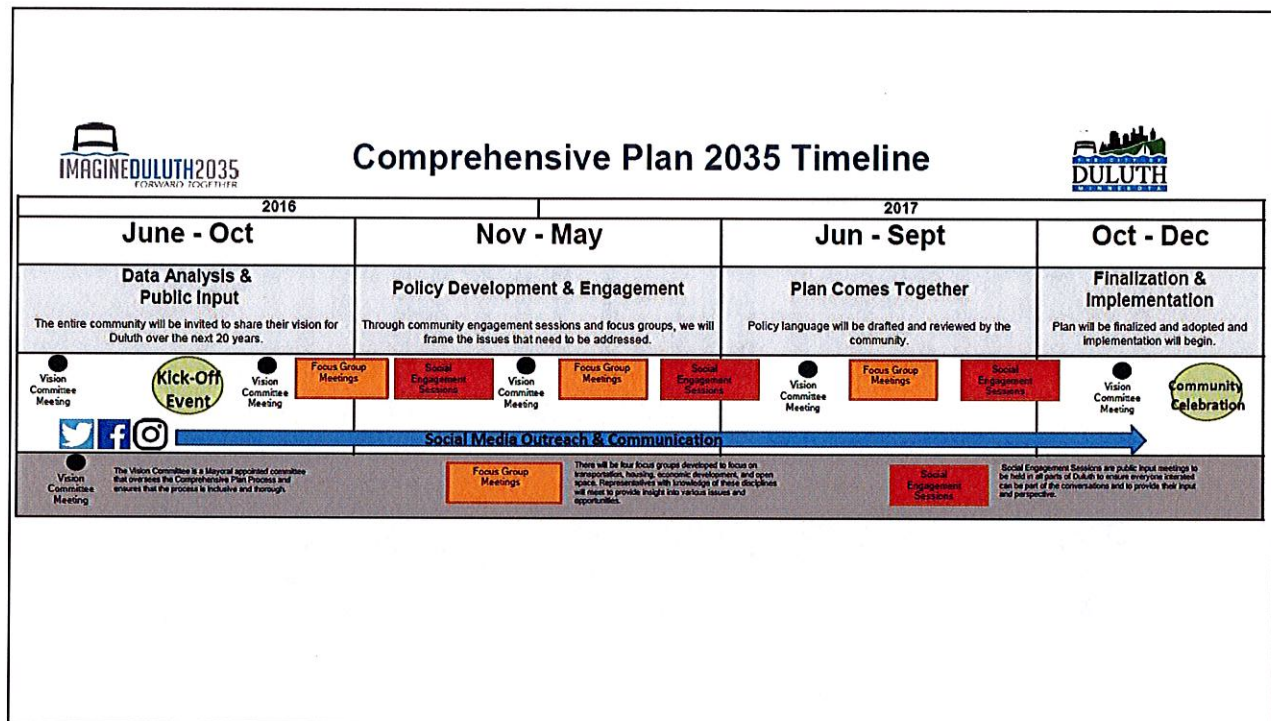




## Agenda:

- Welcome and Introductions
- Group exercise
- Recap – Duluth housing data, current housing strategies
- Research Questions – data and analysis
- Duluth Housing Maps – citywide, neighborhood-specific
- Check In: Revisit Group exercise
- Housing Policy Discussion – what is feasible and consistent with the guiding principles?





## Recap: Duluth Housing Needs

### By 2020: 4,474 additional housing units needed

- 1,275 units: < 50% of Annual Median Income
- 1,207: 50% - 80% of Annual Median Income
- 1,092: 100% Annual Median Income (Market Rate)
- 900 units for ownership:
  - 180 units entry level housing
  - 470 units intermediate level housing
  - 250 units executive level housing



## SUMMARY AND CONCLUSIONS

| HOUSING AFFORDABILITY GAP ANALYSIS<br>CITY OF DULUTH  |   |                             |   |   |   |
|---|---|-----------------------------|---|---|---|
| 2014 HUD Income<br>Definitions  | Maximum<br>Affordable<br>Housing Payment<br>(30% of income) | Average Rent<br>Two Bedroom | Payment Average<br>Two Bedroom<br>House (\$140,000) | Payment Average<br>Three Bedroom House<br>(\$170,000) | Affordability GAP*                        |
| Extremely Low 30% of<br>Median Income<br>\$19,300   | \$483   | \$910                       | \$676   | \$821   | All standard housing<br>unaffordable      |
| Low 50% of Median<br>Income \$32,150  | \$804   | \$910                       | \$676   | \$821   | Could possibly afford<br>two bedroom home |
| Low-Moderate 80% of<br>Median Income<br>\$51,450  | \$1,286   | \$910                       | \$676   | \$821   | Could afford several<br>housing options   |
| Median Income<br>\$64,300   | \$1,608   | \$910                       | \$676   | \$821   | Could afford several<br>housing options   |
| Median income listed for a four person household; owned housing payment calculated using 30 year, fixed rate mortgage with a 90% LTV and excluding mortgage insurance, taxes, homeowner's insurance |   |                             |   |   |   |
| Source: Maxfield Research Inc.  |   |                             |   |   |   |

## Housing Demand Summary

The table below shows a summary of demand for the Duluth Housing Market Area over the next six years. This information identifies the potential need for owned and rental housing. Over the next six years, total housing demand for owned and rental housing is estimated at 4,470 units.

| SUMMARY OF HOUSING DEMAND<br>Duluth Housing Market Area |           |
|---|-----------|
| Housing Type  | 2014-2020 |
| <b>Owned</b>  |           |
| Entry-Level (Under \$150,000)                           | 180       |
| Move-Up (\$150,000 to \$250,000)                        | 470       |
| Executive (Over \$250,000)                              | 250       |
| <b>Rental</b>   |           |
| Low-Income (<50% of AMI)                                | 1,275     |

## Duluth Housing Stock Trends

**Overall Trend:** investments in new construction *and* reinvestment in current housing stock happening

2012 - 2014: **Average 1,581 alteration permits issued** (avg. 804 permits issued 2003 - 2011)

2015: **410 new residential units permitted** (highest number in new dwellings since 2006).

