

A Market Feasibility Study for Permanent Supportive Housing in Otter Tail County, Minnesota

Prepared For:

Fergus Falls/Otter Tail County HRA
Fergus Falls, MN

April 2020



Maxfield
Research & Consulting

7575 Golden Valley Road
Suite 385
Minneapolis, MN 55427
612.338.0012
www.maxfieldresearch.com



Maxfield

Research & Consulting

April 6, 2020

Mr. Mikel B Olson
Executive Director: Fergus Falls HRA
1151 Friberg Avenue
Fergus Falls, MN 56537

Dear Mr. Olson:

Attached is our study titled *"A Market Feasibility Study for Permanent Supportive Housing in Otter Tail County, Minnesota."* The study considers the potential demand to develop rental housing that would be positioned as affordable and would have supportive services available to residents. The development would be targeted to single- and family households that are experiencing mental health challenges and may be homeless or at risk of becoming homeless and who would benefit from regular service supports to be able to secure and maintain their housing and stabilize their living situations.

This study assesses the demographic characteristics of the primary draw area, analyzes the competitive market situation for low-income and affordable rental housing options in the Fergus Falls, Otter Tail County and surrounding area, identifies trends among the homeless population in West Central Minnesota and in Otter Tail County, along with service supports that specifically target those with mental health challenges and barriers to finding and maintaining housing in the traditional market. It quantifies demand for affordable and homeless units that could be captured by a new development in an accessible location. Our findings reveal there is demand for 171 units that would be targeted to singles that are homeless or at-risk of becoming homeless and have barriers to maintaining and/or finding safe and stable housing. The proposed development would have 24, one-bedroom units targeted to singles in a first phase. Additional phases may target other demand segments.

We enjoyed completing this study and are available should you have any further questions or require additional information.

Sincerely,

MAXFIELD RESEARCH AND CONSULTING, LLC

Mary C. Bujold
President
Attachment

Andrew McIntyre
Research Associate

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Executive Summary

The following points are key findings from our analysis:

- The identified HRA Site is adjacent to the existing Fergus Falls/Otter Tail County HRA office at 1151 Friberg Avenue in Fergus Falls, Minnesota and is well-suited for the development of the proposed permanent supportive housing facility due to the following characteristics: its location near Downtown Fergus Falls, its proximity to recreation amenities at the local YMCA and city parks and Grace United Methodist Church. Medical services are a short drive to Lake Region Healthcare and other local clinics and health care specialists.
- The Primary Market Area (PMA) for the property is identified as Otter Tail County. The largest city in Otter Tail County is Fergus Falls, which is also the County seat. Fergus Falls is estimated to account for 23% of the total county population as of 2020, which underscores that the population is spread across a large area. Because of the more rural character of West Central Minnesota and Otter Tail County, many service organizations and agencies serve a broad geographic area, which can include at least two counties and perhaps up to ten. As such, a facility built in Fergus Falls may draw potential residents from an area larger than Otter Tail County that may also include adjacent counties such as Becker and Wadena. This is further addressed in the report.
- As of 2020, the PMA contained an estimated 61,593 people and 24,341 households. Between 2010 and 2020, the PMA population increased 7.5% and the number of households expanded by 1.2%.
- By 2025, the 65 to 74 age cohort is projected to become the largest adult age cohort with an estimated 10,026 people (15.8% of the total population). Age cohorts experiencing significant growth between 2020 and 2030 are those between the ages of 75 to 84 (24.8%) and 35 to 44 (12.1%).
- The number of households with incomes under \$35,000 annually is expected to decrease by 434 households, a decrease of 6.2% over the next five years. The largest decreases in the under \$35,000 income category are anticipated to be among those 55 to 64 (-245) and those 45 to 54 (-136). The age category anticipated to show an increase is the age 75+, an increase of 109 households or 15.7%.
- In 2010, there were an estimated 7,306 people in Otter Tail County with incomes below the poverty line. In 2020, this figure is estimated to have decreased to 5,675 people (22.3%). Overall, the proportion of males living in poverty is estimated to have decreased by 16% and females by 27%.

EXECUTIVE SUMMARY-KEY FINDINGS

- The only proportional increases in those living below the poverty line in the PMA between 2010 and 2020 were among males 55 to 64 (36.0%) and females 35 to 44 (8.7%).
- The PMA's unemployment rate decreased between 2010 and 2019, from 7.1% in 2010 to 3.6% in 2018, but then ticked up to 4.2% in 2019. Fergus Falls' unemployment rate in 2019 was 3.5%, down from 7.1% in 2010. By comparison, the Remainder of the PMA had higher employment rates of 7.1% and 4.2%, respectively in 2010 and 2019. The overall unemployment rate for Minnesota in 2019 was 3.3%, lower than the unemployment rate in Fergus Falls and the Remainder of the PMA.
- Deep-subsidy properties were inventoried in Fergus Falls and other Otter Tail County communities. These properties include project-based Section 8 and public housing units. Of the 448 units in the nine deep subsidy properties surveyed, 29 (6.5%) were vacant. The modestly higher vacancy rate among these properties is likely due to the longer time for unit turnover and to qualify applicants for acceptance.
- Shallow subsidy properties were also inventoried in Fergus Falls and other Otter Tail County communities. Of the 358 units in the 16 shallow subsidy properties, 14 (3.9%) were vacant, a vacancy rate less than the 5% market equilibrium rate.
- Market rate properties were inventoried in Fergus Falls and other Otter Tail County communities. Of the 642 units in the 23 market rate properties, 14 (3.6%) were vacant, a vacancy rate less than that 5% market equilibrium rate.
- Based on data gathered from the Wilder Foundation, a total of 397 homeless individuals and families were identified in the West Central Region of Minnesota in 2018. This was up 21.8% from the 326 homeless individuals and families in 2015.
- Barriers to finding suitable housing for homeless individuals and families include the presence of disability, chronic health conditions, mental health issues, criminal background and lack of assistance to access services needed. Limited transportation options to connect to employment concentrations was also cited as a potential barrier to supporting and sustaining long-term housing stability.
- Demand calculations identified a potential demand for 398 to 494 units of affordable housing targeted to households with incomes at or less than 80% of AMI. Demand for housing targeted to homeless or at-risk adults and families is 171 and 79, respectively. The first phase of permanent supportive housing is proposed to have 24 units targeted to single adults. A potential second phase of 12 units would be targeted to families. Capture rates for each segment were identified at 14.0% for singles and 15.2% for families. These capture rates are based on 24 units targeted to singles and 12 units targeted to families.

Introduction

Maxfield Research and Consulting, LLC was engaged by the Fergus Falls/Otter Tail County Housing and Redevelopment Authority (HRA) to conduct a market analysis to determine the potential need for a permanent supportive housing facility. The proposed facility would provide shelter and community and social support services to residents on-site. Additional local resource connections would enable those with significant mental health and other physical or mental challenges to stabilize their living environments. The market analysis addresses overall needs and specifically, the need for a permanent supportive housing property under the Housing First Program that would provide housing with on-site services to households including individuals and families, that are chronically homeless or are significantly at risk of becoming homeless if not provided with a shelter-service combination.

The analysis also addresses qualities and characteristics of locations that would be appropriate for the development of supportive housing depending on the target populations to be served. Although the initial proposed development is recommended to be developed in Fergus Falls, other communities in Otter Tail County such as Perham, Pelican Rapids, New York Mills, Parkers Prairie, or a smaller facility in a more rural area may also be developed in the future to serve a population that is geographically dispersed.

Residents residing at the proposed supportive housing facility would have incomes at or less than 60% of the Household Area Median Family Income (HAMFI) (\$30,540 for a one-person household) although most of the residents are likely to have household incomes of 30% or less of HAMFI (\$15,270 for a one-person household).

The scope of the analysis includes:

- *Analysis of overall population, household and employment growth trends for Otter Tail County;*
- *Presentation of general demographic factors such as age distribution of the population, household incomes, household tenure and household type; cost burden of households in Otter Tail County;*
- *Analysis of employment characteristics including job growth among various types of employment and occupations, wage growth by industry sector, commute patterns and recent shifts in employment;*
- *An analysis of rental market conditions in Fergus Falls and larger communities in Otter Tail County such as Perham, New York Mills and Pelican Rapids and an analysis of the affordability of rental housing and the supply of housing with deep subsidies;*
- *Statistics on homeless populations in West Central Minnesota Region are provided from the Wilder Homeless Study, 2018 and previous studies;*
- *Analysis of existing facilities and the capacity to house homeless populations;*

PURPOSE AND SCOPE OF STUDY

- *Agencies/organizations that provide services to those with physical, developmental and mental health challenges in Otter Tail and surrounding counties, the types of services provided; hard to house populations; service and housing gaps in the County.*
- *Demand calculations and recommendations for development of deep-subsidy rental housing on an appropriate Site to best enable the delivery of a supportive living arrangement for the target markets;*

Maxfield Research and Consulting, LLC obtained information from the following sources:

- ESRI Inc.
- MN Department of Employment and Economic Development
- US Census Bureau
- MN Housing
- Fergus Falls/Otter Tail County Housing Authority
- Wilder Research
- Minnesota Department of Veterans Affairs
- US Department of Housing and Urban Development
- Interviews with area providers (a list is provided in the Appendix);
- Apartment property owners and managers;
- Commercial property companies
- City planning staff in Fergus Falls, Perham and Pelican Rapids, Minnesota

Published documents used in the analysis are sourced. Where information was gathered through field work by Maxfield Research and Consulting, LLC., it is so listed.

Introduction

This section discusses the characteristics of the subject property and its appropriateness for the proposed use. In addition, we discuss the general characteristics of sites that would be suitable to consider for future facilities that may be developed to target individuals and/or families that have special needs or are hard to house. We separate characteristics between those more suitable for individuals and those more suitable for families.

The subject Site for the proposed development is a vacant parcel of land that is situated northeast of the Fergus Falls Housing and Redevelopment Authority (HRA) office in Fergus Falls, Minnesota. The Site is in the northeast portion of Fergus Falls, along Friberg Avenue. Land directly adjacent to the Site is primarily residential.

Property Characteristics/Adjacent and Surrounding Land Uses

/

The subject site is vacant land adjacent to the Fergus Falls/Otter Tail County HRA which is at 1151 Friberg Avenue in Fergus Falls, Minnesota. The property is currently owned by the HRA. West of the subject Site is the HRA office and single-family homes. North of the Site are multifamily townhomes. East of the Site is the Fergus Falls Area Family YMCA and single-family homes. South of the Site is Grace United Methodist Church, Fergus Falls Senior High School and single-family and multifamily apartments. The Site is flat and open with trees surrounding only the perimeter. Without soil or other inspections, the land appears to be developable immediately. The Site is wedge-shaped and would be likely easy to build on.

Access and Visibility

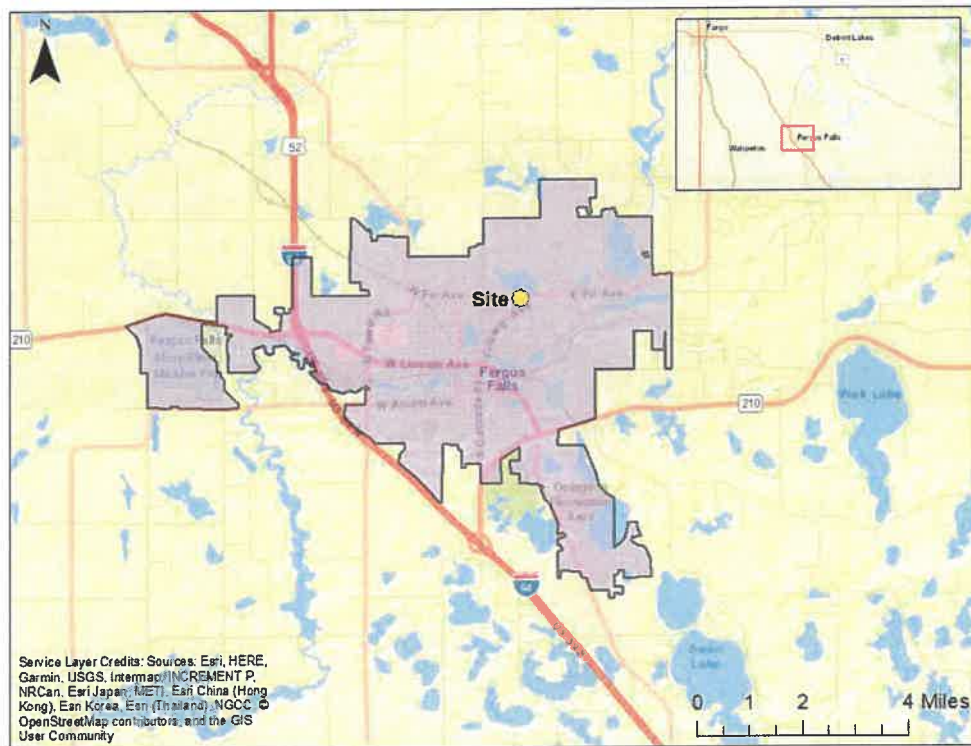
The Site is near the intersection of Friberg and Fir Avenues on the northeast side of Fergus Falls. While a short drive from Downtown Fergus Falls, the Site is on the opposite side of the City from Interstate 94. With five exits available from Interstate 94 into Fergus Falls, the Site is easily accessible to those in the City and those commuting from nearby communities.

The map on the following page depict the Site's location; following are photos of the Site and adjacent uses.

Map of Site Location



Location of Proposed Housing Facility



Site Photos



View of Subject Site Facing Northwest



View of Subject Site Facing West/Northwest

Photos of Adjacent Uses



View of YMCA Across from Subject Site



HRA Offices Adjacent to Subject Property

Proximity to Health Care, Social Services, and Other Community Facilities

The proposed Site is adjacent to the Fergus Falls/Otter Tail County HRA office. This will provide future residents the ability to utilize HRA resources. In addition, the Fergus Falls Area Family YMCA is directly east of the Site on Friberg Avenue. Residents can access recreation and community programs offered at the YMCA.

Lake Region Healthcare, the nearest hospital, is a short drive from the proposed residential development. Lake Region Healthcare is south of the proposed Site at 712 South Cascade Street. Lake Region Healthcare provides a full array of health care services including but not limited to emergency health services, cardiovascular surgery, internal medicine, behavioral health, neurology, obstetrics and gynecology, radiology, rehabilitation, and many other services. Other healthcare services include but are not limited to: the VA Fergus Falls Clinic, Community Behavioral Health Hospital Fergus Falls, Bridgeway Psychiatric at Lake Region Healthcare Center and Solutions Behavioral Healthcare Professionals.

The Fergus Falls community also has a number of social service organizations operating in the city. Examples of active social service organizations in the community include: The Salvation Army, Lutheran Social Services, United Way of Otter Tail and Wadena Counties, A Place to Belong, Freedom Resource Center, Senior Citizens Center and Mahube-Otwa Community Action Partnership. The proposed permanent supportive housing facility will provide direct services to its residents and can utilize the wide variety of healthcare services in the community.

