Table 33 under Litchfield's market rate senior rental supply. While market rate, its rents are modest and are affordable to lower-income seniors.
- Outside Litchfield, there are three other senior housing properties with supportive services in Meeker County. They are Garden View and The Watkins House in Watkins and Lakeside Generations in Dassel. There are also three senior rental properties that do not offer services. Two are in Eden Valley and one is in Grove City. These senior rental properties are also listed in Table 34.

Table 36
Market Rate Senior Housing Properties in Meeker County
January 2023

Property Name	City	Year Built	-- Number of Units/Beds --				
			55+ Rental	Independent	Assisted Living	Memory Care	Skilled Care
<i>Litchfield</i>							
Ecumen	Litchfield	1997	61	23	33	14	-
Meeker Manor	Litchfield		-	-	-	-	75
Subtotal			61	23	33	14	75
<i>Remainder of Meeker County</i>							
Hilltop / Garden View	Watkins	2015	-	15	31	-	50
Brookview	Eden Valley	1998	17				
Premier Apts.	Eden Valley	2003	10				
SouthGrove Square	Grove City	1990s	15				
Lakeside Generations	Dassel	2007	-	-	33	-	54
The Watkins House	Watkins	2022			-	16	
Subtotal			42	15	64	16	104
Meeker County Total			103	38	97	30	179
Sources: Viewpoint Consulting Group, Inc.							

- Garden View at Hilltop in Watkins is a 46-unit apartment in which residents can receive an independent level of care or assisted living. The first phase, with 34-units, opened in 2015 and another 12 units were added in a second phase. It is attached to Hilltop HealthCare Center, a 50-bed skilled nursing facility. About one-third of the residents are independent, while about two-thirds receive assisted living packages.
- Lakeside Generations in Dassel has 33 assisted living units attached to a 54-bed skilled nursing facility. Residents needing only independent care are allowed at Lakeside Generations, but currently all 33 units are occupied by seniors receiving assisted living care. Lakeside Generations opened in 2007.
- The Watkins House in Watkins opened in 2022 with 16 memory care assisted living units. The structure is much older but was purchased and converted to memory care housing. Twelve of the 16 units are occupied, all by residents receiving Elderly Waivers/CADI waivers. None are private pay.

- Meeker County lost three senior housing properties recently. Lakeview Ranch has a 14-bed memory care building outside Dassel and a 17-bed memory care outside Darwin. Both closed in 2018. In addition, Cedar Crest Estates was a 29-unit assisted living in Cosmos that closed in 2017. In total, that is a reduction in supply of 60 assisted living and memory care units.
- There were two vacancies at Bethany and Emmaus Place on the Ecumen campus, Litchfield’s only senior rental property. There were another four vacancies in Meeker County’s properties located outside Litchfield. All were at The Watkins House, which is a 16-unit memory care property that opened in 2022 and is still in its initial lease-up period.
- Brookview and Premier Apartments and SouthGrove Square are market rate apartments that are age-restricted but do not offer services. (they are shown in Table 34 as well as Table 36). All three are fully occupied. Gloria Dei Manor has 36 vacant units, as it was vacated after a fire in January 2022 and began leasing up again in September 2022. Thus, it is still in its initial lease-up period.
- Excluding Gloria Dei Manor and The Watkins House, there are only two vacancies among 175 units in Meeker County. This equates to a vacancy rate of 1.1%.

Vacancy Rate of Litchfield Market Rate Senior Properties

	Total Units	Vacant Units	Vacancy Rate*
Litchfield			
Senior (55+) Rental	61	36	59.0%
Congregate Independent	23	0	0.0%
Assisted Living	33	1	3.0%
Memory Care	14	1	7.1%
Subtotal*	131	38	2.9%
Remainder of Meeker County			
Senior (55+) Rental	42	0	0.0%
Congregate Independent	-	-	-
Assisted Living	64	0	0.0%
Memory Care	16	4	25.0%
Subtotal	122	4	3.3%
Total*	252	42	1.5%
* The overall vacancy rate excludes Gloria Dei Manor, which is in an initial lease-up period after moving residents out for a fire plus a licensure change in 2022. It also excludes The Watkins House, which opened in 2022 and is in its initial lease-up period.			

Selected Senior Housing Properties



Ecumen – Bethany (assisted living & Memory Care)



Ecumen – Emmaus Place (independent/Assisted Living)



Gloria Dei Manor (Litchfield)



Garden View (Watkins)

NA

Lakeside Generations

Planned and Proposed Rental Developments

Litchfield

A five-plex consisting of single-level townhomes units, all with one-bedroom has been proposed in Litchfield. The same developer is also proposing a seven- to eight-plex. A second developer has had discussions with the City of Litchfield regarding a market rate rental development that would include approximately 60 apartment units and 34 townhome units. This development has not been approved. Beyond these proposals, there are no other new rental housing developments under planning review.

Remainder of County

In the Remainder of the County, construction is underway in Dassel on a 20-unit apartment by Meeker Leased Housing. It will be a similar building (two stories with six one-bedroom units and 14 two-bedroom units) to Meeker Leased Housing's apartments properties in Eden Valley and Watkins. Rents will be \$1,050 for one-bedroom units and \$1,200 for two-bedroom units. It is scheduled to open in May and based on the number of inquiries, it is expected to become fully leased in less than two months.

Besides the 20-unit apartment under construction in Dassel, Meeker Leased Housing is proposing a second 20-unit apartment in Eden Valley. Construction is anticipated to begin in 2024. Meeker Leased Housing also purchased land in the Glenshire Estates Addition that was originally slated for for-sale townhomes. Meeker Leased Housing is proposing to develop 30 rental townhomes on this site.

Rental Properties Under Construction in the Remainder of the County



Meeker Leased Housing (Dassel)

Interview Summary

Interviews with area rental property managers, real estate agents, private owners, and other persons familiar with the rental market in Litchfield and the smaller communities were conducted to solicit their impressions of the rental housing market. The following are some key points from these interviews:

- There is a need for more rental housing in Litchfield. Most properties are fully occupied, and some maintain waiting lists of prospective renters. Newer properties that have opened in recent years leased quickly.
- Many young families that are currently renting in Litchfield would like to buy a home but have yet to find a home that is available to buy or that they can afford.
- Many people looking for rental housing in Litchfield are people who work in Litchfield but are driving from other communities because they have been unable to find anything to rent in Litchfield.
- Litchfield needs many more housing options overall, including rental housing. The lack of housing is causing Litchfield to lose potential residents to other towns that have more housing available.
- Senior housing in Litchfield draws residents from the entire county, not just from Litchfield.

Demand Analysis and Conclusions

This section of the report utilizes data collected in the previous sections to calculate demand for owned and rented housing in Meeker County through 2030. Recommendations on appropriate housing types to satisfy unmet demand over the next five years are also provided.

Meeker County Housing Demand Analysis

Table 37 outlines calculations for owner and renter housing in Meeker County from 2022 to 2030. Demand for additional housing primarily comes from projected household growth. Pent-up rental demand can also be a source of housing demand, as can replacement need. Meeker County, and Litchfield in particular, is also a job importer and given a choice, people generally prefer to live near their place of employment. Thus, Table 37 also takes into account that Litchfield can exceed its growth projections by capturing a portion of the people who currently commute into the community for employment.

The following paragraphs summarize the demand methodology in Table 37.