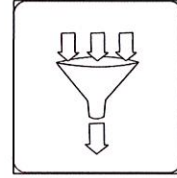
Vacancy rates consistently below 5%: Indicates high demand

Challenge: high costs to build in Duluth (hard to attract developers; new developments higher in rent)

45% of Duluth housing stock was built before 1939



## Housing Policy: Broad Concepts



1. Accessibility to Places to Work, Shop, and Play
2. Promote Inclusiveness of Diverse Populations: Provide Housing for Different Needs
3. Maintain unique characteristics of Duluth neighborhoods while improving and increasing housing options
4. Affordable, Attainable Housing Opportunities

## Housing Research Questions





## New Development



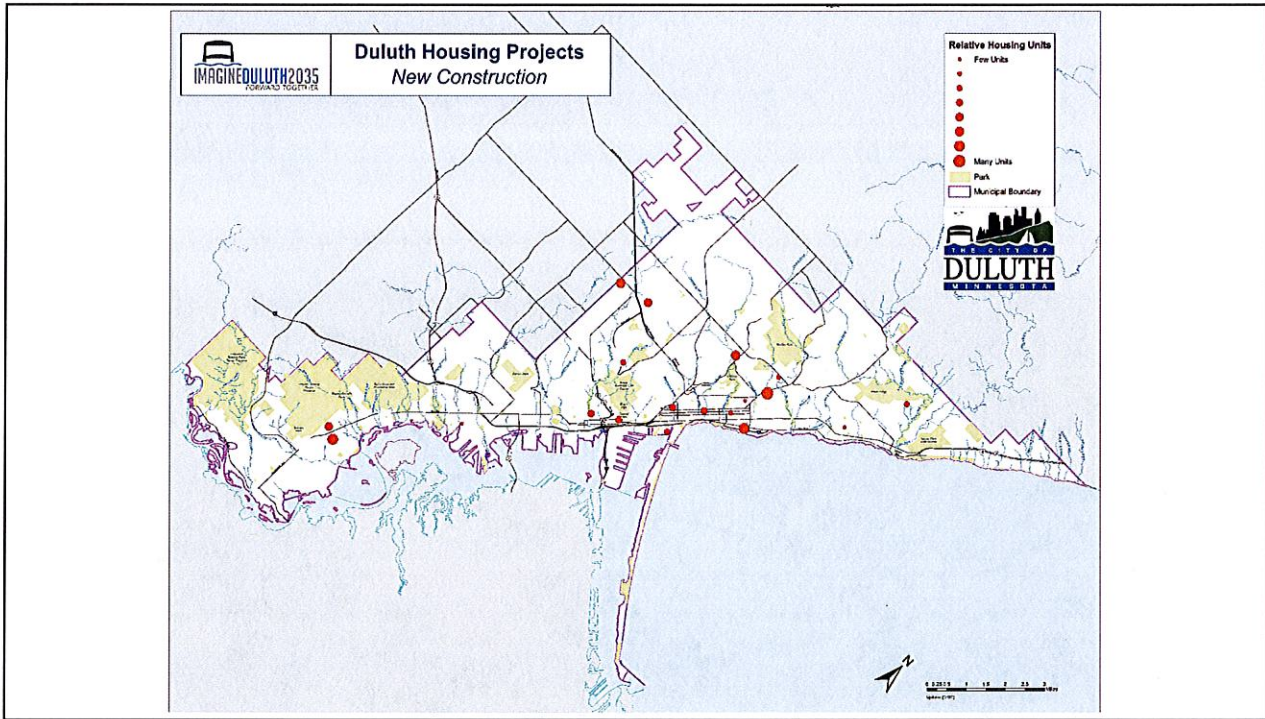
## Projects under construction

### Approximation:

- 1000 units under development review or construction
- 400 additional units are currently being discussed  
(Does not include rehabs- assuming consistent market)







## Existing Development





## Residential Permits: 2010 - 2015

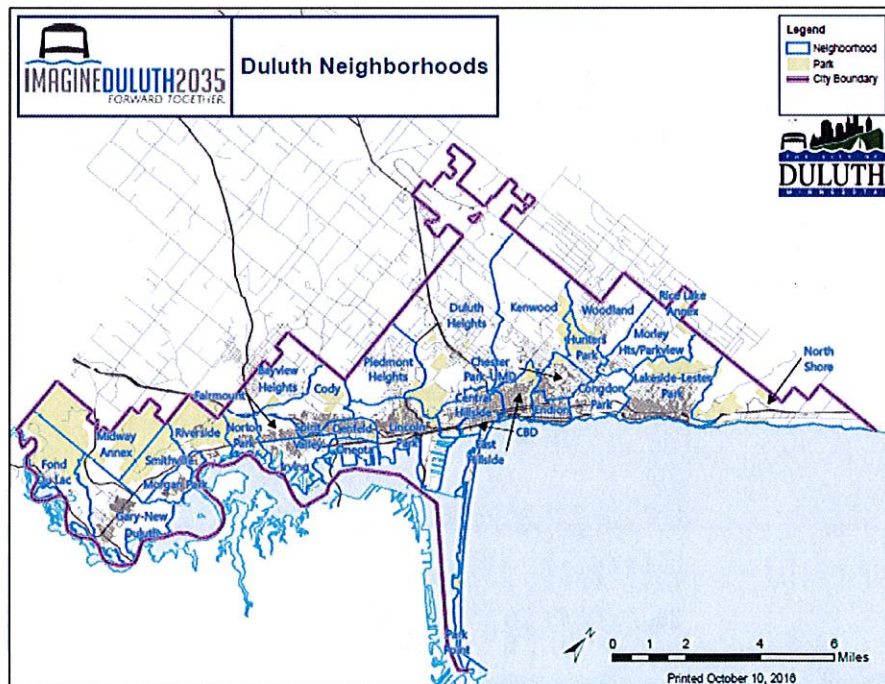
|                                     | 2010 | 2011 | 2012  | 2013  | 2014  | 2015  |
|-------------------------------------|------|------|-------|-------|-------|-------|
| New Residential Permits             |      |      |       |       |       |       |
| New permits (residential)           | 55   | 25   | 35    | 41    | 58    | 32    |
| Units of 1 family dwellings         | 36   | 21   | 33    | 39    | 44    | 29    |
| Units of 2 family dwellings         | 17   | 4    | 2     | 2     | 4     | 0     |
| Units of 3 or 4 family dwellings    | 2    | 0    | 0     | 0     | 16    | 0     |
| Units of 5 or more family dwellings | 0    | 16   | 106   | 60    | 126   | 381   |
| Number of Units Created             | 57   | 41   | 141   | 101   | 190   | 410   |
| Alterations and Additions           |      |      |       |       |       |       |
| Alteration Permits (residential)    | 855  | 471  | 1,794 | 1,514 | 1,436 | 1,037 |
| Addition permits (residential)      | 65   | 55   | 54    | 38    | 40    | 48    |
| Demolitions                         |      |      |       |       |       |       |
| Single family demolitions           | 45   | 32   | 31    | 52    | 44    | 45    |
| Multi-family units demolished       | 8    | 71   | 0     | 11    | 4     | 29    |
| Number of Units Demolished          | 53   | 103  | 31    | 63    | 48    | 74    |
| Net Gain                            |      |      |       |       |       |       |
| Net Gain Single Family              | -9   | -11  | 2     | -13   | 0     | -17   |
| Net Production multi-family units   | 11   | -51  | 106   | 49    | 142   | 352   |
| Net Gain Units (Total)              | 2    | 62   | 108   | 36    | 142   | 335   |