Higher educational opportunities are available in Fergus Falls at MState Fergus Falls (community and technical college). MState Fergus Falls is east of Interstate 94 and is a part of the larger Minnesota State Colleges System.¹ Additionally, the Fargo-Moorhead Metropolitan Area is home to North Dakota State University (NDSU), Minnesota State University Moorhead (MSUM), and Concordia College.

Appropriateness of the Proposed Site for Permanent Supportive Housing

The subject Site is highly suited to the development of the proposed permanent supportive housing facility for the following reasons:

The Site is owned by the Fergus Falls/Otter Tail County HRA making it financially feasible.

The Site is a short walk from several community services and resources including Fergus Falls Senior High School, the Fergus Falls/Otter Tail County HRA, Fergus Falls Area Family YMCA and Grace United Methodist Church.

¹ <https://www.usnews.com/education/community-colleges/minnesota-state-community-and-technical-college-CC05364>.

SITE EVALUATION

Recreation opportunities are readily available not only at the Fergus Falls Area Family YMCA but also the various city parks within walking distance of the Site.

Health care services at Lake Region Healthcare are in proximity to the subject Site. This proximity would allow for efficient coordination between the area healthcare system and proposed supportive housing facility.

The only weakness of the Site, in our opinion, is that it is not within convenient walking distance of retail goods and services, which are an estimated one mile from the Site in Downtown Fergus Falls.

Introduction

This section of the report examines general growth factors in Otter Tail County that relate to the potential demand for housing for all market segments and factors that may create challenges or barriers to housing for those with special needs that inhibit or constrain their ability to seek housing in the traditional market. This section includes an analysis of population and household growth trends and projections, age distribution trends, household incomes, household type trends, household tenure, employment growth and wage trends and commuting patterns for Fergus Falls, Perham, Pelican Rapids and Otter Tail County. A review of these characteristics provides insight into the needs and demand for various types of housing including housing to serve populations with special needs.

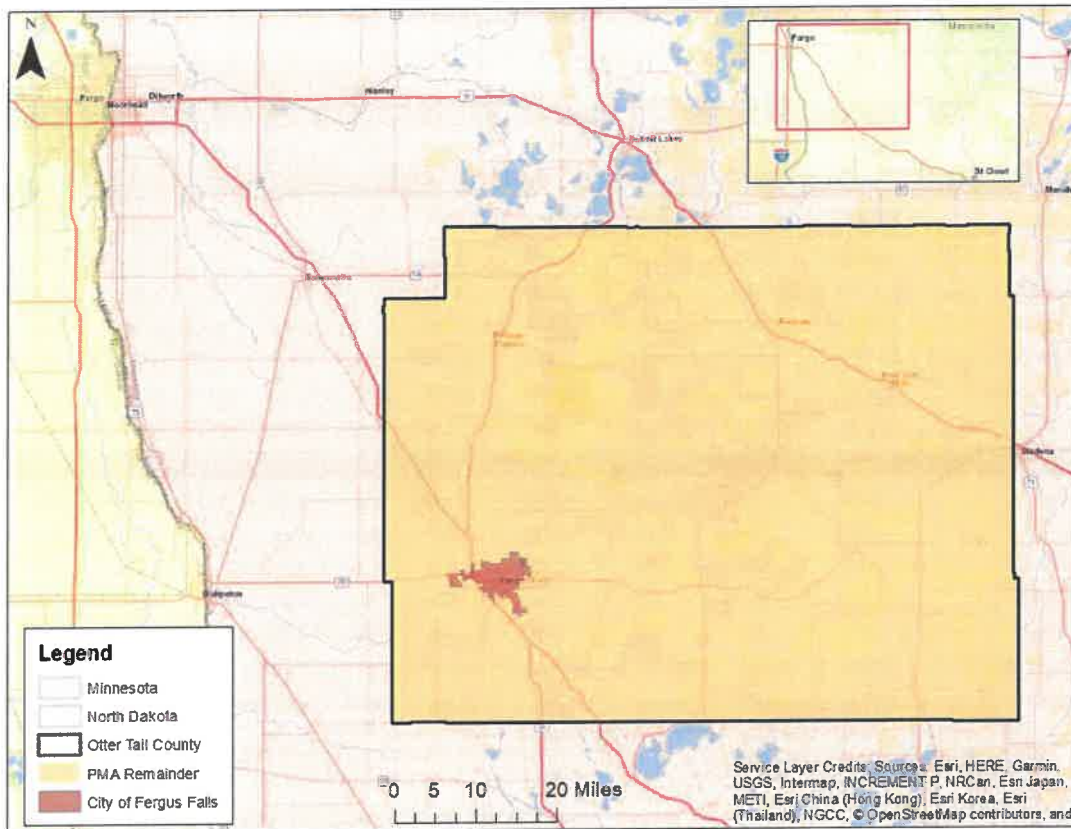
Primary Market Area Definition

Maxfield Research identified a primary market area for the proposed facility that includes all of Otter Tail County in Minnesota. Otter Tail County contains the Cities of Fergus Falls, Perham, Pelican Rapids, New York Mills and Parkers Prairie as well as various other smaller cities and townships. Fergus Falls is the largest city in Otter Tail County and its county seat. As such, local, county and state government entities are concentrated there along with branches of national non-profit organizations, health care facilities and a broad array of businesses and services.

This analysis reviews the capacity of Otter Tail County (the Primary Market Area or PMA), to support the proposed income-restricted service-based housing based on its current and projected resident base along with those that may be drawn to the housing because of its unique characteristics and services, demographic characteristics, traffic and community orientation patterns, geographic and man-made barriers, concentration and availability of services, discussions with agencies and support service providers and our experience in housing feasibility.

In considering the PMA, we estimate that 75% of the demand for housing and specifically for the proposed supportive living facility would be generated from the PMA. The remaining portion of the demand (25%) would come from outside of the PMA from individuals and families who are drawn to the area for various reasons or may not be able to access this type of housing in their local jurisdictions. These may include people currently residing just outside the PMA who have an orientation to the area (i.e. job, relatives, previous family or cultural history, etc.), people who once resided in the area who desire to move back to be near family or relatives or people who may come to the area for other reasons and may find themselves remaining in the area because of challenging circumstances.

Primary Market Area (Otter Tail County)



Population and Household Growth Trends

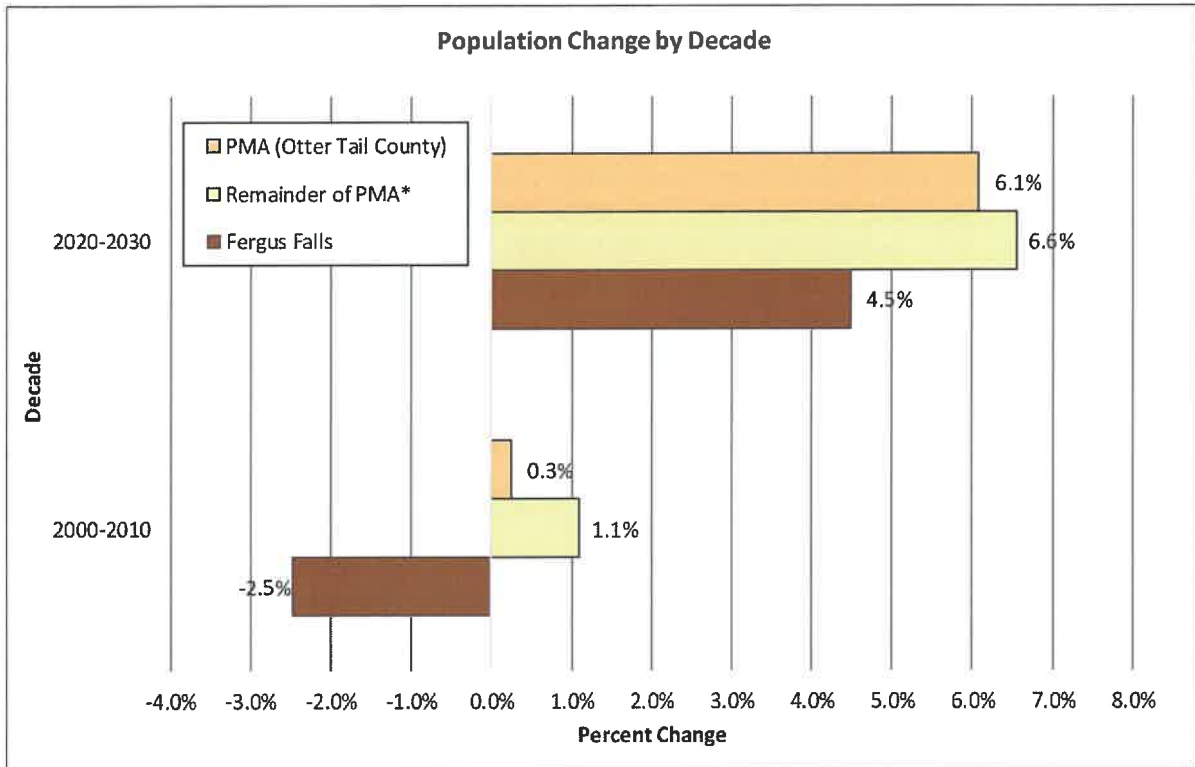
Table D-1 on the following page presents population and household growth trends and projections for Fergus Falls, Perham, New York Mills, Pelican Rapids, Parkers Prairie, the Remainder of the PMA and the PMA from 2000 to 2030. The 2000 and 2010 population and household figures were obtained from the U.S. Census Bureau. The 2020 estimate and projections for 2025 and 2030 were based on projections utilizing ESRI data adjusted by Maxfield Research to reflect the most recent growth estimates.

DEMOGRAPHIC ANALYSIS

**TABLE D-1
POPULATION AND HOUSEHOLD GROWTH TRENDS AND PROJECTIONS
FERGUS FALLS MARKET AREA
2000 to 2030**

	U.S. Census		Estimate	Forecast		Change					
	2000	2010	2020	2025	2030	2000 to 2010		2010 to 2020		2020 to 2030	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.
POPULATION											
Fergus Falls	13,471	13,138	14,103	14,419	14,735	-333	-2.5%	965	7.3%	632	4.5%
Perham	2,559	2,985	3,498	3,763	3,984	426	16.6%	513	17.2%	486	13.9%
New York Mills	1,158	1,199	1,213	1,218	1,222	41	3.5%	14	1.2%	9	0.7%
Pelican Rapids	2,374	2,464	2,579	2,634	2,680	90	3.8%	115	4.7%	101	3.9%
Parkers Prairie	991	1,011	1,049	1,072	1,091	20	2.0%	38	3.8%	42	4.0%
Remainder of PMA*	43,688	44,165	47,490	49,047	50,604	477	1.1%	3,325	7.5%	3,114	6.6%
PMA (Otter Tail County)	57,159	57,303	61,593	63,466	65,339	144	0.3%	4,290	7.5%	3,746	6.1%
HOUSEHOLDS											
Fergus Falls	5,633	5,814	6,174	6,299	6,424	181	3.2%	360	6.2%	250	4.0%
Perham	1,104	1,304	1,531	1,648	1,745	200	18.1%	227	17.4%	214	14.0%
New York Mills	492	533	535	536	537	41	8.3%	2	0.4%	2	0.4%
Pelican Rapids	884	904	935	952	966	20	2.3%	31	3.4%	31	3.3%
Parkers Prairie	401	428	440	449	456	27	6.7%	12	2.8%	16	3.6%
Remainder of PMA*	17,038	18,241	18,167	19,473	20,779	1,203	7.1%	-74	-0.4%	2,612	14.4%
PMA (Otter Tail County)	22,671	24,055	24,341	25,772	27,203	1,384	6.1%	286	1.2%	2,862	11.8%

*Includes all of Otter Tail County but excludes Fergus Falls.
Sources: U.S. Census Bureau; ESRI; Maxfield Research & Consulting, LLC



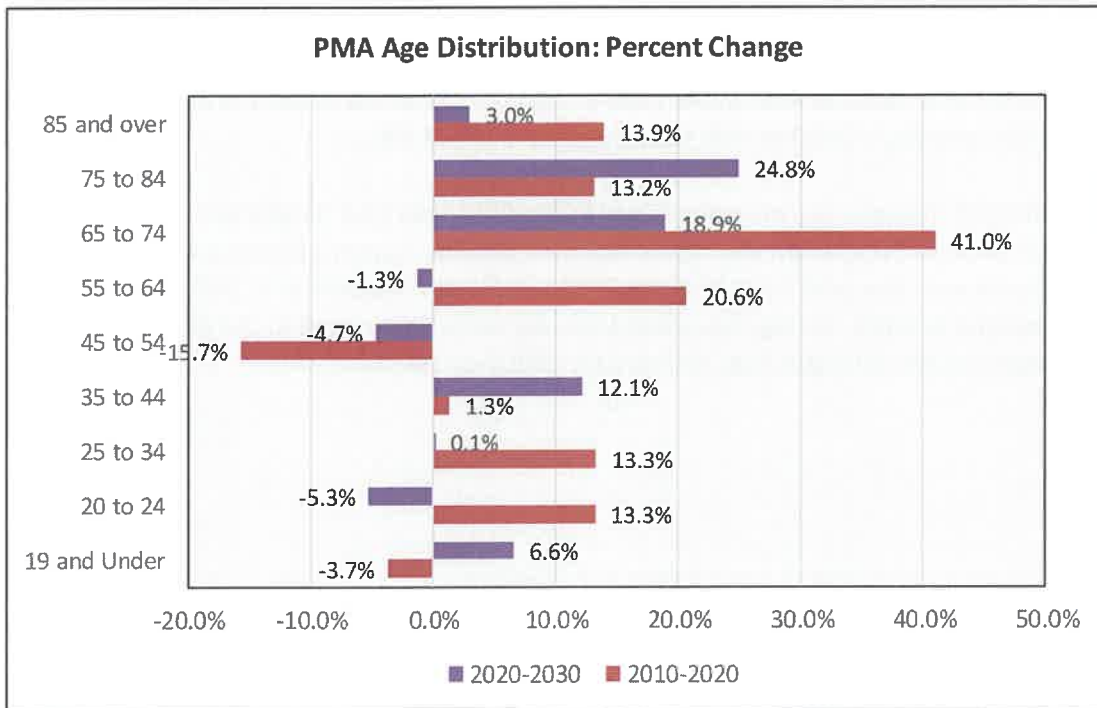
DEMOGRAPHIC ANALYSIS

- As of 2010, the PMA contained 57,303 people and 24,055 households. Between 2000 and 2010, the PMA population increased 0.3% and the number of households expanded by 6.1%.
- Between 2000 and 2010, the population in Fergus Falls decreased by 333 people (-2.5%) while the PMA Remainder's population grew by 1.1% to 477 people. The number of households in Fergus Falls increased by 181 (3.2%) and the number of households in the PMA Remainder increased by 1,203 (7.1%).
- Between 2010 and 2020 population increased in Fergus Falls and all cities in Otter Tail County with more than 1,000 residents. Fergus Falls increased from 13,138 people in 2010 to 14,103 people in 2020 an increase of 965 people (7.3%). Perham increased from 2,985 people to 3,498 people an increase of 513 people (17.2%). New York Mills increased from 1,199 people in 2010 to 1,213 people in 2020 (1.2%). Pelican Rapids increased from 2,464 people in 2010 to 2,579 people in 2020 (4.7%) while Parkers Prairie increased from 1,011 people in 2010 to 1,049 people in 2020 (3.8%).
- Between 2010 and 2020, the Primary Market Area population is projected to grow 7.5% (4,290 people) and households are expected to grow 1.2% (286 households).
- Between 2010 and 2020 households increased in Fergus Falls and other cities with more than 1,000 residents. Fergus Falls increased from 5,814 households in 2010 to 6,174 households in 2020 an increase of 360 people (6.2%). Perham increased from 1,531 households to 1,648 people an increase (17.4%). New York Mills increased from 533 households in 2010 to 535 households in 2020 (0.4%). Pelican Rapids increased from 904 households in 2010 to 935 households in 2020 (3.4%) while Parkers Prairie increased from 428 households in 2010 to 440 households in 2020 (2.8%).
- As of 2020, the average household size in the PMA was 2.53 people per household, an increase from 2010 when the figure was 2.38 people; household size is expected to decrease over the next 10 years from 2.53 people per household in 2020 to 2.40 people per household in 2030. Similar household size decreases are noted in the PMA Remainder. Household size in Fergus Falls will remain relatively constant.

