



CITY OF NEW RICHMOND

HOUSING AFFORDABILITY REPORT 2023

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I. Purpose

This annual report was drafted to comply with the requirements of 2017 Wisconsin Act 243, effective April 5, 2018, and complies with the Housing Affordability Report requirements contained in Section 66.10013 of Wisconsin Statutes for municipalities over 10,000 in population. This report is intended to document implementation of the housing element of the City of New Richmond's Comprehensive Plan.

The City recognizes there are numerous other factors that affect the cost of housing in the City including, but not limited to, national economic conditions (such as inflation, international trade policies, education and healthcare policy), Wisconsin tax policy, housing discrimination, utility costs and energy-efficiency, transportation availability and cost, housing age, environmental conditions, site conditions, and locational amenities.



II. Process and Data Sources

This report was prepared by Community Development staff for the calendar year ending December 31, 2023. Sources of information include the following: City of New Richmond Schedule of Fees, permit records maintained by the Community Development Department, local ordinances, City of New Richmond Comprehensive Plan, and the City's 2021 Housing and Market Needs Analysis. This report has been published on the City's website (www.newrichmondwi.gov) and has been shared with the City of New Richmond Plan Commission and City Council. For record keeping purposes, projects are reported in the year in which they were permitted/approved. Projects permitted in prior calendar years but completed and occupied in 2023 are not included in the data below, but may be specifically referenced.

Disclaimer – This report was prepared in order to meet requirements enacted by 2017 Wisconsin Act 243 and Wisconsin Statutes 66.10013. The City of New Richmond imposes the following fees and other requirements for purposes related to residential construction, remodeling, or development. The City of New Richmond has made every effort to ensure the accuracy of the information provided in this document, but it is not intended to cover all circumstances.



III. Projected Housing Demand and Community Basics

The City of New Richmond's Comprehensive Plan includes the following projections and observations:

- New Richmond is projected to grow at a slightly faster rate than St. Croix County between 2015–2040.
- From 2010 to 2040, the State projects New Richmond to add 3,755 people and 1,938 households. However, recent forecasts by the Wisconsin Department of Administration for New Richmond have shown the projections are lower than actual counts.
- The rate of growth in households exceeds the rate of growth in population because the average household size is declining.
- Approximately 1,842 additional housing units are projected to be needed in New Richmond between 2015–2040. This would be an average of 74 housing units per year.
- The City of New Richmond is slightly more weighted toward family households than are the County, State, or Twin Cities metro area.
- New Richmond is compared to the Twin Cities metro area because of its close proximity and since the St. Croix River Crossing (August 2017) has been completed, the New Richmond area expects to have an increase in commuter population and visitors from that area.

The City's Housing and Market Needs Analysis (Addendum 1) identifies the following housing priorities, gaps, and opportunities:

- Priorities for New Richmond
 - Detached Single-Family Housing – continued development of detached, single-family housing, especially at the \$250,000-\$300,000 price point.
 - Missing Middle Housing – varied housing forms with 2-16 attached units, either rental or condo, addressing affordability, senior accessibility, and neighborhood compatibility.
 - Housing for seniors – independent and assisted living units for the growing senior population. Some of these units should be targeted downtown, within walking distance of services and opportunities for socialization.
- Housing Gaps and Opportunities
 - The 482-911 owner-occupied units that are projected to be needed in the local housing market over the next 10 years should be in the following sale ranges (2021 dollars):
 - 111-210 units priced \$35,000-\$232,000
 - 62-116 units priced \$190,000-\$294,000

- 232-439 units priced \$228,000-\$408,000
- 77-146 units priced greater than \$408,000
- The 359-676 rental units that are projected to be needed in the local housing market over the next 10 years should be in the following price ranges (2021 dollars):
 - 102-193 units priced \$300-\$600/month
 - 127-238 units priced \$500-\$900/month
 - 60- 113 units priced \$800-\$1,300/month
 - 70 -132 units priced \$1,000-\$2,000/month
- An additional 41 assisted living units are needed for seniors by 2030.
- A total of 142 subsidized and 18 market rate senior units are needed by 2030.

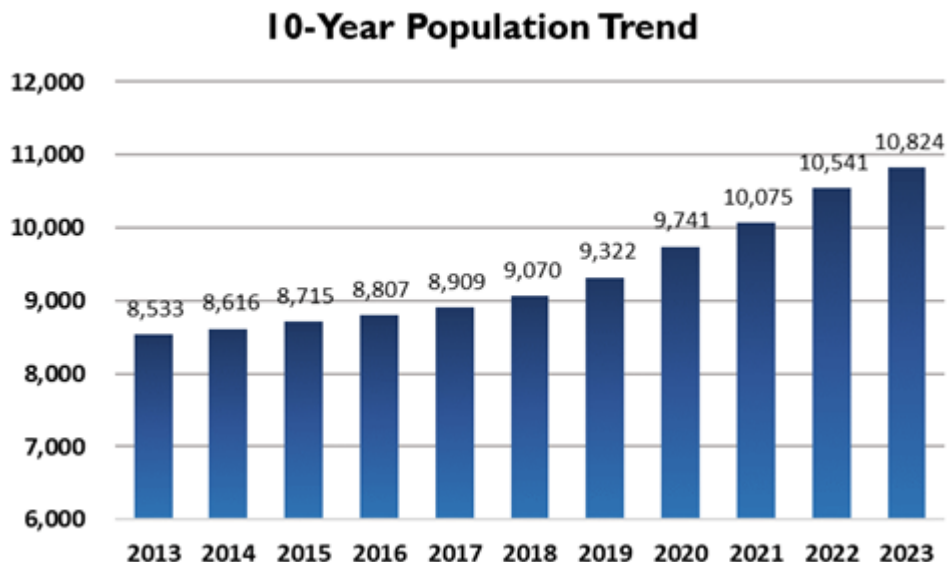
The New Richmond Housing and Market analysis will be updated during the first quarter of 2024 and will be reflected in our 2024 Housing Affordability Report.

Community Basics / Population

The City of New Richmond is within St. Croix County, Wisconsin, located at the intersection of Highways 64 and 65. As of 2023 estimates, the population continues to grow and was estimated by the Wisconsin Department of Administration to be 10,824 people.

The St. Croix River Crossing, a \$650M bridge project, opened in August of 2017 and shortened the commute from Minneapolis/St. Paul to approximately 30 minutes. The City is considered to be within the larger 16-County Twin Cities Metro Region.

The Wisconsin Department of Administration projects the population in the City will increase by 20% between 2020-2040. The State is anticipated to experience a 10% increase and the county is anticipated to experience a 25% increase during the same period. As the population of the Twin Cities Metro continues to expand east to St. Croix County, New Richmond will continue to experience growth pressure. The graph below shows an annual population estimate for the City of New Richmond for the past 10 years.



The City's 2023 Impact Fee Study included the following historical data and future population projections:

	Population	Projection
1980 ¹	4,306	
1990 ¹	5,106	
2000 ¹	6,310	
2010 ¹	8,375	
2020 ¹	10,079	
2030 ²		12,350
2040 ²		15,055

Notes;

1. Census and WI Department of Administration Final Estimates.
2. Population projections provided by City of New Richmond city staff, and equals a 2% annual growth rate which is representative of the City's recent population history and planned future developments.

Housing demand in the City of New Richmond has been calculated using accepted methodologies developed by the Wisconsin Department of Administration and the US Census Bureau. In this case, the forecasted housing demand by household was evaluated.

City of New Richmond - Year 2040 Housing Projections					
<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>	<u>2040</u>	<u>Diff. 2020-2040</u>
4,135	4,526	4,903	5,170	5,359	1,224

Source: WDOA, Wisconsin Demographic Services Center, Vintage 2013 Population Projections



IV. Residential Development Activity (Platting, Permits, Annexations)

The City of New Richmond approved **six** residential subdivision plats during 2023.

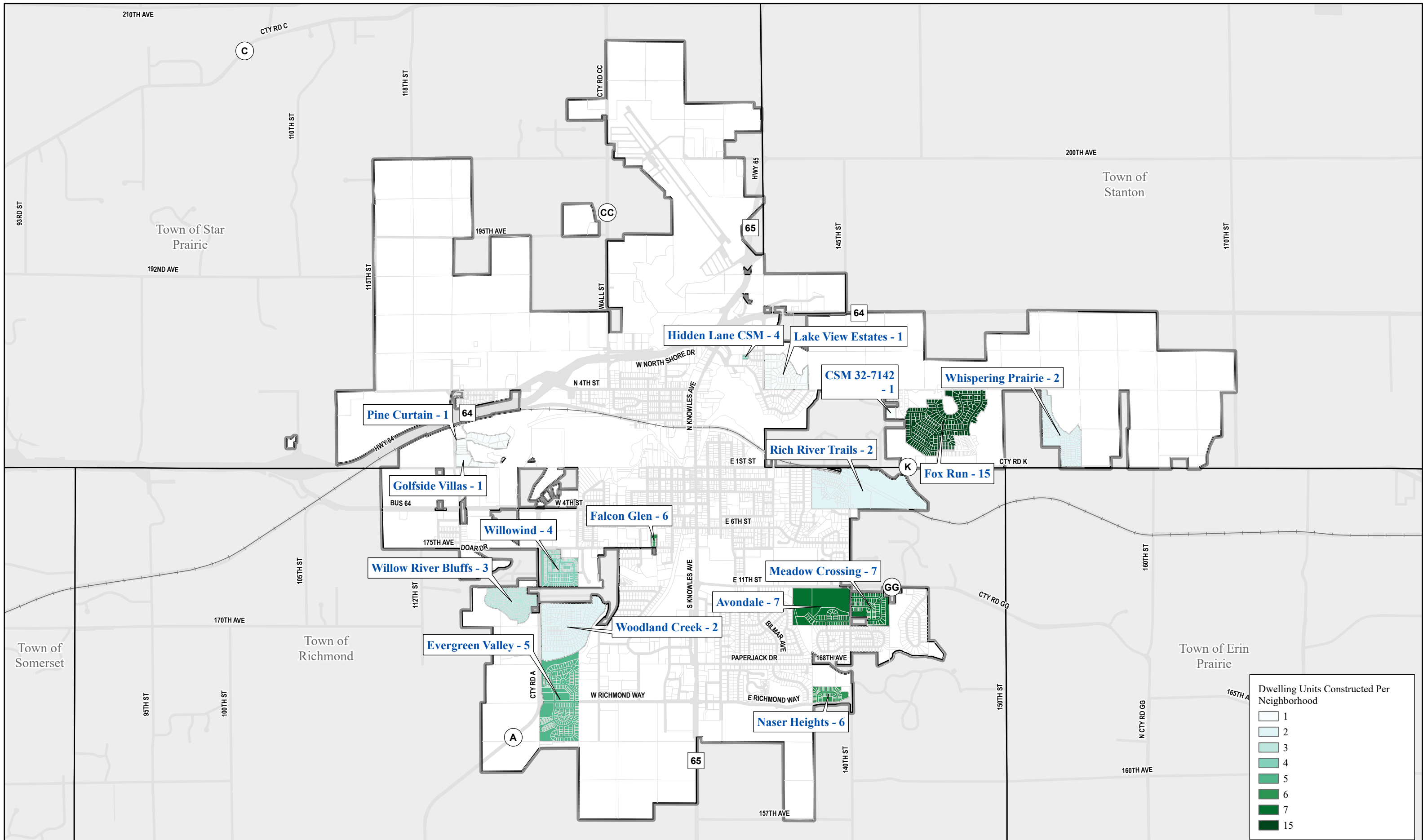
- Final Plat for Fox Run 4th Addition (23 single family homes) – infill development
- Preliminary Plat for Fox Run 5th Addition (3 single family and 54 twin homes)- infill development
- Amended Preliminary and Final Plat for Meadow Crossing (converting 20 twin homes to 10 single family homes) infill development
- Willowind PUD Amendment and Replat (reducing dwelling units from 48 to 46) – infill development
- Preliminary Plat for Gloverdale (60 single family homes) – newly annexed property

The developer is responsible for platting fees, costs of any streets, infrastructure, sidewalks/trails and all additional development costs.

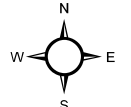
In 2023, the City of New Richmond issued permits for 67 dwelling units which included single family, twin homes, and duplexes. The breakdown of dwelling units is shown below:

<u>Type of Residential Permit</u>	<u>Number of Permits</u>	<u>Dwelling Units</u>
Single & Twin and Duplexes	65	67
Multi-Family (3 – 8 units)	0	0
Apartment Buildings (9 units and above)	0	0
Total Dwelling Units for 2023		67

The breakdown for these new dwelling units by subdivision is shown in the map on the following page.



NEW DWELLING UNITS CONSTRUCTED IN 2023
NEW RICHMOND, WISCONSIN



Grid: WI CRS St. Croix (Feet)
 Projection: Transverse Mercator
 Datum: NAD 83
 Date: 24 January 2024

Building Permit Information for 2023:

MONTH	# OF PERMITS	NUMBER DWELLING UNITS	RESIDENTIAL CONSTR. VALUE	COMMERCIAL CONSTR. VALUE	TOTAL CONSTR. VALUE	PERMIT FEES	STATE SEAL	PLAN REVIEW
January	14	1	557,587.50	658,445.00	1,216,032.50	10,008.25	35.00	700.00
February	11	1	260,252.00	331,524.00	591,776.00	5,221.50	35.00	250.00
March	27	2	1,238,904.04	1,344,360.00	2,583,264.04	13,974.50	70.00	625.00
April	19	3	899,493.39	742,827.00	1,642,320.39	12,699.00	105.00	525.00
May	38	7	1,752,600.00	2,674,867.00	4,427,467.00	26,976.00	245.00	1,200.00
June	59	13	3,145,647.27	4,933,906.37	8,079,553.64	49,451.50	455.00	1,050.00
July	27	8	1,980,954.98	0.00	1,980,954.98	15,521.75	280.00	825.00
August	27	4	1,331,699.79	164,714.00	1,496,413.79	11,865.25	140.00	900.00
Sept.	35	7	1,965,695.78	265,881.00	2,231,576.78	18,551.25	245.00	1,125.00
October	26	3	1,618,014.84	502,300.00	2,120,314.84	13,237.50	105.00	500.00
Nov.	27	8	1,370,813.31	1,042,469.59	2,413,282.90	17,736.39	280.00	1,050.00
Dec.	23	10	3,107,409.00	438,900.00	3,546,309.00	24,089.25	280.00	850.00
Total	333	67	19,229,071.90	13,100,193.96	32,329,265.86	219,332.14	2,275.00	9,600.00

Annexations: New Richmond's City Council is supportive of orderly annexation and has been waiving the City fees and paying for the State fees for annexations and attachments over the past six years. This makes development of these annexed properties more affordable. All local and State fees were waived in 2023 for one attachment, and the City received zero applications for annexation. The City of New Richmond established a boundary agreement in partnership with the Township of Star Prairie in 2012. With this agreement, if a parcel of land is subdivided and is sold to a person outside of the immediate family, the City has the ability to attach the parcel to the City. Per the agreement, the attached property does not have to be contiguous with the City unlike an annexation.

One attachments for 2023 was approved on 12/13/2023:

- Ordinance #601 (Star Prairie attachment) passed and approved 11/13/2023 – Shaun Bird, 1.677 acres of land with a single-family home.



V. Residential Development Fees Collected in 2023

The City's annual New Housing Fee Report, required by Section 66.10014 of Wisconsin Statutes, has been completed and published on the City's website at www.newrichmondwi.gov. An excerpt from the Report (below) shows the average cost of a building permit for a single-family home along with other residential permits.

<u>2023 Residential Permitting</u>	<u>Number of Permits</u>	<u>Total Fees Collected</u>	<u>Average Fee Per Project</u>
Residential 1 & 2 Family Permits	65 (67 DU)	\$111,354.00	\$1,713.14
Residential 1 & 2 Family Plan Review	59	\$5,900.00	\$100.00
Residential 1 & 2 Family State Stamp	Seals - 65	\$2,405.00	\$37.00
Residential Alterations	59	\$16,498.75	\$279.64
Residential Additions	7	\$1,881.00	\$268.72
Residential Add/Alter Plan Review	34	\$1,700.00	\$50.00
Residential Deck/Roof/Reside/Fence/Pool/ Solar	112	\$20,434.89	\$182.46
Residential Deck Plan Review	34	\$850.00	\$25.00
Residential Accessory Structure	9	\$2,197.75	\$244.20
Residential Accessory Plan Review	3	\$150.00	\$50.00
New Multi-Family Buildings	0	\$0.00	\$0.00
New Apartment Buildings	0	\$0.00	\$0.00
Electrical Service	3	\$225.00	\$75.00
Footings / Foundation Only	6	\$1,215.00	\$202.50
		<u>Total Application Fees Collected</u>	<u>Average Fee Per Project</u>
<u>Subdivision & CSM's</u>	<u>Number of Applications</u>		
Subdivision Plat Approval (Preliminary & Final, Condo)	7	\$10,609.00	\$1,515.50
Certified Survey Map Approval	3	\$3,600.00	\$1,200.00

As an example, consider a recently constructed single family-home on Lot 12, Block 13 in the Fox Run 4th Addition subdivision. The approximate platting fee (City fees) for the individual lot (preliminary and final plans) was only \$75.50. The building permit fees including building, HVAC, electrical, plumbing, state seal, and plan review totaled \$2,238.75. Impact fees for this home were \$6,611.00. Thus the total fees for this home were \$8,925.25. The new house on Lot 12 has a pending sale for \$479,931. Therefore, the City fees for this new single-family home represent just 1.89% of the total home costs.

As a second example, consider a recently constructed twin home on Lot 22 in the Naser Heights subdivision. The approximate platting fee (City fees) for the individual lot (preliminary and final plats) was only \$67.50. The building permit fees including building, HVAC, electrical, plumbing, state seal and plan review totaled \$1,519.25. Impact fees for this twin home totaled \$3,954.00. Thus, the total fees for this home were \$5,540.75. The new twin home on Lot 22 sold for \$425,160. Therefore, the City fees for this new twin home represent just 1.30% of the total home costs.

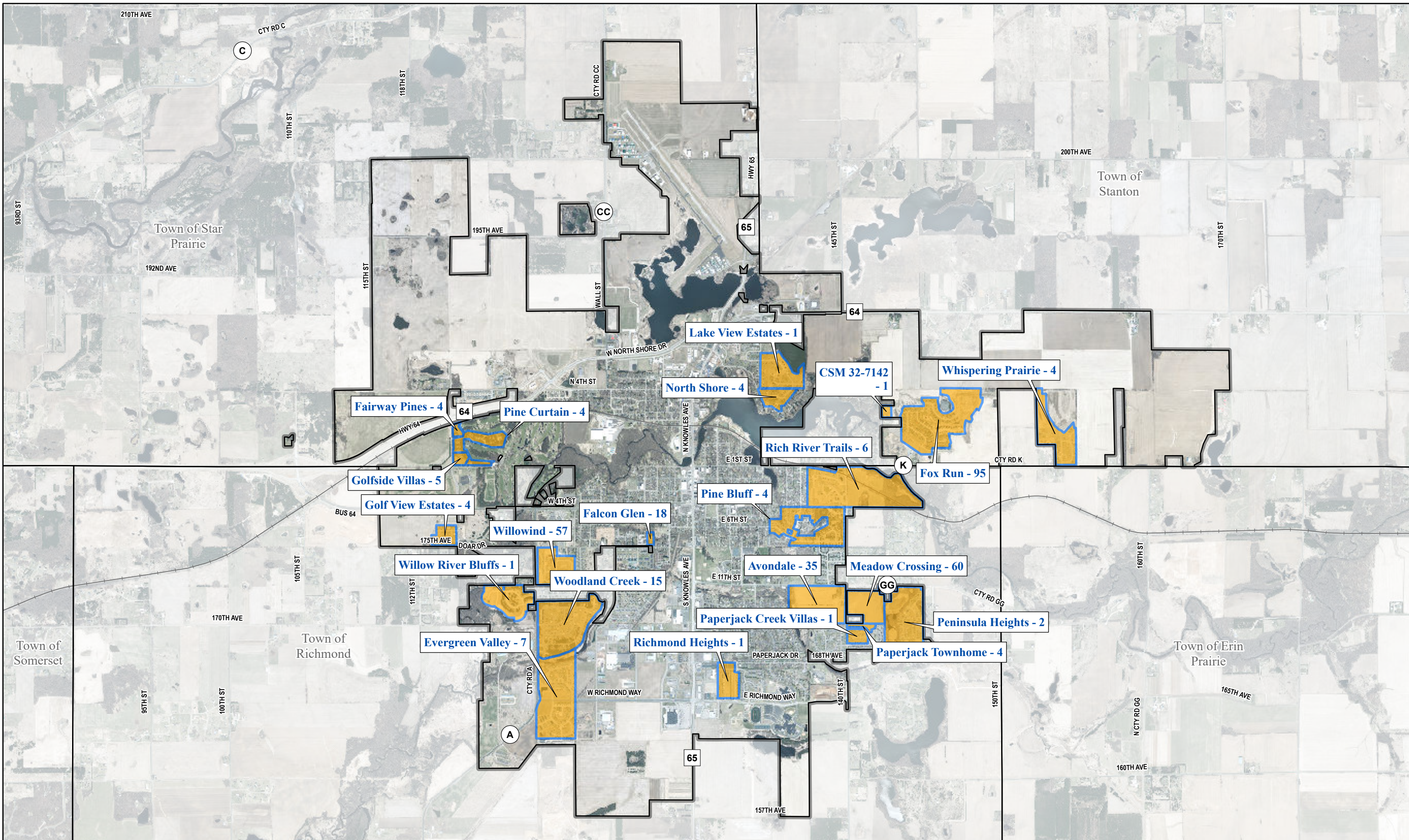


VI. Undeveloped Parcels Suitable for Residential Development

According to City records there are approximately 332 vacant buildable lots in the City. Below is a breakdown of total lots versus remaining buildable lots. Subdivisions without buildable lots remaining are not included.

DEVELOPMENTS	Total Lots	2023 Remaining Buildable Lots
Evergreen Valley 3rd Addition	97	7
Avondale	42	35
Fairview Pines	10	4
Falcon Glen Condos	24	18
Fox Run	92	1
Fox Run 2nd Addition	103	32
Fox Run 3rd Addition	24	14
Fox Run 4th Addition	52	48
Golf Side Villas	12	5
Golf View Estates	41	4
Lakeview Estates	50	1
Meadow Crossing	18	0
Meadow Crossing 1st	55	54
Meadow Crossing 2nd	12	6
Naser Heights	50	0
North Shore Addition	29	4
Paperjack Creek Villas	42	1
Paperjack Townhome Community	19	4
Peninsula Heights	59	2
Pine Bluff Addition(s) 1st - 6th	101	4
Pine Curtain	18	4
Rich River Trails	62	6
Richmond Heights 3rd Addn.	17	1
Whispering Prairie	103	4
Willow River Bluffs	86	1
Willowind - Multi Family	87	55
Willowind-Single Family	37	2
Woodland Creek	163	15
Total	1505	332

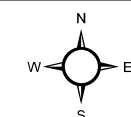
The map on the following page shows the buildable lots available within the City of New Richmond as of December 31, 2023.



VACANT BUILDABLE RESIDENTIAL LOTS
NEW RICHMOND, WISCONSIN



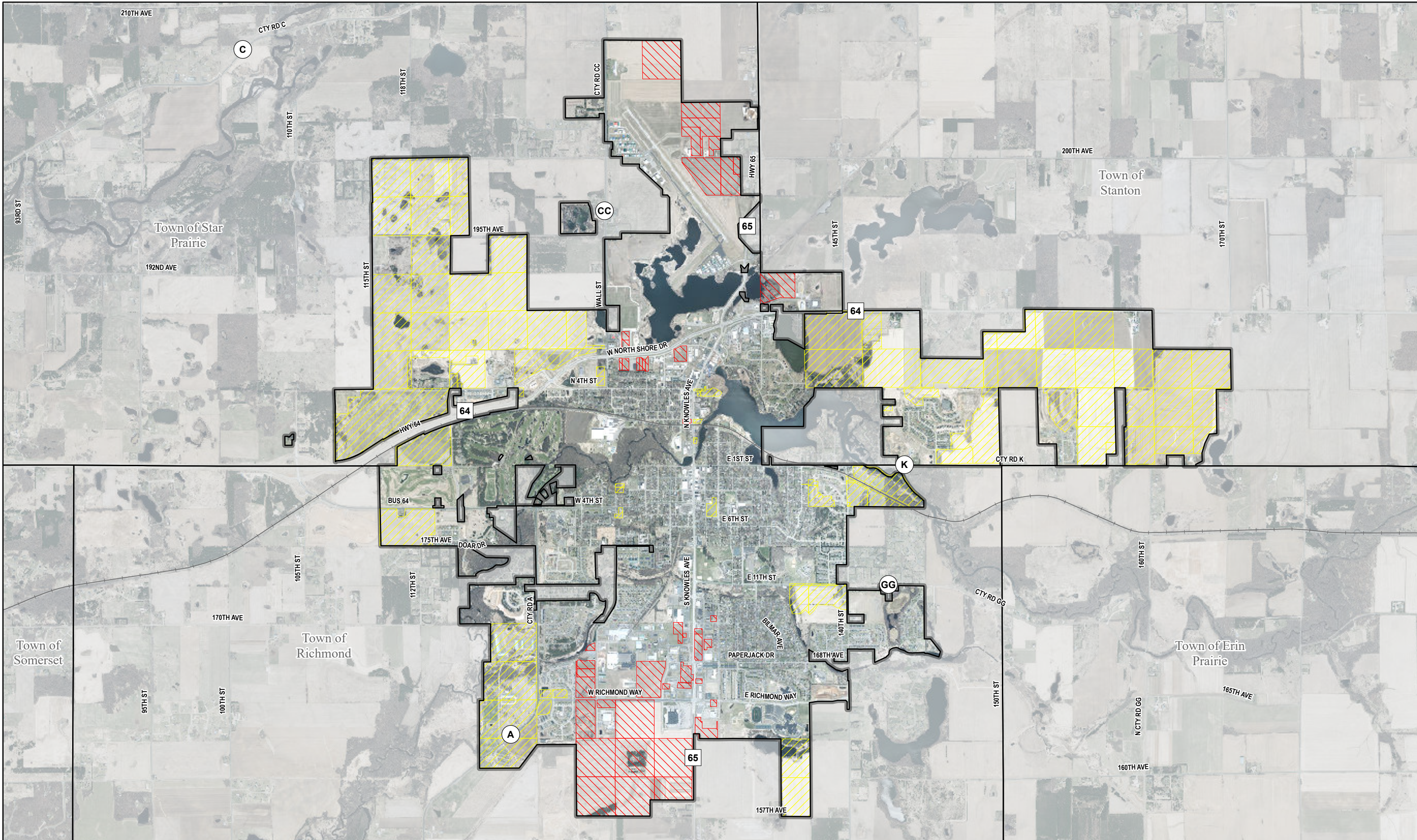
Development - # Vacant Lots
 Neighborhoods



Grid: WI CRS St. Croix (Feet)
 Projection: Transverse Mercator
 Datum: NAD 83
 Imagery: 2020
 Date: 24 January 2024

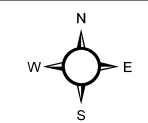
There are approximately 2,356 acres of vacant, unplatted residential parcels and approximately 535 acres of vacant non-residential parcels. A map of the vacant parcels with additional information can be found on the next several pages.