## Housing Fairness and Equity

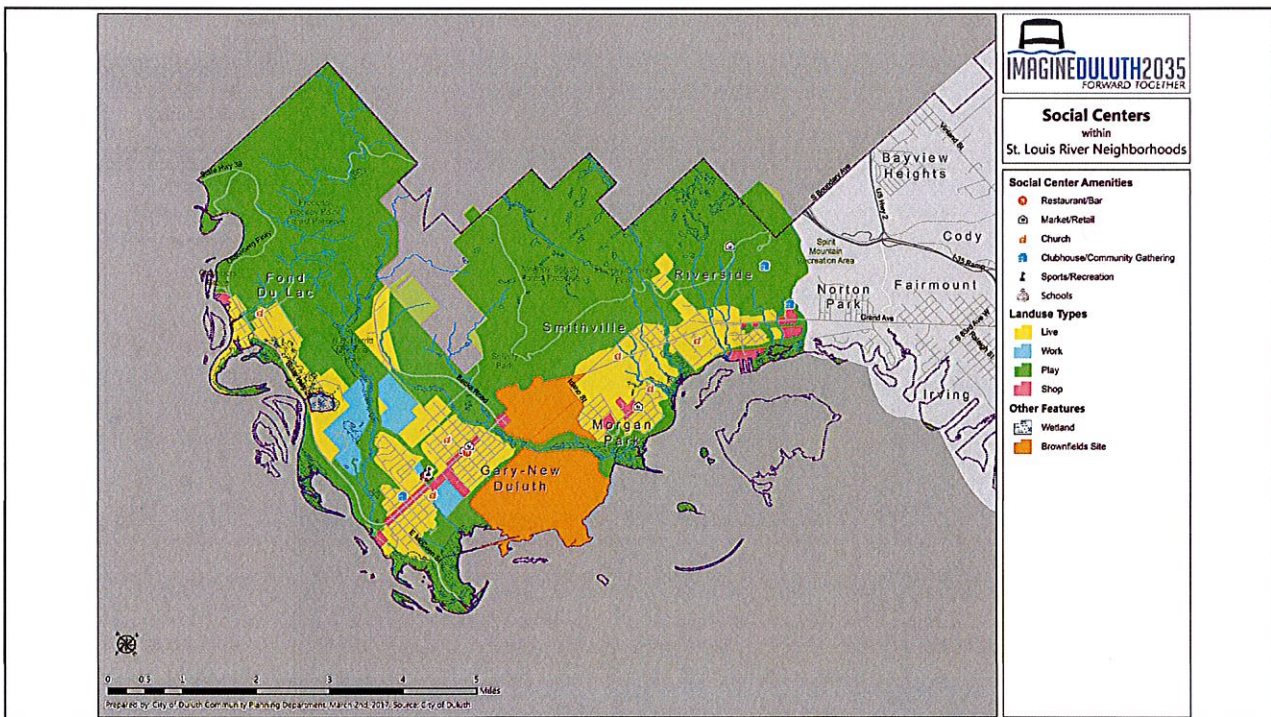
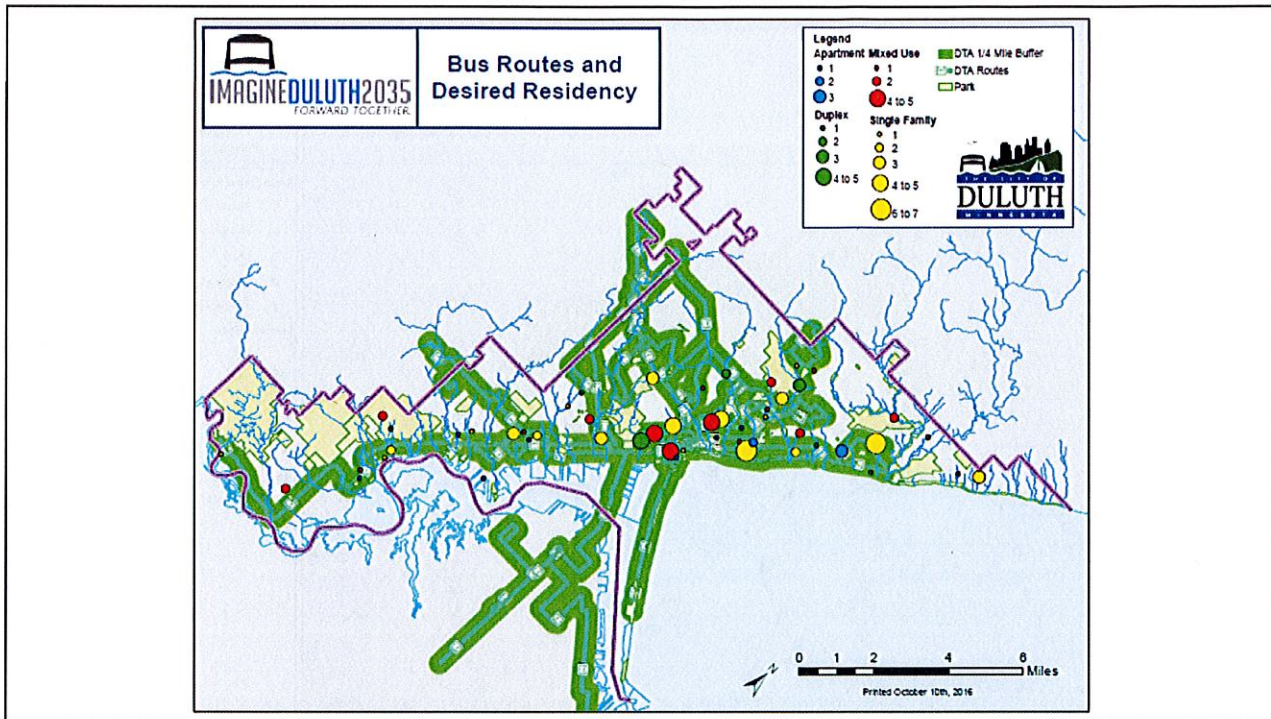