Age Distribution

The age distribution of a community’s population helps in assessing the type of housing needed. For example, younger and older people are more attracted to higher density housing located near urban services and entertainment while middle-aged people (particularly those with children) traditionally prefer lower-density single-family homes. Table D-2 on the following page presents the age distribution of the PMA population from 2000 to 2030. Information from 2000 and 2010 is sourced from the U.S. Census. The 2020 estimates and projections for 2025 were calculated by ESRI, a reputable national demographics firm and adjusted by Maxfield Research to reflect the most recent local estimates and projections. The 2030 projections were calculated by Maxfield Research using adjusted population cohorts based on ESRI forecasts. The following are key trends about the age distribution of the PMA’s population.

- In the PMA, the largest adult age group was 45 to 54, totaling 9,093 people (15.9%) in 2010. By 2020, people ages 55 to 64 had grown to become the largest adult age cohort in the PMA with an estimated 10,267 people or 16.7% of the total PMA population.
- By 2025, the 65 to 74 age cohort is projected to become the largest adult age cohort with an estimated 10,026 people (15.8% of the total population). Other age cohorts experiencing significant growth between 2020 and 2030 are those between the ages of 75 to 84 (24.8%) and 35 to 44 (12.1%).



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TABLE D-2
POPULATION AGE DISTRIBUTION
FERGUS FALLS MARKET AREA
2000 to 2030

Age	Census		Estimate	Forecast		Change			
	2000	2010	2020	2025	2030	2010-2020		2020-2030	
	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.
Fergus Falls									
19 and Under	3,637	3,151	3,210	3,352	3,319	59	1.9%	109	3.4%
20 to 24	811	760	830	842	870	70	9.2%	41	4.9%
25 to 34	1,429	1,621	1,726	1,625	1,697	105	6.5%	-29	-1.7%
35 to 44	1,876	1,270	1,443	1,622	1,682	173	13.7%	238	16.5%
45 to 54	1,684	1,793	1,578	1,470	1,520	-215	-12.0%	-58	-3.7%
55 to 64	1,057	1,620	1,905	1,830	1,844	285	17.6%	-60	-3.2%
65 to 74	1,133	1,056	1,539	1,773	1,800	483	45.7%	261	17.0%
75 to 84	1,147	1,030	1,005	1,121	1,165	-25	-2.4%	160	15.9%
85 and over	697	837	867	783	856	30	3.6%	-11	-1.3%
Total	13,471	13,138	14,103	14,419	14,753	965	7.3%	650	4.6%
Remainder of PMA									
19 and Under	12,273	10,550	9,980	10,305	10,741	-570	-5.4%	761	7.6%
20 to 24	1,624	1,760	2,024	1,783	1,833	264	15.0%	-192	-9.5%
25 to 34	3,886	4,025	4,672	4,597	4,708	647	16.1%	36	0.8%
35 to 44	6,666	4,531	4,434	4,779	4,908	-97	-2.2%	475	10.7%
45 to 54	6,179	7,300	6,085	5,625	5,784	-1,215	-16.6%	-301	-4.9%
55 to 64	5,179	6,890	8,362	8,009	8,286	1,472	21.4%	-77	-0.9%
65 to 74	4,277	5,100	7,140	8,253	8,522	2,040	40.0%	1,382	19.4%
75 to 84	2,571	2,858	3,395	4,215	4,328	537	18.8%	933	27.5%
85 and over	1,033	1,151	1,398	1,482	1,476	247	21.5%	78	5.6%
Total	43,688	44,165	47,490	49,047	50,586	3,325	7.6%	3,096	6.5%
PMA (Otter Tail County)									
19 and Under	15,910	13,701	13,190	13,657	14,060	-511	-3.7%	870	6.6%
20 to 24	2,435	2,520	2,854	2,625	2,703	334	13.3%	-151	-5.3%
25 to 34	5,315	5,646	6,398	6,222	6,405	752	13.3%	7	0.1%
35 to 44	8,542	5,801	5,877	6,401	6,590	76	1.3%	713	12.1%
45 to 54	7,863	9,093	7,663	7,095	7,304	-1,430	-15.7%	-359	-4.7%
55 to 64	6,236	8,510	10,267	9,839	10,130	1,757	20.6%	-137	-1.3%
65 to 74	5,410	6,156	8,679	10,026	10,322	2,523	41.0%	1,643	18.9%
75 to 84	3,718	3,888	4,400	5,336	5,493	512	13.2%	1,093	24.8%
85 and over	1,730	1,988	2,265	2,265	2,332	277	13.9%	67	3.0%
Total	57,159	57,303	61,593	63,466	65,339	4,290	7.5%	3,746	6.1%

Note: Remainder of PMA includes all of Otter Tail County excluding Fergus Falls.

Sources: U.S. Census Bureau; ESRI; Maxfield Research and Consulting LLC

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- As shown in Table D-2, people ages 55 years and older are projected to experience the largest proportional increases over the next ten years (2020 to 2030). This is primarily due to the baby boom generation aging more fully into the older age groups.
- Overall growth in these age cohorts may result in a higher proportion of people that become homeless.

Household Income Distribution

Income data is important when considering the ability of households to pay different rent levels. Tables D-3 to D-5 on the following pages present data on household income by age of householder for the PMA, Remainder of the PMA and Fergus Falls in 2020 and 2025. The data is estimated by ESRI, a nationally recognized demographic services firm. The following are key points.

- In 2020, the median household income is estimated to be \$57,130 in the PMA, \$60,326 in the Remainder of the PMA and \$47,278 in Fergus Falls.
- Median incomes are expected to increase over the next five years in the PMA by 10.7% to \$61,920, 13.1% to \$66,502 in the Remainder of the PMA and 6.0% to \$49,505 in Fergus Falls. As households age through the lifecycle, incomes tend to peak for households in their late 40s and early 50s. Incomes peaked slightly earlier in the 35 to 44 age category in the PMA, PMA Remainder and Fergus Falls. The median income in 2020 in the 35 to 44 age cohort in the PMA was \$70,118. The median incomes in the PMA Remainder and Fergus Falls in the 35 to 44 category were \$73,668 and \$60,969, respectively.

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TABLE D-3 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER PMA (OTTER TAIL COUNTY) (Number of Households) 2020 and 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65-74	75+
2020								
Less than \$15,000	2,666	143	231	195	284	550	519	744
\$15,000 to \$24,999	2,102	90	146	111	139	324	402	890
\$25,000 to \$34,999	2,198	87	255	198	210	377	464	606
\$35,000 to \$49,999	3,643	159	448	394	496	759	793	595
\$50,000 to \$74,999	4,911	110	654	606	945	1223	1001	372
\$75,000 to \$99,999	3,270	62	399	459	656	815	534	344
\$100,000 to \$149,999	3,550	57	476	638	675	827	603	273
\$150,000 to \$199,999	945	10	107	123	191	231	210	72
\$200,000+	947	11	107	123	191	231	210	72
Total	24,231	729	2,824	2,849	3,788	5,338	4,736	3,968
Median Income	\$57,130	\$38,505	\$61,107	\$71,880	\$71,497	\$62,803	\$54,746	\$31,113
2025								
Less than \$15,000	2,530	142	205	185	235	457	525	781
\$15,000 to \$24,999	1,984	85	123	106	106	257	400	906
\$25,000 to \$34,999	2,019	70	213	179	155	293	447	662
\$35,000 to \$49,999	3,535	157	415	384	408	643	831	696
\$50,000 to \$74,999	4,913	112	618	619	820	1,137	1,154	453
\$75,000 to \$99,999	3,451	64	397	503	603	798	641	446
\$100,000 to \$149,999	4,582	73	572	850	753	1,003	892	440
\$150,000 to \$199,999	1,637	17	142	182	353	371	383	190
\$200,000+	1,123	12	110	144	213	264	291	90
Total	25,772	731	2,793	3,151	3,646	5,222	5,565	4,663
Median Income	\$63,117	\$40,592	\$66,734	\$80,692	\$79,716	\$71,373	\$61,295	\$35,516
Change - 2020 to 2025								
Less than \$15,000	-136	-1	-26	-10	-49	-94	6	37
\$15,000 to \$24,999	-118	-5	-23	-5	-32	-67	-1	17
\$25,000 to \$34,999	-179	-17	-43	-19	-55	-84	-17	56
\$35,000 to \$49,999	-108	-1	-32	-10	-87	-115	38	101
\$50,000 to \$74,999	2	2	-36	12	-126	-85	154	80
\$75,000 to \$99,999	181	2	-2	44	-53	-17	107	101
\$100,000 to \$149,999	1,032	15	95	212	77	175	290	167
\$150,000 to \$199,999	692	7	35	59	162	139	172	118
\$200,000+	176	0	3	20	21	32	81	18
Total	1,541	2	-31	303	-142	-115	829	695
Median Income	\$5,987	\$2,087	\$5,627	\$8,812	\$8,219	\$8,570	\$6,549	\$4,403
*PMA includes all of Otter Tail County.								
Sources: ESRI; Maxfield Research and Consulting LLC								

DEMOGRAPHIC ANALYSIS

TABLE D-4 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER REMAINDER OF PMA (Number of Households) 2020 and 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2020								
Less than \$15,000	1,705	68	126	107	174	383	376	472
\$15,000 to \$24,999	1,440	48	95	71	95	236	300	594
\$25,000 to \$34,999	1,612	45	175	129	152	285	378	448
\$35,000 to \$49,999	2,692	96	316	284	366	577	607	446
\$50,000 to \$74,999	3,853	72	477	452	751	976	839	286
\$75,000 to \$99,999	2,665	37	296	361	544	696	449	282
\$100,000 to \$149,999	2,721	25	338	475	513	664	503	204
\$150,000 to \$199,999	740	4	68	83	165	196	186	38
\$200,000+	739	3	68	83	165	196	186	38
Total	18,167	397	1,960	2,045	2,924	4,209	3,824	2,809
Median Income	\$60,326	\$40,161	\$62,922	\$75,368	\$75,067	\$66,316	\$57,359	\$33,373
2025								
Less than \$15,000	1,566	64	107	94	127	297	363	513
\$15,000 to \$24,999	1,311	41	79	67	62	170	281	610
\$25,000 to \$34,999	1,438	34	137	113	102	208	352	492
\$35,000 to \$49,999	2,580	92	290	267	293	478	627	533
\$50,000 to \$74,999	3,825	73	453	447	638	894	960	360
\$75,000 to \$99,999	2,821	38	299	393	498	677	533	383
\$100,000 to \$149,999	3,612	34	426	639	584	815	759	354
\$150,000 to \$199,999	1,438	12	106	142	315	345	364	155
\$200,000+	883	3	71	96	181	222	260	51
Total	19,473	392	1,969	2,257	2,800	4,106	4,498	3,450
Median Income	\$68,046	\$43,316	\$70,189	\$83,868	\$83,904	\$77,364	\$65,521	\$38,326
Change - 2020 to 2025								
Less than \$15,000	-139	-3	-19	-13	-47	-86	-13	41
\$15,000 to \$24,999	-129	-6	-16	-4	-34	-66	-19	15
\$25,000 to \$34,999	-174	-10	-38	-16	-51	-77	-26	44
\$35,000 to \$49,999	-112	-4	-25	-18	-73	-99	21	87
\$50,000 to \$74,999	-28	1	-24	-5	-113	-81	121	73
\$75,000 to \$99,999	156	1	3	32	-46	-19	84	101
\$100,000 to \$149,999	890	9	89	164	72	151	256	149
\$150,000 to \$199,999	698	8	37	59	150	149	177	117
\$200,000+	145	0	3	13	16	26	74	13
Total	1,306	-5	9	212	-124	-102	675	641
Median Income	\$7,720	\$3,155	\$7,267	\$8,500	\$8,837	\$11,048	\$8,162	\$4,953
*PMA Remainder includes all of Otter Tail County excluding Fergus Falls.								
Sources: ESRI; Maxfield Research and Consulting LLC								