Meeker County is projected to add 315 households between 2022 and 2030, including 135 in Litchfield and 180 in the Remainder of the County. This correlates to the need for 315 housing units to accommodate the projected household growth. As of 2022, an estimated 3,100 people lived outside the County and commuted into the County for employment. Most of these people will continue to live in their current home and commute to work for various reasons. However, some of these people would likely move to Meeker County if appropriate housing was available. We conservatively estimate that the County could capture approximately 1% of the current commuters, increasing housing demand in Litchfield by 25 households. Likewise, the remainder of Meeker County could exceed its growth projections by capturing 1% of the workers that commute to jobs from outside the County.

Replacement need is generated from the loss of housing or the need to replace housing units that are physically or functionally obsolete (i.e., they no longer meet the needs of the current housing market). A review of the age of housing stock from the U.S. Census revealed that there are about 520 housing units in Litchfield and about 1,825 homes in the Remainder of the County built prior to 1950. While most of these homes are in good condition, it is estimated that about one percent per year should be removed annually from the housing supply because of obsolescence, which equates to 42 units during the remainder of this decade in Litchfield and 146 homes in the Remainder of the County.

Overall, there is projected demand for housing to accommodate 202 additional households in Litchfield and 332 in the Remainder of the County from 2022 to 2030. This demand is from household growth, capturing some commuters, and replacement of obsolete housing.

Table 37
Meeker County Rental and Owned Housing Demand
2022 to 2030

	<u>Litchfield</u>	<u>Remainder of County</u>	<u>Meeker County</u>
A Household growth	135	180	315
B Demand from outside County*	25	6	31
C Replacement need	42	146	188
D Total housing demand (A + B + C)	202	332	534
E Percent rental demand	55% - 60%	20% - 25%	33% - 38%
F Rental housing demand (D x E)	111 - 121	66 - 83	178 - 204
G Pent-up rental demand	35 - 35	38 - 38	73 - 73
H Total rental housing demand (F + G)	146 - 156	104 - 121	251 - 277
I Percent owner demand	40% - 45%	75% - 80%	62% - 67%
J Total owner housing demand (D x I)	81 - 91	249 - 266	330 - 357

* Meeker County has the potential to exceed its growth projections by capturing a conservative 1% of the employees who commute into the County, but currently live elsewhere.

Source: Viewpoint Consulting Group, Inc.

Litchfield Housing Demand

Based on demographic and market trends, it is estimated that over half (55% to 60%) of the housing demand in Litchfield from projected household growth, demand from outside the community, and replacement need between 2022 and 2030 will be for rental housing and just under half for ownership housing. Additionally, there is pent-up demand for rental housing. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. With pent-up demand (a shortage of units), persons who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, or live in housing outside of the area and commute to jobs. In Litchfield, the overall vacancy rate is very low, indicating pent-up demand. There are an estimated 880 rental units in Litchfield. With the current vacancy rate estimated at about 1%, there are not many choices for potential new renters. To reach a 5% vacancy rate, the industry standard for a healthy rental market, 35 units would need to be available immediately. Thus, pent-up demand is calculated for 35 additional rental units in Litchfield.

Combined with pent-up demand, there is total demand for approximately 145 to 155 rental units in Litchfield from 2022 to 2030. This demand is for all rental housing from subsidized to market rate. Demand for senior housing is calculated separately.

An estimated 40% to 45% of housing demand in Litchfield between 2022 and 2030 is projected to be for owner-occupied housing. This equates to demand for about 80 to 90 homes from 2022 to 2030 (about 10 to 11 homes annually). This demand is for single-family homes and townhomes/twinhomes.

Litchfield Owner-Occupied Housing Demand

Based on demographic growth trends, building trends and interviews, an estimated 65% of the demand for owned units in Litchfield is for single-family homes. This is mostly demand for move-up homes, as construction costs largely preclude the development of entry-level homes marketed to first-time homebuyers and moderate-income households. The remainder of demand is for townhomes and patio homes targeted to empty-nesters and seniors seeking an alternative to their single-family homes, as well as some younger households.

Sixty-five percent of the owner-occupied demand equates to a need for about 55 to 60 new single-family homes in Litchfield, or about seven homes annually on average between 2022 and 2030.

The townhome demand is primarily generated from empty nesters. Thirty-five percent of the owner-occupied demand equates to a need for approximately 30 townhomes and patio homes in Litchfield between 2022 and 2030. The demand for townhomes equates to about four new units annually.

Litchfield Rental Housing Demand

There is demand for 145 to 155 additional rental units in Litchfield between 2022 and 2030. The three primary target markets in Litchfield are wage earners seeking rental housing with rents that are modest, professionals and higher-income families moving to Litchfield, and empty-nesters downsizing from their single-family homes. Some wage earners will eventually seek owned housing, but many will also be long-term renters. The professionals and higher-income families moving to Litchfield will most often seek owned housing, but they will rent until they are settled in their new employment position.

Based on household income trends, it is projected that one-third of the rental demand in Litchfield is from wage-earners seeking rental housing with modest rents, or rents affordable to households with incomes of 60% or less of Area Median Income (about 50 units). The remainder of demand would come from households earning greater than 60% of Area Median Income (\$36,600/1-person to \$52,260/4-person) and who could afford housing with higher-end rents in Litchfield. Market rate demand is projected at 95 to 105 units.

Litchfield Senior Housing Demand

Demand was calculated for the number of additional senior housing units needed in Litchfield through the end of the decade. The calculations were made for the various market rate senior housing product types, including affordable and market rate senior rental, congregate independent, assisted living, and memory care.

The calculations of unmet demand for senior housing are based on multiplying the age/income-qualified base by appropriate capture rates for each product type and then subtracting the existing supply. Generally, the age/income-qualified base for market rate senior housing is seniors age 75+ with incomes of \$40,000+, although lower income homeowners also income-qualify by allocating their home equity toward the cost of senior housing. For assisted living and memory care housing calculations, demand from low-income seniors who qualify for the Medicaid Waiver program are included.

As of 2022, Litchfield has a supply of 61 subsidized senior rental units (Lincoln Apartments). While Gloria Dei Manor is market rate, it is classified as affordable because its modest rents are affordable to low-income seniors. Litchfield also contains 70 supportive housing units (congregate independent, assisted living, and memory care housing) at Ecumen. These units serve a population of about 855 age 75+ seniors in Litchfield, plus seniors living elsewhere in the County and beyond who would move to Litchfield to be near health care and supportive services. By 2030, Litchfield's age 75+ population is projected to increase by about 28%, creating demand for additional senior housing units in the community.

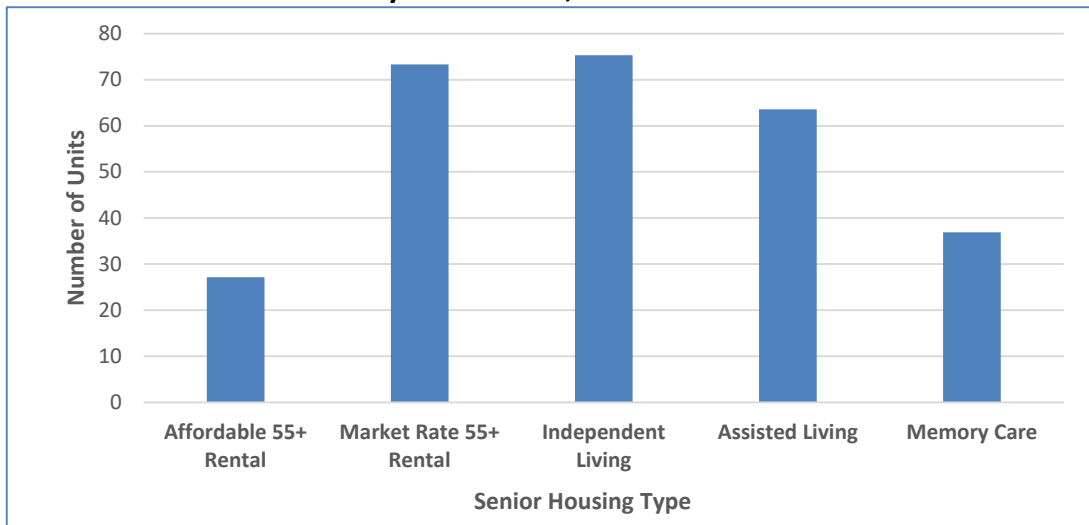
For senior rental housing that does not provide meals or personal care services (or "adult/few-services" housing), demand is calculated for a total of 149 subsidized/affordable units in Litchfield and 73 market rate units by 2030. Currently, there are two subsidized/affordable properties serving this market. After being subtracted from total demand, unmet demand is calculated for 27 additional subsidized/affordable senior rental units in Litchfield by the end of the decade and 73 market rate units. This market is generally comprised of seniors with incomes of about \$50,000 or more and could afford rents of about \$1,500 by allocating over 35% of their gross income for rent.