Public facilities can be extended to these vacant parcels at the developer's expense.



UNDEVELOPED PARCELS NEW RICHMOND, WISCONSIN

- Residential (87)
- Non-Residential (45)



Grid: WI CRS St. Croix (Feet)
 Projection: Transverse Mercator
 Datum: NAD 83
 Imagery: 2020
 Date: 24 January 2024



Parcel ID	Zoning	Residential	Acres
261107044200	Z7	No	3.7
261107044424	Z3	No	2.0
261109300057	Z3	No	0.8
261121270320	Z6	No	0.9
261122270000	Z3	No	0.9
261122680000	Z3	No	1.1
261123390600	Z7	No	0.4
261128603000	Z3	No	39.9
261128604000	Z1/Z3	No	40.0
261128605000	Z1/Z3	No	38.7
261128606000	Z1	No	22.9
261128607000	Z1	No	38.8
261130402250	Z7	No	9.3
261130402500	Z7	No	4.8
261107044500	Z7	No	1.3
261107044800	Z3	No	3.9
261107045007	Z3	No	3.9
261123390400	Z7	No	4.0
261128601000	Z1	No	40.0
261128608000	Z1	No	40.6
261130401000	Z7	No	16.2
261130402025	Z7	No	15.4
261131710000	Z7	No	39.6
261107044060	Z3	No	24.9
261107044428	Z3	No	1.0
261107044090	Z3	No	10.8
261107044080	Z7	No	19.6
261121628075	Z3	No	1.1
261121111016	Z3	No	24.9
261134721000	Z7	No	28.2
261134722000	Z7	No	16.9
261134723000	Z7	No	3.2
261120790100	Z3	No	2.0
261120794600	Z3	No	0.9
261120794500	Z3	No	1.0
261120794400	Z3	No	1.0
261120794300	Z3	No	0.9
261120794200	Z3	No	1.0
261120750001	Z3	No	1.7
261120760050	Z3	No	1.6
261122730320	Z3	No	1.8
261120890050	Z3	No	4.8

<u>Parcel ID</u>	<u>Zoning</u>	<u>Residential</u>	<u>Acres</u>
261122730400	Z3	No	5.3
261132900110	Z3	No	5.3
261135600200	Z3	No	7.7
261101220000	Z6	Yes	0.6
261101250000	Z6	Yes	3.6
261101260000	Z6	Yes	0.4
261101370000	Z6	Yes	0.8
261101470000	Z6	Yes	0.5
261101906050	Z3	Yes	21.9
261101906220	Z3	Yes	2.0
261103960059	Z2	Yes	2.4
261103960060	Z2	Yes	3.0
261114595200	Z6	Yes	3.9
261128100368	Z2	Yes	14.4
261128862989	Z4	Yes	11.0
261101906152	Z3	Yes	38.1
261101906210	Z3	Yes	2.0
261101907150	Z3	Yes	3.0
261121110005	Z3	Yes	7.4
261128100400	Z1	Yes	59.2
261128301000	Z3	Yes	40.2
261128303000	Z3	Yes	40.0
261128304000	Z3	Yes	40.2
261128306000	Z3	Yes	14.5
261128309000	Z1	Yes	40.2
261128310000	Z1	Yes	40.2
261128312000	Z3	Yes	38.8
261128313000	Z3	Yes	40.1
261128314000	Z3	Yes	40.1
261128315000	Z1	Yes	29.1
261128316000	Z2	Yes	40.1
261128318000	Z1	Yes	30.0
261128319000	Z1	Yes	25.1
261128320000	Z1	Yes	40.2
261128321050	Z1	Yes	27.4
261128322050	Z1	Yes	10.4
261129800107	Z2	Yes	4.8
261128307050	Z2	Yes	29.0
261101907060	Z3	Yes	29.2
261128100201	Z1	Yes	59.0
261128890050	Z2	Yes	0.3
261128890025	Z2	Yes	11.7
261128890000	Z2	Yes	10.9

<u>Parcel ID</u>	<u>Zoning</u>	<u>Residential</u>	<u>Acres</u>
261128890075	Z2	Yes	0.7
261134714000	Z2	Yes	38.9
261134715000	Z2	Yes	78.5
261134718000	Z3	Yes	40.2
261134717000	Z4	Yes	39.9
261134716000	Z4	Yes	39.0
261134710000	Z4	Yes	38.7
261134709000	Z4	Yes	38.7
261134708000	Z2	Yes	39.5
261134707000	Z2	Yes	39.6
261134705000	Z2	Yes	39.9
261134713000	Z2	Yes	19.7
261134703000	Z2	Yes	40.2
261134704000	Z2	Yes	40.6
261134702000	Z2	Yes	39.7
261134701000	Z2	Yes	40.2
261134712000	Z2	Yes	20.1
261128100370	Z2	Yes	58.6
261128862998	Z2	Yes	35.1
261116550020	Z4	Yes	1.5
261128100460	Z3	Yes	19.7
261107061000	Z2	Yes	29.8
261107061100	Z2	Yes	30.0
261121098201	Z3	Yes	51.6
261135640000	Z4	Yes	0.1
261135650000	Z2	Yes	1.8
261116190110	Z5	Yes	0.8
261116190100	Z5	Yes	1.2
261128100385	Z2	Yes	1.5
261128305000	Z3	Yes	5.9
261128302000	Z3	Yes	23.4
261135630001	Z4	Yes	22.8
261135610001	Z4	Yes	13.7
261132500000	Z3	Yes	132.7
038113810004	Z3	Yes	2.9
261134711000	Z3	Yes	35.7
261132600000	Z3	Yes	45.5
261128101280	Z2	Yes	10.4
261128100601	Z1	Yes	46.3
261135674000	Z2	Yes	47.0
261135675000	Z1	Yes	54.3
261135676000	Z1	Yes	58.7
261135677000	Z1	Yes	39.6
261135673000	Z3	Yes	57.2
261128317010	Z2	Yes	3.0
261128317001	Z2	Yes	34.1
261101909025	Z3	Yes	1.2



VII. Analysis of Residential Regulations

The City's Zoning Ordinance allows the development of a wide variety of housing types at various densities and costs.

Zoning Districts per Chapter 121 New Richmond Zoning Ordinance:

Z1 – Agriculture / Preservation: The purpose of the Z1 Agriculture/Preservation District is to provide areas for existing agricultural uses. The large minimum lot area will retain these lands in their natural state or as agricultural uses until sanitary sewer, water, streets and other public infrastructure is available and new development occurs. This will allow orderly development to occur and will prevent uncontrolled, uneconomical spread of residential development. The purpose of this district is to provide a holding zone until a landowner/developer makes application for development, at which time the City may rezone the affected property consistent with its designation in the Comprehensive Plan, provided that the development does not result in the premature extension of public utilities, facilities, and services

Z2 – Sub-Urban: The purpose of the Z2 Sub-Urban District is to provide opportunities for low density residential areas, limited neighborhood commercial uses and complementary uses. New development within this district will be allowed only when a full range of municipal services and facilities are available to serve the area. New development is intended to create low-density residential areas and to preserve and enhance transitional residential areas between lower and higher densities.

Z3 – Multi-Use / Corridor: The purpose of the Z3 Multi-Use/Corridor District is to provide a mixture of regional commercial, retail, office, lodging and residential uses in a mixture of building forms. Other complementary uses such as schools, churches and parks will be allowed. These neighborhoods will generally be located along arterial streets. Developments will include landscaped surface parking lots and interconnected sidewalks or multi-use trails.

Z4 – General Urban: The purpose of the Z4 General Urban District is to provide a mixture of uses within a primarily residential urban fabric. The district allows a full complement of residential uses and neighborhood and community or neighborhood scale commercial uses. Streets with curbs and sidewalks will define small and medium-sized blocks to allow walkable neighborhoods.

Z5 – Traditional Neighborhood: The purpose of the Z5 Traditional Neighborhood District is to provide a variety of uses with primarily higher residential density in a mixed use neighborhood with neighborhood, commercial and a variety of other public/semi-public uses. It has a tight network of streets, with sidewalks, steady street tree planting and shallow, front building setbacks to create a defined urban streetscape.

Z6 – Central Business: The purpose of the Z6 Central Business District is to provide opportunities for multi-story, mixed and single use commercial block buildings, townhouses, multi-family residential, lodging and civic buildings; predominately attached buildings, plazas, pocket parks and an interconnected street grid with sidewalks.

Z7I – Industrial: The purpose of the Z7 Specific Use/Industrial is to create districts to support the ongoing use and expansion of airport and industrial uses. Any future expansion of these uses shall require site plan approval and compliance with this Ordinance. The purpose of the Z7-I district is to allow for continuation and expansion of industrial uses in specific areas of the City where they will have less conflict with other functions.

Z7A – Airport: The purpose of the Z7 Specific Use/Industrial is to create districts to support the ongoing use and expansion of airport and industrial uses. Any future expansion of these uses shall require site plan approval and compliance with this Ordinance. The purpose of the Z7-A districts to provide for the existing forms and functions associated with airport.

In terms of uses, single-family dwellings are permitted in all residential zoning districts (Z1, Z2, Z4 and Z5), multi-use corridor district (Z3) and the central business district (Z6). These single-family lots have a minimum requirement of 80 ft. in width. Two-family dwelling are allowed in residential zoning districts (Z2, Z4, and Z5), and the multi-use corridor district (Z3). These two-family lots have a minimum of 40 ft. (twin home/townhome). Multi-family dwellings are permitted in four different zoning districts (Z3, Z4, Z5, and Z6), with a site plan approval process.

The City has contemporary requirements for all types of residential development that require paved streets and driveways, sidewalks, curb & gutter, lighting, storm sewers, sanitary sewers, water mains and electric services. The City of New Richmond has its own Municipal Utility that consists of water, sewer and electric services. These municipal rates are very competitive and are favorable to development in the community. The City's off street residential parking requirements are very reasonable and are permitted in the these areas: rear yard; side yard not adjoining a street; and front yard, but only on a driveway not exceeding 28 ft. in width and not nearer than five feet to a front or side property line. These requirements are needed to promote public health and welfare, to ensure orderly and beneficial growth, to protect property values, and to ensure adequate and safe provisions of water, sewage treatment, streets, parks and environmental protection. These types of requirements are nearly ubiquitous among cities throughout the State of Wisconsin. The City does not have any excessive architectural design or material requirements that artificially inflate housing costs. City Ordinance Sec. 121-49 (g) allows for all of the following building materials - brick, natural stone, integral colored split face (rock face) concrete block, cast-in-place concrete or pre-cast concrete panels, wood (cedar, redwood or cypress), curtain wall panels of steel, fiberglass and aluminum, glass curtain wall panels, stucco, and vinyl.

Rezoning: If a development requires rezoning prior to approval it must be approved by both the Plan Commission and City Council. Rezoning are analyzed first by the City's Development Review Committee (DRC) for compatibility with the City's Land Use Plan and with surrounding neighborhoods. Rezoning approvals require a public hearing at the Plan Commission level, with a Class 2 notice in the newspaper, then goes before the City Council for final approval. Rezoning can happen concurrently with other Plan Commission approval processes. This process, from submission to completion, normally takes 30 to 60 days.

Variance: The City can accept a variance application when the subdivider alleges that unnecessary hardships or particular difficulties may result from strict compliance with the City's zoning regulations. Variances are analyzed first by the City's DRC; Class 2 notice published; notice mailed to all land owners within 100 ft. of the property in question, and then the Board of Appeals will make the final decision. This process, from submission to completion, normally takes 30 days.

Conditional Use Permits: The City allows Conditional Use Permits (CUP), per the Use Chart, in the Zoning Ordinance. The purpose of a CUP is to authorize and regulate uses which may be beneficial in a specific instance to the general welfare of the community, yet ensure that such uses are not detrimental to surrounding property and are consistent with the stated purpose of the zoning district in which such uses are located regarding conditions of operations, location, arrangement, and construction. CUPs are analyzed first by the DRC for land use, ordinances and zoning compatibility. A CUP approval requires a public hearing at the Plan Commission level, with a Class 2 notice, and a notice to homeowners within 100 ft. The Plan Commission has final approval of a CUP. This process, from submission to completion, normally takes 30 days.

Site Plan / Stormwater Review: Once a site plan / stormwater application has been submitted, the DRC reviews for compliance with City ordinances and then submits the application to the Plan Commission for final approval. This process, from submission to completion, normally takes 30 days.

Subdividing and Platting: Subdividing a parcel can happen in two ways within the City. If the subdivision is four parcels or less, a Certified Survey Map (CSM) application can be submitted. CSMs are analyzed first by the City's DRC for compatibility with the City's Land Use Plan, ordinances and surrounding neighborhoods. A CSM approval requires both Plan Commission and City Council approval. This process, from submission to completion, normally takes 30 days. If a subdivision is more than four parcels, a preliminary and final plat application(s) will need to be submitted. These processes can happen individually or concurrently. A preliminary plat requires DRC review; Class 2 notice, a notice to property owners within 100 ft., review and approval by the Plan Commission and final approval by the City Council. Final plat requires DRC review and final approval by the City Council. This process, from submission to completion, normally takes 30 to 90 days.

Building Code: The City is required by State law to conform to the Wisconsin Uniform Dwelling Code for single and two-family housing and to the Wisconsin Enrolled Commercial Building Code for commercial construction and three or more-unit housing developments. The City's ordinances are consistent with the State Code. These statewide codes are intended to streamline the building permit approval process and to make it easier for buildings to work in different municipalities. The City has little to no leeway to make changes

to the building code. The City of New Richmond currently utilizes a contracted building inspection service for all residential, electrical and commercial inspections.

Building Permit Process. The process to receive a building permit from the City of New Richmond is straight forward, efficient and timely. A resident or developer can apply for a building permit online at www.newrichmondwi.gov. Everything can be done through this portal including application, uploads, communication with City staff and payment. The City has this process for all electronic applications and is easy for all to access. If a resident does not have the ability to go online to apply for a permit, they can stop in the office and staff will assist them. The timeline for a building permit from application to issuing permits is usually ten days or less.

Some of the contributing factors to decreased residential construction in 2023 in the City of New Richmond were higher interest rates and increased labor and construction costs.

One aspect of housing development within the City's control is the duration and city costs of engineering plan reviews, which will be monitored carefully to ensure they do not become an additional barriers to housing development. Currently review fees and timelines are comparable or lower than other communities in the area.



VIII. Existing Vacant Homes & Rental Vacancies

The City of New Richmond has a limited supply of vacant homes. As of the date of this report, and per municipal utility records, there are five vacant homes and one vacant mobile home.

Homes:

153 North Fourth Street
343 North Third Street
655 North Washington Avenue
537 North Second Street
2068 110th Street

Mobile Homes:

1240 North 4th Street Lot 3 (available but vacant)

There are currently seven open mobile home lots that a mobile home unit(s) could be moved into.

Per the New Richmond Housing and Market Analysis, the following rental vacancy facts were observed:

- New Richmond's rental vacancy rate was estimated at 3.6%, (a typical healthy rental vacancy rate is between 5–7%).
- The current vacancy rate indicates there is more demand than supply and it is harder for renters to find units and easier for landlords to raise rents.
- The short supply of these types of rental units was confirmed in interviews with local housing experts. In particular, units that are affordable (under \$1,200 per month according to stakeholder interviews) and short-term rental units are the most needed.

Over the past year and a half more rental units have been built within the city limits. In 2022, 88 market-rate apartments known as Mill City Flats was completed. In 2023, a 50-unit senior apartment building known as Beebe Lofts, and a 48-unit market-rate apartment development known as West Fifth Street Townhomes, were completed.

Rental Occupancy Table (is not inclusive of all apartment buildings)			
<u>Date</u>	<u>Apartment Complex</u>	<u>Occupancy Rate</u>	<u>Vacancy Rate</u>
12/31/2023	Mill City Flats (Market Rate)	90.90%	9.10%
1/31/2024	Mill City Flats (Market Rate)	92.00%	8%
12/31/2023	W. Fifth Townhomes (Market Rate)	83.30%	16.70%
1/31/2024	W. Fifth Townhomes (Market Rate)	91.70%	8.30%
12/31/2023	Beebe Lofts (Senior Housing)	100%	0%
1/31/2024	Beebe Lofts (Senior Housing)	100%	0%
12/31/2023	Dakota Meadows (Workforce Housing)	99.00%	1%
1/31/2024	Dakota Meadows (Workforce Housing)	99.00%	1%



IX. Housing Affordability and Security

As a general rule of thumb, households that spend 30% or less of their monthly income on housing costs are deemed to have affordable housing. According to the most recently available Census Bureau data (2016-2020 US Census Bureau Quick Facts), the median monthly income per household in the City of New Richmond is \$5,986.00, which puts the 30% of income affordability limit at \$1,796.00. According to Census data, the median gross rent in the City is \$854. Therefore, at a very basic level of analysis, the median-priced rental unit in the City is affordable to a median-income household. According to the Census data, the median monthly ownership cost (with a mortgage) is \$1,490.00, which is also affordable to a median-income household. The fact that median-level rent and mortgage payments are affordable to median-income households is encouraging, but it is noteworthy that the New Richmond housing market has changed considerably in the years since this data was collected. The City has added a number of single-family, twin homes, workforce housing, and rental options over the past three to five years. However, these statistics often fail to accurately portray the scope of the housing shortage in New Richmond, where many low-to-moderate households are spending the majority of their income on housing, and have been disproportionately impacted by the COVID-19 Pandemic. Based on a survey completed by the *Institute for Research on Poverty*, dated Sept. 2021, households with a lower income, along with people of color, and women, experienced particular hardship due to the disparate economic impacts of the pandemic. Low income workers lost jobs at five times the rate of middle-wage workers. This in turn has effected housing options since the Pandemic and the recovery is still in process. Eviction moratoria enacted at local, state, and federal levels have prevented over a million evictions during the pandemic. However, many families still have insufficient income to pay for housing and risked eviction when the moratoria was lifted (Fish et al., 2020). It was reported by *Pulse Survey* that by the end of 2021, in Wisconsin, 10% of the rental population is still not caught up on their rent based on the Pandemic. The statistics suggest that persons with a lower income are still recovering from the COVID-19 Pandemic, which affects the housing options available and affordable to them. The City of New Richmond has been making every effort to promote and encourage affordable housing options. In 2022 and 2023 the City Council extended three tax increment districts (TIDs) to utilize the one year option, per State Statute 66.1105 for “affordable housing”. Affordable housing per the Statute means housing that costs a household no more than 30 percent of the household’s gross monthly income. This additional year’s funding will be deposited into a separate account to be used solely for affordable housing. The City would have approximately \$1.3M in funds to allocate to affordable housing, and staff is currently working on four programs for these funds to be used in 2024 and beyond.

Habitat for Humanity built one home in New Richmond in 2021, two homes in 2022, and one in 2023. They have plans to build an additional affordable home for a veteran in 2024.



X. Conclusion

In conclusion, the housing market in New Richmond has changed considerably over the past few years with demand being very high based on several factors, i.e. proximity to the Twin Cities area, 2017 St. Croix River Crossing opening, the bike and trail system, and the City's approach to pro-business and pro-development. With high demand comes supply issues and rising costs of construction has added to higher home values. Based on population projections the City will see increased growth in both owner occupied and rental units. Based on the New Richmond Housing and Market Needs Analysis, dated December 2021, the price of housing has risen by 28% in the past six years, which is on trend with surrounding communities. This increase, along with the interest rate increases in 2022 and 2023, results in the housing market's affordability decreasing in the City of New Richmond. The City of New Richmond continues to make every effort to assist with affordable housing by keeping City fees reasonable and by starting the affordable housing programs with TID funds. Based on the Census Bureau information, a median-income household can still afford a median-priced housing unit (rental and owner-occupied) without exceeding the 30% income threshold, which means that housing in the City is generally "affordable" at a basic level of analysis. This is an encouraging metric that is relatively uncommon in areas with such strong economic growth, but one that is based upon outdated Census data and likely hides the true scope of the housing shortage.

There are 332 open buildable lots, 2,356 acres ready for platting, and approximately 1.677 acres of land annexed into the City in 2023 which was subdivided into 2 new lots that can be used for residential growth. Also with the City's proactive approach to affordable housing, by extending Tax Increment Districts, there will be \$1.3M available in public assistance for affordable housing.

Some of the biggest challenges to housing supply is the high cost of infrastructure, labor, material costs, and interest rates. Current economic conditions have contributed to a sharp decline in new residential construction in New Richmond. The City's land use controls are inclusionary and encourage the development of a wide size, type and cost of housing, and strive to not contain any requirements that arbitrarily increase housing costs.

In the upcoming years, the City of New Richmond will strive to reduce the burden of housing costs by making updates to municipal ordinances, implementing the City's affordable housing programs, and engaging with local developers, financial institutions, and other local partners to ensure the City is as inclusive to all socioeconomic statuses.

Addendum #1

New Richmond Housing and Market Needs Analysis

Final December 2021



Table of Contents

1. Executive Summary	2
2. About New Richmond	4
3. General Housing Characteristics	12
4. Rental Market	17
5. Ownership Market	28
6. Housing for Special Populations	39
7. Other Forces Impacting the Market	45
8. Housing Gaps and Opportunities	53
9. Implementation	60

Executive Summary

Priorities for New Richmond

- **Detached Single Family Housing** – Continued development of detached, single-family housing, especially at the \$250,000-\$300,000 price point.
- **Missing Middle Housing** – Varied housing forms with 2-16 attached units, either rental or condo, addressing affordability, senior accessibility, and neighborhood compatibility.
- **Housing for Seniors** – Independent and assisted living units for the growing senior population. Some of these units should be targeted downtown, within walking distance of services and opportunities for socialization.
- **Broadband** – Ensure all residential and business/commercial/industrial areas have reliable, fast internet.

Housing Gaps and Opportunities

- The **482-911 owner-occupied units** that are projected to be needed in the local housing market over the next 10 years should be in the following sale ranges (2021 dollars):
 - 111-210 units priced \$35,000*-\$232,000
 - 62-116 units priced \$190,000-\$294,000
 - 232-439 units priced \$228,000-\$408,000
 - 77-146 units priced greater than \$408,000
- The **359-676 rental units** that are projected to be needed in the local housing market over the next 10 years should be in the following price ranges (2021 dollars):
 - 102-193 units priced \$300-\$600/month
 - 127-238 units priced \$500-\$900/month
 - 60- 113 units priced \$800-\$1,300/month
 - 70 -132 units priced \$1,000-\$2,000/month
- An additional **41 assisted living units** are needed for seniors by 2030.
- A total of **142 subsidized and 18 market rate senior units** are needed by 2030.

**Home ownership at this price point is challenging and may not be possible without significant subsidy.*

Study Process

Introduction

- This study was commissioned by the City Council and Forward New Richmond to inventory the existing housing stock in the city and assess where gaps exist in the housing market. The purpose of the study is to help the city better understand its housing market and to craft targeted strategies to improve options within the community. The study process began in August 2021 and was completed in December 2021. Project oversight was providing by City of New Richmond staff.