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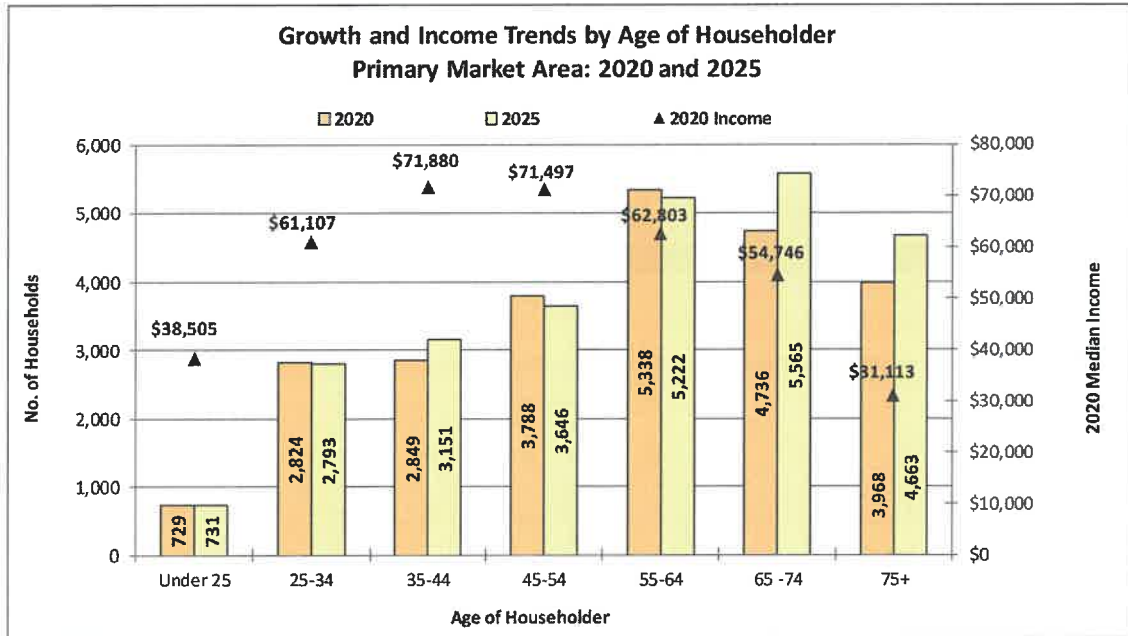
TABLE D-5 HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER FERGUS FALLS (Number of Households) 2020 and 2025								
	Age of Householder							
	Total	Under 25	25-34	35-44	45-54	55-64	65 -74	75+
2020								
Less than \$15,000	3,885	287	412	357	451	699	585	1095
\$15,000 to \$24,999	2,657	153	208	149	169	365	420	1193
\$25,000 to \$34,999	2,331	153	326	255	228	381	349	640
\$35,000 to \$49,999	3,842	251	522	463	522	746	734	604
\$50,000 to \$74,999	4,282	149	726	640	765	1001	652	349
\$75,000 to \$99,999	2,433	86	408	389	459	479	369	243
\$100,000 to \$149,999	3,387	114	565	663	679	683	396	287
\$150,000 to \$199,999	750	8	137	141	102	141	90	130
\$200,000+	773	31	137	141	102	141	90	130
Total	24,341	1,232	3,442	3,199	3,477	4,635	3,685	4,670
Median Income	\$47,278	\$36,286	\$56,587	\$62,155	\$60,266	\$52,013	\$43,671	\$25,660
2025								
Less than \$15,000	3,935	292	394	370	431	665	670	1,113
\$15,000 to \$24,999	2,748	152	185	173	164	349	501	1,224
\$25,000 to \$34,999	2,337	127	300	267	205	345	398	694
\$35,000 to \$49,999	3,960	263	509	501	472	694	842	678
\$50,000 to \$74,999	4,445	156	686	707	735	998	780	382
\$75,000 to \$99,999	2,571	86	398	456	431	493	448	259
\$100,000 to \$149,999	4,075	148	628	883	727	776	559	353
\$150,000 to \$199,999	780	12	144	152	148	103	82	140
\$200,000+	920	33	136	177	119	168	123	164
Total	25,772	1,269	3,381	3,685	3,434	4,592	4,404	5,007
Median Income	\$49,505	\$37,620	\$58,550	\$66,901	\$62,554	\$54,242	\$45,190	\$26,863
Change - 2020 to 2025								
Less than \$15,000	50	5	-18	13	-20	-33	85	18
\$15,000 to \$24,999	91	-1	-23	23	-4	-16	81	31
\$25,000 to \$34,999	6	-26	-26	12	-22	-36	49	54
\$35,000 to \$49,999	118	12	-13	38	-50	-51	108	73
\$50,000 to \$74,999	163	7	-40	67	-30	-3	129	33
\$75,000 to \$99,999	138	-0	-10	67	-28	14	79	15
\$100,000 to \$149,999	688	34	63	220	48	93	162	67
\$150,000 to \$199,999	31	4	6	11	46	-39	-8	10
\$200,000+	147	1	-2	35	17	27	33	35
Total	1,431	37	-61	486	-43	-43	718	337
Median Income	\$2,227	\$1,334	\$1,963	\$4,746	\$2,288	\$2,229	\$1,519	\$1,203

Sources: ESRI; Maxfield Research and Consulting LLC

- Between 2020 and 2025, the only non-senior age cohorts that are projected to increase in the PMA are households under 25 (2 households) and households between 35 and 44 (303 households). Both senior categories, those 65 to 74 and 75+, are expected to experience substantial increases between 2020 and 2025. Households 65 to 74 are projected to increase by 829 while households 75+ are projected to increase by 695.

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- The number of households with incomes under \$35,000 annually is expected to decrease by 434 households, a decrease of 6.2% over the next five years. The largest decreases in the under \$35,000 income category are anticipated to be among those 55 to 64 (-245) and those 45 to 54 (-136).
- The chart below visually depicts the 2020 estimated median income by age of householder for the PMA in addition to the number of householders by age in the PMA.



Rent and Income Limits

Table D-6 shows the maximum allowable incomes by household size to qualify for shallow-subsidy (typically an adjusted gross household income that falls between 50% and 60% of AMI) or deep-subsidy housing (typically an adjusted gross household income of less than 50% of AMI) and the maximum gross rents that can be charged by bedroom size in Otter Tail County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and were sourced through MN Housing.

Table D-6 is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for households residing in financially assisted housing. The second part of the table shows the maximum rents by household size and Area Median Income based on the below stated income limits.

TABLE D-6 2020 INCOME LIMITS AND MAXIMUM GROSS RENTS PMA (OTTER TAIL COUNTY)								
Income Limits by Household Size								
AMI	1- person	2- person	3- person	4- person	5- person	6- person	7- person	8- person
30% of median	\$15,270	\$17,430	\$19,620	\$21,780	\$23,550	\$25,290	\$27,030	\$28,770
50% of median	\$25,450	\$29,050	\$32,700	\$36,300	\$39,250	\$42,150	\$45,040	\$47,950
60% of median	\$30,540	\$34,860	\$39,240	\$43,560	\$47,100	\$50,580	\$54,060	\$57,540
80% of median	\$40,720	\$46,480	\$52,320	\$58,080	\$62,800	\$67,440	\$72,080	\$76,720
Payment Standard - Section 8								
	EFF	1BR	2BR	3BR	4BR	5BR	6BR	
50% of median	\$559	\$603	\$795	\$1,013	\$1,076	\$1,237	\$1,399	
Estimated Maximum Rents at 60% of AMI								
	EFF	1BR	2BR	3BR	4BR	5BR	6BR	
30%	\$381	\$408	\$490	\$566	\$632	\$697	\$762	
50%	\$636	\$681	\$817	\$944	\$1,053	\$1,162	\$1,270	
60%	\$763	\$817	\$981	\$1,133	\$1,264	\$1,395	\$1,524	
Fair Market Rent								
	EFF	1BR	2BR	3BR	4BR			
Fair Market Rent	\$509	\$549	\$723	\$921	\$979			
Note: For projects placed in service on or after 04/01/2020.								
Sources: MN Housing; HUD; Maxfield Research & Consulting, LLC.								

Rents shown on Table D-6 include the Fair Market Rents for Otter Tail County, as published by HUD, payment standards for public housing at 80% of median and estimated maximum rents for income limits set at 30%, 50% and 60% of median. Payment standards are often set differently than Fair Market Rents based on other local market conditions.

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Residents of most transitional and supportive living facilities must typically have incomes at or less than 50% of the Area Median Income (AMI). Some facilities are able to secure funding whereby the household's income may be restricted to 30% or less of AMI, but these types of facilities are scarce. Households with incomes at or less than 50% of AMI may also qualify to receive a Section 8 voucher and may use that voucher to support residing at an income-restricted property.

Many housing properties funded with federal low-income housing tax credits can and do accept households that have a Section 8 voucher as the rent is a fixed amount and the household's income must not exceed a maximum amount.

Income limits are as follows:

	30% AMI	50% AMI	60% AMI
One Person HH	\$15,270	\$25,450	\$30,540
Two Person HH	\$17,430	\$29,050	\$34,860
Three Person HH	\$19,620	\$32,700	\$39,240
Four Person HH	\$21,780	\$36,300	\$43,560

Minimum wage in Minnesota is \$8.15 for small employers (employers with annual gross revenue less than \$500,000) and \$10 for large employers (employers with annual gross revenue of \$500,000 or more). Individuals earning the small employer minimum wage and large employer minimum wage and working full-time would earn \$16,952 and \$20,800, respectively without overtime pay. Both these amounts are below the 50% maximum income limit for a single person household as identified by HUD.

In order to approach the 50% AMI maximum income limit, a person would need to earn over \$12 per hour or \$12.19 working full-time with no overtime pay to meet the maximum income level for a single person.

Surveys of the homeless in other areas of the country have revealed that not all homeless individuals or families are without an income. Some may have social security disability, Veterans benefits (if qualified) and wage/labor income. While it should not be assumed that the homeless will have limited or no incomes, very often those that are homeless are unable to maintain full-time employment because of the instability in their housing situations or potentially other mental health, physical health or living situations that challenge their ability to hold down a full-time job and therefore, long-term homeless may have low income or no income or may have a moderate income.

Tenure by Household Income

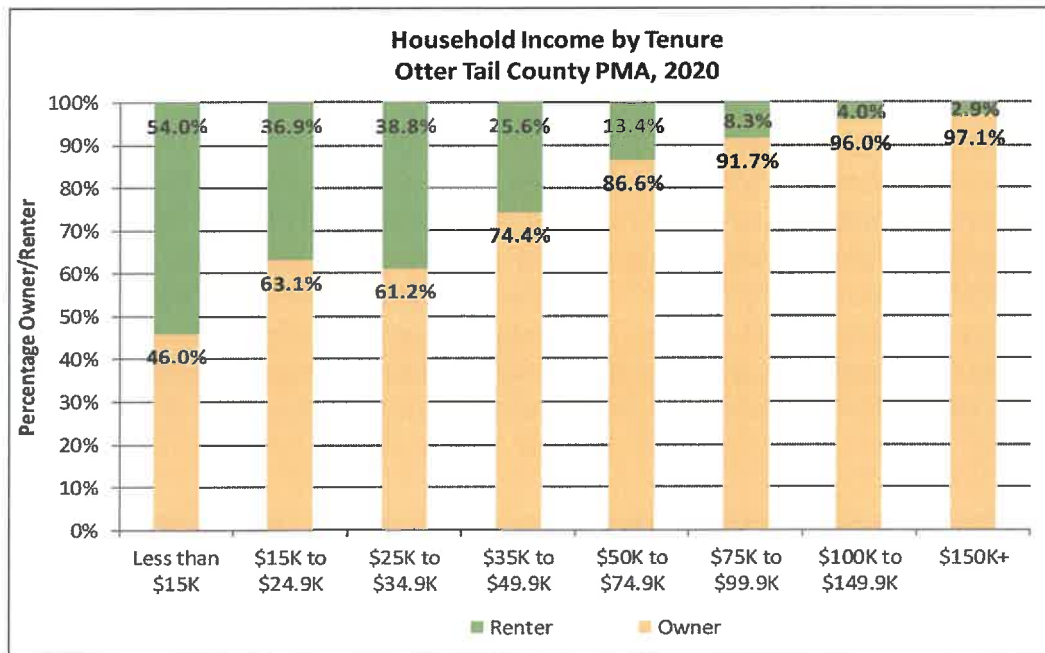
Table D-7 below shows household tenure by income for households in Fergus Falls, Otter Tail County (PMA) and PMA Remainder in 2020. Data is an estimate from the American Community Survey. Household tenure by income is important to assess the propensity for households to own or rent their housing based on their income. The Department of Housing and Urban Development (HUD) determines housing as being affordable if the cost of that housing does not exceed 30% of the household’s income. The higher the income, the lower the percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income on housing, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income on housing.

- As income increases, so does the rate of homeownership. This can be seen in the PMA, where the homeownership rate steadily increases from 46% of households with incomes below \$15,000 to 97% of households with incomes of \$150,000 or more.
- According to HUD, a single-person household with an income of \$25,350 or less (50% of AMI) would be income-qualified to receive a Shelter plus care voucher. As of 2020, there are an estimated 2,189 renter households with incomes at or less than \$25,350. This comprises 42.5% of all renter households in the PMA. For comparison, in Fergus Falls, 47.0% of renter households (1,123) had incomes of \$25,350 or less and 38.6% of renter households (1,066) in the PMA Remainder had incomes of \$25,350 or less.

Income	Fergus Falls				PMA				Remainder of PMA			
	Own	Pct.	Rent	Pct.	Own	Pct.	Rent	Pct.	Own	Pct.	Rent	Pct.
Less than \$15,000	174	21.2%	647	78.8%	1,117	46.0%	1,309	54.0%	943	58.8%	662	41.2%
\$15,000 to \$24,999	402	46.7%	458	53.3%	1,450	63.1%	847	36.9%	1,048	72.9%	389	27.1%
\$25,000 to \$34,999	267	34.4%	509	65.6%	1,479	61.2%	936	38.8%	1,212	73.9%	427	26.1%
\$35,000 to \$49,999	510	56.0%	401	44.0%	2,694	74.4%	927	25.6%	2,184	80.6%	526	19.4%
\$50,000 to \$74,999	811	75.5%	263	24.5%	4,214	86.6%	651	13.4%	3,403	89.8%	388	10.2%
\$75,000 to \$99,999	690	88.8%	87	11.2%	3,228	91.7%	293	8.3%	2,538	92.5%	206	7.5%
\$100,000 to \$149,999	601	97.9%	13	2.1%	3,212	96.0%	134	4.0%	2,611	95.6%	121	4.4%
\$150,000+	329	96.5%	12	3.5%	1,797	97.1%	53	2.9%	1,468	97.3%	41	2.7%
Total	3,784	61.3%	2,390	38.7%	19,191	78.8%	5,150	21.2%	15,407	84.8%	2,760	15.2%

Note: PMA includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County excluding Fergus Falls.
Sources: American Community Survey, 2014-2018; Maxfield Research and Consulting, LLC

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Tenure by Age of Householder

Table D-8 on the next page shows the number of owner and renter households in the PMA, Fergus Falls and Remainder of the PMA by age of householder in 2010 and 2020. The data shows the propensity of households to own or rent their housing based on age.

- In the PMA, 20.8% of all households rented in 2010. By 2020, that proportion had increased to 21.2% of PMA households. In Fergus Falls, the proportion of renter households increased from 36.2% in 2010 to 38.7% in 2020; in the Remainder of the PMA, the proportion of renter households decreased slightly from 15.8% in 2010 to 15.2% in 2020.
- Renter households are clustered in the youngest and oldest age cohorts. The younger age groups tend to be mobile, are more likely to be single, may not have yet accumulated a down payment for a single-family home or do not want to settle into homeownership. Seniors often no longer need the space of a single-family home, some travel frequently or have a second home in the warmer climates, and others just want/need to rid themselves of the burden of home maintenance.
- In addition, households with mental health, developmental or physical challenges may tend to rent their housing in higher proportions overall. These households may have higher barriers to owning their housing or renting their housing in the traditional market.