The three levels of supportive senior housing are independent, assisted living, and memory care housing. This market is currently being served by one property in Litchfield totaling 70 units (Ecumen). Utilizing capture rates commonly achieved in similar sized markets across Minnesota and the Upper Midwest, Litchfield could currently support about 205 units, or more than double what currently exists in the community. With growth of the senior population, about 245 total units could be supported by 2030. Subtracting the existing supply, unmet demand is calculated for 176 additional units in Litchfield by 2030. This includes 75 independent units, 64 assisted living units, and 37 memory care units. Assisted living and memory care includes demand for both private pay units and units for lower-income seniors who would utilize the Medicaid Wavier program to pay for personal care services.

Table 38
Summary of Senior Housing Demand
City of Litchfield
2022 to 2030

	Total Demand in Litchfield by 2030	Existing Supply	Unmet Litchfield Demand
<u>Adult/Few-Services</u>			
Sub/Affordable 55+ Rental*	149	122	27
Market Rate 55+ Rental	73	0	73
Subtotal	222	122	100
<u>Supportive Housing</u>			
Independent Living	98	23	75
Assisted Living**	97	33	64
Memory Care**	51	14	37
Subtotal	246	70	176
Total	468	192	276
* Affordable includes Gloria Dei Manor, which has modest rents despite being market rate.			
** Assisted living and memory care demand includes demand for units from both private pay and Medicaid Waiver residents.			
Source: Viewpoint Consulting Group, Inc.			

Projected Unmet Senior Housing Demand
City of Litchfield, 2022 to 2030

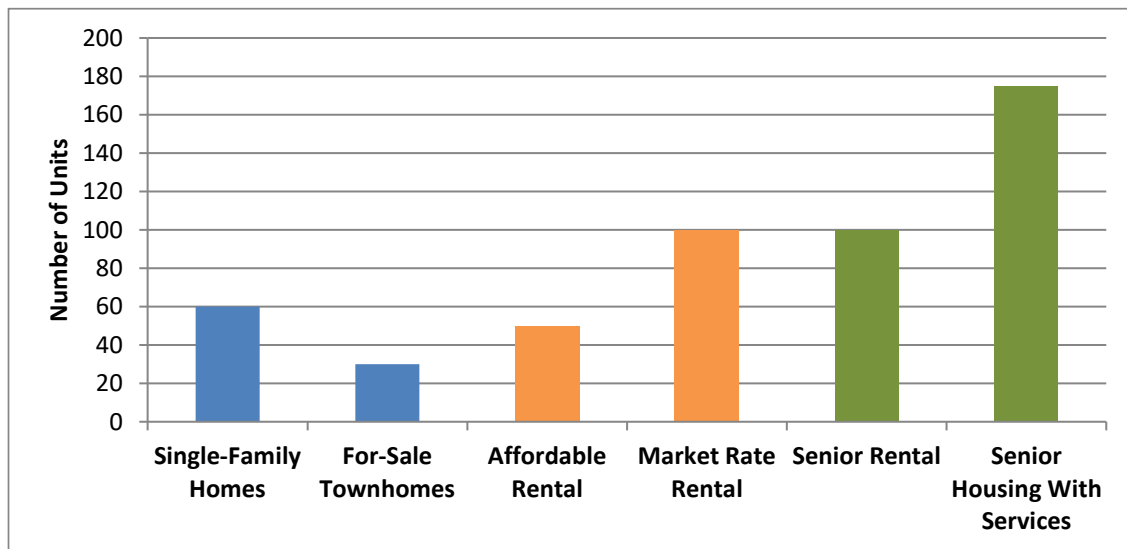


Litchfield Demand Summary

The chart below highlights overall housing demand in Litchfield from 2022 to 2030. All housing types combined equal demand for 515 units. The greatest share is for senior housing. The senior population is beginning to grow more rapidly this decade as the first baby boomers enter their late-70s. Demand was calculated for about 275 units (51% of total demand) of the various types of senior housing, from age-restricted apartments with no meals or services to assisted living and memory care housing. Senior housing demand was followed by rental housing (150 units, or 29%), which includes affordable and market rate units. Single-family homes and townhomes/twinhomes combine for total demand of 90 ownership units, or about 18% of the total housing demand.

The demand for rental housing and single-family homes is driven largely by people employed locally but currently living elsewhere due to a lack of appropriate housing options in Litchfield. Some demand for these two housing types will also come from Litchfield residents who will move from their current housing situation into newly built housing that accommodates their needs/wants. A portion of the for-sale townhome demand and senior housing demand is from seniors living elsewhere but drawn to Litchfield to be near health care and services.

**Projected Unmet Housing Demand in Litchfield
2022 to 2030**



Remainder of Meeker County Housing Demand

Based on demographic and market trends, it is estimated that 20% to 25% of the housing demand in the Remainder of the County from projected household growth, demand from outside the community, and replacement need between 2022 and 2030 will be for rental housing and 75% to 80% will be for ownership housing. Additionally, there is pent-up demand for rental housing. A healthy rental market is expected to have a vacancy rate of about 5% to allow for sufficient consumer choice and unit turnover. With pent-up demand (a shortage of units), persons who would normally form their own rental households instead room with other persons in a housing unit, live with their parents, or live in housing outside of the area and commute to jobs. In the Remainder of the County, the overall vacancy rate is very low among most properties, indicating pent-up demand. There are an estimated 959 rental units in the Remainder of the County. With the current vacancy rate estimated at about one percent, there are not many choices for potential new renters. To reach a 5% vacancy rate, the industry standard for a healthy rental market, 38 units would need to be available immediately (see Table 37). Thus, pent-up demand is calculated for 38 additional rental units in the Remainder of the County.

With pent-up demand, there is total demand for approximately 105 to 120 rental units in the Remainder of the County from 2022 to 2030. Demand for senior housing is calculated separately.

An estimated 75% to 80% of housing demand in the Remainder of the County between 2022 and 2030 is projected to be for owner-occupied housing. This equates to demand for about 250 to 265 homes from 2022 to 2030 (about 30 to 35 homes annually). This demand is for single-family homes and townhomes/twinhomes.

Demand for owned and rented housing by community is shown in Table 40. About 40% the demand for owned housing in the Remainder of the County is projected in the eight smaller communities, while the other 60% is projected in rural areas. The rural areas include lake lots, estates, farmsteads, and large-lot subdivisions. Of the demand for about 105 to 120 rental units outside of Litchfield, all is projected in the communities versus rural area. Communities have the infrastructure to support multifamily housing plus they generally have better highway access and proximity to services and jobs.