Primary Data Sources

- US Bureau of Labor Statistics 2015-2019 American Community Survey (ACS) Estimates*
- US Bureau of Labor Statistics 2010 Census Counts*
- Wisconsin Department of Administration Population Projections (2025-2040)*
- Multiple Listing Service (accessed September 2021)
- US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy Data (2017)*
- City and St. Croix County GIS Data (2021)
- New Richmond Comprehensive Plan
- New Richmond Municipal Code

Interviews

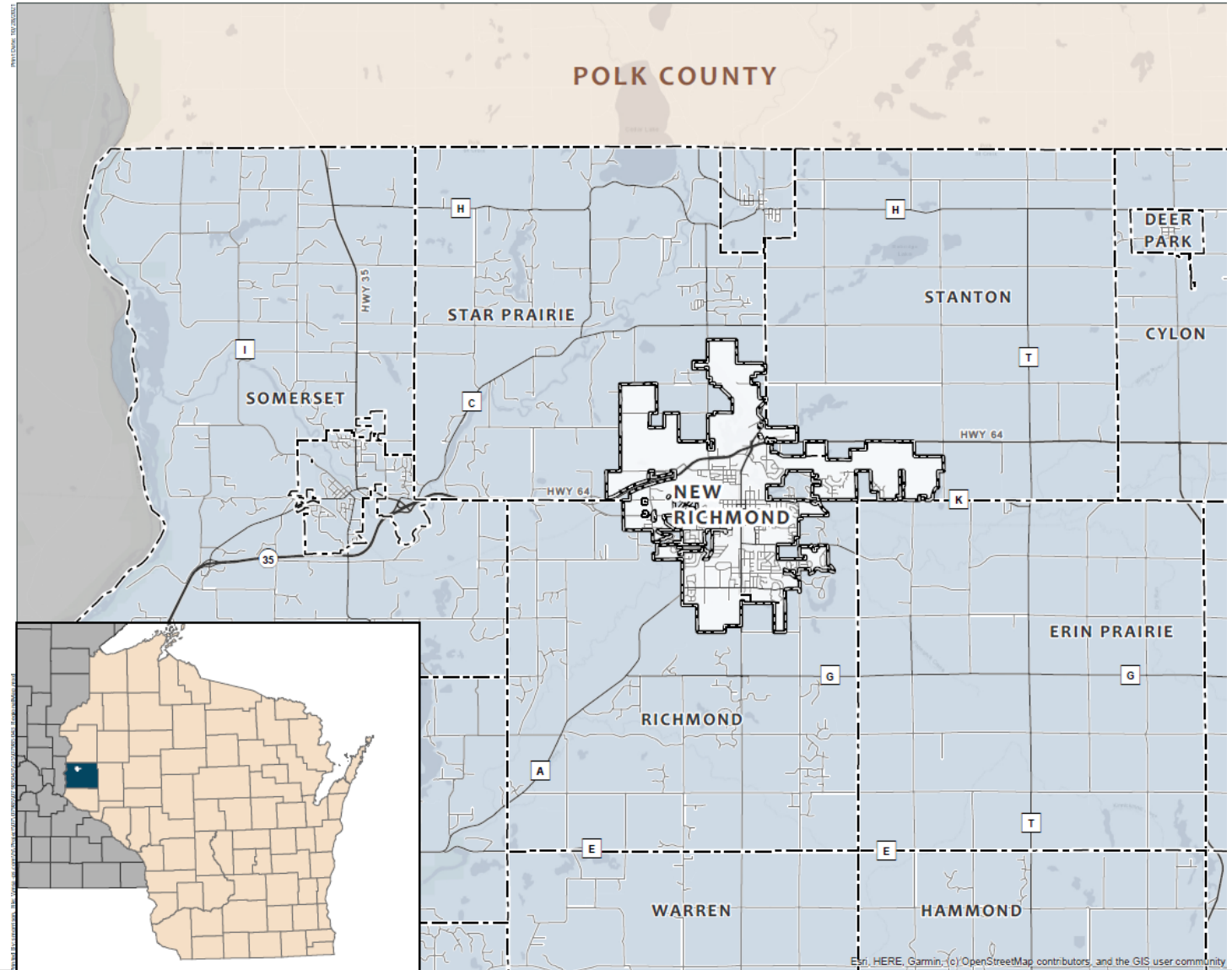
- Troy Boe –Property Executive Realty
- Trevor Bruce – Bee Restoration
- Matt Tuinstra – Royal Credit Union
- Steve Dus – Northwood Technical College
- Steve Massey – Westfields Hospital
- Patrick Olson – New Richmond School District
- Michelle Carlson – WESTconsin Credit Union

**Note: These sources represent the most recent available data. Due to delays caused by the pandemic, 2020 Census data (and updated data derived from the Census) was unavailable for this study.*

About New Richmond

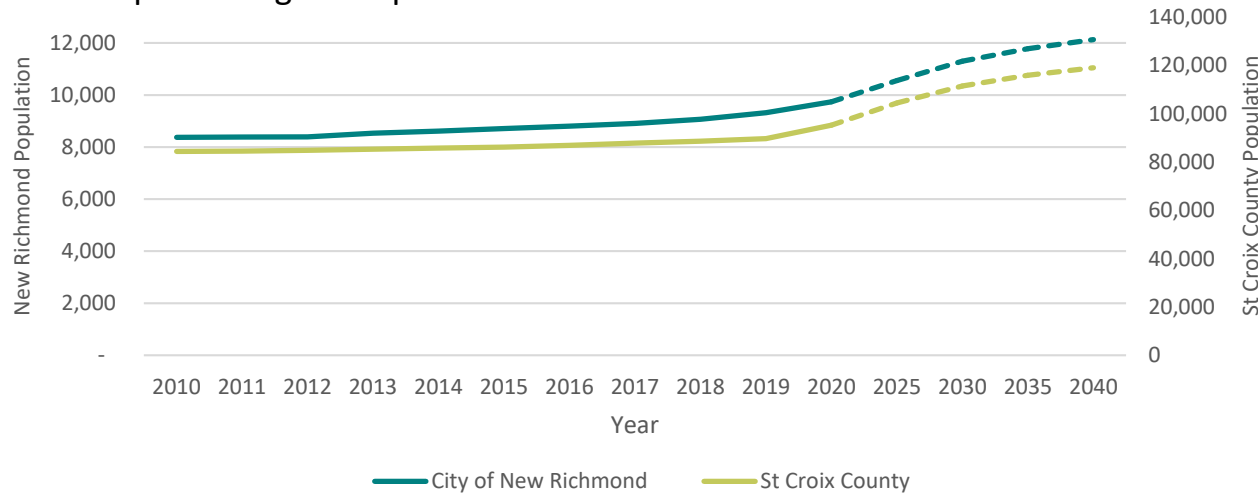
Community Basics

- The City of New Richmond is in St. Croix County, WI, located at the intersection of Highway 64 and 65.
- The St. Croix River Crossing, a \$650 million bridge project, opened in August 2017, shortening the commute from Minneapolis/St. Paul down to around 30 minutes.
- The City is considered to be within the larger 16-county Twin Cities Metro Region.
- This study's purpose is to help New Richmond better understand its housing market and craft strategies for the continued growth of the market as its population continues to increase.



Population Change and Future Projections

- New Richmond has seen a relatively significant population increase from 2010-2020 (22%).
- The Wisconsin Department of Administration projects the population in the City will increase by 20% between 2020-2040. The state is anticipated to experience a 10% increase and the county is anticipated to experience a 25% increase during the same period.
- As the population of the Twin Cities Metro continues to expand east into St. Croix County, New Richmond and surrounding Towns will continue to experience growth pressure.

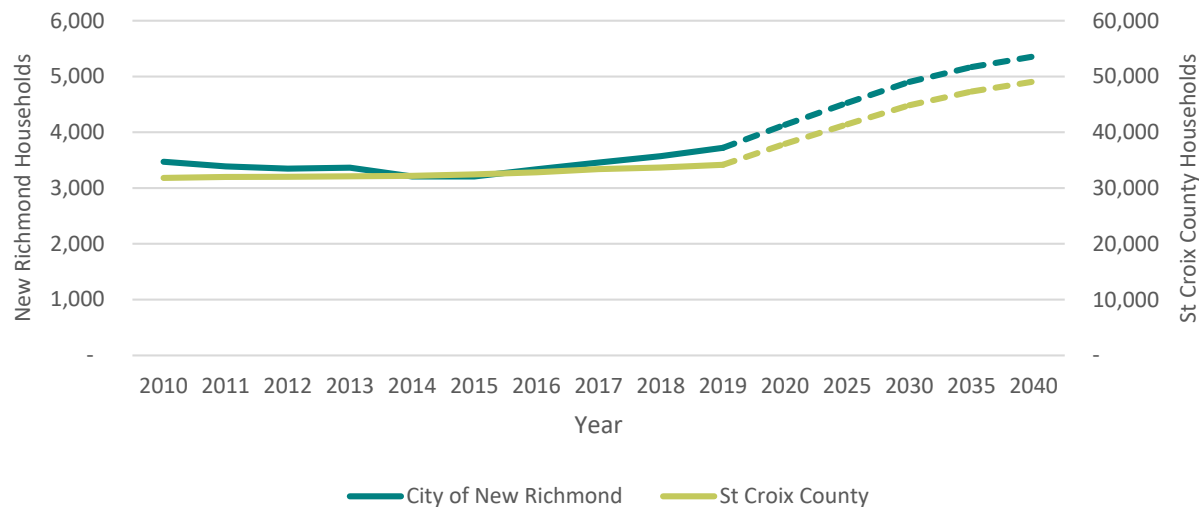
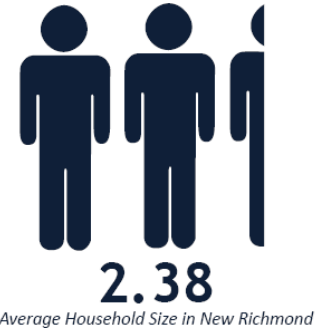


Source: Wisconsin Department of Administration

Year	City of New Richmond	St. Croix County	State of Wisconsin
2010	8,245	82,636	5,637,947
2011	8,331	83,657	5,664,893
2012	8,376	84,363	5,687,219
2013	8,441	84,912	5,706,871
2014	8,501	85,442	5,724,692
2015	8,559	86,118	5,742,117
2016	8,687	86,726	5,754,798
2017	8,761	87,142	5,763,217
2018	8,891	87,917	5,778,394
2019	9,034	88,732	5,822,434
2020	10,075	95,202	5,893,718
2025	10,560	104,450	6,203,850
2030	11,300	111,470	5,375,910
2035	11,780	115,900	6,476,270
2040	12,130	119,010	6,491,635

Household Change and Future Projections

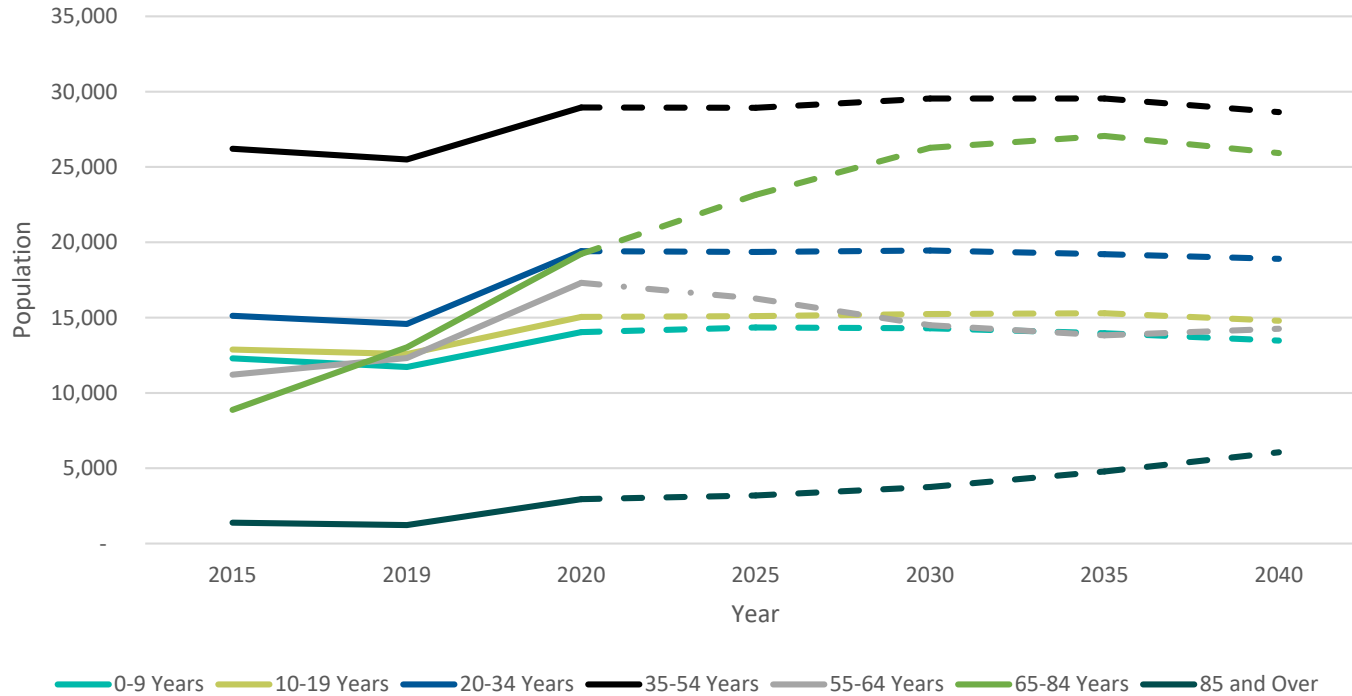
- The number of total households in the City and County has increased since 2010 and these numbers are projected to increase at an even higher rate over the next 20 years (29.6% in New Richmond and 29.4% in the County). During the same time period the State is anticipated to see a 12% increase in the number of households.
- Total households have increased slightly over the last 10 years while household size has decreased. Household size is projected to continue decreasing over the next 20 years.
- The falling household size trend indicates additional demand for smaller family-sized housing units in both rental and ownership markets, such as attached single family townhome and duplex style.



	New Richmond	St. Croix County	State of Wisconsin
Change 2010-2020	665	6,111	83,545
Percent Change	19.2%	19.2%	3.6%
Change 2020-2040	1,224	11,138	298,340
Percent Change	29.6%	29.4%	11.97%

Source: Wisconsin Department of Administration

Age Cohorts and Future Projections



Source: Wisconsin Department of Administration

- Housing preferences changes with age:
 - The youngest independent households (20-34) tend to have demand for smaller, more affordable homes, especially before they have children, or while those children are still small.
 - The prime years with demand for more space are 35-54, when households are most likely to have growing kids.
 - Beyond age 55, and especially beyond 65, households may prefer to downsize to ease upkeep and accessibility.
- Looking at projected population growth rates for St. Croix County, the fastest growing population is 65 and older, with a 124% increase from 2019 to 2040. This age group is also the fastest growing statewide, though the percentage growth rate is lower at 24%.
- The sizes of the other age cohorts are projected to remain stable over the next 20 years.

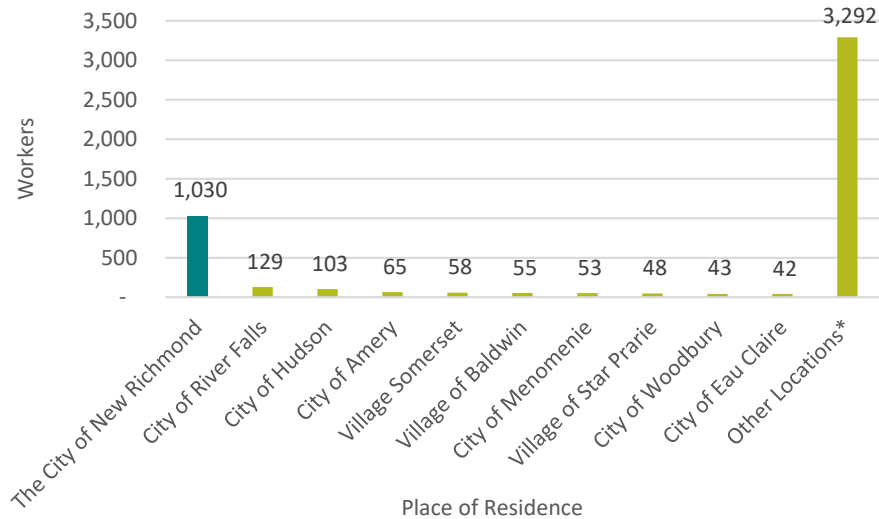
Employment Indicators

Inflow Outflow Job Counts in New Richmond



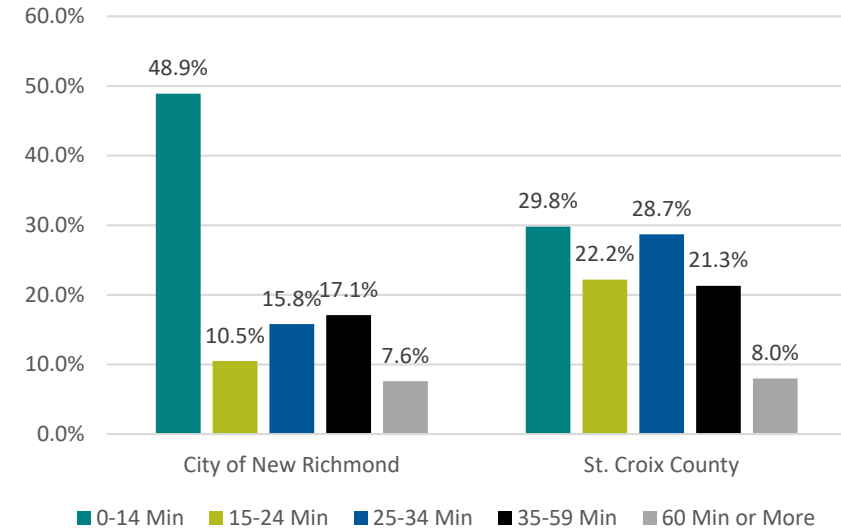
Source: US Census Bureau ACS

Where New Richmond Workers Live



Source: US Census Bureau ACS

Average Daily Commute



Source: US Census Bureau ACS

- Where workers live often coincides with location of their jobs, although there is a high degree of mobility in the region. The number of workers in New Richmond is about 5,000.
- Most workers in the City are coming from other communities (River Falls, Hudson, etc.), and most New Richmond residents are traveling for work outside of the City. Though most that travel for work still have a relatively short commute time which means they are most likely staying in the County. The “other locations” category in the chart represents workers in the surrounding townships and the Twin Cities Metro Area.
- The second most common commute time for residents is 35-59 minutes, which is representative of workers traveling to the Twin Cities Metro Area.

Employment Indicators

- The weighted average for affordable rent limit (no more than 30% of income towards rent) for these top occupations is \$1,761/month
- The weighted average for affordable ownership limit (no more than 30% of income towards mortgage) for these top occupations is \$365,481

Top Employers in New Richmond

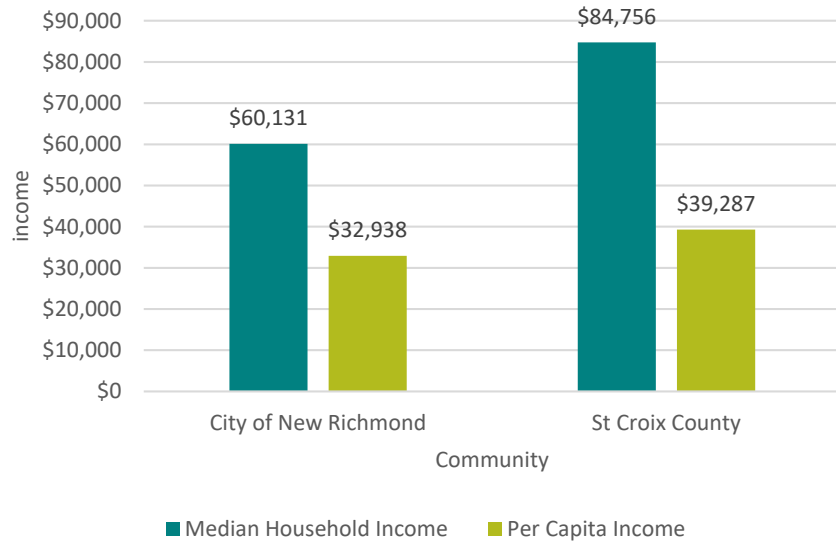
Company Name	Number of Employees
Westfields Hospital	250-499
Lakeside Food Inc	250-499
Phillips Medisize	250-499
St Croix Health and Human Services	250-499
Walmart Supercenter	250-499
Federal Foam Technologies	100-249
Syntegon Packing Technology	100-249
Dicks Fresh Market	100-249
New Richmond Area Centre	100-249
Northwood Technical College	100-249

Source: US Census Bureau ACS

Top Occupations in New Richmond

Occupation Title	Number of Workers	Annual Mean Wage	Monthly Affordable Rent	Affordable Home Purchase Price
Management Occupations	587	\$131,900	\$3,298	\$673,381
Office and Administrative Support	574	\$46,250	\$1,156	\$245,392
Production Occupations	534	\$44,710	\$1,118	\$237,309
Healthcare Practitioner	305	\$92,500	\$2,313	\$472,993
Business and Financial operations	267	\$83,220	\$2,081	\$425,795
Material Moving Occupations	262	\$44,710	\$1,118	\$237,309
Computer, Engineering and Science	260	\$96,530	\$2,413	\$493,489
Food Prep and Serving	236	\$30,690	\$767	\$167,877
Personal Care and Service	233	\$34,230	\$856	\$182,357
Construction	228	\$66,910	\$1,673	\$353,840

Income Trends



Source: US Census Bureau ACS

- Income and earnings are key factors in housing affordability, the more income a household earns, the more housing options that household has within reach.
- Median household income is significantly lower in New Richmond as compared to the County (\$60,131 vs. \$84,756).
- The greatest increases in number of households by income level have been at the lowest end of the income spectrum (<\$50,000) and at the highest end (>\$100,000).

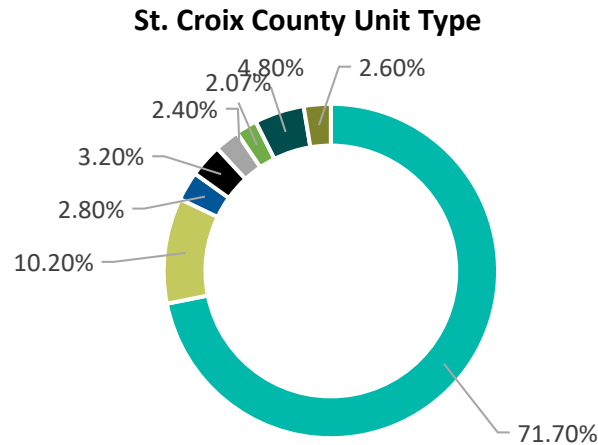
Housing Affordability: Housing affordability is a measure of how much a person or household can spend toward total housing cost. The widely accepted standard for affordability states that a household should spend no more than **30% of their gross income toward housing costs**. This standard is the same for owners and renters. For renters this also includes utilities and renters insurance. For homeowners this includes principal, interest, taxes, insurance, and utilities.

	City of New Richmond				St Croix County			
Household Income Level	<\$50k	\$50-\$75K	\$75-\$100k	>\$100k	<\$50k	\$50-\$75K	\$75-\$100k	>\$100k
2010 Estimate	1,151	1,106	479	423	10,592	7160	5,410	7,542
2019 Estimate	1,576	616	614	912	9,312	5,786	5,540	12,944
Change	425	-490	135	489	-1280	-1374	130	5402

General Housing Characteristics

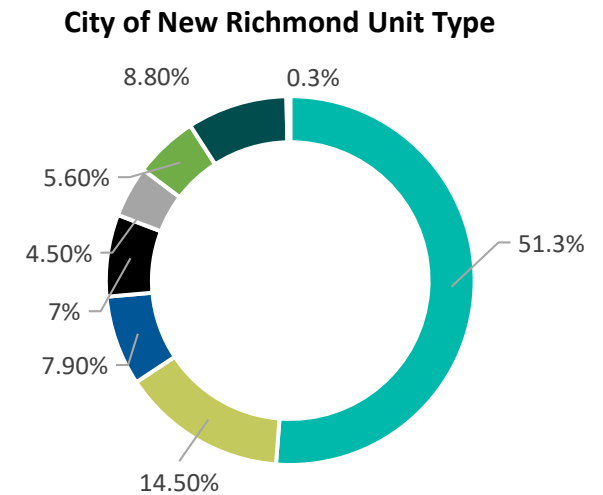
Housing Type by Unit

- The most common structure type in New Richmond, St. Croix County, and statewide is detached, single-unit homes.
- The second most common structure type in the City and County is single-unit attached (townhomes). Statewide the second most common housing type is 20 or more unit buildings.
- Providing a variety of unit types is essential to allow residents choice within a housing market.



- 1-unit, Detached
- 3 or 4 units
- 20 or more units
- 1-unit, Attached
- 5 to 9 units
- Mobile home
- 2 units
- Boat, RV, Van, etc.