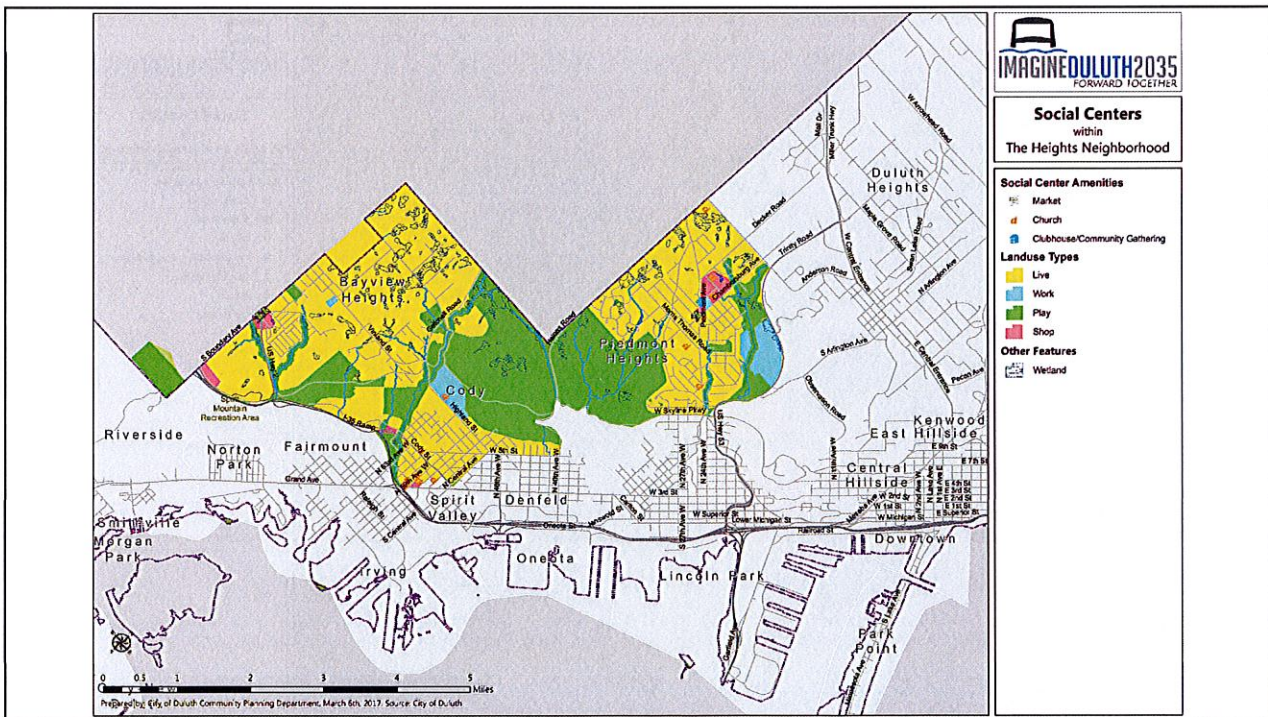
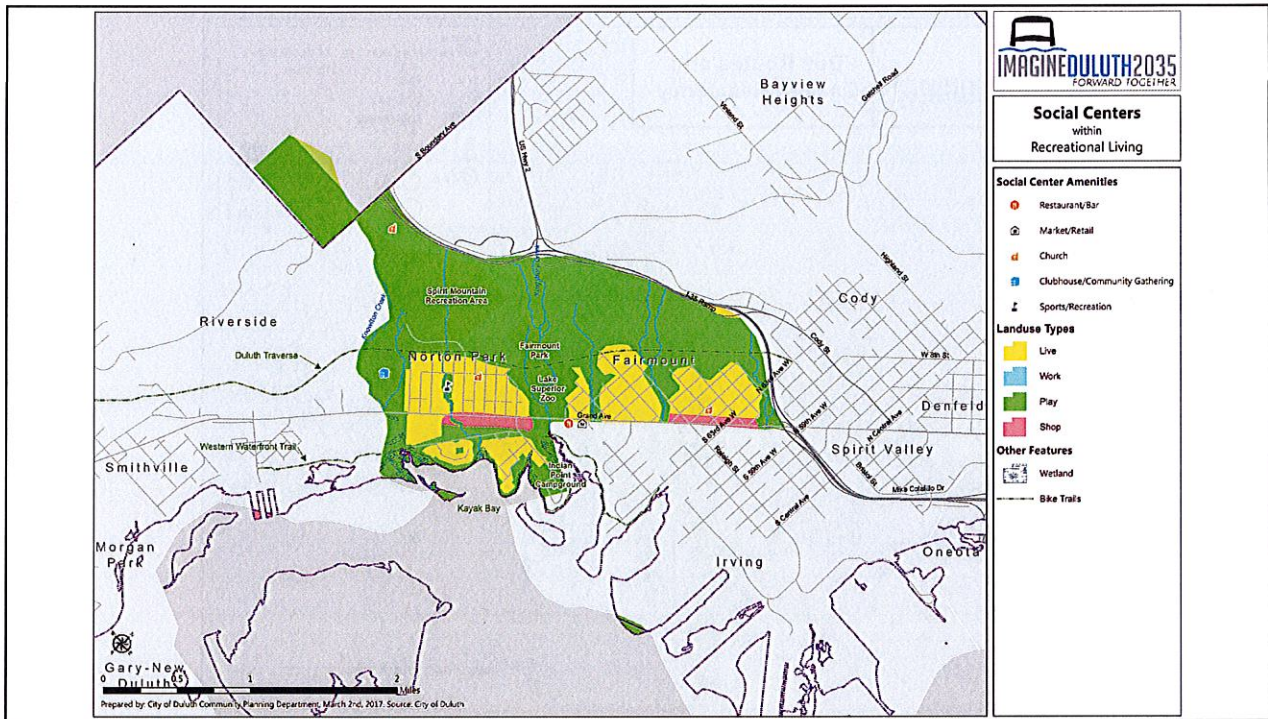
## Neighborhood Characteristics