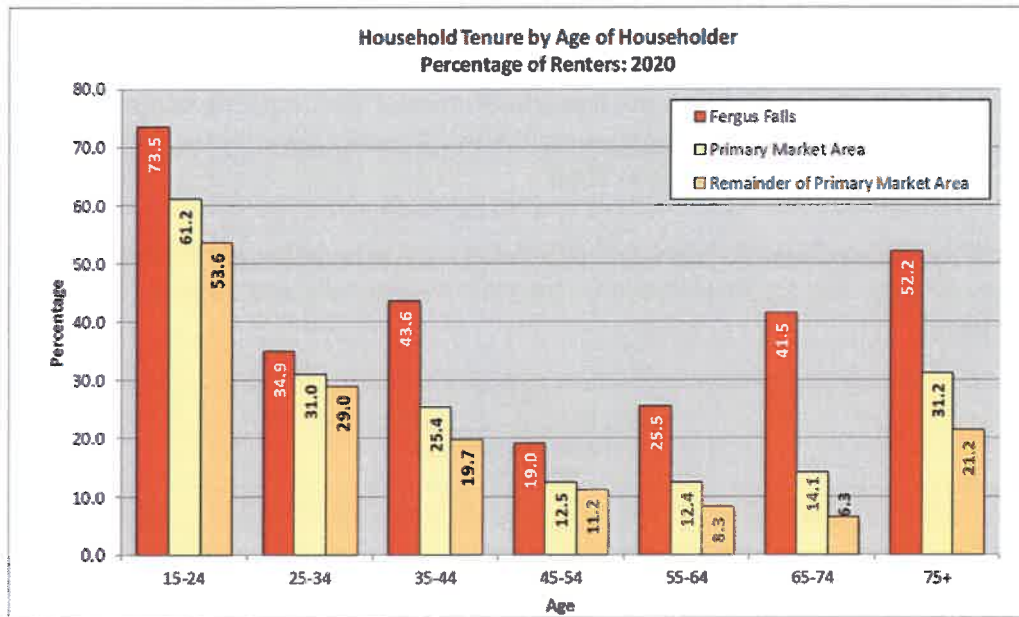
DEMOGRAPHIC ANALYSIS

- As of 2020, 61.2% of PMA households age 15 to 24 rented their housing, decreasing to 31.0% in the 24 to 34 age group and 25.4% of households in the 35 to 44 age group. Among the 45 to 54 age group, 12.5% of the households rented their housing while 12.4% of the 55 to 64 and 14.1% of the 65 to 74 age groups rented. In older age cohorts, 25.0% of those 75-84 and 44.9% of those 85+ rented in 2020.
- Considering increases in the homeless population, the proportion of renter households age 55 years or older was 18.2% in the PMA, 39.2% in Fergus Falls and 10.9% in the Remainder of the PMA.

Age		Fergus Falls				PMA (Otter Tail County)				Remainder of PMA			
		2010		2020		2010		2020		2010		2020	
		No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15-24	Own	69	20.1	83	26.5	278	33.9	322	38.8	209	43.9	238	46.4
	Rent	275	79.9	230	73.5	542	66.1	506	61.2	267	56.1	276	53.6
	Total	344	100.0	314	100.0	820	100.0	828	100.0	476	100.0	514	100.0
25-34	Own	468	55.6	647	65.1	1,780	65.3	1,993	69.0	1,312	69.6	1,347	71.0
	Rent	374	44.4	346	34.9	947	34.7	895	31.0	573	30.4	549	29.0
	Total	842	100.0	993	100.0	2,727	100.0	2,889	100.0	1,885	100.0	1,896	100.0
35-44	Own	488	67.0	411	56.4	2,423	79.5	2,296	74.6	1,935	83.4	1,884	80.3
	Rent	240	33.0	318	43.6	626	20.5	780	25.4	386	16.6	461	19.7
	Total	728	100.0	730	100.0	3,049	100.0	3,076	100.0	2,321	100.0	2,346	100.0
45-54	Own	750	72.4	504	81.0	4,309	85.5	3,398	87.5	3,559	88.9	2,894	88.8
	Rent	286	27.6	119	19.0	729	14.5	483	12.5	443	11.1	365	11.2
	Total	1,036	100.0	623	100.0	5,038	100.0	3,881	100.0	4,002	100.0	3,258	100.0
55-64	Own	766	75.1	994	74.5	4,339	88.8	4,859	87.6	3,573	92.4	3,865	91.7
	Rent	254	24.9	340	25.5	547	11.2	689	12.4	293	7.6	349	8.3
	Total	1,020	100.0	1,334	100.0	4,886	100.0	5,548	100.0	3,866	100.0	4,214	100.0
65-74	Own	504	76.8	562	58.5	3,286	88.6	3,701	85.9	2,782	91.2	3,140	93.7
	Rent	152	23.2	399	41.5	422	11.4	610	14.1	270	8.8	211	6.3
	Total	656	100.0	960	100.0	3,708	100.0	4,311	100.0	3,052	100.0	3,351	100.0
75-84	Own	456	66.6	347	50.4	2,009	77.4	1,968	75.0	1,553	81.4	1,621	83.8
	Rent	229	33.4	341	49.6	585	22.6	655	25.0	356	18.6	314	16.2
	Total	685	100.0	688	100.0	2,594	100.0	2,623	100.0	1,909	100.0	1,935	100.0
85+	Own	207	41.2	235	44.3	635	51.5	653	55.1	428	58.6	418	63.9
	Rent	296	58.8	296	55.7	598	48.5	532	44.9	302	41.4	236	36.1
	Total	503	100.0	531	100.0	1,233	100.0	1,185	100.0	730	100.0	653	100.0
TOTAL	Own	3,708	63.8	3,784	61.3	19,059	79.2	19,191	78.8	15,351	84.2	15,406	84.8
	Rent	2,106	36.2	2,390	38.7	4,996	20.8	5,150	21.2	2,890	15.8	2,761	15.2
	Total	5,814	100.0	6,174	100.0	24,055	100.0	24,341	100.0	18,241	100.0	18,167	100.0

Note: PMA Includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County excluding Fergus Falls.
Sources: U.S. Census Bureau; Maxfield Research & Consulting, LLC

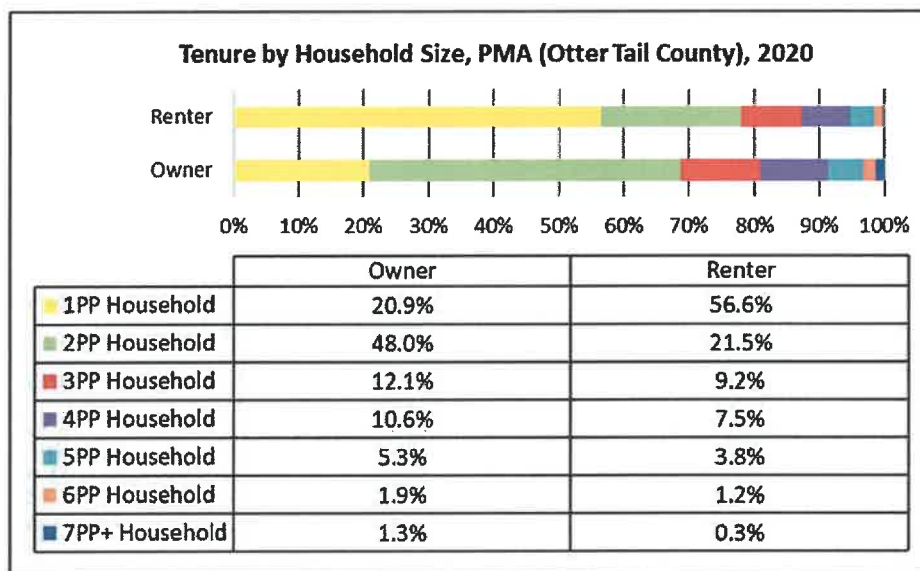
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Tenure by Household Size

Table D-9 shows the distribution of households by size and tenure in Fergus Falls, the Remainder of the PMA and the PMA in 2010 and 2020.

- Household size for renters is usually smaller than for owners. This trend is because the typical market segments for rental housing are younger households which are less likely to be married and have children and older adults who elect to downsize or “right size” from their single-family homes. In 2020, an estimated 56.6% of renter-occupied units in the PMA were single-person households, compared to only 20.9% of owner households.



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**TABLE D-9
TENURE BY HOUSEHOLD SIZE
FERGUS FALLS, REMAINDER OF PMA, & PMA
2010 and 2020**

Size	FERGUS FALLS							
	2010				2020			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	989	26.7%	1,259	59.8%	946	25.0%	1,544	64.6%
2PP Household	1,511	40.7%	464	22.0%	1,693	44.7%	483	20.2%
3PP Household	483	13.0%	185	8.8%	497	13.1%	212	8.9%
4PP Household	439	11.8%	118	5.6%	443	11.7%	101	4.2%
5PP Household	181	4.9%	43	2.0%	134	3.5%	50	2.1%
6PP Household	70	1.9%	24	1.1%	37	1.0%	0	0.0%
7PP+ Household	35	0.9%	13	0.6%	34	0.9%	0	0.0%
Total	3,708	100.0%	2,106	100.0%	3,784	100.0%	2,390	100.0%

Size	REMAINDER OF PMA							
	2010				2020			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	3,208	20.9%	1,361	47.1%	3,054	19.8%	1,363	49.4%
2PP Household	7,214	47.0%	751	26.0%	7,511	48.8%	628	22.7%
3PP Household	1,931	12.6%	301	10.4%	1,823	11.8%	262	9.5%
4PP Household	1,699	11.1%	251	8.7%	1,586	10.3%	287	10.4%
5PP Household	794	5.2%	139	4.8%	888	5.8%	146	5.3%
6PP Household	325	2.1%	51	1.8%	325	2.1%	61	2.2%
7PP+ Household	180	1.2%	36	1.2%	220	1.4%	14	0.5%
Total	15,351	100.0%	2,890	100.0%	15,406	100.0%	2,761	100.0%

Size	PMA (OTTER TAIL COUNTY)							
	2010				2020			
	Owner Occupied		Renter Occupied		Owner Occupied		Renter Occupied	
	Number	Pct.	Number	Pct.	Number	Pct.	Number	Pct.
1PP Household	4,197	22.0%	2,620	52.4%	4,004	20.9%	2,913	56.6%
2PP Household	8,725	45.8%	1,215	24.3%	9,203	48.0%	1,109	21.5%
3PP Household	2,414	12.7%	486	9.7%	2,321	12.1%	473	9.2%
4PP Household	2,138	11.2%	369	7.4%	2,030	10.6%	386	7.5%
5PP Household	975	5.1%	182	3.6%	1,020	5.3%	195	3.8%
6PP Household	395	2.1%	75	1.5%	361	1.9%	60	1.2%
7PP+ Household	215	1.1%	49	1.0%	253	1.3%	14	0.3%
Total	19,059	100.0%	4,996	100.0%	19,191	100.0%	5,150	100.0%

Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

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An estimated 78.1% of renter households in the PMA in 2020 have either one or two people. In Fergus Falls, 84.8% of renter households have one or two people. These are higher percentages than in the PMA Remainder at 72.1%. One-person households are likely to seek studio or one-bedroom units, while two-person households may prefer either a one- or two-bedroom unit. Two-person households with a parent and child or roommate are likely to prefer a two-bedroom unit. Only 21.9% of renter households in the PMA in 2020 have three or more people. In the PMA, 22% of renter households have three or more people. The Remainder of the PMA has a much higher percentage of renter households with three or more people (27.9%) than Fergus Falls (15.2%).

Household Type

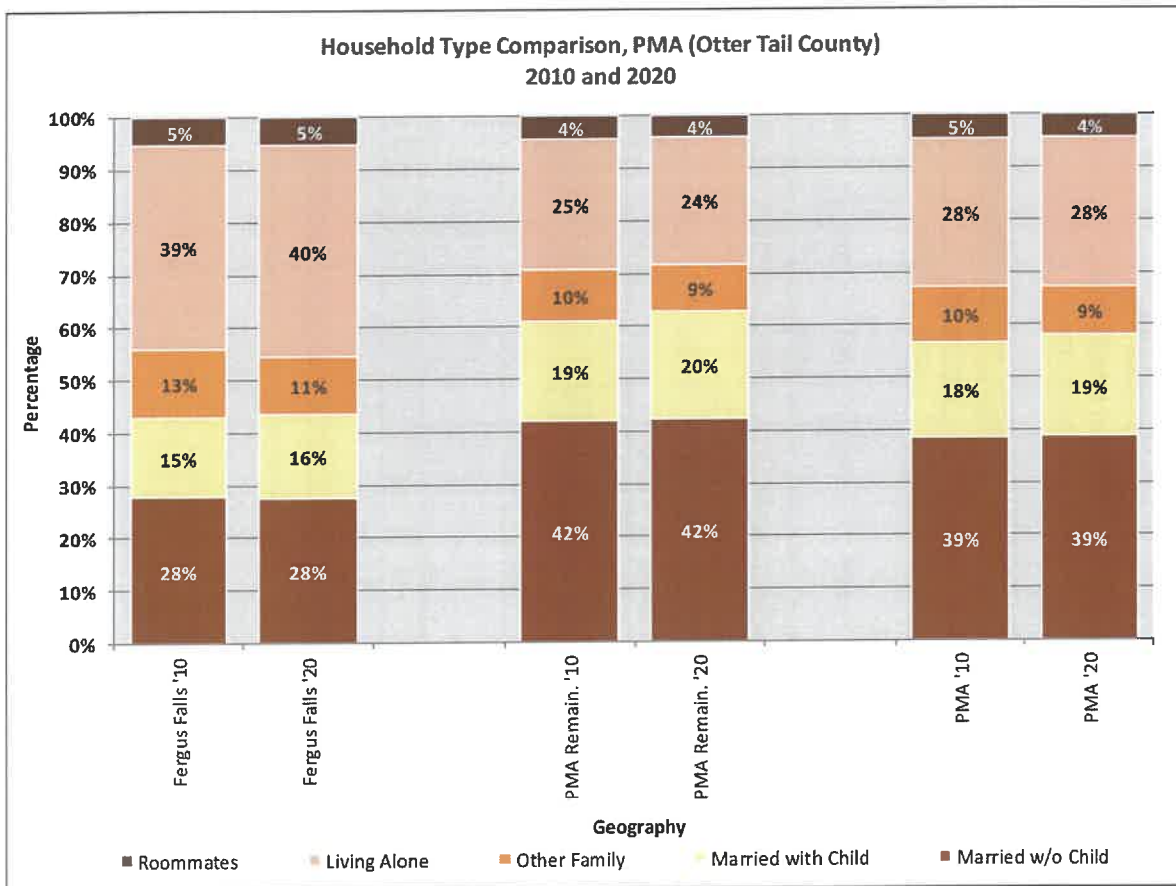
Table D-10 shows household type trends in Fergus Falls, the PMA Remainder and the PMA in 2010 and 2020. The 2010 data is from the Decennial Census; the 2020 data is compiled from the American Community Survey, Five Year Estimate and adjusted by Maxfield Research to reflect the most recent household estimates. The following are key points from Table 10:

- In 2010, family households comprised 67.2% of all households in the PMA. Between 2010 and 2020, the number of family households increased by 239 households, with married couple families with children increasing by 316 households over the period, an increase of 7.1%.
- The number of married couple families without children increased by 146 households or 1.6% in the PMA. In Fergus Falls, this group increased by 90 households or 5.6% while the Remainder of the PMA showed an increase of 56 households or 0.7%. Married Couple families without children account for the largest number of households in the PMA at 9,411 or 38.7%.
- Other Family households include single-parent households, as well as unmarried couples with children. Other Family households in the PMA decreased by -223 households or 8.6%. In the PMA, Other Family households decreased -11.5% (88 households) in Fergus Falls and -7.7% (135 households) in the Remainder of the PMA.
- Married couple families with children typically generate demand for single-family detached housing, either owned or rented. In the PMA, single-family detached housing demand is also likely being driven by other household types such as married couples without children.
- Married couple families without children are generally made up of younger couples that have not had children (and may not have children) and older couples with adult children that have moved out of the home. These household types often desire multifamily housing options for convenience reasons, however older couples in rural areas often hold onto their single-family homes until they need services.