Source: US Census Bureau ACS

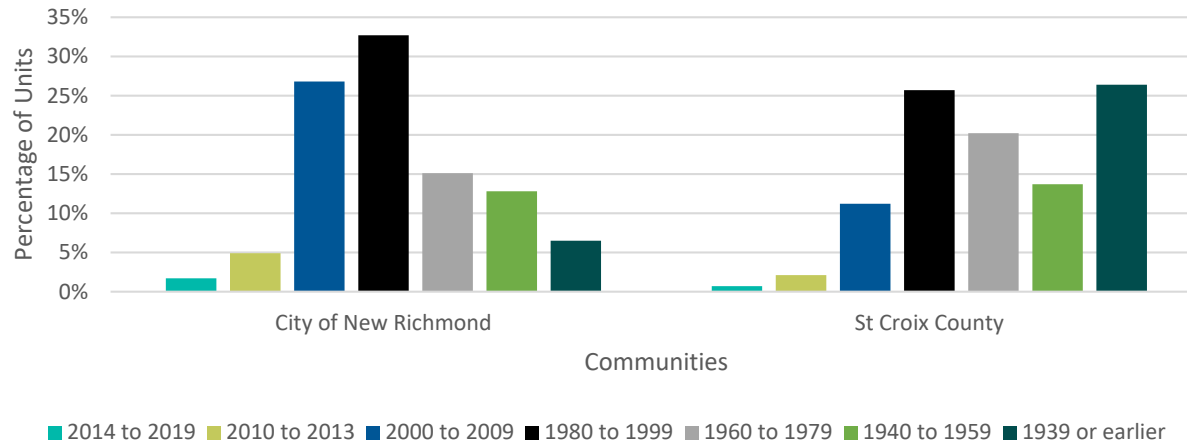


- 1-unit, Detached
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Source: US Census Bureau ACS

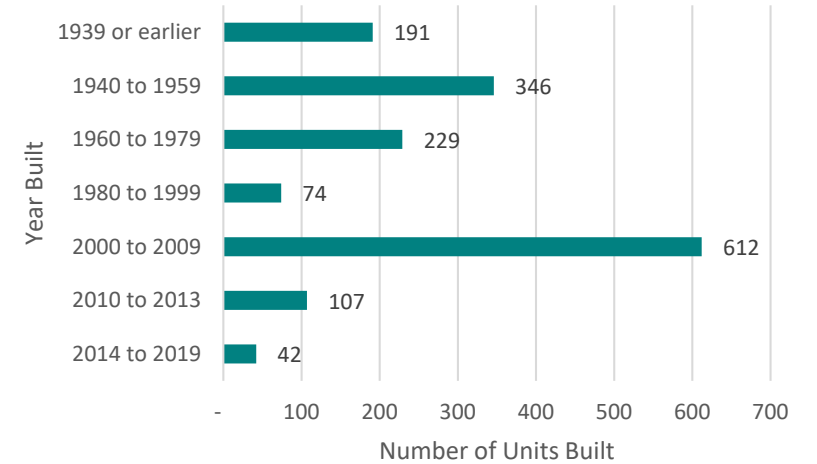
Year Structures Built

- 66% of all housing units in New Richmond were built after 1980. Compared to the County, New Richmond has a relatively newer housing stock.
- Older homes tend to lack amenities that current buyers are interested in, require rehabilitation, and have higher maintenance costs. 34% of all housing units in the City were built prior to 1980.
- The peak of residential construction in the City was 1980-1999, there was also significant development from 2000-2009. New housing development was initially slow after the Great Recession. Since the opening of the bridge in 2017, the pace of residential development has been rapid. This growth is not reflected in ACS data, but in City permit data on the next page.



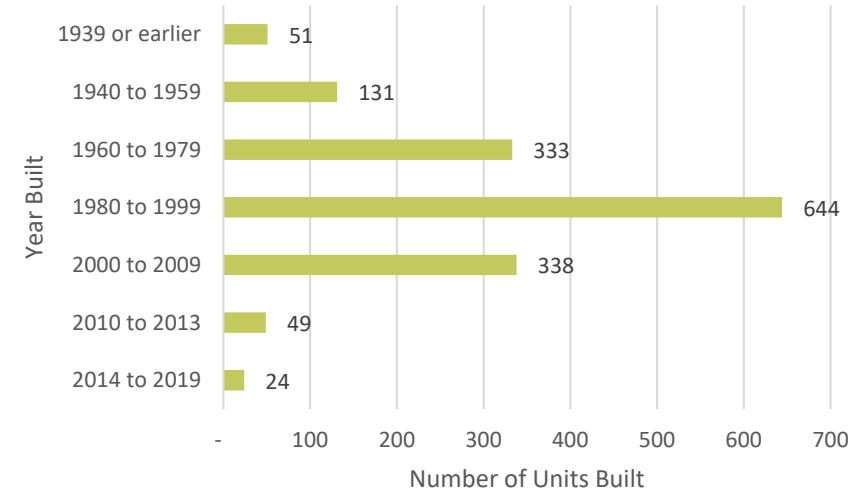
Source: US Census Bureau ACS

New Richmond Owner Occupied Year Structures Built



Source: US Census Bureau ACS

New Richmond Renter Occupied Year Structures Built

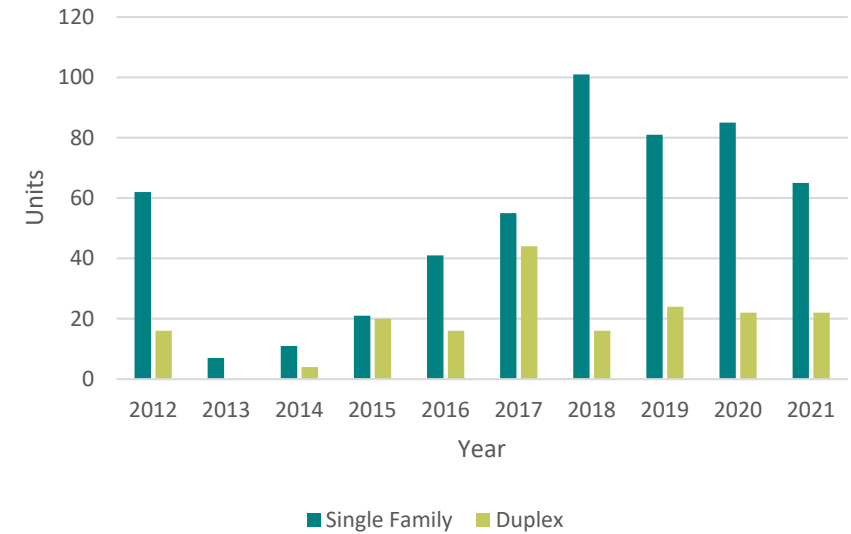


Source: US Census Bureau ACS

Construction Activity

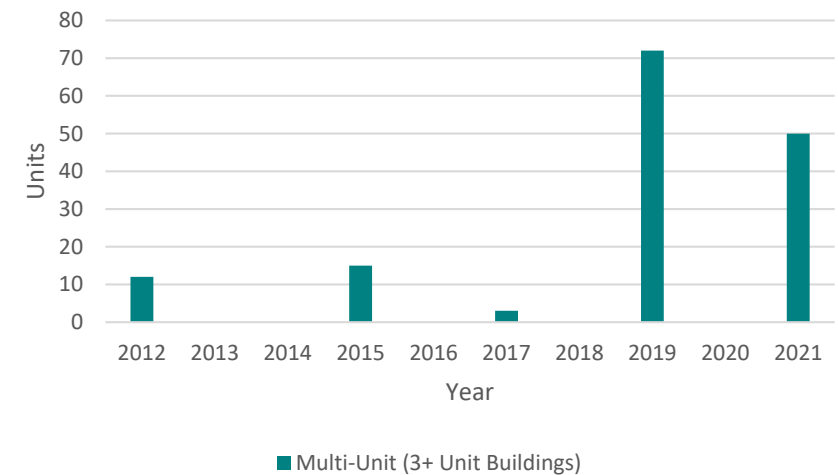
- Building permit data shows real time trend of new construction in New Richmond. The City is experiencing increasing growth in single-family development. Many stakeholders noted this trend in interviews.
- Duplex construction continues to rise.
- Multi-unit building construction has not been consistent, which is typical of this type of development as buildings contain multiple units.

Single Family and Duplex Home Construction Permits



Source: City of New Richmond

Multi-Unit Construction Permits

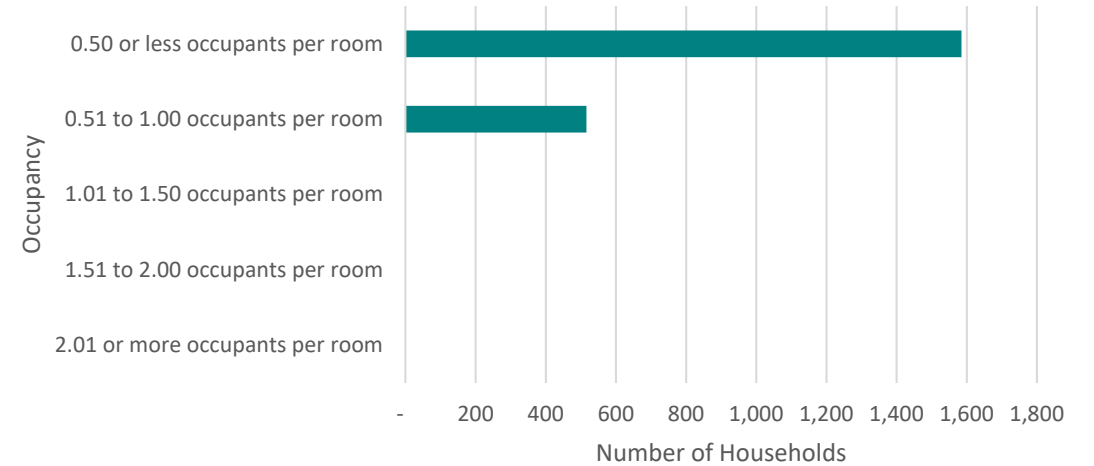


Source: City of New Richmond

Crowding

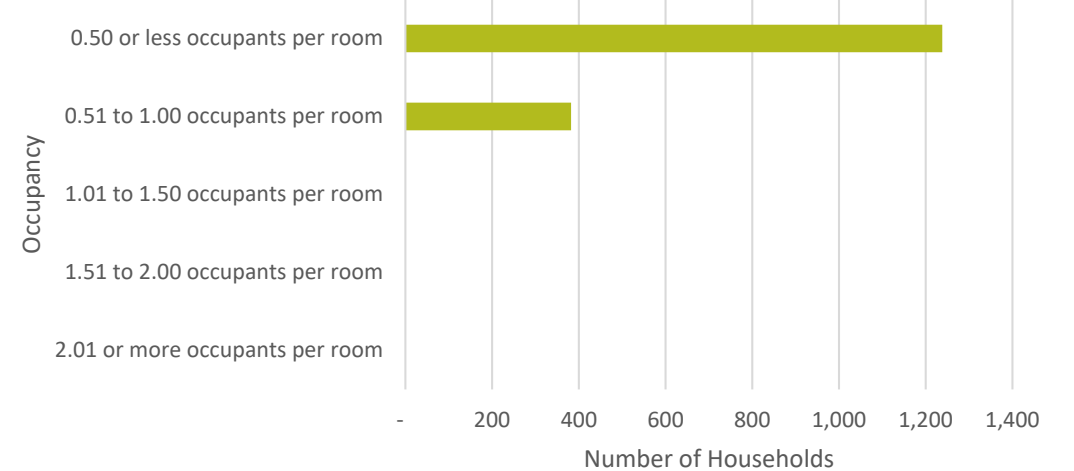
- Crowding data is used to display the relationship between housing unit size (number of rooms) and household size (number of people).
- Households that average more than 1 person per room or 1.5 persons per room are considered overcrowded or extremely overcrowded, respectively.
- Based on the data, crowding is not an issue in New Richmond. In both owner- and renter-occupied units, there were no units that had more than one occupant per room.

Owner Occupied



Source: US Census Bureau ACS

Renter Occupied



Source: US Census Bureau ACS

Rental Market

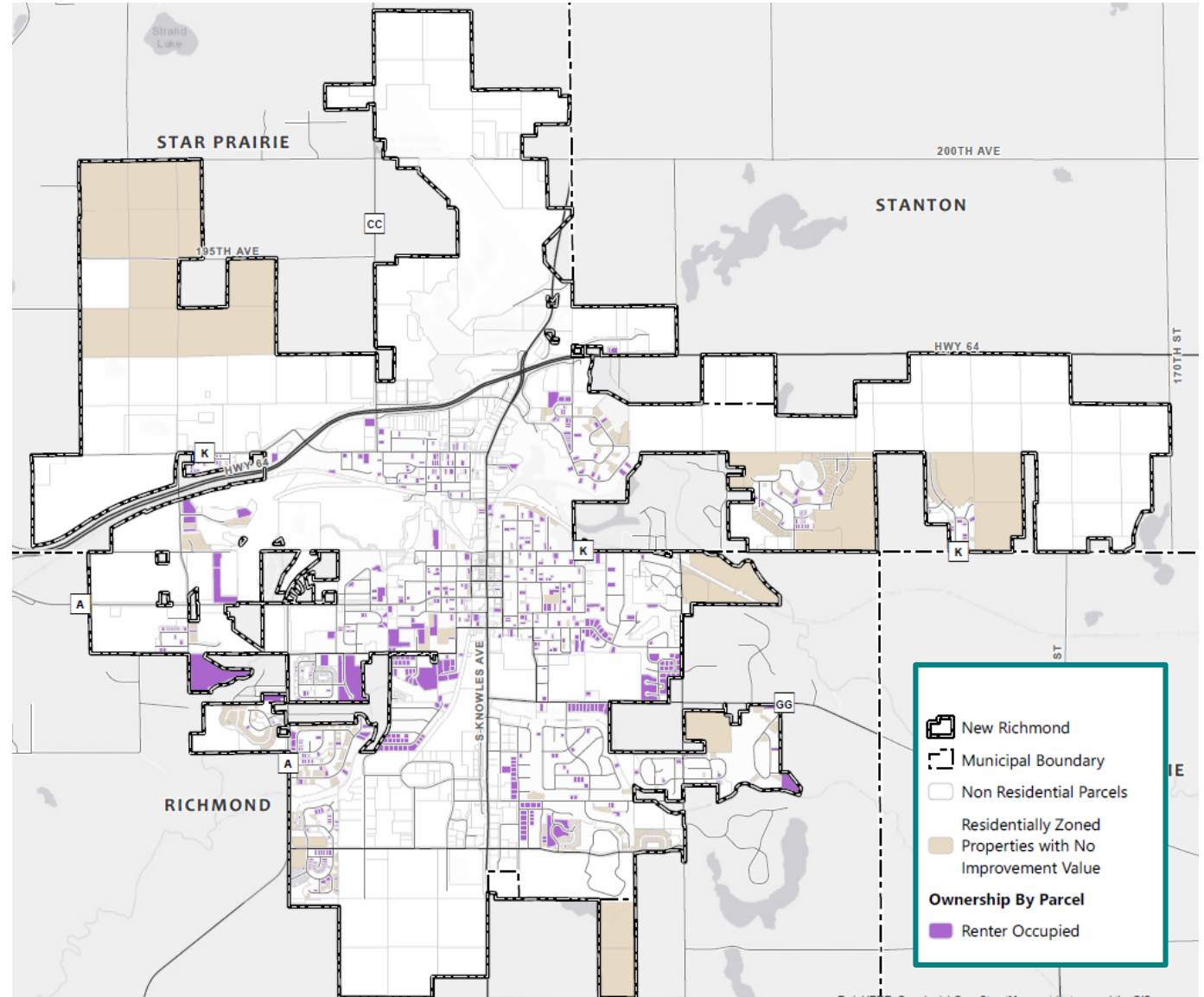
Renter Occupied Properties

Housing Tenure



■ Owner-Occupied ■ Renter-Occupied

Source: US Census Bureau ACS



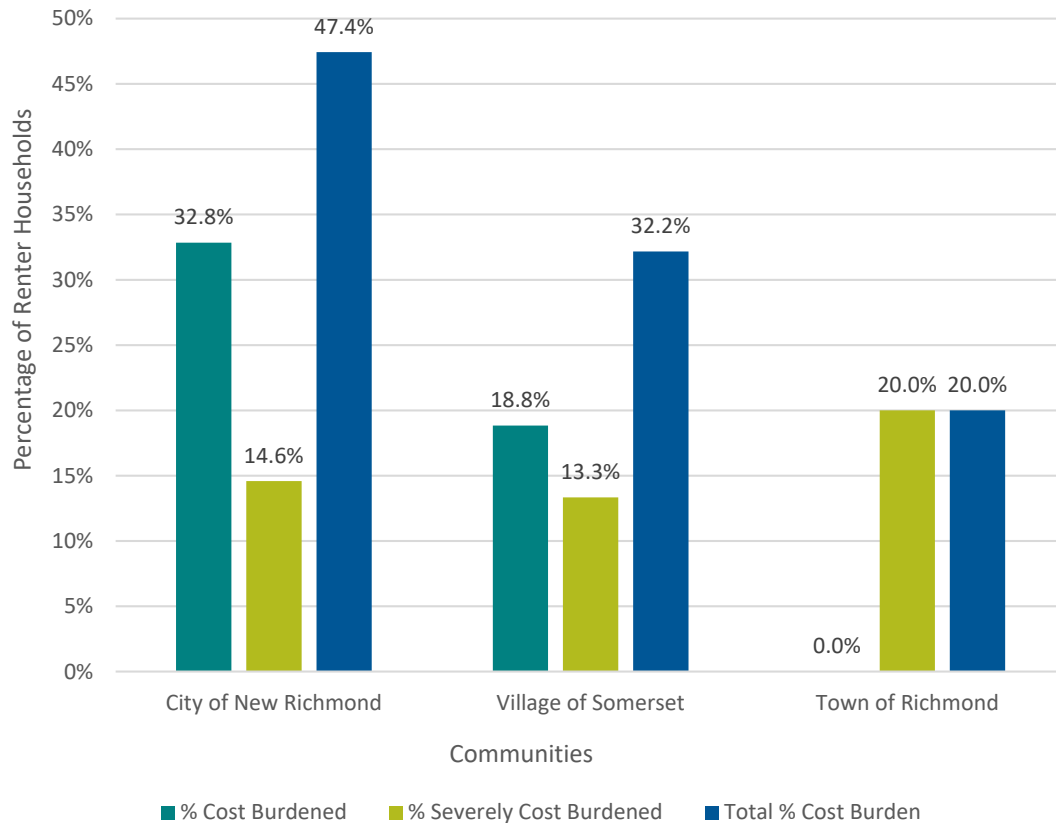
Affordability

- A household that spends more than 30% of its income on housing is considered cost burdened. A household that spends more than 50% is considered severely cost burdened.
- The table below shows the general monthly rent a household could afford, by household size, at various income levels as a percentage of the Area Median Income (AMI).
- In New Richmond about 32% of renters are cost burdened and 14% are severely cost burdened, which is high when compared to surrounding communities.
- The percentage of renters who are cost burdened in New Richmond is much higher than among homeowners. This is typical in most communities and is a reflection of lower renter incomes, barriers to securing financing, and other market forces.

Income Limit Area	Maximum Monthly Rent for Family of 4 Without Paying More Than 30% of Gross Income Toward Housing (100% Median Income)	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Richmond	\$1,503	Extremely Low Income (30% AMI)	\$ 316	\$361	\$407	\$451	\$498	\$571	\$644	\$717
		Very Low Income (50% AMI)	\$527	\$602	\$677	\$752	\$812	\$873	\$932	\$993
		Low Income (80% AMI)	\$806	\$922	\$1,036	\$1,151	\$1,244	\$1,336	\$1,428	\$1,520
		Median Income (100% AMI)	\$1,008	\$1,152	\$1,295	\$1,439	\$1,555	\$1,670	\$1,785	\$1,900

Housing Stress

Cost Burden Renters



Source: HUD CHAS

- Of renters experiencing cost burden, 14.6% are severely cost burdened (spending more than 50% of income on rental costs).
- Cost burden in the City exists primarily with renter households at or below 50% of the area median income, those considered very low or extremely low income.
- There are gaps in the rental market for those earning the lowest incomes and for those earning higher incomes. This demonstrates a need for both subsidized and higher-rent, higher-quality units in the market.

Rental Unit Mismatch

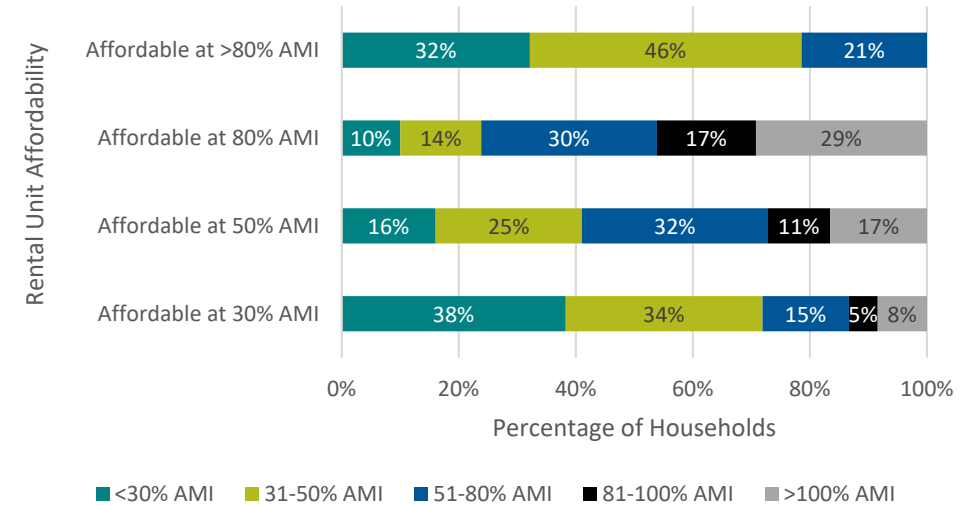
	Rental Units Available	Renter Households	Over/Under Supply
0-30% AMI	270	410	-140
31-50% AMI	830	505	325
51-80% AMI	340	245	95
>80% AMI	0	280	-280

Source: HUD CHAS

Rental Unit Consumption

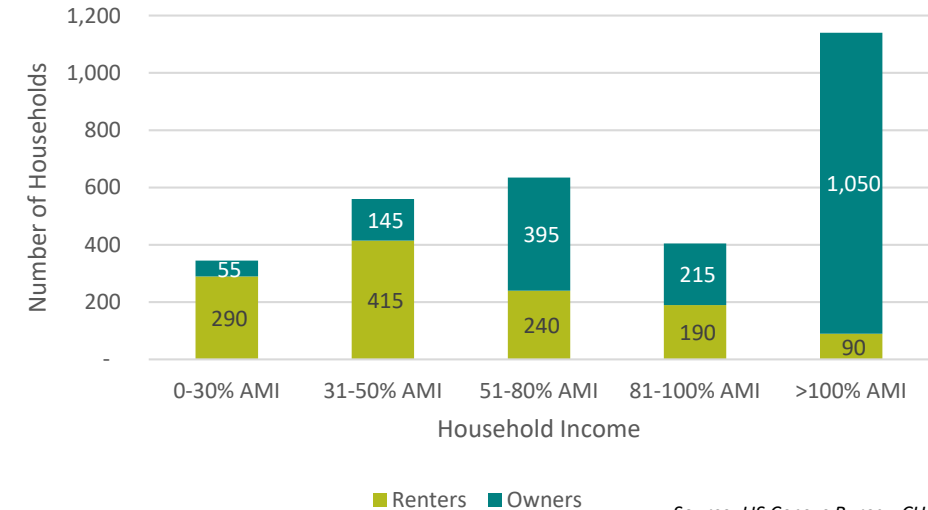
- The figure on the upper right shows 38% of units affordable to those earning 30% or less are being rented by households at that income level. 62% of these units are rented by households earning more than 30% AMI.
- All of the units affordable to households earning more than 80% AMI are rented by households earning less than that. This indicates that higher income households are “renting down”, creating a difficult market for lower income households to find more affordable rental units.
- While this data shows that most households are spending below their means (below 30% of income), it also indicates that many lower-income households (which are less competitive in the rental market) must spend more to secure housing.
- Adding more choices at appropriate price points will draw households toward housing that fits their needs and budget and can decrease cost burden among renters across the market.

Rental Unit Consumption by Income



Source: US Census Bureau CHAS

Households by Income and Tenure

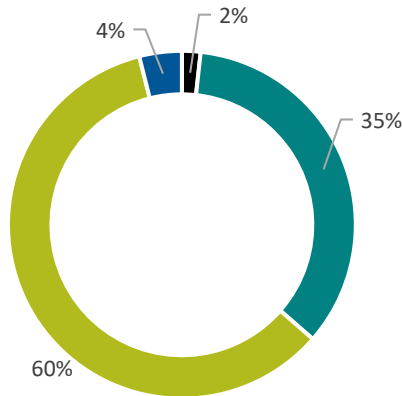


Source: US Census Bureau CHAS

Unit Types

- A variety of unit types is important to provide choices in the housing market for existing and future residents.
- 60% of rental units within the City are two bedroom units.
- Most rental units are in 10-19 unit buildings, and 1-unit, duplexes are the second most common rental unit type.