As Table 39 shows, after Litchfield, the greatest housing demand is in Dassel, followed by Watkins, Eden Valley, and Grove City. Dassel has projected demand for about 80 to 85 total units. Watkins has demand for about 50 to 60 total units, Eden Valley for about 40 to 45 units, and Grove City for about 20 to 25 units. Together, these four communities account for over 90% of the housing demand in the eight communities outside of Litchfield. In comparison, during the 2010s, these four communities accounted for 87% of the housing units built among the smaller communities.

Table 39
Meeker County Demand by Community
2022 to 2030

	--- Housing Type ---		Total
	Owned	Rented	
Litchfield	81 - 91	146 - 156	227 - 247
<u>Smaller Communities</u>			
Cedar Mills	0 - 2	0 - 0	0 - 2
Cosmos	6 - 8	0 - 2	6 - 10
Darwin	4 - 6	0 - 2	4 - 8
Dassel	44 - 46	36 - 40	80 - 86
Eden Valley	14 - 16	24 - 28	38 - 44
Grove City	10 - 12	12 - 14	22 - 26
Kingston	0 - 2	0 - 0	0 - 2
Watkins	20 - 22	32 - 36	52 - 58
Subtotal	98 - 114	104 - 122	202 - 236
Rural	150 - 152	0 - 0	150 - 152
Meeker County Total	329 - 357	250 - 278	579 - 635
Sources: Viewpoint Consulting Group, Inc.			

Remainder of the County Owner-Occupied Housing Demand

Based on demographic growth trends, building trends and interviews, an estimated 83% of the demand for owned units in the Remainder of the County is for single-family homes. This includes entry-level homes marketed to first-time homebuyers to move-up homes. The remainder of demand is for townhomes and patio homes targeted to empty-nesters and seniors seeking an alternative to their single-family homes, as well as some younger households.

Eighty-three percent of the owner-occupied demand equates to a need for about 210 to 220 new single-family homes, or about 25 to 30 homes annually on average between 2022 and 2030. All the demand in the rural areas of the County is projected to be for single-family homes (about 150 to 155 units). In the communities, about 60% of the demand is projected for single-family homes.

The townhome demand is primarily generated from seniors and empty nesters. Seventeen percent of the total owner-occupied demand equates to a need for approximately 40 to 45 townhomes and patio homes between 2022 and 2030, all in the eight smaller communities. The demand for townhomes equates to about five new units annually.

Remainder of the County Rental Housing Demand

There is demand for about 105 to 120 additional rental units in the Remainder of the County between 2022 and 2030. The three primary target markets are wage earners seeking rental housing with rents that are modest, professionals and higher-income families moving to the County, and empty-nesters downsizing from their single-family homes. Some wage earners will eventually seek owned housing, but many will also be long-term renters. The professionals and higher-income families moving to the County will most often seek owned housing, but they will rent until they are settled in their new employment position.

Based on household income trends, it is projected that about 30% of the rental demand for new housing in the Remainder of the County is from wage-earners seeking rental housing with modest rents, or rents affordable to households with incomes of 60% or less of Area Median Income (about 35 units). The remainder of demand would come from households earning greater than 60% of Area Median Income (\$36,600/1-person to \$52,260/4-person) and who could afford housing with higher-end rents. This demand totals about 80 units.

Remainder of the County Senior Housing Demand

Demand was calculated for the number of additional senior housing units needed in the Remainder of the County through the end of the decade. The calculations were made for the various market rate senior housing product types, including affordable and market rate senior rental, congregate independent, assisted living, and memory care.

The calculations of unmet demand for senior housing are based on multiplying the age/income-qualified base by appropriate capture rates for each product type and then subtracting the existing supply. Generally, the age/income-qualified base for market rate senior housing is seniors age 75+ with incomes of \$40,000+, although lower income homeowners also income-qualify by allocating their home equity toward the cost of senior housing. For assisted living and memory care housing calculations, demand from low-income seniors who qualify for the Medicaid Waiver program are included.

As of 2022, the Remainder of the County contains has a supply of 86 affordable and market rate senior rental units and 140 supportive housing units (congregate independent, assisted living, and memory care housing). The units in the Remainder of the County serve a population of about 1,800 age 75+ seniors, plus seniors living just outside the County who would move to be near health care and supportive services. By 2030, the Remainder of the County's age 75+ population is projected to increase by about 25%, creating demand for additional senior housing units.

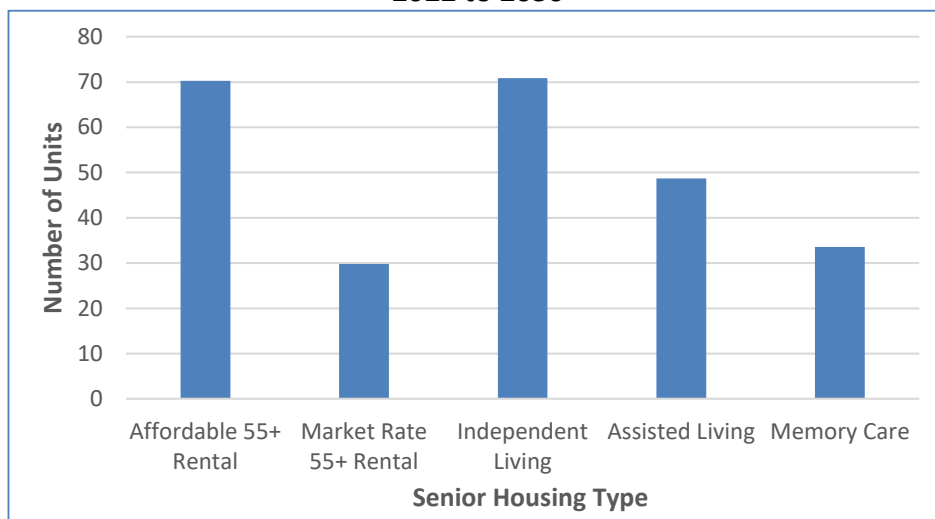
For senior rental housing that does not provide meals or personal care services (or “adult/few-services” housing), demand is calculated for a total of 70 additional subsidized/affordable units in the Remainder of the County and 30 market rate units by 2030. Market rate units generally serve seniors with incomes of about \$40,000 or more who could afford rents beginning at about \$1,000. Currently, there are three age-restricted, market rate properties in the Remainder of the County (two in Eden Valley and one in Grove City), however all three could be considered affordable as they have modest rents that affordable to many low-income seniors.

The three levels of supportive senior housing are independent, assisted living, and memory care housing. This market is currently being served by properties in Watkins and Dassel that total 140 units. Utilizing capture rates commonly achieved in similar sized markets across Minnesota and the Upper Midwest, the Remainder of the County could support about 365 total units by 2030. Subtracting the existing supply, unmet demand is calculated for 153 additional units by 2030. This includes 71 independent units, 49 assisted living units, and 34 memory care units. Assisted living and memory care includes demand for both private pay units and units for lower-income seniors who would utilize the Medicaid Wavier program to pay for personal care services.

**Table 40
Summary of Senior Housing Demand
Remainder of Meeker County
2022 to 2030**

	Total Demand in the Remainder of Meeker County by 2030	Existing Supply	Unmet Demand in the Rem. of Meeker County
Adult/Few-Services			
Affordable/Subsidized 55+ Rental	114	44	70
Market Rate 55+ Rental	72	42	30
Subtotal	186	86	100
Supportive Housing			
Independent Living	86	15	71
Assisted Living*	113	64	49
Memory Care*	50	16	34
Subtotal	367	140	153
Total	553	226	253
* Assisted living and memory care demand includes demand for units from both private pay and Medicaid Waiver residents.			
Source: Viewpoint Consulting Group, Inc.			