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- Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often require affordable housing.
- In the PMA, households living alone rose by 84 households or 1.2% and those living with roommates decreased by 37 households or 3.4%. By comparison, households living alone increased by 243 household or 10.8% and households living with roommates increased by 14 households or 4.6% in Fergus Falls. Households living alone account for the second largest household type in the PMA with 6,901 households or 28.3%.

The chart on the following below shows a comparison of household types in 2010 and 2020 for Fergus Falls, the PMA Remainder and the PMA.



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**TABLE D-10
HOUSEHOLD TYPE
PRIMARY MARKET AREA
2010 & 2020**

	Total HH's		Family Households				Non-Family Households					
	2010	2020	Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Number of Households												
Fergus Falls	5,814	6.174	1,609	1.699	891	992	762	674	2,248	2,491	304	318
Remainder of PMA	18,241	18.167	7,656	7.712	3,475	3,690	1,755	1,620	4,569	4,410	786	735
PMA (Otter Tail County)	24,055	24.341	9,265	9.411	4,366	4,682	2,517	2,294	6,817	6,901	1,090	1,053
Percent of Total												
Fergus Falls	100.0%	100.0%	27.7%	27.5%	15.3%	16.1%	13.1%	10.9%	38.7%	40.3%	5.2%	5.2%
Remainder of PMA	100.0%	100.0%	42.0%	42.5%	19.1%	20.3%	9.6%	8.9%	25.0%	24.3%	4.3%	4.0%
PMA (Otter Tail County)	100%	100%	38.5%	38.7%	18.2%	19.2%	10.5%	9.4%	28.3%	28.4%	4.5%	4.3%
Change												
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Fergus Falls	360	6.2%	90	5.6%	101	11.3%	-88	-11.5%	243	10.8%	14	4.6%
Remainder of PMA	-74	-0.4%	56	0.7%	215	6.2%	-135	-7.7%	-159	-3.5%	-51	-6.5%
PMA (Otter Tail County)	286	1.2%	146	1.6%	316	7.2%	-223	-8.9%	84	1.2%	-37	-3.4%

* Single-parent families, unmarried couples with children.

Note: PMA includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County sans Fergus Falls.

Sources: U.S. Census Bureau; Maxfield Research and Consulting LLC

Poverty Thresholds by Size of Family and No. of Related Children Under 18

Table D-11 shows poverty thresholds based on family size, age of householder, and the number of children under age 18 who live in the household. The incomes shown are national figures which do not account for specific geographies but are indexed against inflation every year using the Consumer Price Index. Overall, households living at or below the poverty level are often cost-burdened, paying higher proportions of their incomes for housing and in relatively high cost housing markets, may experience periods of homelessness or may be chronically homeless if there are other life issues and challenges which increase their barriers to finding suitable affordable housing. Households in poverty depending on their age and number of dependents may, at times, increase their potential to become homeless (i.e. the elderly and large families).

The following are key points from Table D-11:

- A householder under age 65 living with one related child under age 18 is considered below the poverty threshold if their household income is at or below \$17,308. A household with two children under 18 is below the poverty threshold if their income is at or below \$20,231. A single-person household under age 65 is considered in poverty with an income at or less than \$13,064.

Size of Family Unit	Weighted Average Thresholds	No. of related children under 18 years								
		None	One	Two	Three	Four	Five	Six	Seven	Eight+
One person (unrelated individual).....	\$12,784									
Under 65 years.....	\$13,064	\$13,064								
65 years and over.....	\$12,043	\$12,043								
Two people.....	\$16,247									
Householder under 65 years.....	\$16,815	\$16,815	\$17,308							
Householder 65 years and over.....	\$15,178	\$15,178	\$17,242							
Three people.....	\$19,985	\$19,642	\$20,212	\$20,231						
Four people.....	\$25,701	\$25,900	\$26,324	\$25,465	\$25,554					
Five people.....	\$30,459	\$31,234	\$31,689	\$30,718	\$29,967	\$29,509				
Six people.....	\$34,533	\$35,925	\$36,068	\$35,324	\$34,612	\$33,553	\$32,925			
Seven people.....	\$39,194	\$41,336	\$41,594	\$40,705	\$40,085	\$38,929	\$37,581	\$36,102		
Eight people.....	\$43,602	\$46,231	\$46,640	\$45,800	\$45,064	\$44,021	\$42,696	\$41,317	\$40,967	
Nine people or more.....	\$51,393	\$55,613	\$55,883	\$55,140	\$54,516	\$53,491	\$52,082	\$50,807	\$50,491	\$48,546

Sources: U.S. Census Bureau; Maxfield Research and Consulting, LLC

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Income and Poverty

Table D-12 shows the number of people by gender with estimated incomes below the federal poverty threshold as of 2010 and 2020 for the PMA, Fergus Falls and the PMA Remainder. The data is compiled from the American Community Survey, five-year estimates for 2006-2010 and 2014-2018 and adjusted for 2020 by Maxfield Research to reflect the most recent population counts.

The following are key points from Table D-12:

- In 2010, there were an estimated 7,306 people in Otter Tail County with incomes below the poverty line. In 2020, this figure decreased to an estimated 5,675 people, a decrease of 22.3%. Males decreased by 16% and females decreased by 27%.
- The largest proportional decreases in those living below the poverty line in the PMA were among females 18 to 24 (-58.3%) and 45 to 54 (-47.3%) and among males 18 to 24 (-39.1%) and 35 to 44 (-34.8%). By comparison, the largest proportional decreases of those living below the poverty line in Fergus Falls were among males under 18 (-84.3%) and females 18 to 24 (-83.0%). The remainder of the PMA had the largest proportional decreases of those living in poverty among females 45 to 54 (-51.4%) and males 18 to 24 (-34.1%).
- The largest proportional increases in those living below the poverty line in the PMA between 2010 and 2020 were among males 55 to 64 (36.0%) and females 35 to 44 (8.7%).

	PMA (Otter Tail County)				Fergus Falls				Remainder of PMA			
	People Living Below the Poverty Level		Change '10-'20		People Living Below the Poverty Level		Change '10-'20		People Living Below the Poverty Level		Change '10-'20	
Male	2010	2020	No.	Pct.	2010	2020	No.	Pct.	2010	2020	No.	Pct.
Under 18	1,142	848	-294	-25.8%	350	55	-295	-84.3%	792	793	1	0.2%
18 to 24	291	177	-114	-39.1%	125	68	-57	-45.8%	166	109	-57	-34.1%
25 to 34	303	272	-31	-10.1%	139	107	-32	-23.3%	164	166	2	1.0%
35 to 44	368	240	-128	-34.8%	133	47	-86	-64.4%	235	193	-42	-18.0%
45 to 54	321	293	-28	-8.7%	84	51	-33	-39.8%	237	242	5	2.3%
55 to 64	302	411	109	36.0%	26	86	60	231.2%	276	325	49	17.7%
65+	392	376	-16	-4.0%	71	86	15	21.3%	321	290	-31	-9.6%
Subtotal	3,119	2,617	-502	-16.1%	928	499	-429	-46.2%	2,191	2,118	-73	-3.3%
Female												
Under 18	1,080	713	-367	-33.9%	309	125	-184	-59.6%	771	589	-182	-23.6%
18 to 24	680	283	-397	-58.3%	456	77	-379	-83.0%	224	206	-18	-8.2%
25 to 34	393	277	-116	-29.6%	131	88	-43	-32.6%	262	188	-74	-28.1%
35 to 44	372	404	32	8.7%	93	172	79	85.2%	279	232	-47	-17.0%
45 to 54	425	224	-201	-47.3%	93	62	-31	-32.9%	332	161	-171	-51.4%
55 to 64	393	361	-32	-8.1%	87	108	21	23.7%	306	253	-53	-17.2%
65+	844	796	-48	-5.7%	275	234	-41	-15.1%	569	562	-7	-1.3%
Subtotal	4,187	3,058	-1,129	-27.0%	1,444	866	-578	-40.0%	2,743	2,191	-552	-20.1%
Total	7,306	5,675	-1,631	-22.3%	2,372	1,366	-1,006	-42.4%	4,934	4,309	-625	-12.7%

Note: PMA includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County sans Fergus Falls.
Source: American Community Survey, (5-year estimates); Maxfield Research and Consulting LLC.

Employment Trends

Employment characteristics are important components in assessing housing needs in any given market area. These trends are important to consider since employment growth often fuels household growth. Typically, households prefer to live near work for convenience, which is a primary factor in choosing a housing location. This preference is particularly true among renters. Households are increasingly placing higher values on living near employment, education, shopping and entertainment. Households that may have special needs also place a greater emphasis and preference on walkability, access to convenient public transit and proximity to services such as retail and health care.

Employment Growth

Table E-1 shows employment growth trends and projections from 2000 to 2030 based on the data available from the Minnesota Department of Employment and Economic Development (MN DEED) data for 2000, 2010 and 2019 represents the annual average employment for that year. The 2020 and 2030 employment projections are sourced from MN Deed data and adjusted to 2020 and 2030 by Maxfield Research.

Although employment growth usually parallels population growth, it is often more closely to transportation access. Cities with interstate access and intra- and inter-metro transportation connections attract more businesses and post higher employment gains. Employment growth can fuel household and population growth as people generally desire to live near their work.

- In 2000, there were 21,182 jobs in Otter Tail County (PMA). From 2000 to 2010, employment in the county increased by 168 jobs (0.8%). Employment is estimated to have increased again by 2,568 jobs (12.0%) between 2010 and 2020, signaling robust job growth post-recession.
- Between 2020 and 2030, job growth is expected to continue in the PMA. The number of jobs is projected to increase 10.7%, rising from 23,918 jobs in 2020 to 26,486 jobs by 2030.
- Jobs are increasing in the Remainder of the PMA. Between 2010 and 2020, the number of jobs increased 26.1% while a 20.7% increase is projected between 2020 and 2030. In contrast, jobs in Fergus Falls decreased 2.4% between 2010 and 2020 and are expected to decrease by 2.5% between 2020 and 2030. A possible explanation for the decline in jobs in Fergus Falls is the number of store closings that have occurred in the retail sector. Stores that have closed include Target, Kmart, JC Penny and Woolworth's.² Additionally, the Hoot Lake Power Plant in Fergus Falls, home to 32 employees, is expected to close in 2021.³

² https://www.fergusfallsjournal.com/news/business/retail-regression-or-growth-fergus-falls-retail-market-sees-closings/article_d62bfcc0-2fd0-5259-a35d-40aeaa1e2d8f.html.

³ <https://www.perhamfocus.com/business/4720253-Otter-Tail-Power%E2%80%99s-Hoot-Lake-Plant-to-be-replaced-by-natural-gas-facility>

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TABLE E-1 EMPLOYMENT GROWTH TRENDS AND PROJECTIONS FERGUS FALLS, PMA, AND REMAINDER OF PMA 2000-2030													
	Employment						Change						
	Estimated Actual		Forecast		2000-2010		2010-2020		2020-2030				
	2000	2010	2019	2020	2030	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Fergus Falls	10,199	10,172	9,958	9,929	9,685	-27	-0.3%	-243	-2.4%	-244	-2.5%		
PMA (Otter Tail County)	21,182	21,350	23,659	23,918	26,486	168	0.8%	2,568	12.0%	2,568	10.7%		
Remainder of PMA	10,983	11,178	13,701	14,100	17,022	195	1.8%	2,922	26.1%	2,922	20.7%		
*2019 Data is as of 3rd Quarter													
Note: The PMA encompasses all of Otter Tail County. The PMA Remainder includes all of Otter Tail County excluding Fergus Falls.													
Sources: MN Dept of Employment and Economic Development; Maxfield Research & Consulting, LLC.													

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- Typically, households prefer to live nearby retail goods and services for convenience purposes. Those residing at the proposed Site will value the property's proximity to retail goods and services and health care.

Resident Employment

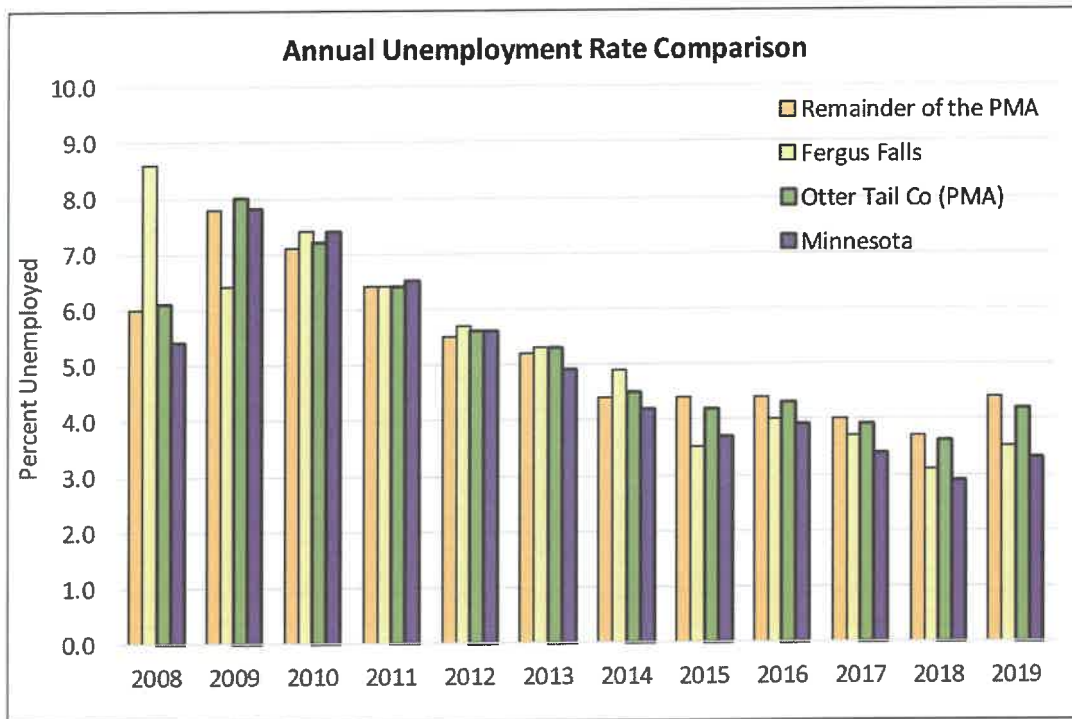
Table E-2 on the following page shows information on the resident labor force and employment in Fergus Falls, the Remainder of the PMA, PMA, and Minnesota. The data is sourced from the Minnesota Department of Employment and Economic Development. The following points summarize key employment trends that will impact the potential for development of the subject Site.