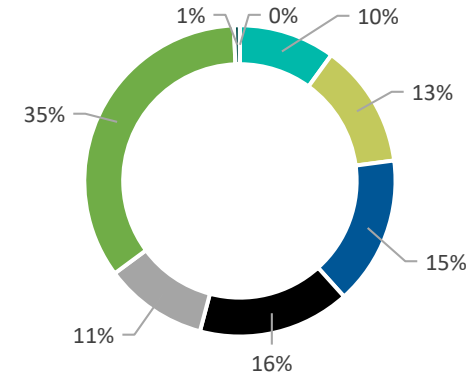
Rental Units by Bedroom



■ No Bedroom ■ 1 Bedroom ■ 2 Bedrooms ■ 3 or More Bedrooms

Source: US Census Bureau ACS

Rental Units by Type in New Richmond

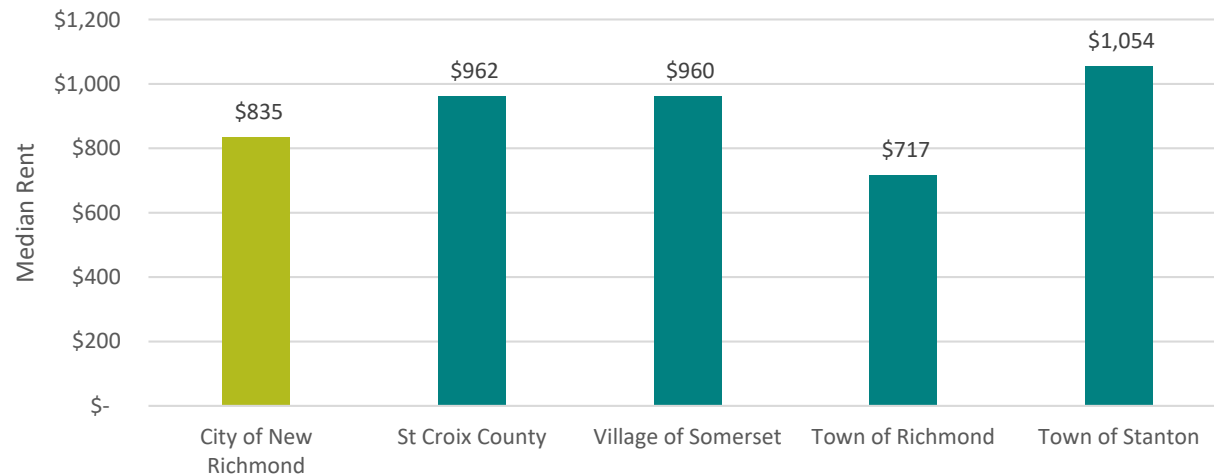


■ 1-unit, Detached ■ 1-unit, Attached ■ 2 units
■ 3 or 4 units ■ 5 to 9 units ■ 10 to 19 units
■ Mobile home

Source: US Census Bureau ACS

Cost

- Among peer communities, New Richmond generally sees lower rents for units of all sizes.
- The majority of rental units in the City are in the price range of \$500 to \$999 per month according to American Community Survey estimates. These estimates are likely low as they do not reflect the 100+ new rental units constructed in the past several years.
- Recent new rentals that could affect rising rent prices in the city are Foster Place, Mill City Flats, Dakota Meadows, and West Fifth Townhomes.



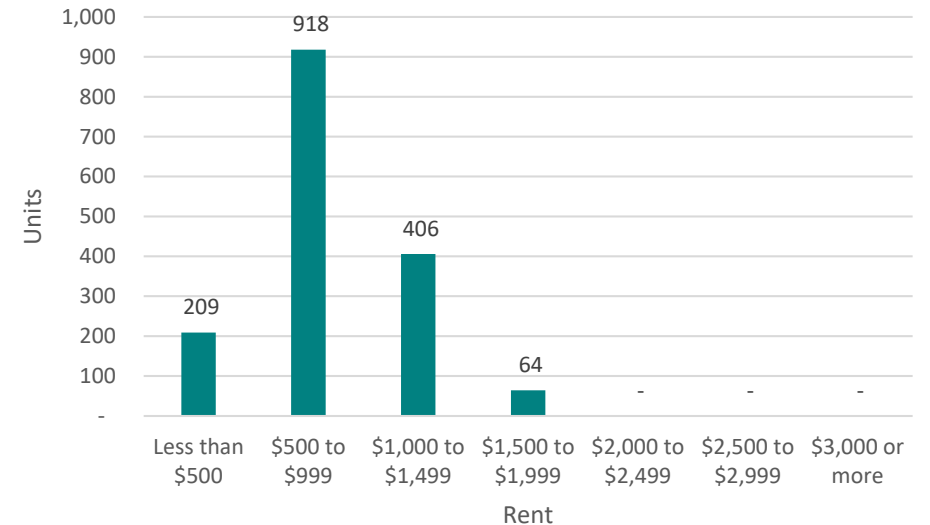
Source: US Census Bureau ACS

Median Rent by Bedroom



Source: US Census Bureau ACS

Current Unit Rents

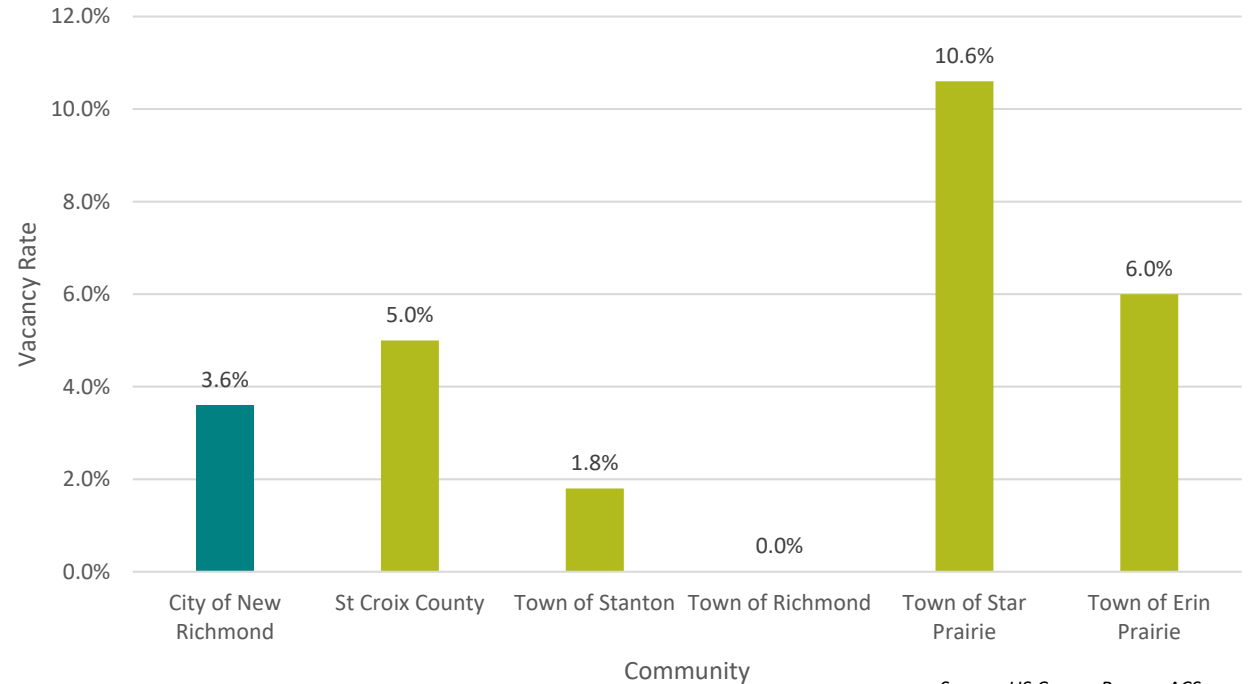


Source: US Census Bureau ACS

Vacancy

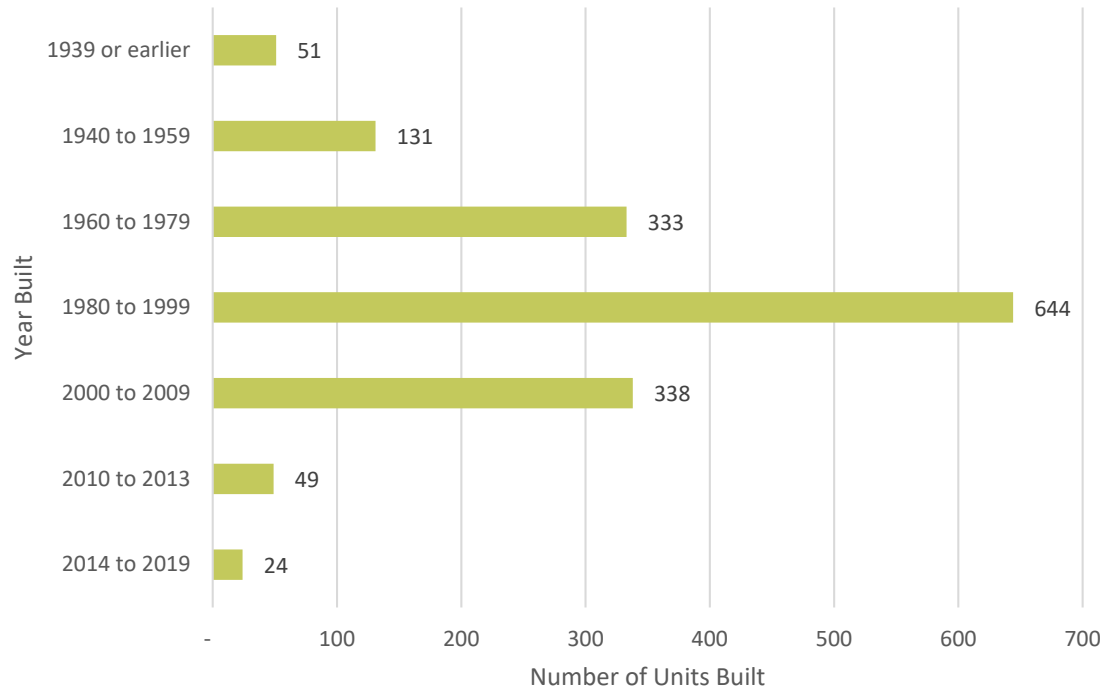
- Vacancy rates are an important measure of balance between housing demand and supply.
- New Richmond's vacancy rate estimated at 3.6%, a typically healthy rental vacancy rate is between 5-7%.
- The current vacancy rate indicates there is more demand than supply and it is harder for renters to find units and easier for landlords to raise rents.
- There is opportunity for more rental unit development in the City.
- The short supply of all types of rental units was confirmed in interviews with local housing experts. In particular, units that are affordable (under \$1,200 per month according to stakeholder interviews) and short term rental units are most needed.

Vacancy Rate of New Richmond and Surrounding Communities



Source: US Census Bureau ACS

Age of Rental Stock



Source: US Census Bureau ACS

- 65.5% of the rental units in New Richmond were built between 1980 and 2009.
- Older rental units in the City are primarily located near and along Main street.
- ACS data for 2014-2019 is an undercount of what was developed during this time. Based on City permit data, 140 rental units were built between 2014 and 2021.

New/Recent Rental Projects

- The following rental projects have been or are in the process of being completed.
 - Dakota Meadows (50 units)
 - Foster Place (72 units)
 - Mill City Flats (88 units)
- The following upcoming projects are anticipated to provide additional market rate rental units in New Richmond:
 - W. 5th Townhomes (48 units)
 - Willow Countryside Villas (16 units)
- Since these projects are recent or pending, these units are not included in any US Census or HUD data.



Development Scenario

- There is a need for new rental construction in the City that serves both low- and high-income earners.
- High income earning households can afford rents associated with higher cost of new-construction and developers can market increased costs through increased amenities.
- Lower income households largely cannot afford new construction (see example on right, and highlight of households that can't afford that cost, below).
- To ensure expanded opportunities and units that meet the needs of all residents, subsidies are likely needed to offset construction costs to make units more affordable.

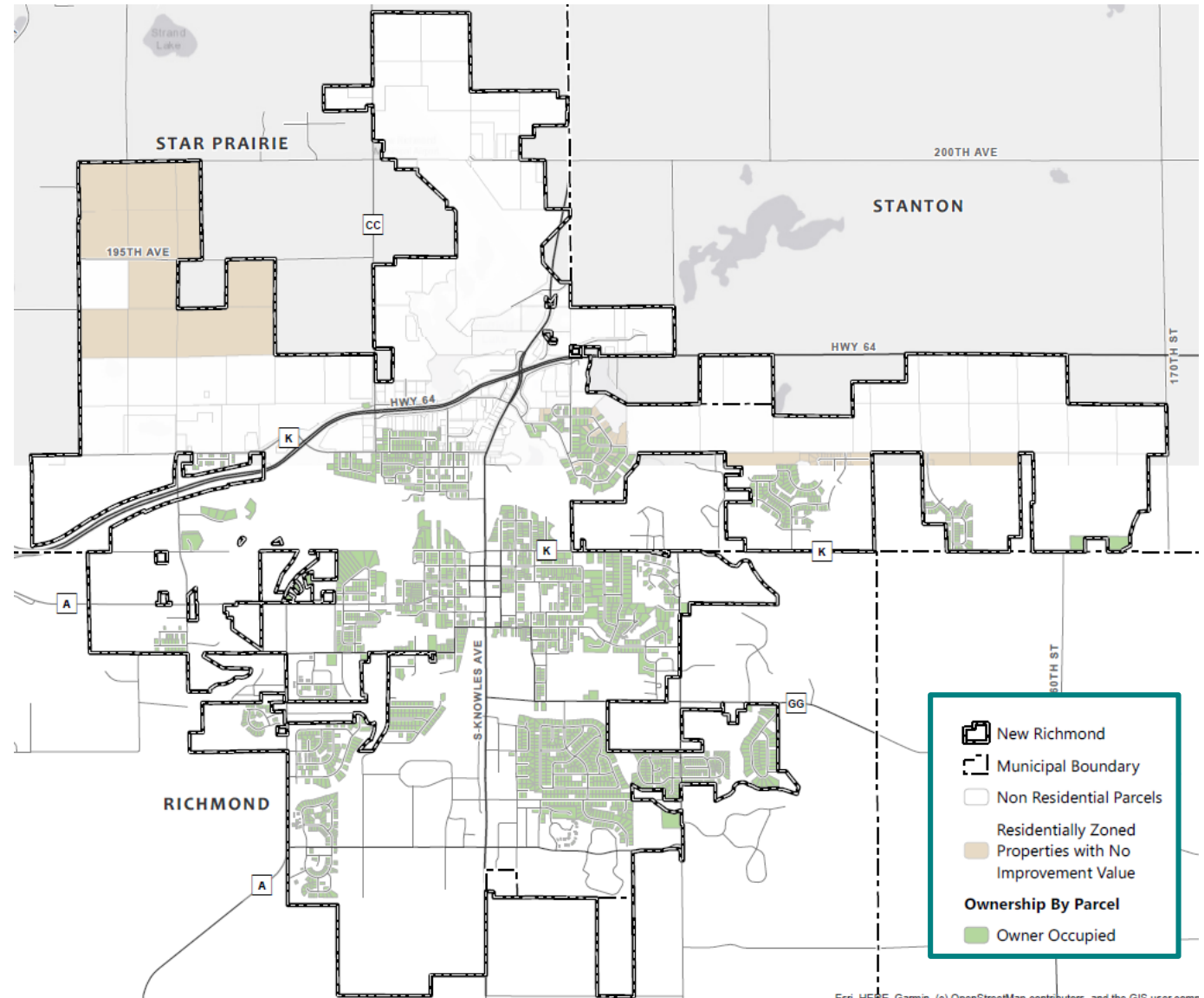
Typical 1-Bedroom Rental Construction & Land Cost = 130,000			
Equity to Cost Ratio	20%	Loan to Cost Ratio	80%
Required Equity	26,000	Mortgage Loan	104,000
Annual Re-Tax Distribution Rate	10%	Mortgage Interest Rate	4%
Cash Payments for Equity	\$2,600	Debt Service	\$6,000
Net Operating Income		\$8,600	
Operating Expenses		\$2,600	
Real Estate Taxes (2020 Effective Tax Rate of .0187)		\$2,800	
Replacement Reserve		\$300	
Effective Gross Value		\$14,300	
Vacancy (5% required assumption)		\$715	
Gross Potential Income		\$15,015	
Breakeven Annual Rent		\$15,015	
Breakeven Monthly Rent		\$1,250	

Income Limit Area	Maximum Monthly Cost for Family of 4 (100% Median Income)	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Richmond	\$1,503	Extremely Low Income (30% AMI)	\$ 316	\$ 361	\$ 407	\$ 451	\$ 498	\$ 571	\$ 644	\$ 717
		Very Low Income (50% AMI)	\$ 527	\$ 602	\$ 677	\$ 752	\$ 812	\$ 873	\$ 932	\$ 993
		Low Income (80% AMI)	\$ 806	\$ 922	\$ 1,036	\$ 1,151	\$ 1,244	\$ 1,336	\$ 1,428	\$ 1,520

Ownership Market

Owner Occupied Units

- The majority of residential parcels in the City, 56 percent, are owner-occupied.
- New home development continues to occur in New Richmond. The City is a place of high interest for developers due to its proximity to the Twin Cities, lower building costs compared to Minnesota, and the willingness of City staff and officials to welcome new residential development.



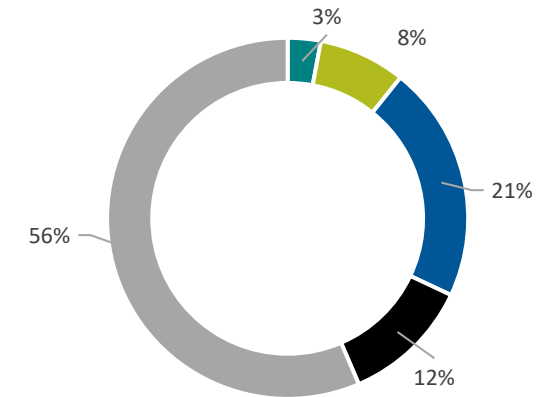
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Affordability

Income Limit Area	Maximum Purchase for Family of 4 Without Paying More than 30% of Gross Income Toward Housing (100% Median Income)	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Richmond	\$260,272	Extremely Low Income (30% AMI)	\$ 25,000	\$ 33,098	\$ 42,742	\$ 50,952	\$ 60,671	\$ 75,663	\$ 89,086	\$ 102,562
		Very Low Income (50% AMI)	\$ 66,513	\$ 82,073	\$ 94,694	\$ 109,628	\$ 121,755	\$ 133,932	\$ 145,759	\$ 157,887
		Low Income (80% AMI)	\$ 72,613	\$ 143,654	\$ 166,656	\$ 189,658	\$ 204,692	\$ 231,753	\$ 245,183	\$ 263,625
		Median Income (100% AMI)	\$ 110,780	\$ 189,834	\$ 218,588	\$ 247,338	\$ 270,641	\$ 293,693	\$ 316,745	\$ 339,797

- The table above shows the general purchase price a household could afford at various income levels, by household size, without being cost burdened (more than 30% of gross income paid towards housing). Most of these price points are a challenge for developers to build at due to increasing costs of labor and supplies.
- Slightly more than half (56%) of the City’s owner-occupied households earn an income that is 100% or more of the area median income.

Income Levels for Homeowners in New Richmond



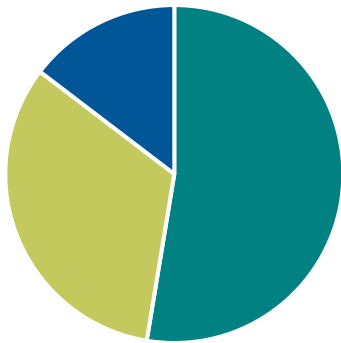
■ 0-30% AMI ■ 31-50% AMI ■ 51-80% AMI ■ 81-100% AMI ■ >100% AMI

Source: US Census Bureau CHAS

Housing Stress

- When a housing market is “tight” or competitive, this drives up costs for consumers and makes it harder for households without down payment savings.
- Rental market shows higher levels of cost burden, the ownership housing market experiences cost burden less frequently. Homeownership has barriers to entry, so people must qualify to buy by meeting underwriting standards. These standards serve to reduce risk to borrowers and lenders by ensuring adequate income, increased access to credit, etc.

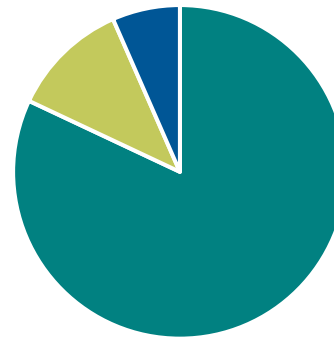
Renter Households



■ Cost Burden <=30% ■ Cost Burden 30-50% ■ Cost Burden >50%

Source: US Census Bureau ACS

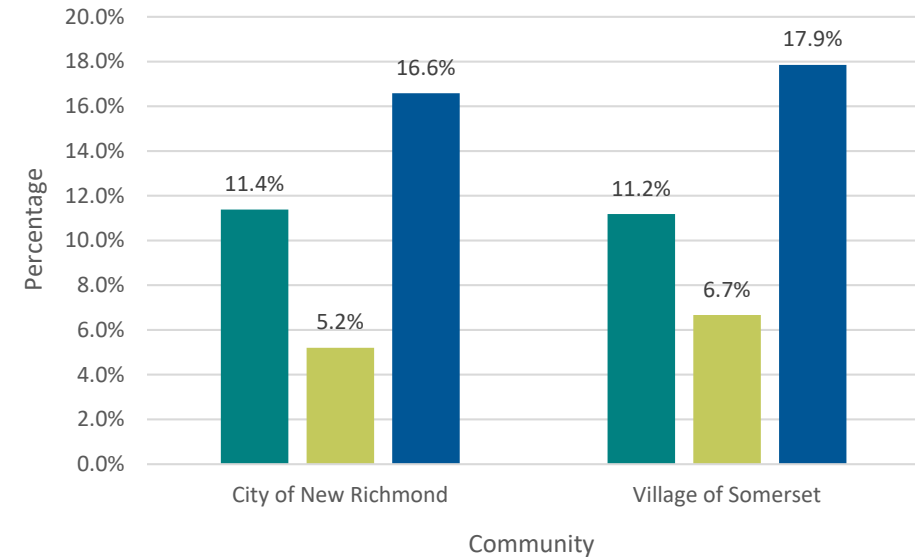
Owner Households



■ Cost Burden <=30% ■ Cost Burden 30-50% ■ Cost Burden >50%

Source: US Census Bureau ACS

Cost Burden Owner Occupied



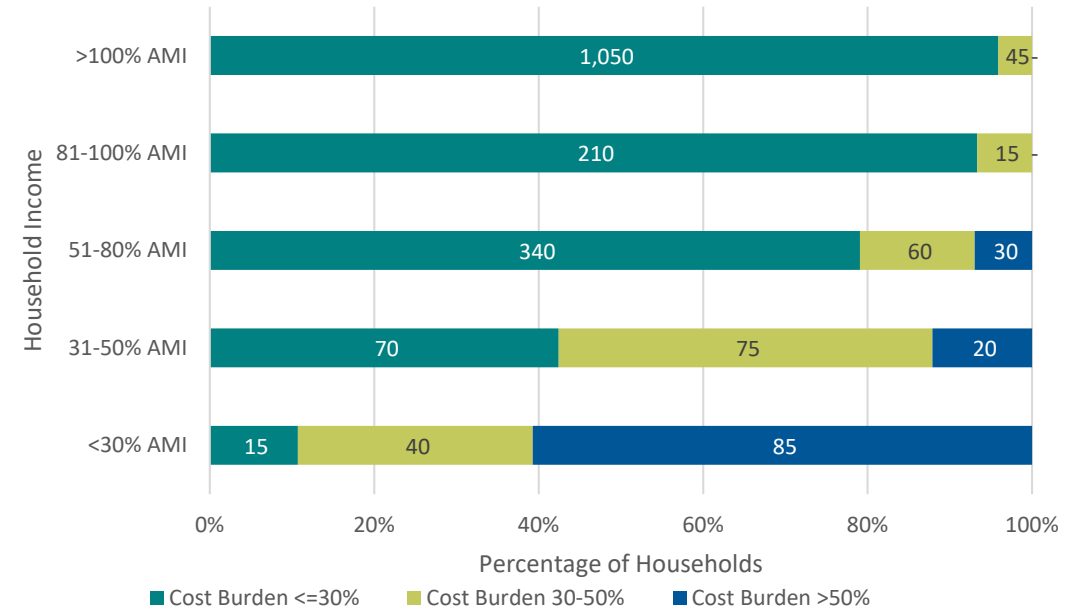
■ % Cost Burdened ■ % Severely Cost Burdened ■ Total All Cost Burden

Source: US Census Bureau ACS

Owner Stress by Income

- In New Richmond, a majority of homeowners are not cost burdened.
- Ownership unit mismatch shows homes available in the market that are generally oversupplied in the lower cost market, likely a reflection of a sizeable number of aging homes in the City.
- The unit mismatch table shows that there is a very low supply of housing that is affordable only to higher income level households. This is important to note as the population projections show high growth in the area and more owner-occupied housing will be needed.