**Projected Unmet Senior Housing Demand
Remainder of Meeker County
2022 to 2030**

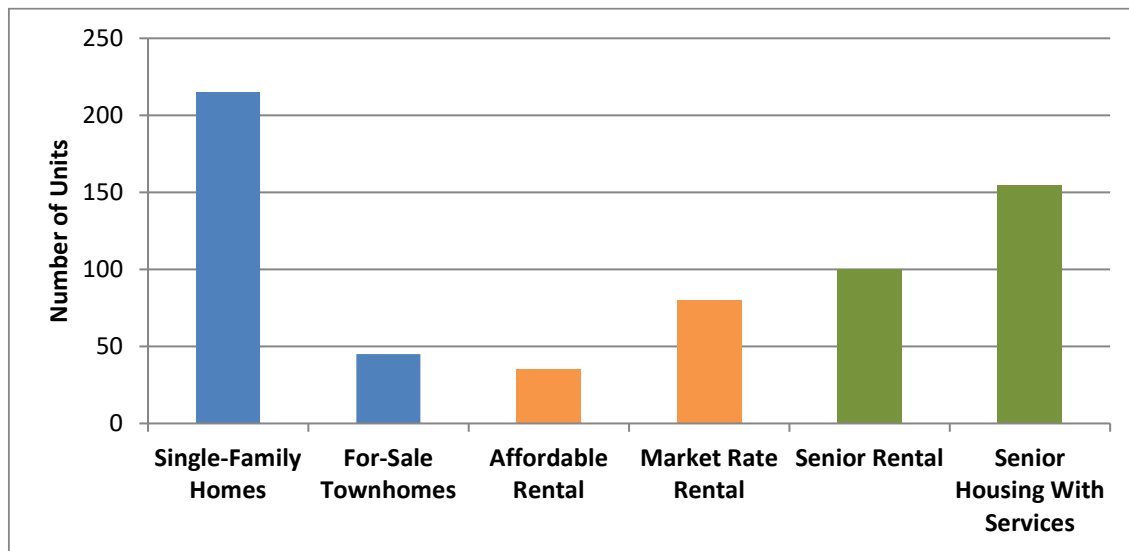


Remainder of the County Demand Summary

The chart below highlights overall housing demand in the Remainder of the County from 2022 to 2030. All housing types combined equal demand for 630 units. About an equal share of demand is for single-family homes and townhomes (about 260 units, or 41%) and senior housing. The senior population is beginning to grow more rapidly this decade as the first baby boomers enter their late-70s. Demand was calculated for 255 units of the various types of senior housing, from age-restricted apartments with no meals or services to assisted living and memory care housing (40% of total demand). Demand for rental housing, which includes affordable and market rate units, totals about 115 units, or 18% of the total housing demand.

The demand for rental housing and single-family homes is driven largely by people employed locally, in Litchfield or in larger nearby communities such as Hutchinson, Willmar, or St. Cloud. Some demand for these two housing types will also come from local residents who will move from their current housing situation into newly built housing that accommodates their needs/wants. A portion of the for-sale townhome demand and senior housing demand is from seniors living outside the County, but moving to be near family and/or health care and services in Litchfield.

**Projected Unmet Housing Demand in Remainder of Meeker County
2022 to 2030**



Litchfield Housing Recommendations

The following are recommended housing development concepts for Litchfield over the next five years, based on the demand analysis and interviews with persons knowledgeable about the Litchfield housing market. Table 41 shows a summary of these development concepts. Detailed recommendations for each housing type are also included.

Table 41
Recommended Housing Developments over the Next Five Years (2023 to 2028)
City of Litchfield

	<u>No. of Units</u>	<u>Price/Rent Range</u>
Owner-Occupied Housing		
Single-Family		
Entry-Level	20 - 24	\$275,000 - \$325,000
Move-up/Executive	14 - 16	\$325,000+
<u>Total</u>	<u>34 - 40</u>	
Townhomes / Twinhomes	16 - 20	\$250,000 - \$300,000
Rental Housing		
Market Rate Apartments	80 - 85	\$950+/1BR, \$1,100+/2BR, \$1,300+/3BR
Market Rate Townhomes	35 - 40	\$1,350+/2BR - \$1,500+/3BR
<u>Total</u>	<u>115 - 125</u>	
Senior Housing		
Supportive Senior Housing		
Independent	55 - 60	
Assisted Living	40 - 50	\$2,000+, plus personal care services
Memory Care	20 - 25	
Market Rate 55+ Rental	50 - 55	\$1,150+/1BR - \$1,350+/2BR
<u>Total</u>	<u>165 - 190</u>	
Source: Viewpoint Consulting Group, Inc.		

Single-Family Homes

It is recommended that a three-to-five-year lot supply be maintained in Litchfield, which ensures adequate consumer choice without excessively prolonging developer carrying costs. Litchfield currently has about 70 available lots remaining in five subdivisions. With a projected demand for seven to eight new single-family homes annually, this may be enough lots to accommodate the demand over the five years. If an average of seven homes are built annually,

there would still be 40 available lots in Litchfield's five active subdivisions at the end of 2028. At that point, the remaining lots could still represent a five-year supply. With that being said, it is going on 20 years since the existing subdivisions in Litchfield were platted. It is recommended that a new subdivision come on-line within the next five years with lots that would be appealing to move-up/executive home buyers. The new subdivision should initially contain up to 18 lots with the potential for more lots to be added incrementally in future additions. The lots should be priced to accommodate homes with base prices starting at \$325,000.

Beyond the recommended new subdivision, remaining lots in the existing subdivisions should accommodate a portion of the remaining single-family demand, particularly for entry-level homes (Arnolds Addition, Northridge Estates 4th, and Natures Edge). In addition, if senior housing is developed in Litchfield, existing homes should become available for families as seniors make the transition from single-family homes to senior housing.

For-Sale Townhomes / Twinhomes

It is recommended that 16 to 20 for-sale townhomes or twinhomes be added in Litchfield to meet demand from 2023 through 2028. The most recent subdivision with this type of housing was Harmon Meadows, which has 23 homes. It is nearly built-out with single-level, detached patio homes with two bedrooms and attached two car garages. Prices for most of the homes are between \$250,000 and \$275,000. Before Harmon Meadows, the Ripley Greens subdivision (on South Miller Street) provided 18 detached patio homes. There are essentially no lots left in Litchfield to accommodate this type of housing. To meet demand, a subdivision should be created to accommodate up to 20 townhomes or twinhomes, with the potential for more lots to be created in a second addition in following years. To capture most of the target market, it is recommended that lots be made available to accommodate one-level detached or attached townhomes or twinhomes with attached two-car garages to appeal to the primary target market – empty nesters. Townhomes should be in the \$250,000 to \$300,000 price range.

Rental Housing

It is recommended that 115 to 125 units of market rate rental housing in a multifamily building(s) be added in Litchfield during the next five years. Two product types are recommended – an apartment building(s) and townhomes/twinhomes. Both product types should be market rate.