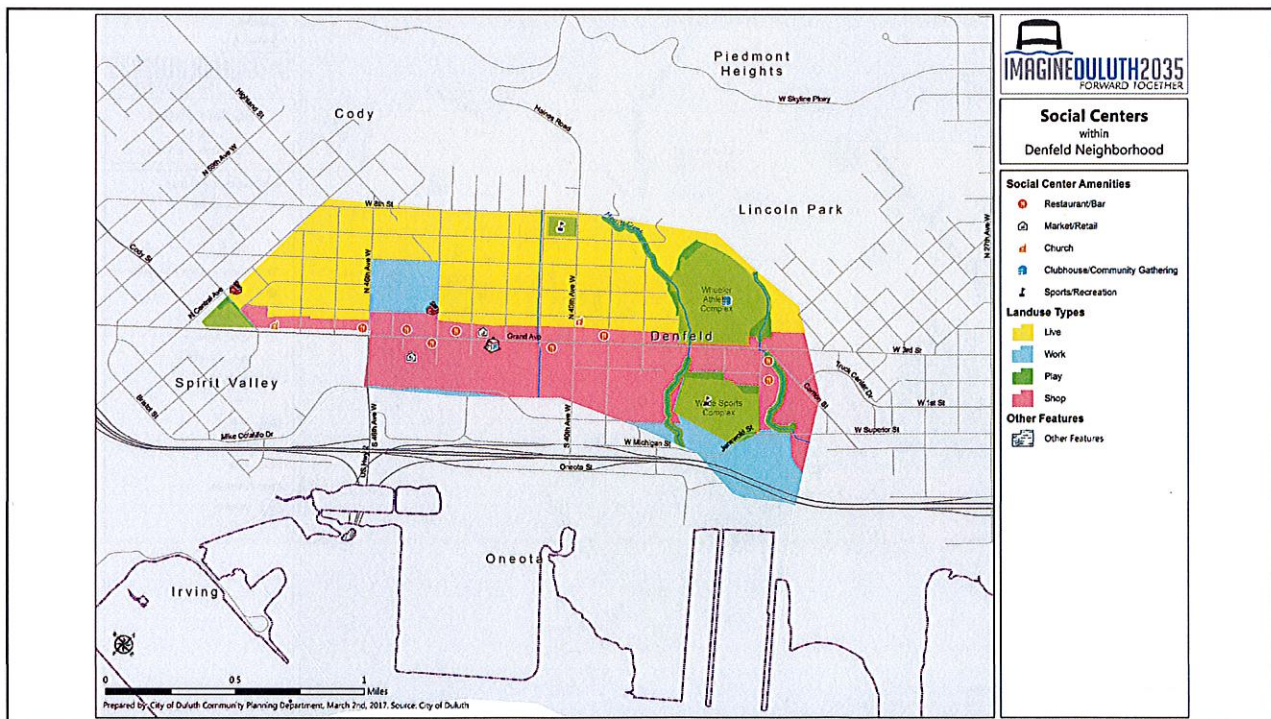
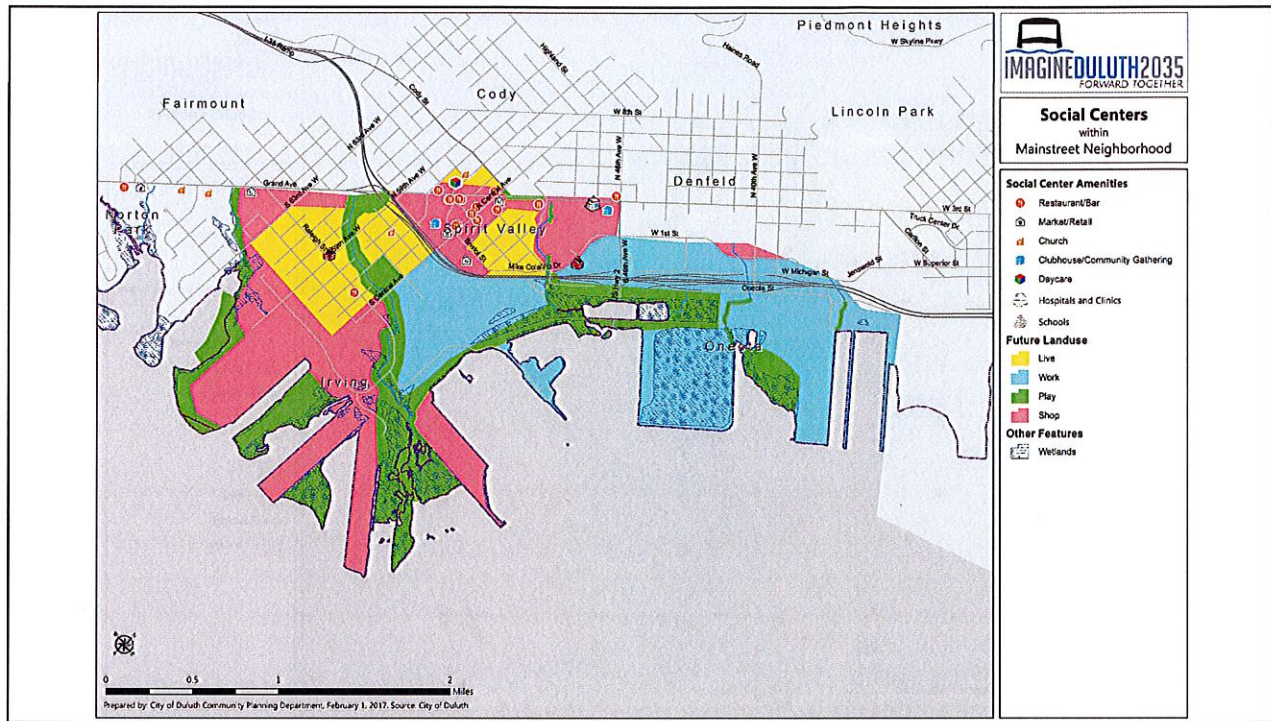