Ownership Unit Cost Burden



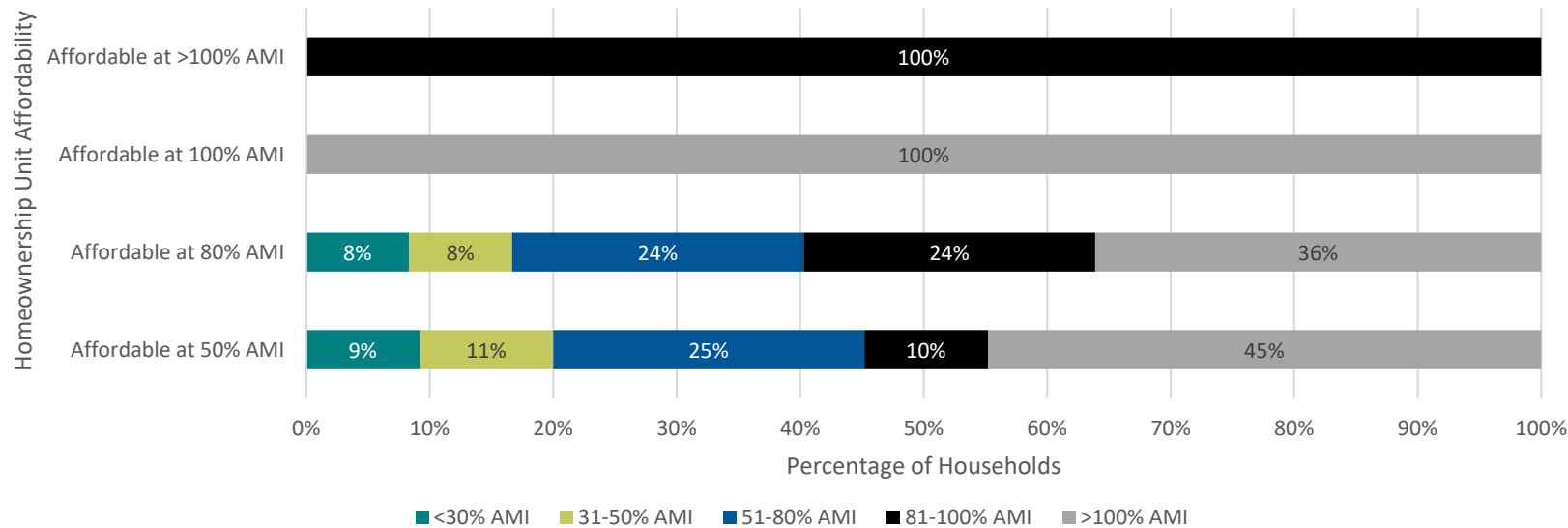
Source: US Census Bureau CHAS

Ownership Unit Mismatch	Owner Units Available	Owner Households	Over-/Under-Supply
0-50% AMI	1,240	310	930
51-80% AMI	700	400	300
81-100% AMI	60	225	-165
>100% AMI	15	1,095	-1,080

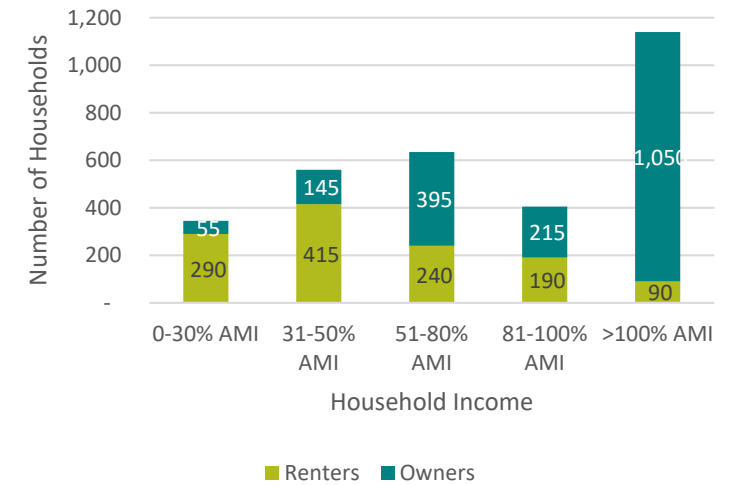
Homeownership Unit Consumption

- In New Richmond, many homeowners are owning homes that are considered affordable when compared to their incomes.
- It is a challenge for lower income families who are trying to purchase a home, as higher-income families are able to offer more money, better terms, and use standard mortgage types (not FHA).
- There is a very low percentage (about 9%) of homeowners in the City that are 0-50% AMI, even though most of the ownership units are affordable at that income level (see the prior page). This reflects the barriers to entry into the ownership market for lower-income households.

Owner Occupied Unit Consumption by Income



Households by Tenure and Income

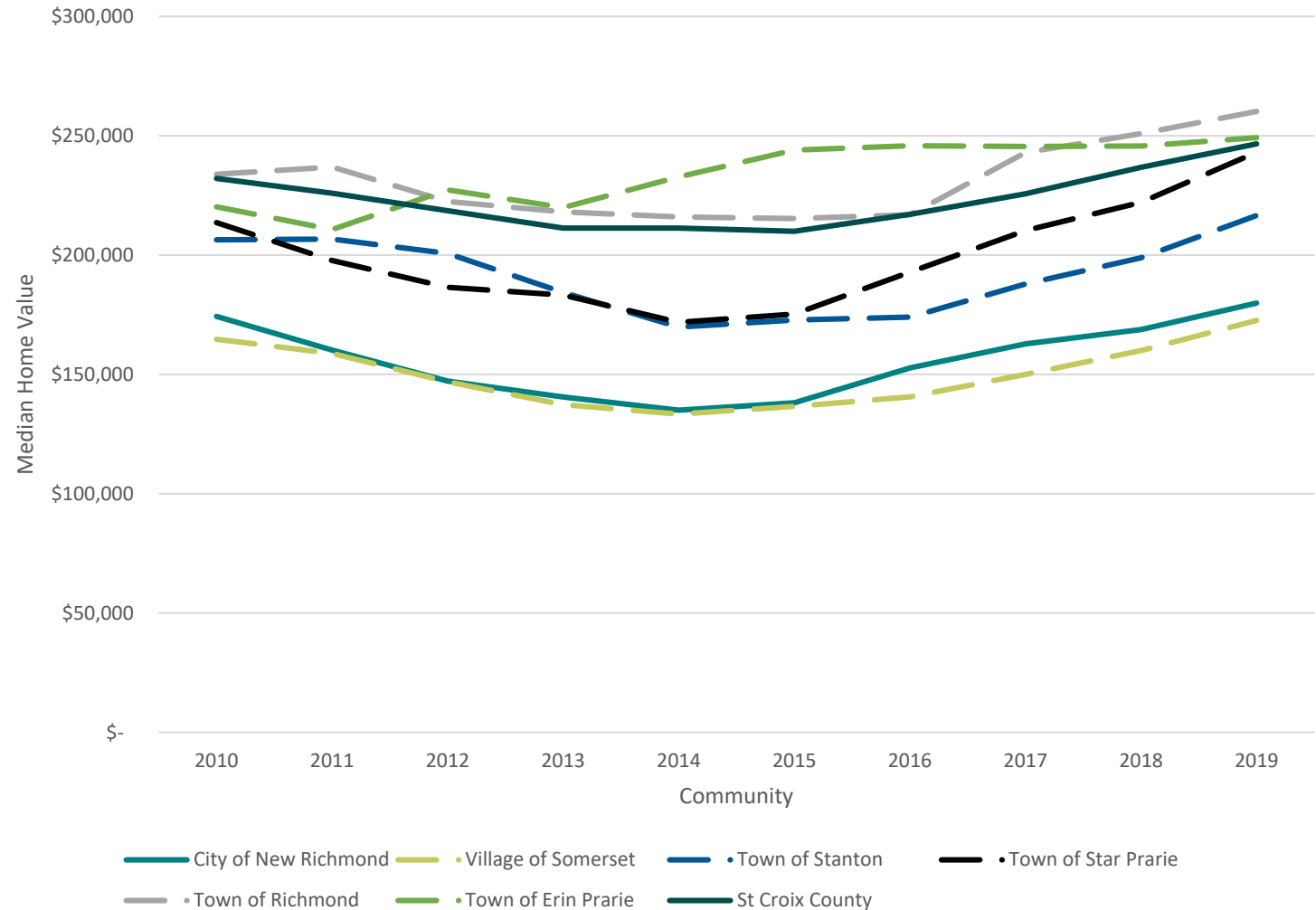


Source: US Census Bureau CHAS

Source: US Census Bureau CHAS

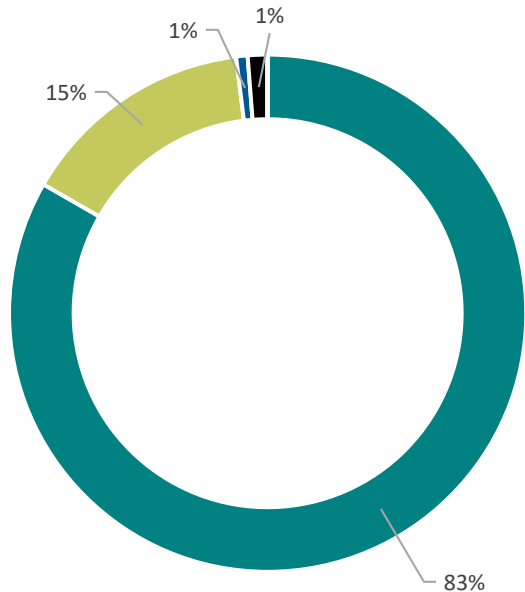
Housing Cost

- The median home value in New Richmond is low compared to most of the surrounding communities. The current estimate for median home value is \$180,100. This data is likely lower than reality as it does not capture all of the recent owner-occupied units (since 2019) that have been added to the market (priced at \$350k-\$400k based on interviews).
- This relatively lower cost of housing is a reflection of a majority of the housing stock being built prior to the year 2000.
- The price of housing has risen by 28% in the past 6 years, which is on trend with surrounding communities.



Source: US Census Bureau ACS

Unit Types



■ 1-unit, Detached ■ 1-unit, Attached ■ 2 units ■ 3 or 4 units
■ 5 to 9 units ■ 10 to 19 units ■ 20 or more units ■ Mobile home

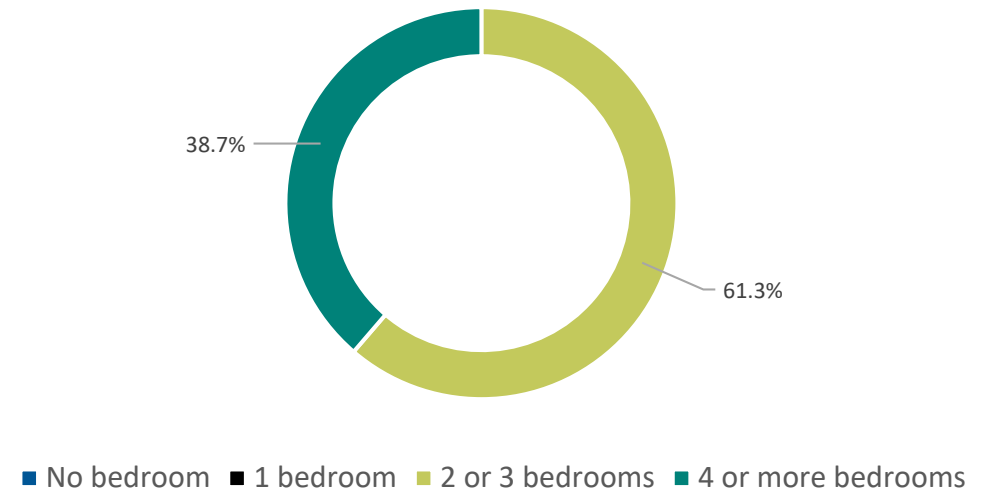
Source: US Census Bureau ACS

- 83% of owner-occupied units within the City are detached single family homes.
- The City also has a healthy supply of owner-occupied 1-unit attached (townhomes), at 15% of the owner market. These units are typically under a condo form of ownership.
- Condos, as an ownership structure within the market, have never been prevalent in the City. Condos offer an opportunity for more dense redevelopment in areas of the downtown and can provide a more affordable option for home ownership.

Ownership Unit Size

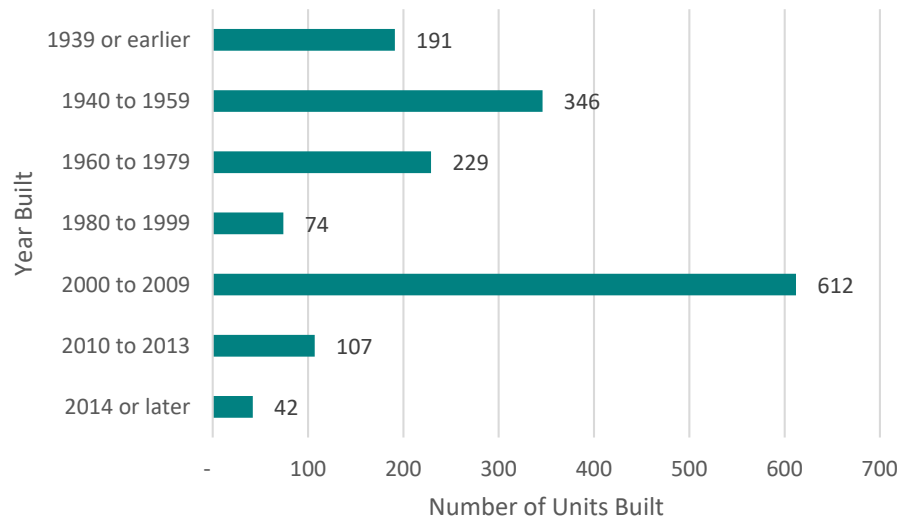
- There are no owner-occupied houses with only 1 bedroom in the City of New Richmond. This is consistent with St. Croix County and surrounding communities.
- Homes with fewer bedrooms are generally more affordable both within existing and new-construction markets. Ownership units with one bedroom can fill a niche in the market, accommodating households who wish to downsize as they age and households who may be first-time homebuyers.

Number of Bedrooms



Source: US Census Bureau ACS

Housing Age of Owner-Occupied Housing



Source: US Census Bureau ACS

- Approximately 47.5% of owner-occupied homes were built between 2000-2019.
- The City does also have a significant supply of homes built prior to 1980 (47.7%). Older housing units tend to be more affordable and offer opportunity for households with lower incomes and entry-level homebuyers.

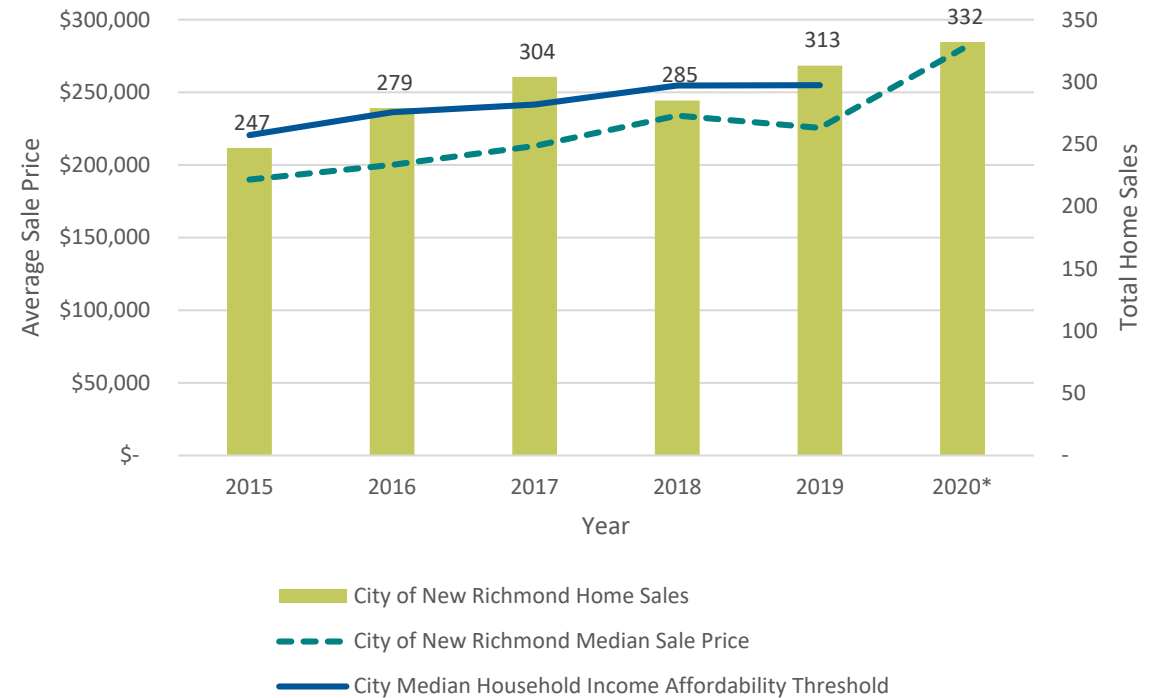
New/Recent Ownership Projects

- The following owner-occupied projects have been or are in the process of being completed:
 - Meadow Crossing (94 single family and twin homes)
 - Powers Property (Up to 150 single family and twin homes)
 - Fox Run 2nd Addition (10 buildable lots)
 - Fox Run 3rd Addition (Up to 25 single family and twin homes)
 - Fox Run 4th Addition (Up to 29 single family and twin homes)
 - Golf Side Villas (12 lots, 8 buildable)
 - Golf View Estates (41 total lots, 6 buildable)
 - Willow River Bluffs (86 total lots, 21 buildable)
 - Lakeview Estates (50 total lots, 6 buildable)
 - North Shore Addition (29 total lots, 4 buildable lots)
 - Evergreen Valley 3rd Addition (97 total lots and 4 buildable)
 - James Place (42 single family)
 - Whispering Prairie (103 total lots and 5 buildable)
 - Richmond Prairie (46 total lots and 2 buildable)
 - Richmond Heights (46 single family)
 - Paperjack Townhome Community (19 total lots and 4 buildable)
 - Woodland Creek (163 total lots, and 23 buildable)
 - Willow Countryside Villas (16 total lots and 12 buildable)
- The following upcoming project is anticipated to provide additional owner-occupied units in New Richmond:
 - Hormel Property (200 acres to be annexed into the City)
- Since these projects are recent or pending, these units are not included in any US Census or HUD data.



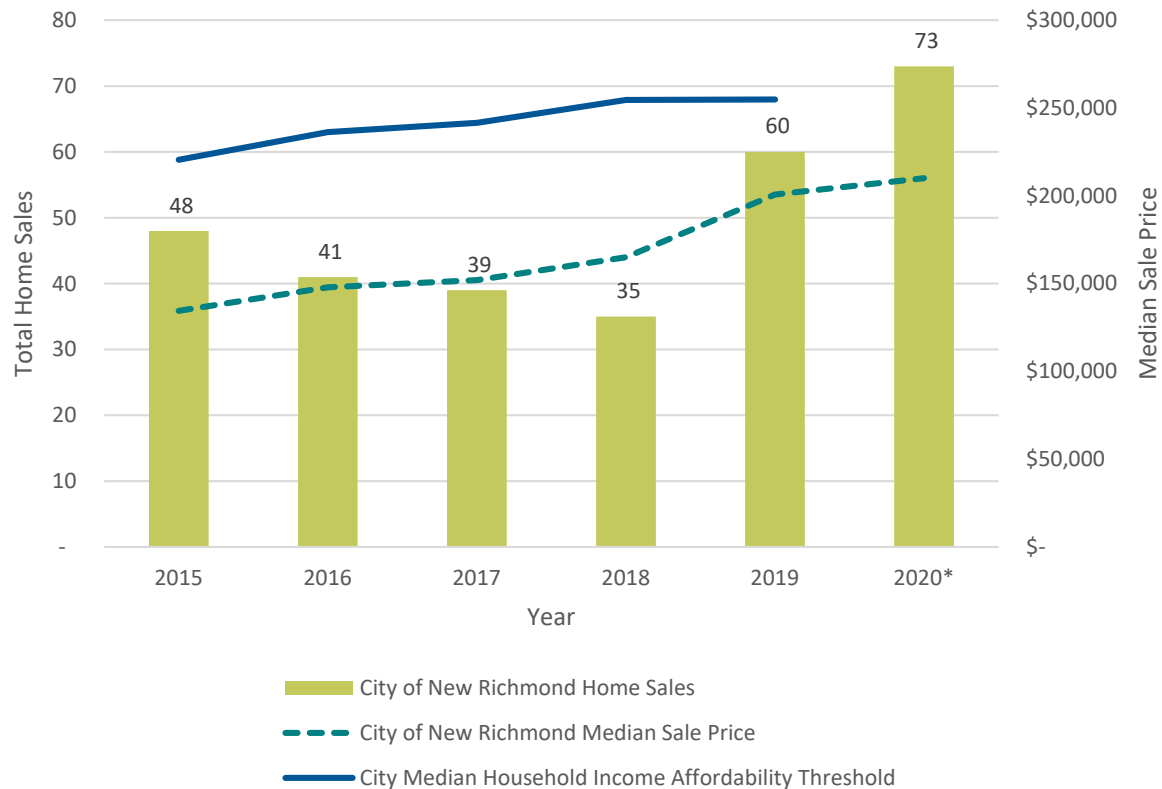
Market Trends, Detached Single Family Homes

- Over the past six years the median sale price for detached single family homes has increased an estimated 47% (from \$180,900 to \$280,000). This is in primarily due to the tight supply of housing stock.
- The median home sale prices between 2015 and 2020 have been below what is considered affordable for the median income earning household in the City. Based on interviews with local housing experts there need to be more owner-occupied units priced between \$250,000-\$300,000.
- The total number of homes sales has increased by 37% since 2015 (from 247 to 332), which is partially due to an increase in single-family home development within the City.



Source: Multiple Listing Service

Market Trends, Condos and Duplex



Source: Multiple Listing Service

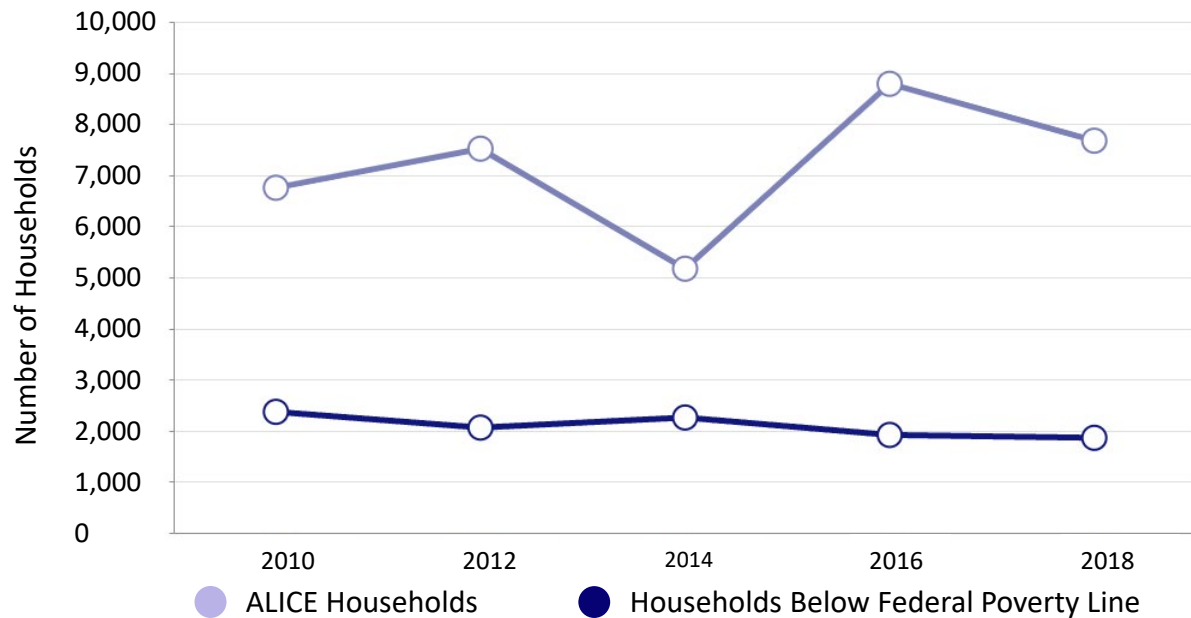
- Duplex and Condo homes make up a smaller number of home sales in New Richmond which makes sense considering this unit type only comprises 17% of the City's owner-occupied housing stock.
- Total sales have increased from 2015-2020 (from 48 to 73). This increase is possibly due to the affordability that these unit types offer first time buyers.
- The gap between median sale price for these units and the median income affordability threshold has started to narrow. This is most likely from the increase in demand for attached owner occupied housing.

Housing for Special Populations

ALICE Households

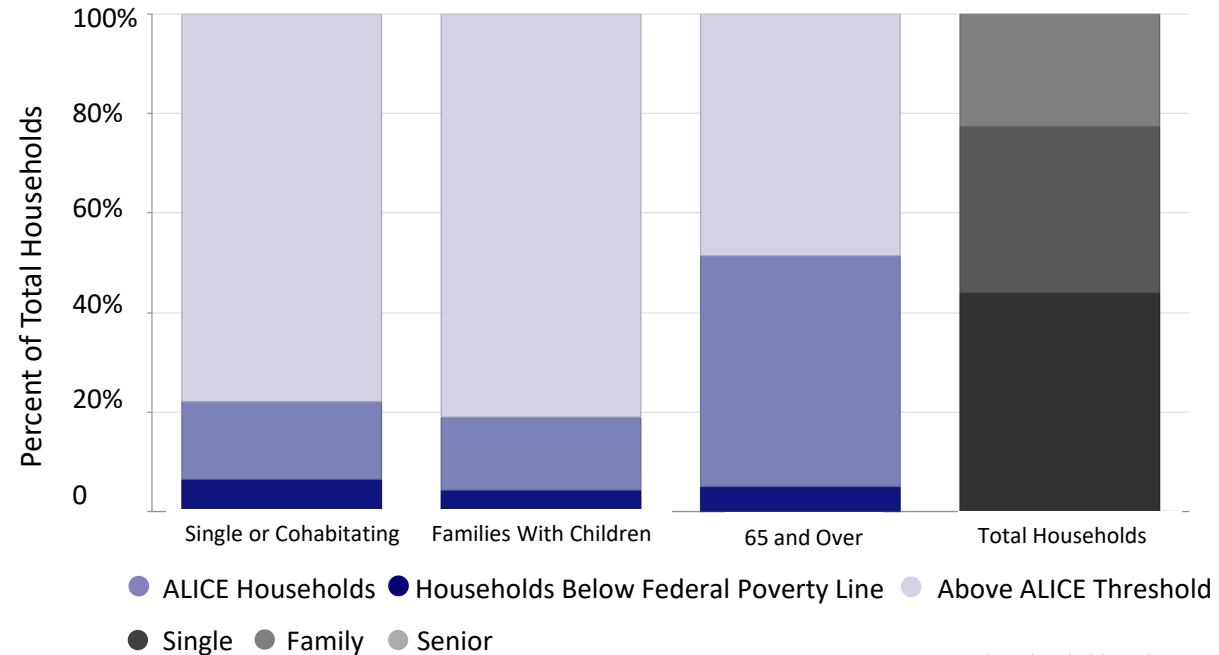
- ALICE is an acronym for Asset Limited, Income Constrained, Employed — households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county (the ALICE Threshold). While conditions have improved for some households, many continue to struggle, especially as wages fail to keep pace with the cost of household essentials including but not limited to housing.
- Below is the information for St. Croix county, about 8.7% of households in the County were considered ALICE household in 2018.
- The number of ALICE households has increased from 2010, while the number of households at a household income at or below the federal poverty line has decreased.