About 80 to 85 units of the recommended units should be in an apartment-style building(s). The buildings should have two or three stories, common spaces (e.g., community room, fitness room, and outdoor patio), and garages available to the residents. There is demand from a wide variety of household types, including singles, roommates, and couples with and without children. Thus, the apartment should contain a mix of one-, two- and three-bedroom units. Recommended rents are about \$950 to \$1,050 for one-bedroom units, \$1,100 to \$1,200 for two-bedroom units, and \$1,300 to \$1,400 for three-bedroom units. These rents would be among the highest in Litchfield, but would still be affordable to households with incomes of

80% of AMI, and thus would be considered workforce units. In 2022, 80% of AMI ranged from \$48,800 for one-person households to \$75,280 for five-person households. Corresponding gross rents affordable at these incomes were \$1,307 for one-bedroom units, \$1,568 for two-bedroom units, and \$1,812 for three-bedroom units.

About 35 to 40 of the recommended units should be in townhomes and/or twinhomes. These units should mostly be a mix of two- and three-bedroom units. The units could also contain a mix of one- and two-level units, but more than half should be one-level as these units would also be appealing to many older-adults and seniors. The units should have attached garages. Rents should begin at about \$1,350 for two-bedroom units and \$1,500 for three-bedroom units. Three-quarters of the units should have two-bedroom units, which would appeal to some singles, small families, and couples (including empty-nesters/retirees). Three-bedroom units would appeal to small families and some couples.

While a high proportion of Litchfield's renters have incomes that qualify them for affordable housing, the greater rental priority for new construction is for market rate rental housing. This is because nearly Litchfield's entire rental stock has rents that are affordable to households with incomes below 60% of Area Median Income (AMI). What Litchfield has a more limited supply of is newer rental units that would be appealing to many of today's renters. Additionally, the development of market rate apartments in Litchfield will also indirectly meet affordable rental housing demand, as some higher-income renters at existing properties with modest rents would likely "step-up" into the newly built apartments. Their departure will create vacancies that will then be available to lower- and moderate-income renters.

Senior Housing

A need for about 165 to 190 senior housing units was identified in Litchfield over the remainder of the decade. Much of the demand will be realized later in the decade as the senior population begins to grow more rapidly. To meet current unmet demand, it is recommended that a market rate 55+ rental development be added with 50 to 55 units within the next five years. This type of housing would meet the needs of younger, more active seniors who wish to downsize from their existing homes but do not need meals or personal care services found in a supportive services building. These units should be in a single, multistory building with common spaces and attached parking available to the residents. Additionally, some could be townhome-style units with attached garages that offer single-level living. Rents for senior (55+) housing should begin at about \$1,150 for one-bedroom units and \$1,350 for two-bedroom units.

The only senior housing with supportive services option in Litchfield is Ecumen. With Litchfield's senior population poised for growth, it is recommended that a development(s) with 115 to 135 units of independent, assisted living, and memory care housing be built in the next five years. This would be the first development of this type of housing in Litchfield in about 30 years. It is recommended a new development have a service-level mix of 55 to 60 independent units, 40 to 50 assisted living units, and 20 to 25 memory care assisted living units. It is recommended that these units be added in a single development, since a campus with a mix of service-levels would

provide a continuum of care such that residents could remain on the campus as their care level changes. Alternatively, if a continuum of care campus is not added, a smaller building (32 to 40 units) that offers assisted living and memory care housing would also likely be successful and meet a portion of Litchfield's supportive senior housing needs.

Remainder of Meeker County Housing Recommendations

The following are recommended housing development concepts for the remainder of Meeker County over the next five years, based on the demand analysis and interviews with persons knowledgeable about the housing market. Table 43 shows a summary of these development concepts. Detailed recommendations for each housing type are also included.

Table 42
Recommended Housing Developments over the Next Five Years (2023 to 2028)
Remainder of Meeker County

	<u>No. of Units</u>	<u>Price/Rent Range</u>
Owner-Occupied Housing		
Single-Family		
Entry-Level	40 - 45	\$250,000 - \$300,000
Move-up/Executive	90 - 95	\$300,000+
Total	130 - 140	
Townhomes / Twinhomes	30 - 35	\$225,000 - \$275,000
Rental Housing		
Market Rate Apartments	60 - 65	\$950+/1BR, \$1,100+/2BR, \$1,300+/3BR
Market Rate Townhomes**	35 - 40	\$1,300+/2BR, \$1,450+/3BR
Total	95 - 105	
Senior Housing		
Supportive Senior Housing		
Independent	30 - 36	
Assisted Living	15 - 20	\$2,000+, plus personal care services
Memory Care	15 - 20	
55+ Rental Townhomes	35 - 40	\$1,300+/2BR
Total	95 - 116	
** Single-level townhomes open to all ages could accommodate some of the senior rental demand. There likely is not enough senior rental demand to support an age-restricted apartment building in most communities.		
Source: Viewpoint Consulting Group, Inc.		

Single-Family Homes

To keep pace with demand and satisfy housing needs of current and future residents, it is recommended that 133 to 140 single-family homes be added in the remainder of Meeker County over the next five years (2023 to 2028). Based on past trends, about two-thirds of these homes will likely be constructed in rural parts of the County. Most of these homes constructed in unincorporated rural areas of the County, particularly those on lakes, serve the move-up/executive home market. It is projected that about the remaining one-third of demand (about 45 to 50 homes) would be met within the smaller communities in the County. Demand among these communities is greatest in Dassel, followed by Eden Valley and Watkins. These three communities alone could accommodate about three-quarters of the identified demand in the smaller communities. Unlike the rural areas, much of the demand in the smaller communities is for entry-level homes, or those priced from about \$250,000 to \$300,000. The exception is Dassel, which has shown demand for homes priced at above \$300,000. Overall, lots should be priced near \$20,000 to accommodate most entry-level homes.

The supply of available lots that could accommodate entry-level homes is tallied at 48, of which 15 are in Dassel (Highland Meadows), 14 are in Eden Valley (Sunny Meadows) and 19 are in Watkins (Faber 2nd Addition and Glenshire Estates). At the projected average annual level of demand, about 25 lots for entry-level homes would remain in these three communities in five years. At that time, additional lots would likely be needed to provide adequate choices to people seeking to build a new home. Grove City does currently does not have an active subdivision. Thus, a new subdivision with at least 10 lots is recommended in order to meet projected demand.

Overall, the level of demand for move-up/executive homes in the communities is limited to a couple homes over the next five years. The exception is Dassel. In Dassel, demand is projected for a little over 10 homes priced over \$300,000 over the next five years. The Summit Hills subdivision has about 34 lots remaining, which should be sufficient to accommodate move-up/executive housing demand over the next five years.

The projected level of demand for entry-level and move-up/executive homes by community over the next five years is as follows:

Less than 5 Entry-Level Homes:	Cedar Mills, Cosmos, Darwin, Grove City, Kingston
5 to 10 Entry-Level Homes:	Dassel, Eden Valley, Watkins
10 to 15 Move-Up/Executive Homes:	Dassel

In Cedar Mills, Cosmos, Darwin, and Kingston, the level of demand may not be sufficient to support a new housing subdivision. If adequate/appealing in-fill lots are made available, these communities could each support a couple homes over the next five years. Lots for entry-level single-family homes should be priced at less than \$15,000.

For-Sale Townhomes / Twinhomes / Detached Villas

To meet demand, about 30 to 35 townhomes should be built from 2023 through 2028 in the Remainder of the County. The primary target market is seniors and empty nesters downsizing from larger single-family homes. To capture most of the target market, it is recommended that lots be made available to accommodate one-level homes with attached two-car garages. Homes could be twinhomes (duplex units), townhomes with more than two attached units, or detached villas. Most homes should be in the \$225,000 to \$275,000 price range, with some upper-end units priced over \$275,000. As with single-family homes, Dassel will likely capture much of the demand as it has the greatest growth projections. Potentially, more than 15 single-level units could be added to Dassel to meet demand. About five homes or less could be developed in each of the communities of Eden Valley, Grove City, and Watkins to meet demand.