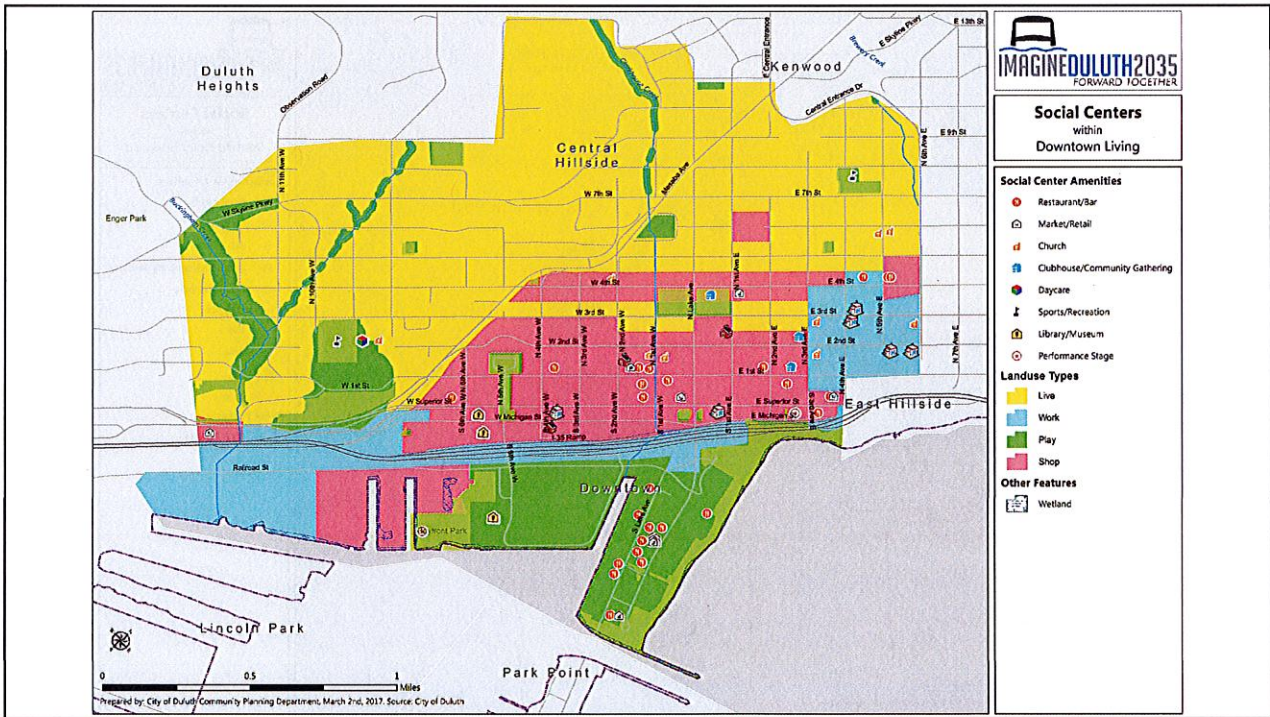
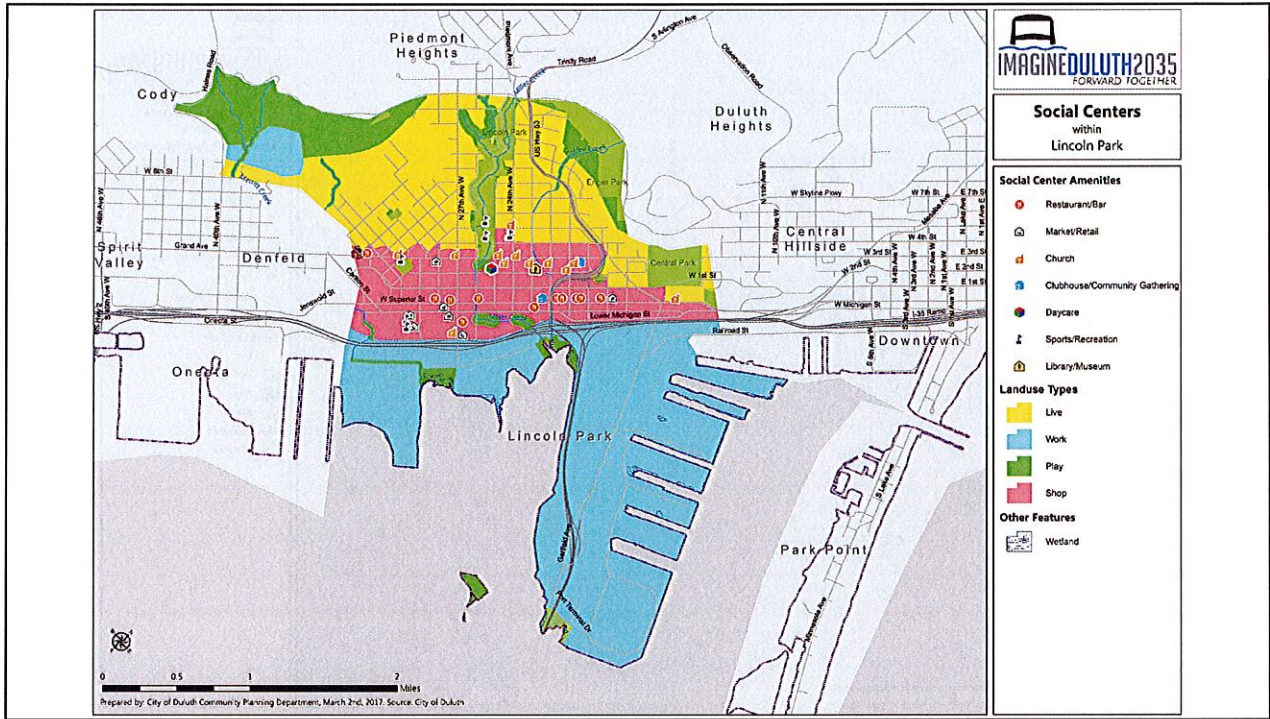