- The PMA's unemployment rate decreased between 2010 and 2019, from 7.1% in 2010 to 3.6% in 2018, but then ticked up just slightly in 2019 to 4.2%. Fergus Falls' unemployment rate in 2019 was 3.5% down from 7.1% in 2010. By comparison, the remainder of the PMA had higher employment rates of 7.1% and 4.2%, respectively in 2010 and 2019. The overall unemployment rate for Minnesota in 2019 was 3.3%, lower than the unemployment rates in Fergus Falls and the Remainder of the PMA.
- The labor force increased in Fergus Falls, the PMA, and PMA Remainder between 2010 and 2019. Employment increases however, during the same period for these jurisdictions was higher than the labor force increase, thereby causing a reduction in the unemployment rate. This was true for all jurisdictions shown.
- Although unemployment rates have decreased in Otter Tail County, there is a need to be able to connect workers to jobs and to be able to assist workers that have other disability or personal issues with being able to keep a job, once obtained. Services such as job training, access to transportation, ability to maintain personal health and other services are likely to be needed to assist potential residents at the proposed housing with being able to obtain employment. Some residents may not be able to obtain or maintain a regular job due to other long-term living challenges.
- The chart that follows Table E-2 illustrates unemployment rates for the jurisdictions shown in the table.

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TABLE E-2 ANNUAL AVERAGE RESIDENT EMPLOYMENT FERGUS FALLS, REMAINDER OF THE PMA, PMA, & MN 2010 through 2019				
Year	Labor Force	Employed	Unemployed	Rate
Fergus Falls				
2010	7,337	6,791	546	7.4%
2011	7,324	6,853	471	6.4%
2012	7,359	6,941	418	5.7%
2013	7,398	7,003	395	5.3%
2014	7,371	7,007	364	4.9%
2015	7,288	7,036	252	3.5%
2016	7,381	7,084	297	4.0%
2017	7,462	7,183	278	3.7%
2018	7,711	7,473	239	3.1%
2019	7,783	7,513	270	3.5%
Change 2010-2019				
Number	446	722	-276	--
Percent	6.1%	10.6%	-50.5%	--
Remainder of the PMA				
2010	23,532	21,866	1,666	7.1%
2011	23,566	22,063	1,503	6.4%
2012	23,411	22,126	1,292	5.5%
2013	23,469	22,243	1,226	5.2%
2014	23,510	22,471	1,039	4.4%
2015	23,824	22,773	1,051	4.4%
2016	24,000	22,933	1,067	4.4%
2017	24,075	23,118	958	4.0%
2018	23,730	22,840	889	3.7%
2019	24,327	23,250	1,077	4.4%
Change 2010-2019				
Number	795	1,384	-589	--
Percent	3.4%	6.3%	-35.4%	--
PMA (Otter Tail County)				
2010	30,869	28,657	2,212	7.2%
2011	30,890	28,916	1,974	6.4%
2012	30,770	29,067	1,710	5.6%
2013	30,867	29,246	1,621	5.3%
2014	30,881	29,478	1,403	4.5%
2015	31,112	29,809	1,303	4.2%
2016	31,381	30,017	1,364	4.3%
2017	31,537	30,301	1,236	3.9%
2018	31,441	30,313	1,128	3.6%
2019	32,110	30,763	1,347	4.2%
Change 2010-2019				
Number	1,241	2,106	-865	--
Percent	4.0%	7.3%	-39.1%	--
MINNESOTA				
2010	2,938,796	2,721,194	217,601	7.4%
2015	2,997,748	2,887,132	110,616	3.7%
2019	3,113,673	3,011,146	102,527	3.3%
Note: PMA is Otter Tail County. PMA Remainder includes Otter Tail County, excluding Fergus Falls.				
Sources: MN Department of Employment and Economic Development; Maxfield Research and Consulting LLC.				

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Covered Employment by Industry

Table E-3 on the following page displays information on the employment and wage conditions for Otter Tail County and Fergus Falls. The Quarterly Census of Employment and Wages (QCEW) data is sourced from the Minnesota Department of Employment and Economic Development for the periods shown on the table. Data is presented for the 3rd Quarters of 2018 and 2019. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly. Federal government establishments are also covered by the QCEW program.

Certain industries in the table do not display all quarterly information which means there is either no reported economic activity for that industry or the data has been suppressed to protect the confidentiality of cooperating employers. This generally occurs when there are too few employers or one employer comprises too much of the employment in that geography. The quarterly information that is available was averaged to identify yearly industry economic activity.

- In 2019, Education and Health Services was the largest employment sector in Otter Tail County, providing 5,996 jobs (25.3% of total employment). This was followed by Trade, Transportation and Utilities with 4,386 jobs (18.5% of total employment). Similarly, in Fergus Falls, Education and Health Services was the largest employment sector, providing 3,497 jobs (35.1% of city employment). The second largest employment sector in Fergus Falls, was Trade, Transportation and Utilities with 2,185 jobs (22.0% of city employment).

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Industry	2018			2019			Change 2018-2019			
	Establish- ments	Employ- ment	Weekly Wage	Establish- ments	Employ- ment	Weekly Wage	Employment #	Wage %	Employment #	Wage %
PMA (OTTER TAIL COUNTY)										
Natural Resources and Mining	62	500	\$609	63	472	\$626	-28	-5.6%	\$17	2.7%
Construction	263	1,490	\$935	272	1,509	\$968	19	1.3%	\$33	3.4%
Manufacturing	96	4,228	\$874	91	4,058	\$927	-170	-4.0%	\$53	5.7%
Trade, Transportation, and Utilities	393	4,495	\$715	400	4,386	\$714	-109	-2.4%	-\$1	-0.1%
Information	27	354	\$967	28	394	\$1,146	40	11.3%	\$179	15.6%
Financial Activities	156	611	\$1,025	150	621	\$949	10	1.6%	-\$76	-8.0%
Professional and Business Services	171	1,236	\$874	177	1,346	\$850	110	8.9%	-\$24	-2.8%
Education and Health Services	214	5,944	\$757	211	5,996	\$772	52	0.9%	\$15	1.9%
Leisure and Hospitality	200	2,683	\$304	208	2,684	\$306	1	0.0%	\$2	0.7%
Other Services	161	755	\$423	156	798	\$423	43	5.7%	\$0	0.0%
Public Administration	63	1,402	\$937	62	1,393	\$975	-9	-0.6%	\$38	3.9%
Total, All Industries	1,814	23,702	\$743	1,818	23,661	\$760	-41	-0.2%	\$17	2.3%
FERGUS FALLS										
Natural Resources and Mining	5	10	\$640	5	10	\$862	0	0.0%	\$222	34.7%
Construction	44	319	\$1,055	44	313	\$1,078	-6	-1.9%	\$23	2.2%
Manufacturing	33	1,028	\$971	30	966	\$1,000	-62	-6.0%	\$29	3.0%
Trade, Transportation, and Utilities	121	2,229	\$843	121	2,185	\$844	-44	-2.0%	\$1	0.1%
Information	13	103	\$743	14	103	\$863	0	0.0%	\$120	16.2%
Financial Activities	75	273	\$1,164	74	278	\$1,020	5	1.8%	-\$144	-12.4%
Professional and Business Services	61	337	\$980	62	360	\$1,084	23	6.8%	\$104	10.6%
Education and Health Services	104	3,474	\$806	103	3,497	\$840	23	0.7%	\$34	4.2%
Leisure and Hospitality	57	886	\$307	58	880	\$300	-6	-0.7%	-\$7	-2.3%
Other Services	47	346	\$424	46	367	\$421	21	6.1%	-\$3	-0.7%
Public Administration	26	981	\$1,154	24	992	\$1,174	11	1.1%	\$20	1.7%
Total, All Industries	586	9,989	\$830	581	9,953	\$848	-36	-0.4%	\$18	2.2%

Source: Minnesota Department of Employment and Economic Development (MN DEED)

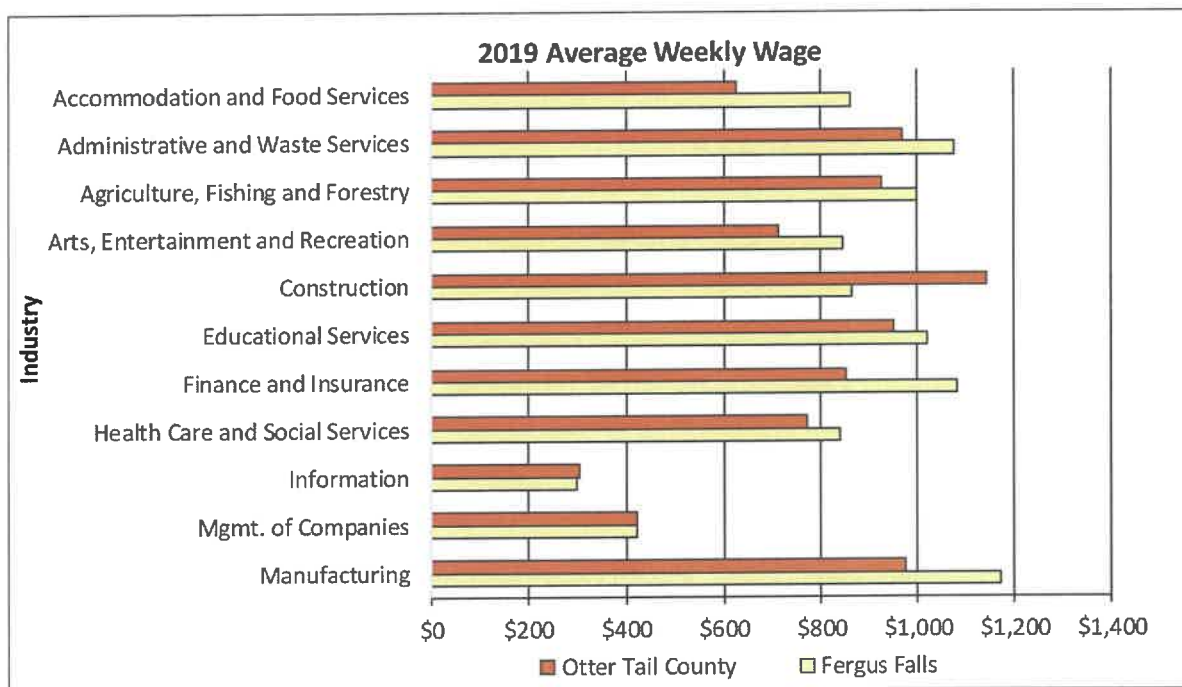
- Between 2018 and 2019, the Professional and Business Services sector experienced the largest overall growth in employment in Otter Tail County, adding 110 new jobs (8.9%), followed by Education and Health Services Sector, which expanded by 52 jobs (0.9%). The “Other Services” sector with 43 new jobs (5.7%) and the Information Sector with 40 new jobs (11.3%) also showed strong growth.
- In Fergus Falls, the Professional and Business Services and Education and Health Services sectors each added 23 jobs (growth of 6.8% and 0.7%, respectively) while the Other Services sector expanded by 21 jobs (6.1%) and Public Administration expanded by 11 jobs (1.1%). Fergus Falls and Otter Tail County however, experienced modest net decreases in jobs between 3rd Quarter 2018 and 3rd Quarter 2019.
- The average weekly wage in Otter Tail County as of 3rd Quarter 2019 was \$760 and was \$848 in Fergus Falls. Wages increased in Otter Tail County and Fergus Falls over the period, increasing by \$17/week (2.3%) in Otter Tail County and \$18/week (2.2%) in Fergus Falls. An average wage increase of 2.3% in Otter Tail County indicates that wages in several sectors

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are increasing modestly above the current inflation rate. The highest increase occurred in the Information Sector (11.3%) followed by an increase of 8.9% in the Professional and Business Services Sector and 5.7% in the Other Services Sector.

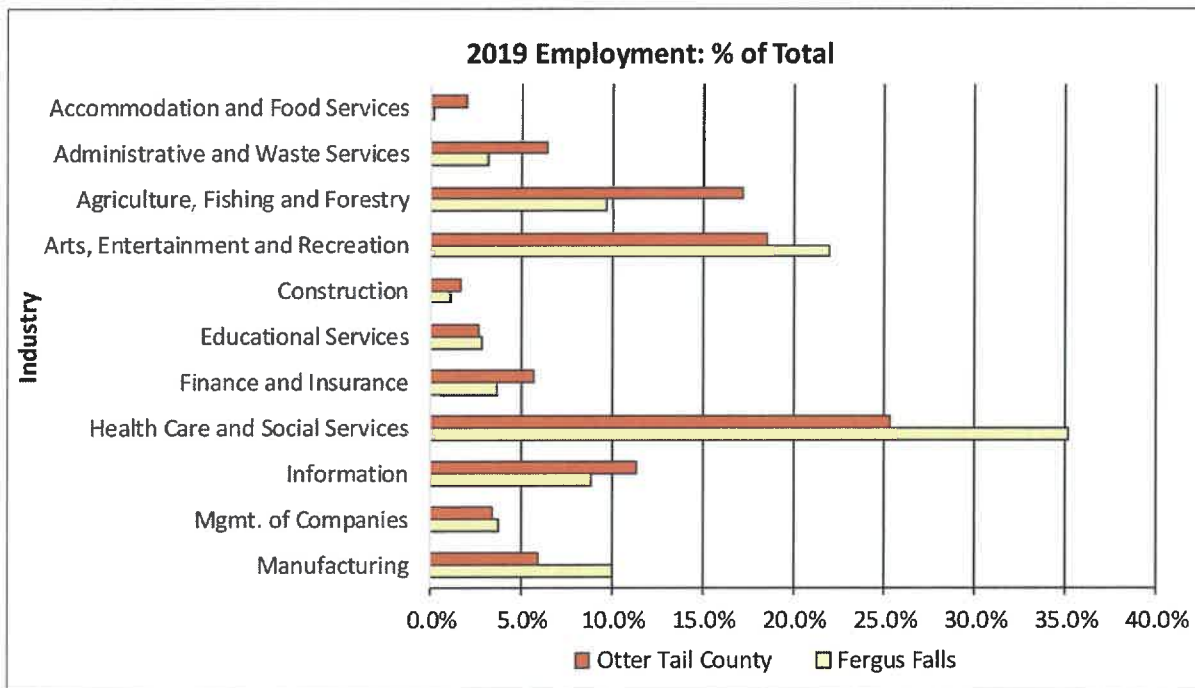
- The employment sector with the highest weekly wage in Otter Tail County in 2019 was the Information sector (\$1,146), followed by Public Administration (\$975) and Construction (\$968). In Fergus Falls, the employment sectors with the highest weekly wages were Public Administration (\$1,174) and Professional and Business Services (\$1,084).
- Some of the largest employment sectors in the PMA, such as Education and Health Services and Trade, Transportation and Utilities, and Manufacturing have many entry level career opportunities that are available to job seekers who have associate degrees.
- Strong growth in employment in the Education and Health Services Sector suggests that this sector, especially Health Services, is experiencing a need for additional workers; job growth in Health Services is anticipated to remain strong for the future.