Rental Housing

To meet rental demand over the next five years, it is recommended that 95 to 105 units of additional general-occupancy rental housing (open to all ages) be built in the Remainder of the County over the next five years. Two product types are recommended –apartments and single-level townhomes/twinhomes. Communities that have demand sufficient to support apartments are Dassel, Eden Valley, Grove City, and Watkins. It is recommended that apartment buildings with 20 or more units be built in Dassel, Eden Valley, and Watkins to meet demand.

The apartments should not have income limits but have rents of about \$950 for one-bedroom units, \$1,100 for two-bedroom units, and \$1,300 for three-bedroom units. At these rents, the units would be affordable to households earning less than 80% of AMI (households earning \$48,800 for one-person households to \$69,680 for four-person households). Thus, while market rate, these units would be considered workforce housing.

Based on growth projections, Grove City could support a rental apartment with up to 12 units. As with recommended apartments in other communities, the apartments in Grove City should not have income limits. It should have rents of about \$900 for one-bedroom units, \$1,050 for two-bedroom units, and \$1,275 for three-bedroom units. While market rate, these rents would be affordable to households earning less than 60% of AMI and would be considered workforce housing.

The second recommended rental housing type are townhomes (duplex and/or four-plex units). The units should be single-level units with attached garages. Rents should begin at about \$1,300 for two-bedroom units and \$1,450 for three-bedroom units. Most of the units should have two-bedroom units, which would appeal to some singles, small families, and couples (including empty-nesters/retirees). A few three-bedroom units should be built to appeal to small families and some couples. Overall, thirty-five to 40 units are recommended.

Rental demand is more limited in Cedar Mills, Cosmos, Darwin, and Kingston. If rental housing is developed in these communities, it should begin with a two-unit townhome building.

Townhomes would also meet a portion of demand in Dassel, Eden Valley, Grove City, and Watkins. These communities could support at least two to four rental townhome units (two duplex buildings).

Senior Housing

A need for about 250 senior housing units was identified in the Remainder of the County through 2030 (see Table 41). However, much of the demand will be realized later in the decade as the senior population begins to grow more rapidly. Over the next five years, two senior housing types are recommended – supportive senior housing (independent, assisted living, and memory care) and senior (55+) rental. A senior housing building with 60 to 75 supportive senior housing units is recommended, as are 30 to 35 units of senior rental housing.

The latest supportive senior housing properties in the Remainder of Meeker County were both built in Watkins – Garden View with 46 units in 2015 and The Watkins House with 16 units in 2022. With these two properties, no additional senior housing is recommended in Watkins during the next five years. The only other community large enough large enough to likely support a supportive senior housing development is Dassel. Dassel contains one senior housing property already – Lakeside Generations, with 33 assisted living units. Dassel’s zip code (55325) had an estimated 445 age 75+ seniors in 2022 and by 2030 it is projected to have 580 age 75+ seniors. With this growth, is recommend that 60 to 75 supportive senior housing units be developed within the next five years. The greatest number of units should be independent (30 to 35 units), as Lakeside Generations’ units are primarily catering to assisted living residents. About 15 to 20 memory care units are recommended, as this housing type is underserved in Meeker County and no units currently exist in Dassel. Memory care units would replace units lost when Lakeview Ranch closed in 2018.

To meet unmet demand over the next five years, it is recommended that 35 to 40 units of housing geared to younger, more active seniors who wish to downsize for their existing homes but do not need meals or personal care services found in a supportive services building. Because the demand is spread among all the communities, each could support just a few duplex units or one or two four-plex buildings. These units should be single-level townhomes with two bedrooms and attached garages. Rents should begin at about \$1,300 for two-bedroom units. Additionally, these townhomes do not necessarily need to be age restricted. Even if they are open to all ages, they would still be appealing to seniors and would likely become primarily occupied by seniors. It is recommended that up to four units be built in Darwin, Grove City, Eden Valley, and Watkins over the next five years. It is recommended that up to eight senior townhomes be built in Dassel over the next five years.

Housing Recommendations by Community

Demand in the Remainder of the County is not spread evenly between the communities. The greatest demand is in Dassel, Eden Valley, Grove City, and Watkins. A lesser amount of demand is in Cedar Mills, Cosmos, Darwin, and Kingston.

Housing demand and recommendations for the five communities in the Remainder of the County with the greatest housing demand are summarized on the following pages. The recommendations by community are also summarized below in Table 43.

**Table 43
Recommended Housing Developments over the Next Five Years (2023 to 2028)
Remainder of Meeker County**

Darwin
A single-family/townhome subdivision with 10 +/- lots Single-level, market rate rental twinhome (2 to 4 units)*
Dassel
A single-family/townhome subdivision with 15+ lots Supportive senior housing with independent, assisted living, and memory care housing (60 - 75 units) Single-level, market rate rental twinhomes/townhomes (6 to 12 units)* A market rate rental housing apartment with 20 to 24 units (<i>a 20-unit apartment is under construction</i>)
Eden Valley
Single-level, market rate rental twinhomes/townhomes (4 to 6 units)* A market rate apartment building with 20 to 24 units
Grove City
A single-family/townhome subdivision with 10+ lots A market rate apartment building with 12+/- units Single-level, market rate rental twinhomes/townhomes (4 to 6 units)*
Watkins
Single-level, market rate rental twinhomes/townhomes (2 to 4 units)* Market rate rental housing (apartment or townhomes) with 20+ units
* The recommended single-level townhomes could be open to all ages or some could be age-restricted (55+).

Darwin

Demographic Summary

Darwin is a community of 348 people (2020 Census) on Highway 12, about four miles east of Litchfield and five miles from Dassel. Darwin consists mostly of single-family homes, and thus has a high homeownership rate (82%).

Housing development has been limited in Darwin, as three homes were built last decade (2010 to 2020). With the limited housing construction, the Census Bureau showed that Darwin's population and household base went largely unchanged last decade. Projections are that Darwin will continue to grow slightly this decade, although there is potential for Darwin to exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	276	350	348	345	-3
Households	119	139	142	145	3

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	112	9
Multifamily	0	16
Mobile Home	5	0
Total	117	25

Housing Demand and Recommendations

Through 2030, demand is calculated for up to eight single-family homes and four rental units. For the next few years, available lots in the Turtle View addition will likely accommodate single-family demand. After that, another subdivision with about 10 lots is recommended with lot prices that would allow for entry-level homes (about \$250,000 to \$300,000).

Rental housing should be developed to meet the needs of seniors and families (single-level townhomes/twinhomes). The townhomes should be single-level units with attached garages, consisting mostly of two-bedroom units. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. It is recommended that these townhomes be open to all ages, but some could be age restricted (55+), since seniors comprise a portion of the primary target market.

Dassel

Demographic Summary

Dassel is a community of 1,472 people (2020 Census) near the intersection on Highways 12 and 15. It is about 10 miles east of Litchfield and 13 miles north of Hutchinson. According to the Census Bureau, Dassel's population and household base went relatively unchanged last decade, despite building permits being issued for 38 new homes. During the first three years of this decade, permits have been issued for 13 new single-family homes and 20 apartment units. It is conservatively projected that Dassel will grow by 61 households and 148 people this decade, reaching a population of 1,620 in 2030.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	1,233	1,469	1,472	1,620	148
Households	515	572	579	640	61

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	378	82
Multifamily	5	107
Mobile Home	7	0
<u>Total</u>	<u>390</u>	<u>189</u>

Housing Demand and Recommendations

From 2022 to 2030, demand in Dassel is projected for about 45 single-family homes and about 25 for-sale townhomes/twinhomes/detached villas. Existing subdivisions have enough vacant lots to accommodate this demand over the next five years. At that time, however, another subdivision with more than 15 lots will likely be needed. Unlike most other communities in the County, Dassel has demand for both entry-level and move-up/executive homes.