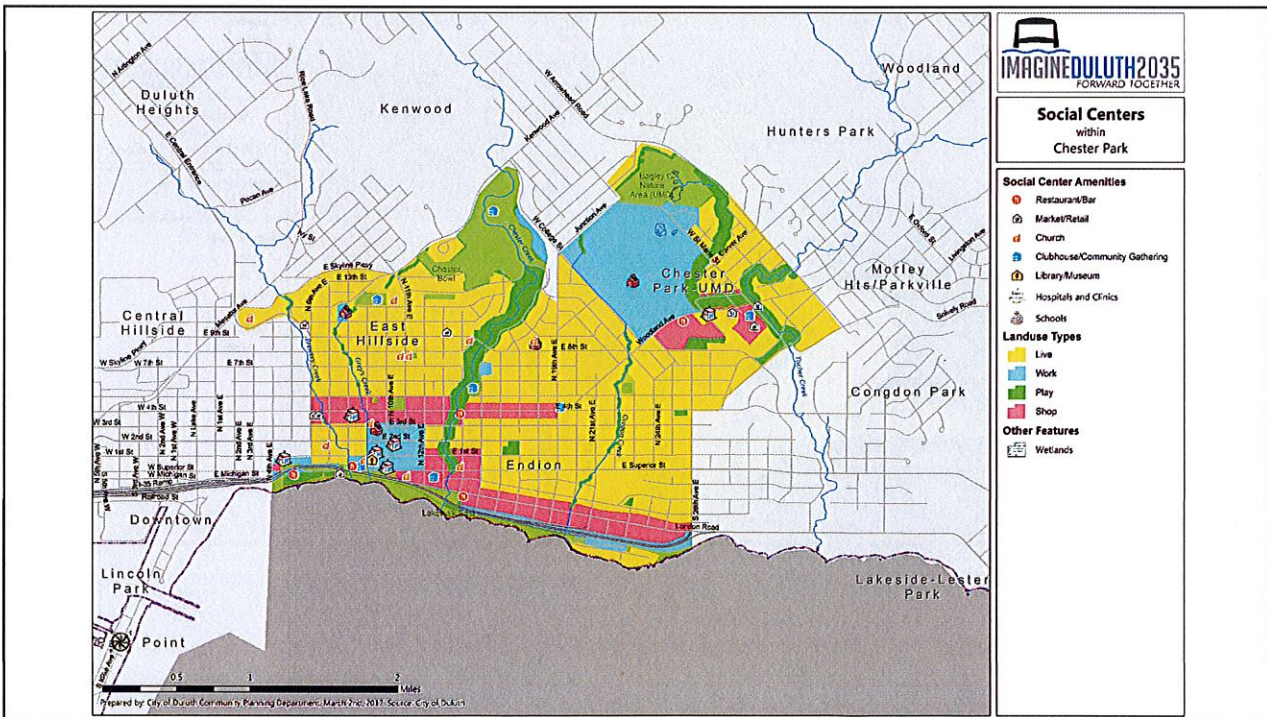
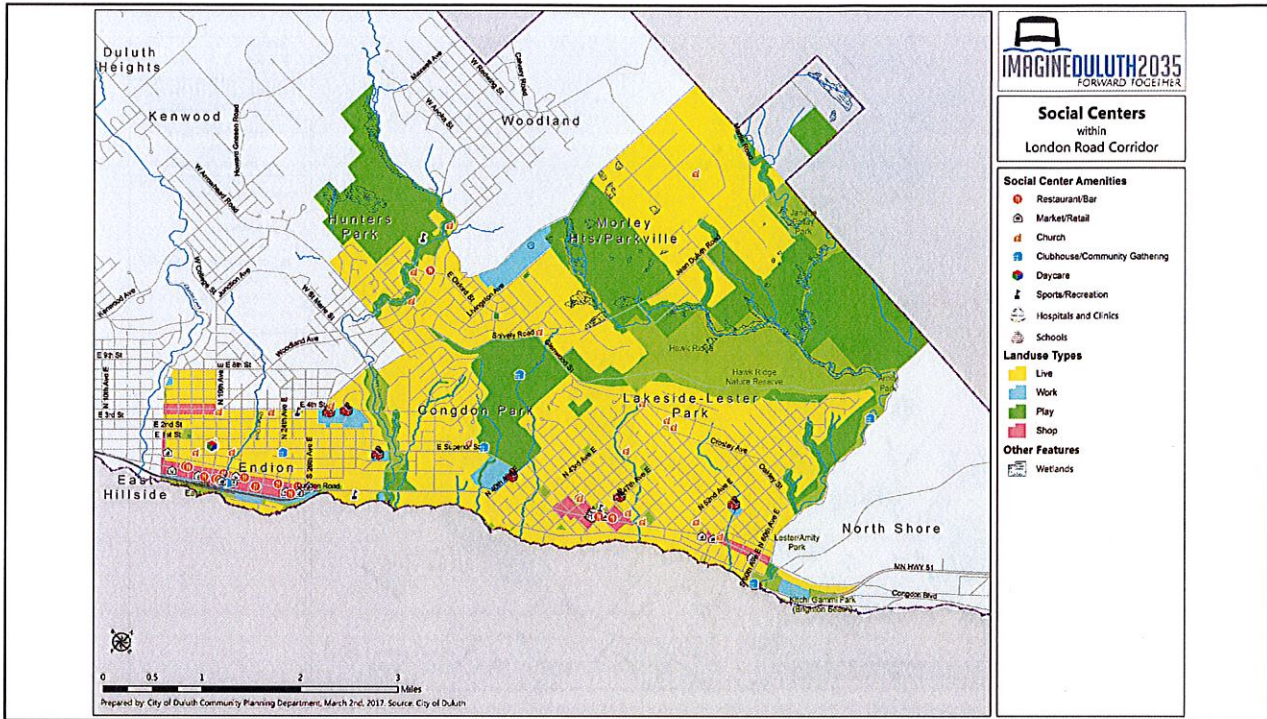