St. Croix County ALICE and Poverty Households Change Over Time



Source: Alice Thresholds and ACS

St. Croix County Types of Households Struggling

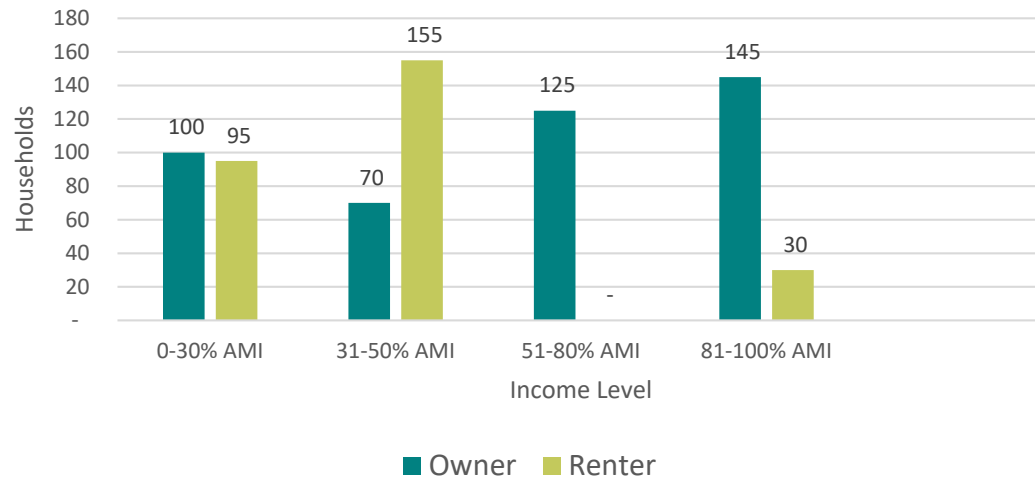


Source: Alice Thresholds and ACS

Aging Populations

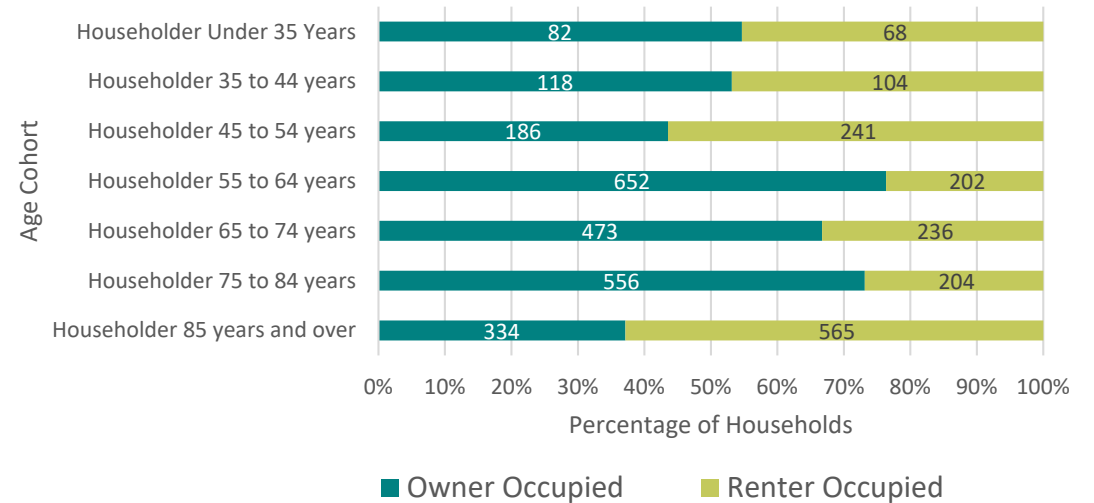
- Senior households are anticipated to have the largest percentage of growth through 2040.
- As seen in the lower right figure, the majority of seniors are homeowners. Some senior will continue to live in their own home with virtually no services, while some will look to townhomes and apartments that offer the ability to “downsize”, specialized housing with limited services, and different types of assisted living facilities.
- Often senior households will pay up to 50% of their income for market rate senior housing and up to 90% for specialized living.

City of New Richmond Senior Household Income



Source: US Census Bureau CHAS 2017

City of New Richmond Household by Age and Tenure



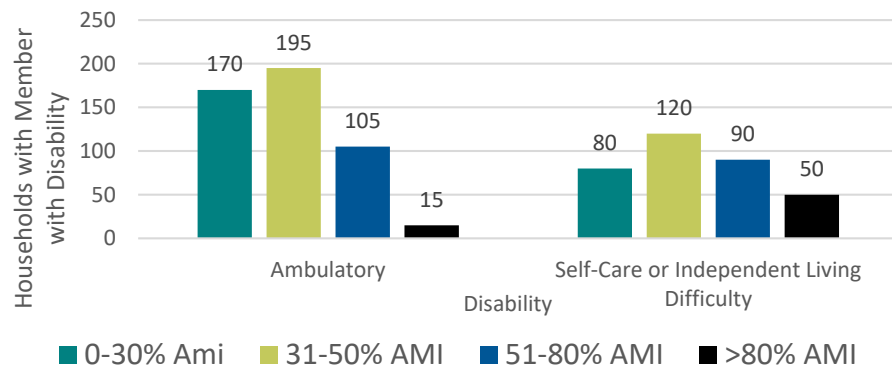
Source: US Census Bureau ACS 2019

Disabled Populations and Accessibility

- Those with an ambulatory, self-care, or independent living difficulty are most likely to require specialized forms of housing.
- The percentage of the population by age, that experiences disability is disproportionately higher for aging and senior households.
- Most housing units are not traditionally constructed to accommodate aging or disabled populations (e.g. through wider doorways, lower counter tops, etc.)

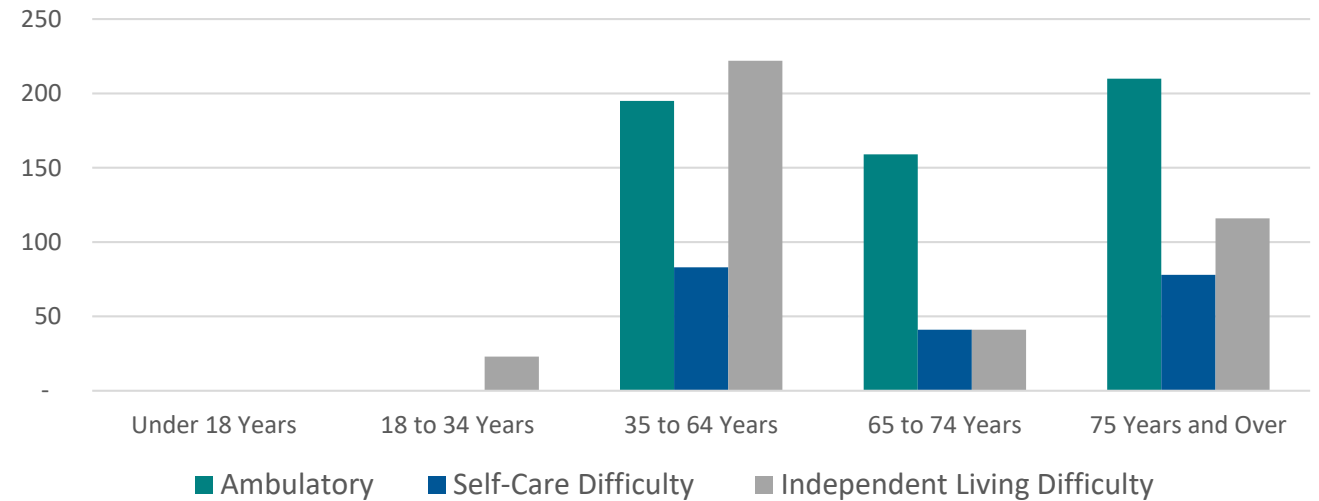
- New market rate and workforce housing should contain set-aside units that meet universal design standards.
- Current trends show that there are residents across all income levels that have a disability, but many would qualify for subsidized housing (<80% AMI).
- As the population continues to age, ensuring accessibility of new and existing homes should be a priority.

City of New Richmond Households with a Member with a Disability by Income and Type



Source: US Census Bureau CHAS 2017

City of New Richmond Persons with a Disability by Age and Type



Source: US Census Bureau CHAS 2017

Other Forces Impacting the Market

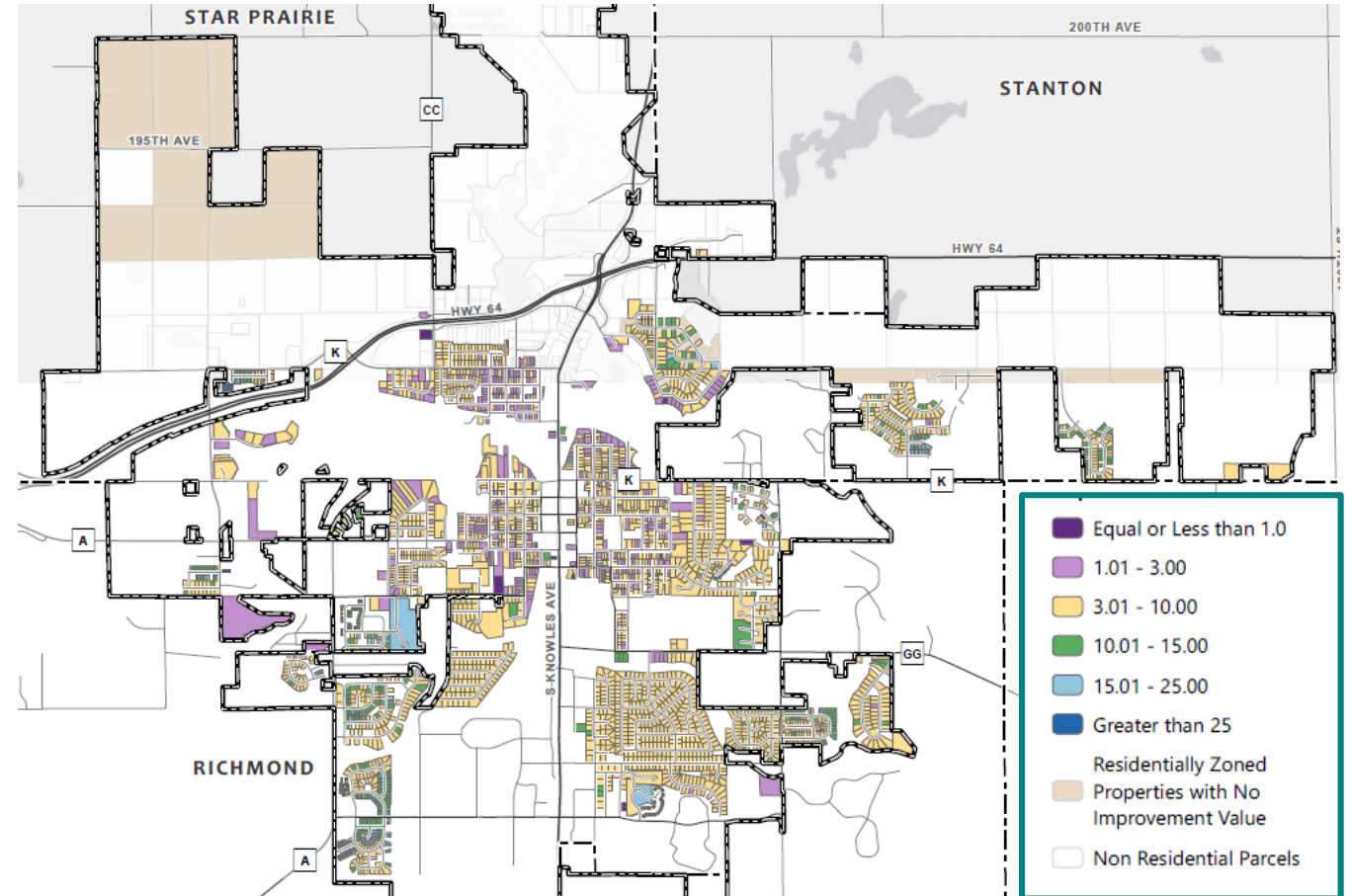
Taxes

- New Richmond’s mill rate is higher than neighboring townships but is consistent with surrounding cities and villages.
- It is generally expected that the City would have higher tax rates than towns because they maintain more infrastructure and offer more services per capita.
- New residential growth expands the City’s tax base and spreads costs between more households.
- There will be a city-wide property re-assessment completed in 2021 which will impact taxes paid by those living in the community.
- Interviews with local housing experts noted that property taxes are lower in New Richmond (Wisconsin) than they are in Minnesota. Anecdotally, is likely that lower property taxes are something drawing people into the City from the Twin Cities.

Municipality	2020 Mill Rate	Taxes on 180,100 Home	Difference vs New Richmond	2020 Population
City of New Richmond	0.0187	\$3,367		10,079
Village of Somerset	0.01937	\$3,488	\$122	3,019
Town of Richmond	0.01373	\$2,473	\$(894)	4,074
Town of Star Prairie	0.01429	\$2,573	\$(793)	3,733
Town of Erin Prairie	0.01499	\$2,699	\$(667)	673
City of Hudson	0.01752	\$3,155	\$(213)	13,795
City of River Falls	0.01838	\$3,310	\$(58)	15,638
City of Rice Lake	0.02399	\$4,321	\$953	9,040

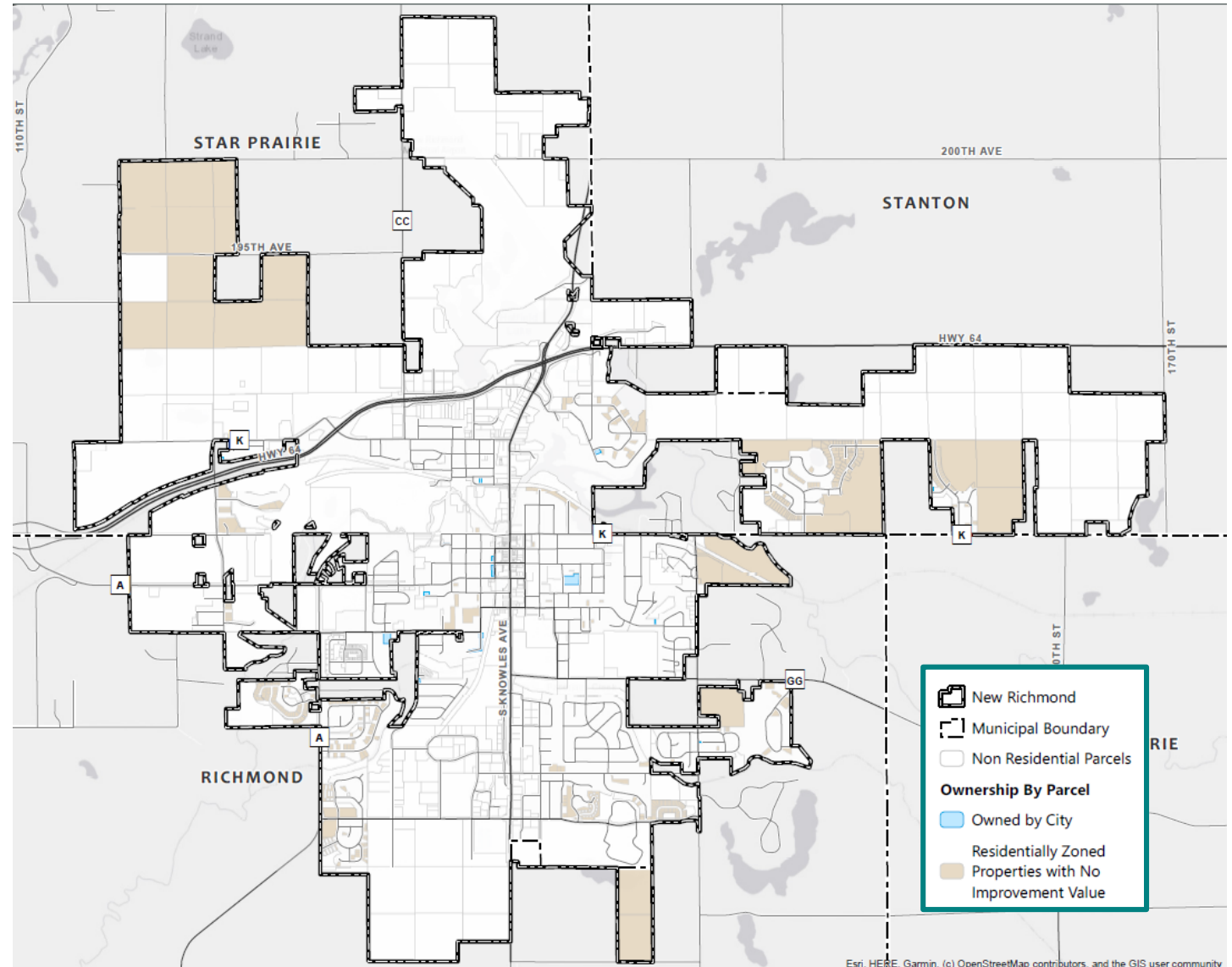
Improvement Value Ratio

- This map helps identify areas that are more likely to benefit from redevelopment or rehabilitation: **residential areas with high land value and low improvement value.**
- Areas with the lowest improvement ratios (the dark purple and light purple) are scattered throughout the City.



Supply of Available Lots

- Aside from redevelopment there are opportunities for additional housing on vacant lots within city limit.
- Vacant residential parcels are represented in brown on the map to the right.
- Most of the available residential acreage is in large areas that could be subdivided (231 acres total). This acreage includes some land that may not be buildable due to wetlands, floodplain, size, shape, etc.
- There are currently 398 buildable lots within the City.



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Regulations

- The City’s ordinance has six zones that allow for various types of residential development. All of them allow single family development by right:
 - Z1- Agriculture Preservation
 - Z2- Sub-Urban
 - Z3- Multi-Use/Corridor
 - Z4- General Urban
 - Z5- Traditional Neighborhood
 - Z6- General Business
- Townhomes are allowed in Z2-Z6 and multiple family dwellings are allowed in Z3-Z6, the only requirement being site plan approval by Council.
- There is little regulation on minimum lot size in all districts, which encourages development on smaller lots. However there are requirements on minimum lot width and lot coverage in place of minimum lot size requirements in New Richmond.
- Interviews indicated the development process is overall good in New Richmond, though it was suggested the process could be further simplified which would reduce cost to developers. Any reduction in process/cost ultimately gets passed on to renters or owners.

	Agriculture Preservation - Z1	Sub-Urban - Z2	Multi-Use/Corridor - Z3	General Urban - Z4	Traditional Neighborhood - Z5	Central Business - Z6
Dwelling Type	Z1	Z2	Z3	Z4	Z5	Z6
Single-family	A	A	SP	A	A	A
<i>Min Lot Size</i>	5 Acres					
<i>Min Lot Width (in FT)</i>		80	80	80	50	
<i>Min Front Yard Setback (in FT)</i>	50	25	25	25	25	
<i>Maximum Lot Coverage</i>	30%	40%	30%	40%	40%	100%
Two Family Dwelling		A	A	A	A	
<i>Min Lot Size (in SF)</i>						
<i>Min Lot Width (in FT)</i>		40	40	40	40	
<i>Min Front Yard Setback (in FT)</i>		25	25	25	25	
<i>Maximum Lot Coverage</i>		40%	30%	40%	40%	100%
Townhouse		SP	SP	SP	SP	SP
<i>Min Lot Size (in SF)</i>						2,500
<i>Min Lot Width (in FT)</i>		40	40	40	40	16
<i>Min Front Yard Setback (in FT)</i>		25	25	25	25	20
<i>Min Dwelling Unit Separation (in FT)</i>		40%	30%	40%	40%	100%
Mobile Home						
Multiple Family Dwelling			SP	SP	SP	SP
Community Living (1-8)	A	A	A	A	A	A
Community Living (9-15)	C	C	C	C	C	C
Nursing Home						C

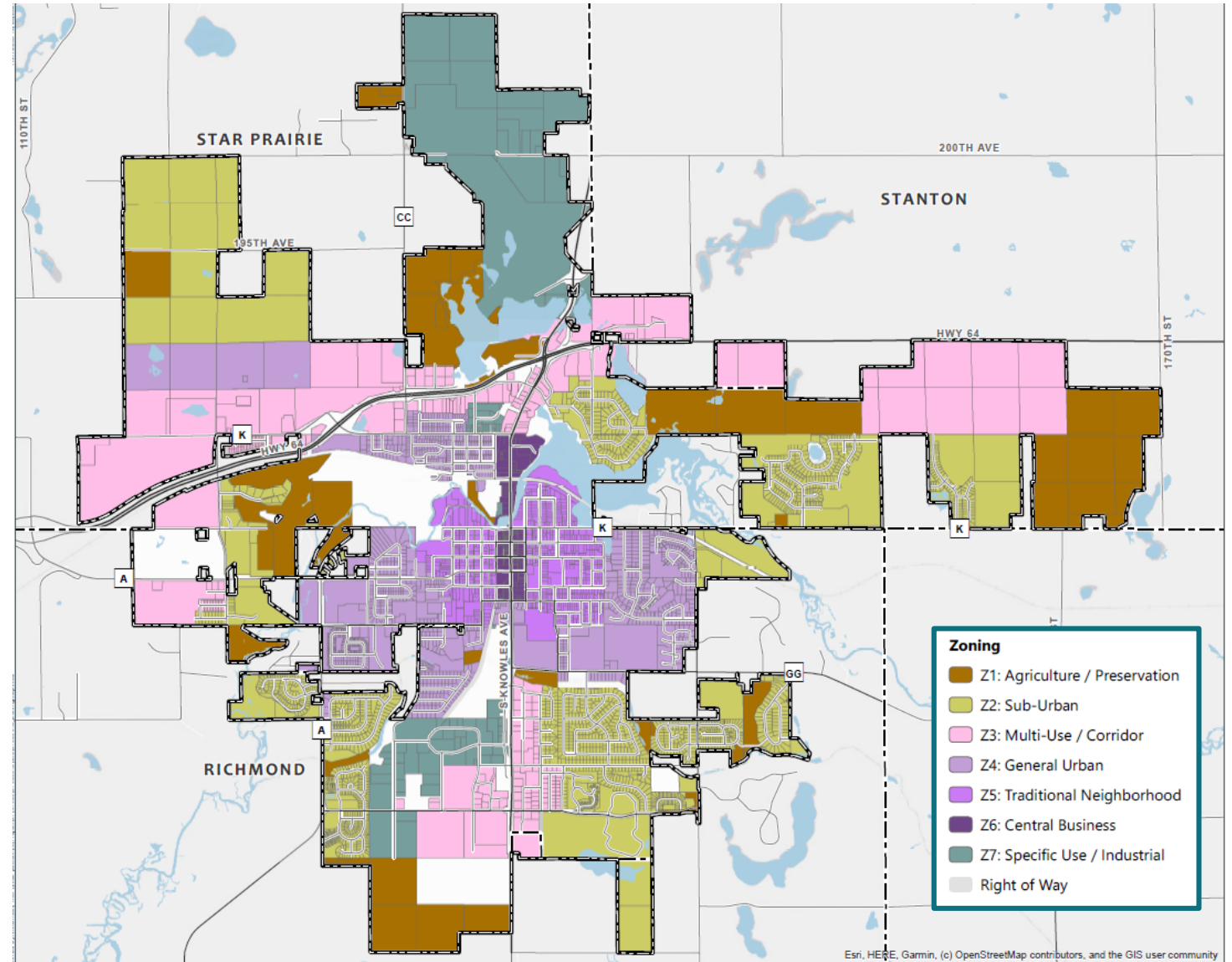
SP=Site Plan Application Required

A= Allowed through building permit process

C= Conditional Use Permit Required

Zoning

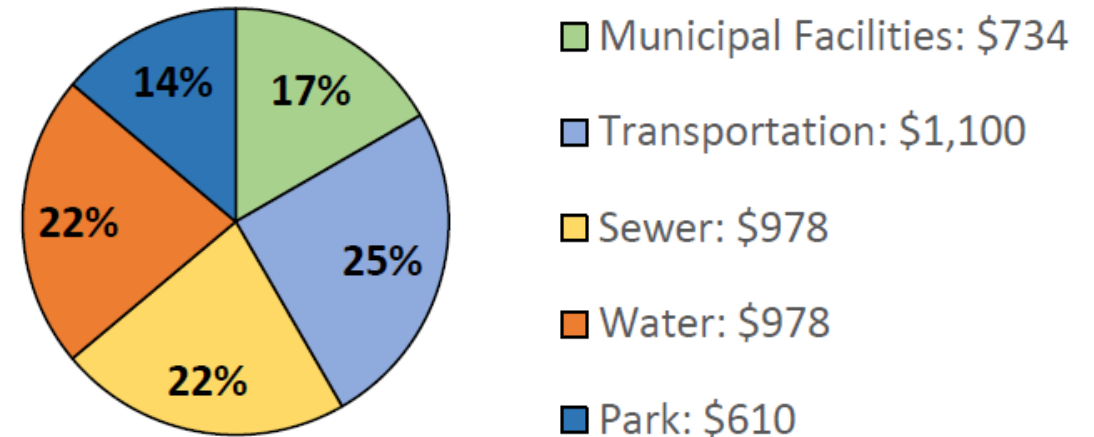
- Due to the flexibility of the City's zoning code, a variety of residential unit types are allowed throughout the City. This facilitates development of a variety of housing types to meet market demand.
- Only larger community living facilities and nursing homes are subject conditional use permits. This is something the City could revisit as the population continues to age.