There is demand for close to 40 rental units in Dassel through the remainder of the decade. A 20-unit apartment under construction (Meeker Leased Housing) will accommodate much of the demand over the next five years. Additionally, it is recommended that six to 12 single-level townhomes with attached garages be added. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. It is recommended that these townhomes be open to all ages, but some could be age restricted (55+), since seniors comprise a portion of the primary target market.

To meet the local area's senior housing needs, a supportive housing development, with 60 to 75 units of independent, assisted living, and memory care housing is recommended.

Eden Valley

Demographic Summary

Eden Valley is a community of 1,027 people (2020 Census) on Highways 22 and 55, about 13 miles north of Litchfield. It experienced strong growth during the 2000s, when permits were issued for 90 housing units, but growth slowed considerably after the Great Recession. More recently, a 20-unit market rate apartment was built and has stayed at full occupancy.

Projections are that Eden Valley will grow by 22 households and 68 people this decade, reaching a population of 1,095 in 2030. Eden Valley has the potential to exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	866	1,042	1,027	1,095	68
Households	360	434	428	450	22

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	293	31
Multifamily	4	86
Mobile Home	12	2
Total	309	119

Housing Demand and Recommendations

Through 2030, demand is projected for about 15 additional owned homes, with most being single-family homes and just a few townhomes. Demand is mostly for entry-level homes. Sunny Meadows has 14 available lots and should be able to accommodate demand over the next five years. After that, a new subdivision will likely be needed.

A 20-unit market rate apartment opened in 2021 (Meeker Leased Housing) and is fully occupied. A second 20-unit apartment is proposed, and construction is anticipated to begin in 2024. It will satisfy most of Eden Valley's rental demand over the next five years. In addition to this building, it is recommended that four to six single-level townhomes with attached garages be added. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. It is recommended that these townhomes be open to all ages, but some could be age restricted (55+), since seniors comprise a portion of the primary target market.

Grove City

Demographic Summary

Grove City is a community of 624 people (2020 Census) in on Highway 12, about eight miles west of Litchfield and about 16 miles east of Willmar. Grove City consists mostly of single-family homes, even among its rental housing stock.

Grove City does not have many available lots to accommodate new housing construction and thus, growth has been limited. Despite this, the Census Bureau showed that Grove City added 19 households last decade. It is projected that Grove City will grow by 23 households this decade, and that its population will reach 630 in 2030.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	608	635	624	630	6
Households	257	268	287	310	23

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	177	67
Multifamily	0	27
Mobile Home	17	0
Total	194	94

Housing Demand and Recommendations

Through 2030, demand is calculated for about 10 single-family homes and 12 to 15 rental units. With virtually no available single-family lots, a subdivision with 10 or more lots is recommended. Lots should be priced to would allow for entry-level homes (about \$250,000 to \$300,000).

Two types of rental housing are recommended to meet the needs of families and seniors – an apartment building with about 12 units and four to six single-level townhomes/twinhomes. The apartments should have rents of about \$900 for one-bedroom units, \$1,050 for two-bedroom units, and \$1,275 for three-bedroom units. While market rate, these rents would be affordable to households earning less than 60% of AMI and would be considered workforce housing.

The townhomes should be single-level units with attached garages, consisting mostly of two-bedroom units. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. It is recommended that these townhomes be open to all ages, but some could be age restricted (55+), since seniors comprise a portion of the primary target market.

Watkins

Demographic Summary

Watkins is a community of 991 people (2020 Census) on Highway 55. It is about six miles east of Eden Valley, with which it shares a school district. Watkins had strong growth during the 2000s, mostly because of construction of single-family home and for-sale townhomes. Development of these homes slowed considerably after the Great Recession. During the 2010s, 46 senior housing units and a 20-unit market rate apartment were built, making up for the slowdown in owner-occupied housing development.

Projections are that Watkins will grow by 36 households and 79 people this decade, reaching a population of 1,070 in 2030. Watkins has the potential to exceed its projections by adding to its housing stock.

Population & Household Growth Trends

	2000	2010	2020	Projected 2030	Change, 2020 to 2030
Population	880	962	991	1,070	79
Households	336	398	414	450	36

Households by Tenure and Housing Type in 2020

	Owner	Renter
Single-Family	278	31
Multifamily	0	73
Mobile Home	14	17
Total	292	121

Housing Demand and Recommendations

Through 2030, demand is projected for about 20 additional owned homes, with most being single-family homes. Demand is mostly for entry-level homes. Faber 2nd Addition and Glenshire Estates have 19 available lots and should be able to accommodate demand over the next five years. After that, a new subdivision will likely be needed.

A 20-unit market rate apartment opened in 2019 (Meeker Leased Housing) and is fully occupied. Its developer has purchased land in Glenshire Estates formerly intended for for-sale townhomes (two six-plex buildings were built). The plan is to develop it with 30 two-level townhomes with three-bedrooms. This development will satisfy most of Watkins' rental demand over the next five years. However, it is also recommended that two to four single-level townhomes with attached garages be added. Rents should begin at about \$1,250 for two-bedroom units and \$1,400 for three-bedroom units. It is recommended that these townhomes be open to all ages, but some could be age restricted (55+), since seniors comprise a portion of the primary target market.

Other Housing Recommendations

The preceding pages outlined new housing products that should be built in Meeker County over the next five years to satisfy housing demand from current and future residents. In addition, there are other programs that can be implemented to assist in meeting local housing needs and improving the quality of the existing housing stock. Key programs/initiatives that should be pursued or continue to promote are outlined below.

1. Housing Rehabilitation

Maintaining the quality of the existing housing stock is vital to any community. The Small Cities Development Program (SCDP) is a grant for the purpose of rehabilitation of residential properties. Currently, Eden Valley is the only community with an active rehabilitation program. The funds must benefit low- and moderate-income persons (maximum of 80% of Area Median Income).

We recommend that the Litchfield and the smaller communities in Meeker County explore the potential to apply for additional rehab funds from SCDP in the future as they assist in the preservation of housing stock affordable to low- and moderate-income households.

2. Housing Choice Vouchers

Housing Choice Vouchers (Section 8), funded by HUD, are a tenant-based rent subsidy utilized by lower income households in market rate housing developments. Voucher recipients pay 30% of their adjusted gross income for rent and the subsidy payment makes up the difference to the landlord. With limited funds available to construct new subsidized housing buildings, Housing Choice Vouchers are a great way to meet the housing needs of low-income households without having to construct new buildings. The vouchers also increase the pool of potential renters for local market rate properties. Currently, the Payment Standard for Vouchers in Meeker County is \$745 for one-bedroom units to \$881 for two-bedroom units, and \$1,247 for three-bedroom units. A current challenge of this program in Litchfield is finding vacant units to rent.

3. First-Time Homebuyer Assistance

We recommend that either the Litchfield HRA or Meeker County HRA apply to Minnesota Housing to participate in the Minnesota Housing First-Time Homebuyer program. The program creates mortgage loan funds that can be accessed by local bankers. This program would assist some persons who otherwise would not be able to purchase their first home.