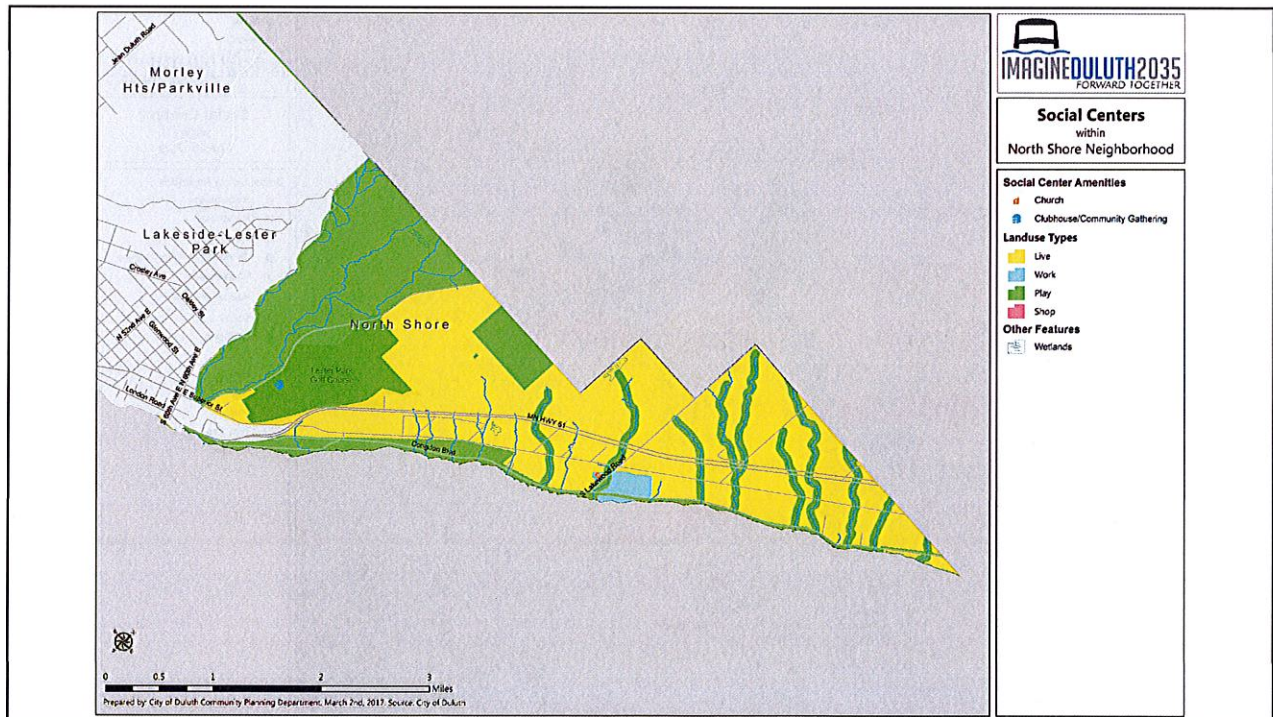
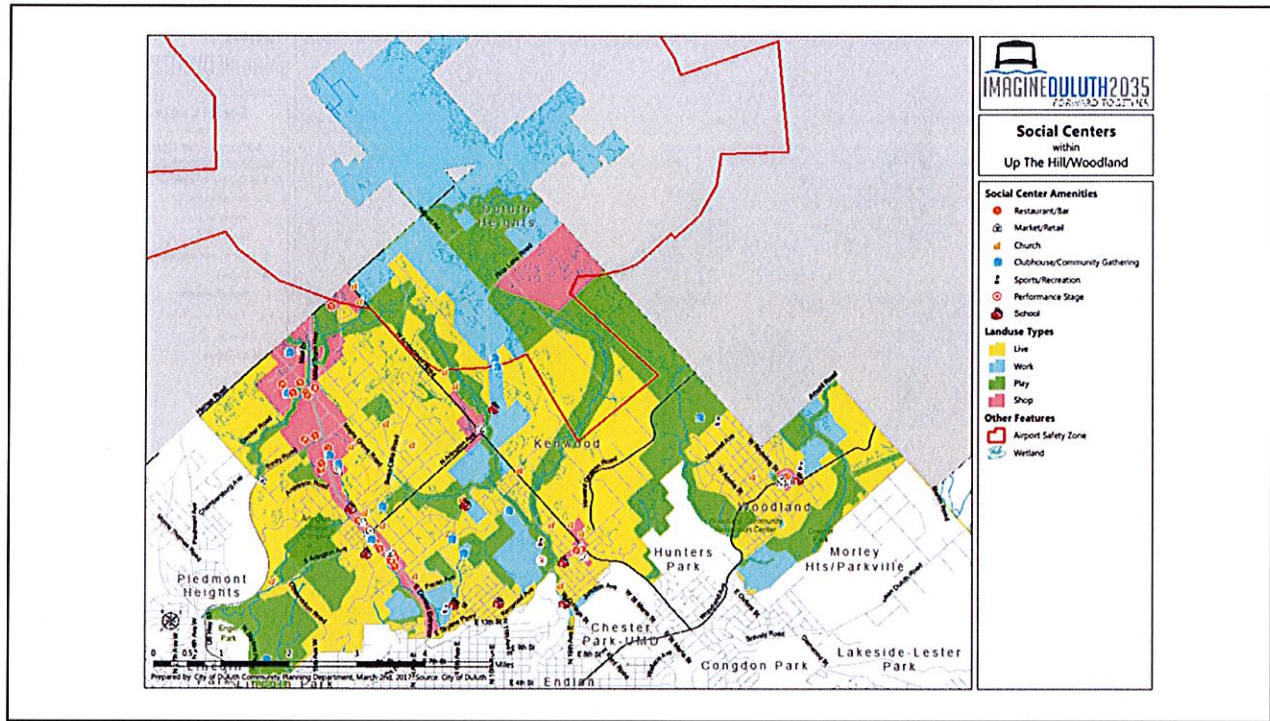
















### Stay Involved!

- Website: <http://www.imagineduluth.com/>
- Email: [CompPlan@duluthmn.gov](mailto:CompPlan@duluthmn.gov)
- Housing Specific Questions:
  - Suzanne Kelley: [skelley@duluthmn.gov](mailto:skelley@duluthmn.gov)
  - Jessie Peterson: [jpeterson@duluthmn.gov](mailto:jpeterson@duluthmn.gov)

Imagine Duluth: 