Impact Fees

- Communities charge impact fees when approving new development to pay for infrastructure that must be built to accommodate new development.
- New Richmond currently charges an impact fee of \$4,400 per dwelling unit for residential development. A breakdown of where this fee goes is shown to the right.
- One interviewee noted that the City's impact fees were high, especially compared to the City of Eau Claire, which does not charge impact fees. Other nearby communities charge the following impact fees:
 - City of River Falls - \$5,450 per dwelling unit
 - City of Hudson - \$2,422 per dwelling unit (water connection fee not listed)
 - Village of Roberts - \$5,050 per dwelling unit
- The City will be undergoing an impact fee study in 2022. Even if findings show fees should be raised overall, the City could consider reducing impact fees for affordable units only to encourage this type of development.

New Richmond Impact Fee (\$4,400) Breakdown



Livability

- **Good Schools:** New Richmond's School District is attractive to potential residents. The District is expecting continued growth due to households leaving the Twin Cities.
- **Proximity to Twin Cities:** Households moving from the Twin Cities to New Richmond come because of the quality of life offered while still being able to easily drive to the Twin Cities.
- **Opportunity for Recreation:** The City has a robust park and recreation system with 28 parks (developed and undeveloped) and 19.5 miles of paved trails.
- **Lack of Broadband:** Lack of reliable internet came up in many of the housing expert interviews as a critical need and a factor that could discourage people and businesses from coming to the community.
- **Safety:** Interviewees mentioned the City is perceived as safe, which is a draw to potential residents.



New Richmond High School

Housing Gaps and Opportunities

Owner Occupied Housing Units Needed-Conservative

- The conservative household growth estimate uses DOA's projected growth rate for the City through 2030 (19%) plus an additional 50% increase due to additional unanticipated housing demand created by the bridge.
- These demand projections could be outpaced based on recent history. The newly constructed bridge has added an element of uncertainty which has resulted in more growth than had previously been projected by DOA for the City.
- **The 482 owner-occupied units that are projected to be needed in the local housing market over the next 10 years should be in the following sale ranges (2021 dollars):**
 - 111 units priced \$35,000*-\$232,000
 - 62 units priced \$190,000-\$294,000
 - 232 units priced \$228,000-\$408,000
 - 77 units priced greater than \$408,000

**Home ownership at this price point is challenging and may not be possible without significant subsidy.*

New Construction Ownership Housing Demand to 2030 - Conservative			
Demand from New Households Within the City			
Owner Household Growth	768 additional households		
Percent Owner Households under 65	46%		
DOA Estimate Plus Demand Due to Bridge (50%)	176 additional households		
Plus Additional 2% Vacancy	11 ownership units		
Demand Generated for New Construction	540 ownership units (54/year)		
Demand from Existing Homeowners			
Current Owner Households (those under 65)	1,715 households		
Annual Turnover	13%		
Households Anticipated to Move	223		
Desire New Construction	13%		
New Construction Demand	29 ownership units (3/year)		
Minus 2021 Permits	87		
Total Demand for New Construction Ownership Units = 482 units			
Demand for Detached vs. Attached Units			
Demand for SF-Detached	75%	Demand for SF-Attached	25%
Total SF-Detached Need	361 units (36/year)	Total SF-Attached Need	120 units (12/year)
Total Unit Need = 482 units (48/year)			

Owner Occupied Housing Units Needed-High

- This high estimate assumes a 50% growth rate in households between now and 2030. This growth rate assumes the construction rate the City has experienced since the opening of the bridge will continue.
- The City should annually re-evaluate construction trends to determine whether the high growth rate experienced right after the construction of the bridge will continue, or whether that was an anomaly.
- **The 911 owner-occupied units that are projected to be needed in the local housing market over the next 10 years should be in the following sale ranges (2021 dollars):**
 - 210 units priced \$35,000*-\$232,000
 - 116 units priced \$190,000-\$294,000
 - 439 units priced \$228,000-\$408,000
 - 146 units priced greater than \$408,000

**Home ownership at this price point is challenging and may not be possible without significant subsidy.*

New Construction Ownership Housing Demand to 2030 - High			
Demand from New Households Within the City			
Owner Household Growth	2,068 additional households		
Percent Owner Households under 65	46%		
Plus Additional 2% Vacancy	19 ownership units		
Demand Generated for New Construction	969 ownership units (97/year)		
Demand from Existing Homeowners			
Current Owner Households (those under 65)	1,715 households		
Annual Turnover	13%		
Households Anticipated to Move	223		
Desire New Construction	13%		
New Construction Demand	29 ownership units (3/Year)		
Minus 2021 Permits	87		
Total Demand for New Construction Ownership Units = 911 units			
Demand for Detached vs. Attached Units			
Demand for SF-Detached	75%	Demand for SF-Attached	25%
Total SF-Detached Need	683 units (68/year)	Total SF-Attached Need	228 units (23/year)
Total Unit Need = 911 units (91/year)			

Rental Units Needed- Conservative

- The conservative household growth estimate uses DOA's projected growth rate for the City through 2030 (19%) plus an additional 50% increase due to additional unanticipated housing demand created by the bridge.
- These demand projections could be outpaced based on recent history. The newly constructed bridge has added an element of uncertainty which has resulted in more growth than had previously been projected by DOA for the City.
- **The 359 rental units that are projected to be needed in the local housing market over the next 10 years should be in the following price ranges (2021 dollars):**
 - 102 units priced \$300-\$600/month
 - 127 units priced \$500-\$900/month
 - 60 units priced \$800-\$1,300/month
 - 70 units priced \$1,000-\$2,000/month

New Construction Rental Housing Demand to 2030 - Conservative					
<i>Demand from New Households Within the City</i>					
Renter Household Growth	768 additional households				
Percent Renter Households under 65	33%				
DOA Estimate Plus Demand Due to Bridge (50%)	127 additional households				
Plus Additional 5% Vacancy	19 rental units				
Demand Generated for New Construction	399 rental units (40/year)				
<i>Demand from Existing Renter Households</i>					
Current Renter Households (those under 65)	1,207 households				
Annual Turnover	6%				
Households Anticipated to Move	72				
Desire New Construction	13%				
New Construction Demand	9 rental units (1/year)				
Minus 2021 Permits	50				
Total Demand for New Construction Rental Units = 359 units					
<i>Demand for Rental Units at Various Price Points</i>					
Affordable Units	64%	Mid-Level Units	17%	High Market Units	20%
Total Affordable Need	229 units (23/year)	Total Mid-Level Need	60 units (6/year)	Total High Market Need	70 units (7/year)
Total Unit Need = 359 units (36/year)					

Rental Units Needed-High

- This high estimate assumes a 50% growth rate in households between now and 2030. This growth rate assumes the construction rate the City has experienced since the opening of the bridge will continue.
- The City should annually re-evaluate construction trends to determine whether the high growth rate experienced right after the construction of the bridge will continue, or whether that was an anomaly.
- **The 676 rental units that are projected to be needed in the local housing market over the next 10 years should be in the following price ranges (2021 dollars) :**
 - 193 units priced \$300-\$600/month
 - 238 units priced \$500-\$900/month
 - 113 units priced \$800-\$1,300/month
 - 132 units priced \$1,000-\$2,000/month

New Construction Rental Housing Demand to 2030 - High					
<i>Demand from New Households Within the City</i>					
Renter Household Growth	365 additional households				
Percent Renter Households under 65	33%				
Plus Additional 5% Vacancy	34 rental units				
Demand Generated for New Construction	286 rental units (29/year)				
<i>Demand from Existing Renter Households</i>					
Current Renter Households (those under 65)	1,207 households				
Annual Turnover	6%				
Households Anticipated to Move	72				
Desire New Construction	13%				
New Construction Demand	9 rental units (1/year)				
Minus 2021 Permits	50				
Total Demand for New Construction Rental Units = 676 units					
<i>Demand for Rental Units at Various Price Points</i>					
Affordable Units	64%	Mid-Level Units	17%	High Market Units	20%
Total Affordable Need	431 units (43/year)	Total Mid-Level Need	113 units (11/year)	Total High Market Need	132 units (13/year)
Total Unit Need = 676 units (68/year)					

Senior Units Needed-Assisted Living

- The number of senior households is projected to increase by 35% in New Richmond by 2030. Planning for aging populations is essential to the success of the housing market in New Richmond.
- As seniors age some will need assistance with daily living (ADL) and need to move out of their current homes.
- **It is projected that by 2030 there will be a need for 41 additional assisted living units in the City.**

Age Cohort of Household	Assumptions	2020 Households	2025 Households (projected)	2030 Households (projected)
65+	-	860	1,022	1,164
Assistance with Daily Living (ADL) Required*				
65+	45%	387	460	542
% Renter Households**		25%		
Total Potential Market		97	115	131
Minus Existing Supply of Assisted Living Units		90	90	90
Projected Demand		7	25	41

Senior Units Needed-Independent Living

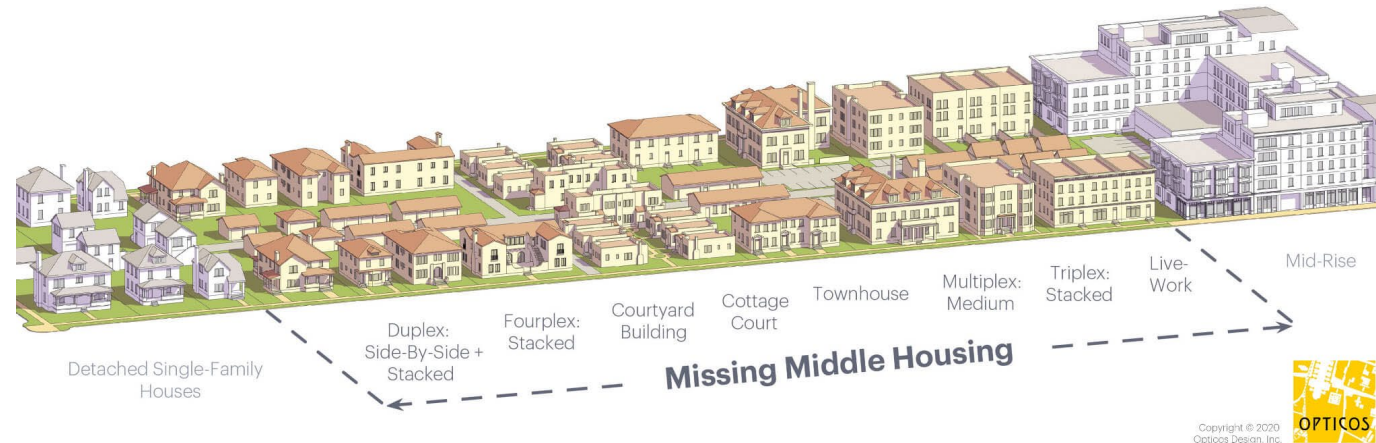
- The number of senior households is projected to increase by 35% in New Richmond by 2030. Planning for aging populations is essential to the success of the housing market in New Richmond.
- Some seniors will not need assistance with daily living, but will still desire to move and look for housing dedicated to seniors.
- It is projected that by 2030 there will be a need for 142 subsidized and 18 market rate senior units. *This calculation does not include existing independent senior living units as that count is not available.*

Age Cohort of Household	Assumptions	2020 Households	2025 Households (projected)	2030 Households (projected)
65+	-	860	1,022	1,164
<i>Assistance with Daily Living (ADL) NOT Required*</i>				
65+	55%	473	562	640
% Renter Households**		25%		
Total Potential Market		118	141	160
% Subsidized**		89%		
Projected Demand - Subsidized***		105	125	142
Projected Demand - Market Rate***		13	15	18

Strategies for Implementation

Priorities

- 1. Detached Single Family Housing** – Continued development of detached, single-family housing, especially at the \$250,000-\$300,000 price point.
- 2. Missing Middle Housing** – Varied housing forms with 2-16 attached units, either rental or condo, addressing affordability, senior accessibility, and neighborhood compatibility.
- 3. Housing for Seniors** – Independent and assisted living units for the growing senior population. Some of these units should be targeted downtown, within walking distance of services and opportunities for socialization.
- 4. Broadband** – Ensure all residential and business/commercial/industrial areas have reliable, fast internet.



Recommendations

Capacity Building & Communication

Form A Housing Committee (Recommended First Action Item)

- A Housing Committee can be the driving force to implement this plan, including providing oversight on the development and administration of funding programs, supporting public outreach about the city's housing needs and programs, and supporting updates to this plan as the market shifts and outside funding programs change year by year. The Committee should be advisory to the Community Development Authority and can include representation from the City's Housing Authority, developers, realtors, landlords, non-profits, lenders, school district, technical college, and major employers.

Improve Staff & Developer Communications & Processes

- Development processes require collaboration with multiple City departments and committees. Getting feedback and sign-off from each department in an efficient manner is a challenge in many communities. A strategy to improve the process would be to find ways to coordinate so everyone is looking at the application at the same time and explore opportunities to hold joint approval meetings. Any processes that can be consolidated or expedited would lower time (costs) to developers, which ultimately lowers costs to owners and renters.

Naser Heights Twin Home Development in New Richmond



Source: <https://www.opkansas.org/wp-content/uploads/2019/11/Cottage-court-neighborhood-Langley-WA-web.jpg>

Recommendations

Initiatives

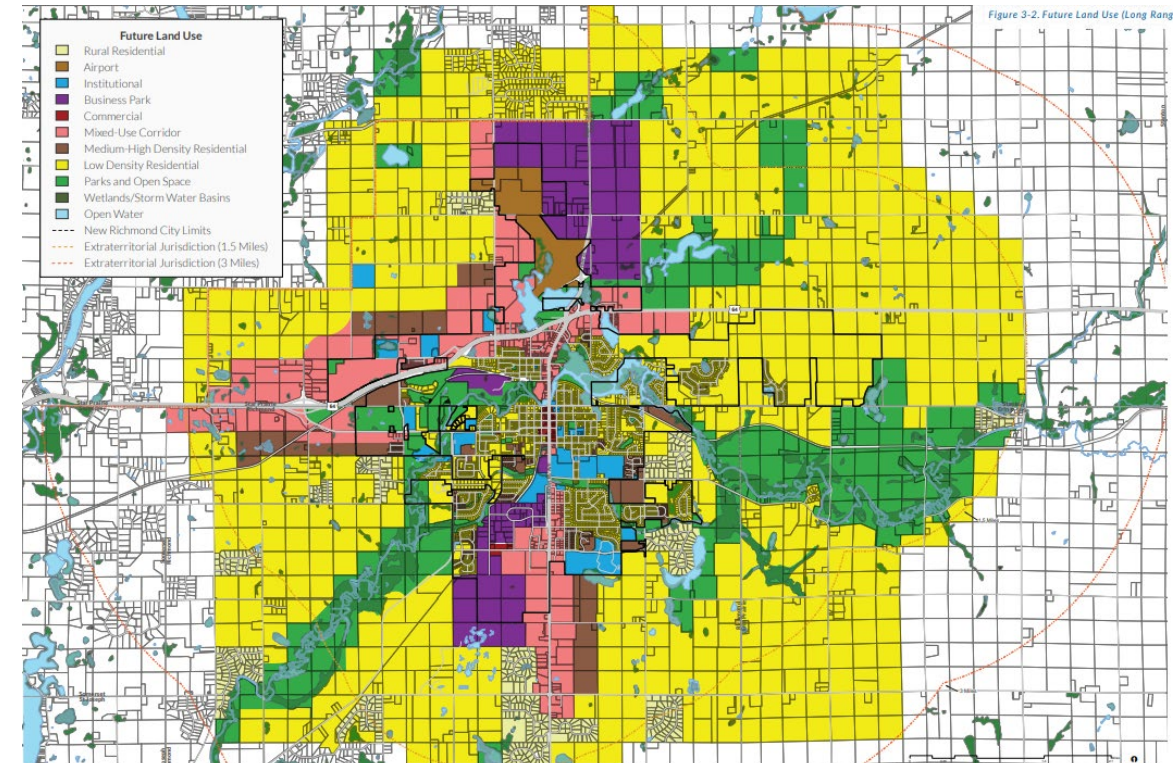
City-Owned Properties

- The City should identify and purchase properties that would be prime for redevelopment, in particular downtown, as well as locations in existing neighborhoods where smaller development projects (three-, four-plex, or small multi-family) serve as a means to increase affordability. The Community Development Authority is the recommended lead for this effort.

Ensure a Supply of Available Lots

- Currently the City has 231 acres of annexed land available for residential development (both platted and unplatted). Because growth is occurring rapidly, the City should annually assess whether sufficient land is available for new residences so as not to hinder development that might otherwise occur.
- The City should also continue to review its rate of household growth vs development for indications that growth may be slowing and the first several years after the bridge were installed were a unique phenomena.
- Continually review and update the Future Land Use Map in the City's Comprehensive Plan to help identify updated areas in the City's extraterritorial jurisdiction that are planned for future residential growth.

New Richmond Future Land Use Map (2018)



Recommendations

Initiatives

Prioritize Expansion of Broadband

- Interviews with housing experts in the community revealed broadband as a critical need in the community. With employers increasingly offering flexibility for employees to work remotely, the City will benefit if it can accommodate a remote workforce, especially from households with jobs in the Twin Cities that require only occasional commuting. The City should prioritize bringing broadband to residential, business, and industrial areas of the City.

Prioritize Business Attraction

- Continue to prioritize business attraction to provide retail, dining, and other commercial amenities residents are seeking.
- Form partnerships with local development corporations to execute projects consistent with community objectives

Impact Fee Reduction for Affordable Housing Projects

- Through the interview process, it was mentioned that the City has high impact fees in comparison to surrounding communities. After its impact fee analysis in 2022, the City should consider lowering its fees for affordable housing projects.

Downtown New Richmond



Recommendations

Initiatives

Identify Areas Suitable for Mixed Unit Types

- Small-lot and large-lot new development is needed, so are unit type mixes within new subdivision development. Integrating a mix of housing types (attached/detached, 3-9 unit rental) within subdivisions creates more choices and options in the housing market – ensuring households of all incomes can find suitable housing in most neighborhoods. This enables more people to stay in a neighborhood over time as their housing needs change. For this initiative the city should identify:
 - Sites that transition to higher intensity areas
 - Sites large enough to place higher density in the center with intensity of use transitioning down to single family density with existing neighborhoods
 - Potentially mixed use corridors
 - Predesignated sites in new subdivisions

Actively Seek Cottage Court-Style Development

- Cottage Court style development is an affordable ownership option. This style of development includes small groupings of housing around a shared public space and may be particularly attractive to seniors looking to downsize. Cottage Courts can be implemented through PUD (Planning unit development) zoning to provide suitable (but modified) setbacks, density, parking arrangements, etc.
- The City should identify areas where this could be possible, including both redevelopment and new neighborhood locations.

Example Cottage Court



Assist in Development of Community Land Trust

- Community land trusts acquire land and maintain ownership of it permanently, to ensure long-term housing affordability. With prospective homeowners, land trusts enter into a long-term renewable lease. When the homeowner sells, the family earns only a portion of the increased property value. The remainder is held in trust, preserving affordability for future low- to moderate-income families. The City should contact the Madison Area Community Land Trust for best practices in developing this type of organization.

Recommendations

Initiatives

Provide Housing Options for Aging Seniors

- The large share of senior households projected through 2030 is a major component of the local housing market. The City should develop accessibility programs to retrofit homes to age-in-place (potentially funded through an Affordable Housing Fund) and identify locations for senior apartments or condos. Providing attractive, affordable options for seniors who wish to move has the added benefit of putting those often older, more affordable homes seniors are currently living in back on the housing market.

Identify Areas Appropriate for “Luxury” Housing

- There are households that could afford luxury unit rents, many of which are currently renting down into more affordable units. Development of additional luxury units is recommended to diversify the market and attract some of those households that are competing with lower-income households for housing, both renter- and owner-occupied units. Work with developers to identify areas that are appropriate for luxury housing.

Example Senior Apartments



Recommendations

Initiatives

Add a Continuing Care Retirement Community

- Seek out a developer for a Continuing Care Retirement Community (CCRC) and work with developer to identify a location for the community. A CCRC offers seniors the opportunity to stay in place as they age and their needs change. Residents can start out living independently in the community in an apartment and later transition to assisted living or nursing home within the community to receive additional care. An ideal location for this type of community would be near a grocery store, retail, bank, church, etc. – places which keep seniors connected to the community.

Seek Out Development of Short Term Rentals

- Review the City's ordinance to allow flexibility for landlords to provide short term rentals. Short term rentals could provide options for households who move from New Richmond from outside of the area and need temporary housing while they look for permanent housing. This is a need we heard echoed during our interviews with local housing experts.

Example Continuing Care Retirement Community Concept



Recommendations

Funding

Affordable Housing Fund

- The City could create an Affordable Housing Fund to be a general-purpose funding vehicle that can serve various affordability initiatives anywhere in the city. This can be used for matching funds, land purchase, new construction, rehabilitation, renovations for seniors, and down payment assistance. This could be the source of funding to support a low-cost loan program to help owners modify their homes to accommodate aging/disabilities. Funds could come from TIF Affordable Housing One-Year Extensions, general obligation bonds, sale of surplus land, general fund budgeting and private contributions. This funding could be leveraged to make developers more competitive when applying for Low Income Housing Tax Credits (LIHTC). This fund could be sustained over time, at least in part, by offering loans rather than simply grants. A mix of 50% forgivable loan and 50% low-interest repayment within 5-15 years should be considered.

Federal Low Income Housing Tax Credit (LIHTC)

- For development of affordable housing in the community, seek out a developer familiar with LIHTC. LIHTC (or Section 42) is a federal program which gives the Wisconsin Housing and Economic Development Authority (WHEDA) the authority to issue tax credits for acquisition, rehabilitation or new construction of rental housing for low-income households. There are two types of tax credits available through this program: 1) Federal 9% Tax Credit (competitive) and 2) Federal 4% Tax Credit (non-competitive). The City should seek developers with LIHTC experience.
- This program offers the opportunity for new construction at rents that fit within the limits and demands of the community. Statewide and locally, we are hearing from employers that workers need local housing they can afford.

Wisconsin Low Income Housing Tax Credit (LIHTC)

- Similar to the federal LIHTC program, Wisconsin offers a 4% non-competitive state tax credit which can be used as match for the federal 4% program. Again, the City should seek to work with developers familiar with the LIHTC program.

Recommendations

Funding

Tax Increment Financing – Affordable Housing Incentives

- Tax Increment Financing (TIF) districts can include residential property. In areas targeted for new residential growth the City should consider TIF district creation to provide incentives to support new housing development that is affordable, such as infrastructure improvements, land purchase and housing tax credit matching funds. Project plans could also offer grants to current homeowners for necessary maintenance and improvements to the City's aging housing stock. The intent is to ensure that investments in the attraction of businesses and jobs should be coupled with investment in housing affordable to who will work those jobs.

Tax Increment Financing – Affordable Housing One-Year Extension

- The City should hold all TIF districts open for one additional year beyond their planned or maximum duration to generate funds that will be used for affordable housing. All of the increment collected in that extra year can be used for housing anywhere in the City, with the stipulation that 75% must be used for affordable housing. More information can be found in section 66.1105(6)(g) of the State statutes.

Recommendations

Funding

Down Payment Assistance

- WHEDA and the Federal Home Loan Bank Of Chicago (FHLBC) already have down payment assistance programs which should be promoted. These programs are typically available for households at/below 80% AMI. The FHLBC Downpayment Plus program provides matching funds which could be matched from pools of local employers or from the City.

WHEDA 7/10 Flex Financing

- The City should continue to encourage developers to apply for these low interest loans that require developers to set aside at least 20% of units to households at or below 80% AMI. This is a noncompetitive program and applications are accepted at any time. Loan amounts have a maximum of \$10 million. One drawback to the program is that it is not as desirable when interest rates are already low.

Waive Fees on Housing Rehab for Low-Income Owners

- The City should consider waiving fees for housing rehabilitation projects for low-income households (<80% AMI).

Federal Home Loan Bank Affordable Housing Program

- Encourage developers of rental projects to apply, and encourage local banks and single-family home developers to participate in the Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP). Under this program a FHLB member bank can partner with a developer to apply for grant funds for rental projects where at least 20% of the units are affordable for and occupied by those at or below 50% AMI or owner-occupied programs for households at or below 80% AMI.