The chart below shows the average weekly wage by industry category for Fergus Falls and Otter Tail County. Data is an annual average for 2019 and reflects the data that is shown in Table E-3.



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The chart below shows the total average annual employment as of 2019 for Fergus Falls and Otter Tail County based on information presented in Table E-3. Data is by industry sector.



Occupational Employment Statistics

Table E-4 on the following page displays employment and typical wages by occupation in Minnesota’s West Central Region 4 Economic Development Region (EDR) compared to the nearby Fargo MSA, the state of Minnesota, and the United States. The Occupational Employment Statistics (OES) wage data is sourced from the Minnesota Department of Employment and Economic Development for the 1st Quarter of 2019, the most recent data available through the OES. The OES is a semi-annual survey of non-farm employers covered by the Unemployment Insurance (UI) Program. Data is available for states, metropolitan statistical areas, and sub-state regions, but not cities or counties.

Occupations are classified using United States Department of Labor’s Standard Occupational Classification (SOC) typology. The definition of wage for the OES program is straight-time gross pay, including base pay, incentive pay (commissions and production bonuses), cost-of-living allowances, guaranteed pay, hazardous-duty pay, on-call pay, and tips. Overtime pay, shift differentials, non-production bonuses, holiday pay, meal and lodging payments, draw, severance, back pay, jury duty pay, and tuition reimbursements are excluded from the wage definition.

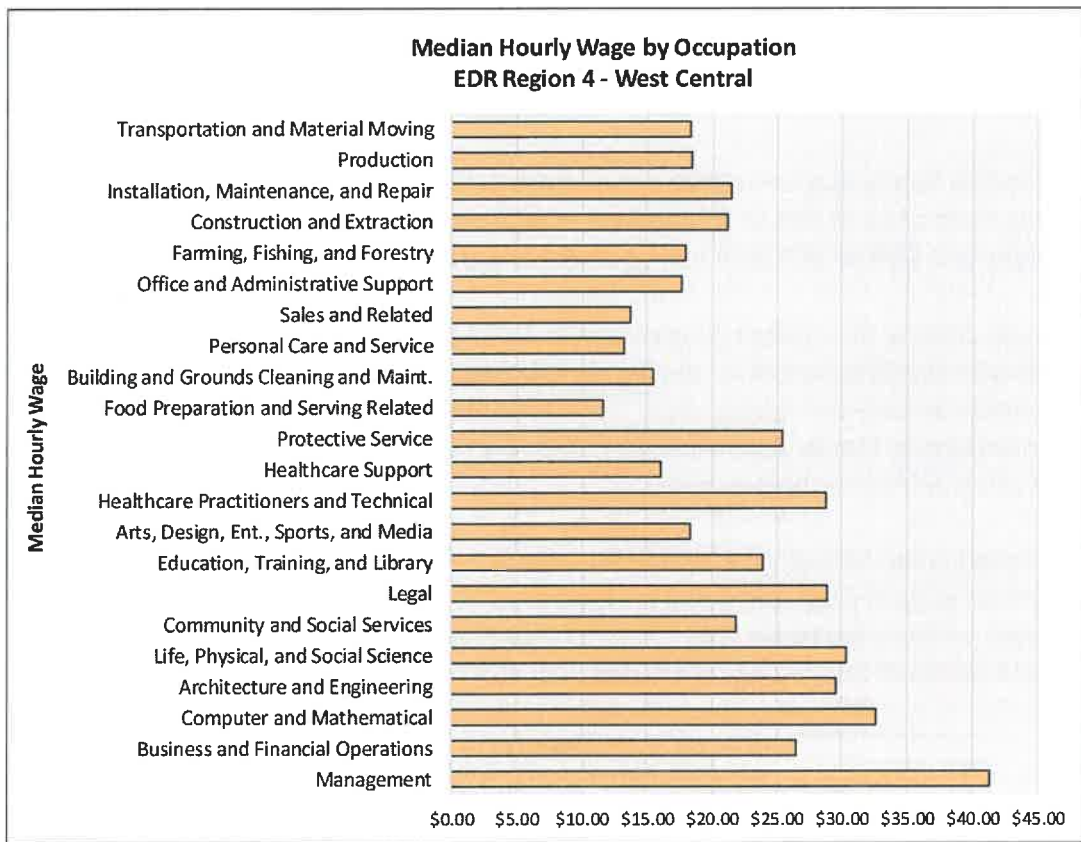
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- As depicted in the table, of the 89,170 workers in the EDR West Central Region, the highest percentage (13.1%) are employed in an office and administrative support occupations (11,720 workers), followed by Education, Training, and Library (10,450 workers or 11.6%).
- The median hourly wage across all occupations in the EDR 4 West Central Region is \$18.28, ranging from a low of \$11.61 for workers employed in food preparation and service-related positions to a high of \$41.35 in management occupations.
- A person earning the median hourly wage in EDR 4 West Central Region (\$18.28) would be able to afford an apartment renting for an estimated \$950 per month to not exceed 30% of its monthly income on housing costs. This is roughly equal to or modestly above the cost of new market rate two-bedroom apartments in the region and above the average rent for older apartments built before 2000.
- As detailed in the following section of this study, the average rent for newer market rate apartment units in Otter Tail County is estimated at \$675 to \$1,100 per month for one-bedroom to three-bedroom units. Rent for newer affordable properties (income-restricted) ranges from \$650 to \$760 per month for one- and two-bedroom units.

	Employment*	----- Median Hourly Wage -----			
	EDR 4: WEST CENTRAL	EDR 4: WEST CENTRAL	FARGO MSA	Minnesota	United States
Total All Occupations	89,170	\$18.28	\$19.45	\$20.95	\$19.00
Management	4,160	\$41.35	\$45.62	\$51.26	\$51.08
Business and Financial Operations	2,650	\$26.55	\$29.48	\$33.03	\$33.50
Computer and Mathematical	1,120	\$32.60	\$32.11	\$40.96	\$42.23
Architecture and Engineering	1,710	\$29.60	\$31.71	\$37.53	\$29.22
Life, Physical, and Social Science	640	\$30.34	\$31.36	\$33.54	\$32.32
Community and Social Services	2,620	\$21.88	\$23.30	\$22.73	\$22.00
Legal	280	\$28.85	\$36.64	\$36.50	\$39.53
Education, Training, and Library	10,450	\$24.00	\$24.81	\$24.22	\$24.31
Arts, Design, Ent., Sports, and Media	700	\$18.30	\$19.45	\$24.35	\$24.11
Healthcare Practitioners and Technical	5,120	\$28.79	\$29.80	\$35.79	\$32.50
Healthcare Support	3,710	\$16.03	\$16.82	\$16.82	\$14.76
Protective Service	2,210	\$25.48	\$22.05	\$21.52	\$20.17
Food Preparation and Serving Related	4,750	\$11.61	\$11.32	\$11.90	\$11.45
Building and Grounds Cleaning and Maint.	3,420	\$15.45	\$13.90	\$14.97	\$13.32
Personal Care and Service	4,030	\$13.20	\$14.14	\$12.90	\$12.12
Sales and Related	8,110	\$13.64	\$15.23	\$14.97	\$13.98
Office and Administrative Support	11,720	\$17.68	\$17.76	\$19.10	\$17.61
Farming, Fishing, and Forestry	360	\$17.95	\$17.07	\$16.51	\$12.41
Construction and Extraction	3,330	\$21.20	\$23.32	\$28.07	\$22.50
Installation, Maintenance, and Repair	3,290	\$21.44	\$22.77	\$23.13	\$22.17
Production	9,550	\$18.39	\$16.88	\$18.68	\$17.24
Transportation and Material Moving	5,220	\$18.36	\$18.36	\$18.48	\$16.32

*Employment data from 1st Quarter 2019, the most recent data available through OES
 Note: Economic Development West Central Region 4 includes the following counties; Becker, Clay Douglas, Grant, Otter Tail, Pope, Stevnes, Traverse, & Wilkin. Fargo MSA includes; Clay County in North Dakota and Clay County in Minnesota.

Sources: US Dept. of Labor; Maxfield Research & Consulting, LLC



Commuting Patterns of Area Workers

Proximity to employment is often a primary consideration when choosing where to live, particularly for younger and lower income households since transportation costs often account for a greater proportion of their budgets. For this analysis, we reviewed commuting patterns in Fergus Falls.

Table E-4 on the following page highlights the commuting patterns of workers in Fergus Falls based on data from the U.S. Census Bureau Local Employment Dynamics data for 2017, the most recent data available. This information shows that:

- Fergus Falls is the top home destination for workers in the City with a 41.4% share, while 1.1% commute to Fergus Falls from Battle Lake and Pelican Rapids. No other city in either Minnesota or North Dakota (Fargo) have a commute percentage above 1%.
- Of workers in Fergus Falls, 57% reside within ten miles of their place of employment while 12.0% travel greater than 50 miles. An estimated 31% of workers in the City travel 10 to 50 miles for employment.

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- Most workers living in Fergus Falls also work in the City (61.0%). The remaining 39% commute to other communities. Other communities with commuting percentages above 1% include Dalton (3.6%), Fargo, North Dakota (2.5%), Detroit Lakes (1.4%), Willmar (1.2%), and Pelican Rapids (1.1%).
- An estimated 66% of Fergus Falls' workers travel less than ten miles to their place of employment while 15.6% have a commute distance between 10 and 50 miles. An estimated 18.5% have a commute greater than 50 miles.

Home Destination			Work Destination		
<u>Place of Residence</u>	<u>Count</u>	<u>Share</u>	<u>Place of Employment</u>	<u>Count</u>	<u>Share</u>
Fergus Falls city, MN	3,873	41.4%	Fergus Falls, MN	3,873	61.0%
Battle Lake city, MN	104	1.1%	Dalton city, MN	228	3.6%
Pelican Rapids city, MN	104	1.1%	Fargo city, ND	157	2.5%
Elbow Lake city, MN	88	0.9%	Detroit Lakes city, MN	86	1.4%
Wahpeton city, ND	83	0.9%	Willmar city, MN	73	1.2%
Detroit Lakes city, MN	64	0.7%	Pelican Rapids city, MN	67	1.1%
Breckenridge city, MN	61	0.7%	Wahpeton city, ND	65	1.0%
Dalton city, MN	60	0.6%	Alexandria city, MN	64	1.0%
Fargo city, ND	60	0.6%	Battle Lake city, MN	63	1.0%
Alexandria city, MN	50	0.5%	Breckenridge city, MN	47	0.7%
All Other Locations	4,801	51.4%	All Other Locations	1,621	25.6%
<u>Distance Traveled</u>			<u>Distance Traveled</u>		
Total All Jobs	9,348	100.0%	Total All Jobs	6,344	100.0%
Less than 10 miles	5,324	57.0%	Less than 10 miles	4,176	65.8%
10 to 24 miles	1,881	20.1%	10 to 24 miles	556	8.8%
25 to 50 miles	1,022	10.9%	25 to 50 miles	436	6.9%
Greater than 50 miles	1,121	12.0%	Greater than 50 miles	1,176	18.5%
Home Destination = Where workers live who are employed in Fergus Falls.					
Work Destination = Where workers are employed who live in Fergus Falls.					
Sources: US Census Bureau Local Employment Dynamics; Maxfield Research and Consulting LLC.					

Table E-5 provides a summary of the inflow and outflow characteristics of the workers in Fergus Falls. Outflow reflects the number workers living in Fergus Falls but employed outside the City while inflow measures the number of workers that are employed in the City but live outside Fergus Falls. Interior flow reflects the number of workers that both live and work in Fergus Falls.

- As the table on the following page shows, Fergus Falls is considered an importer of workers as more nonresidents commute into the City for work than leave. An estimated 5,475 workers come into Fergus Falls for work (inflow) while 2,471 leave (outflow) and 3,873 both live and work in the City. As of 2017, Fergus Falls experienced net job inflow of 3,004 workers.

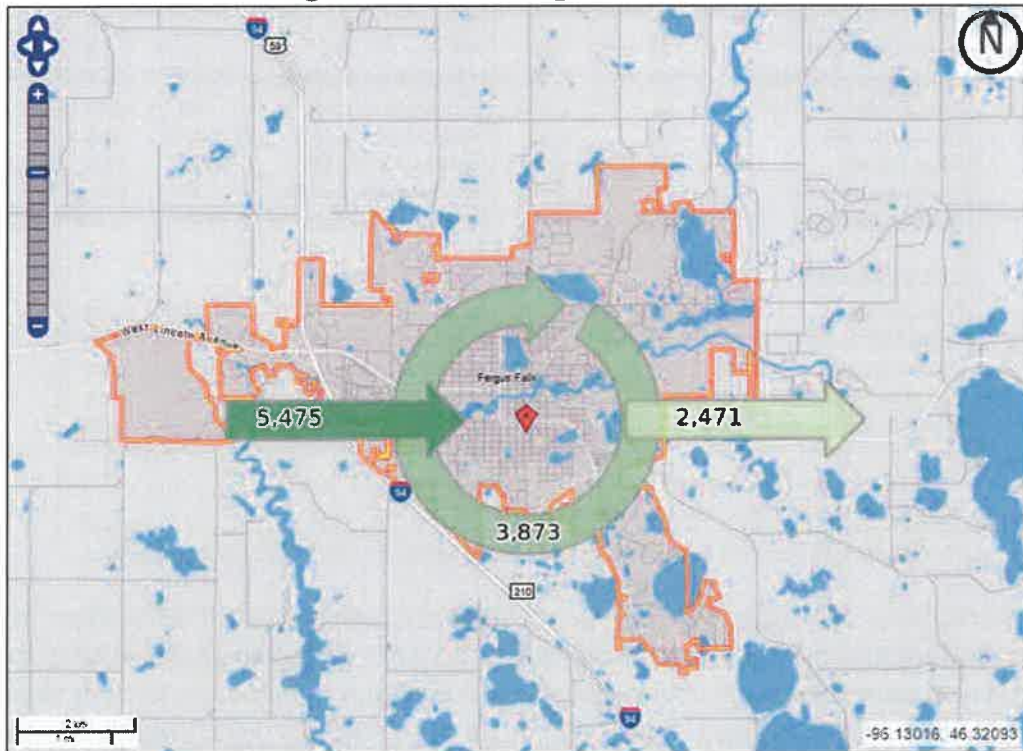
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	Outflow		Inflow		Interior Flow	
City of Fergus Falls	2,471	100.0%	5,475	100.0%	3,873	100.0%
By Age						
Workers Aged 29 or younger	679	27.5%	1,111	20.3%	925	23.9%
Workers Aged 30 to 54	1,188	48.1%	2,786	50.9%	1,856	47.9%
Workers Aged 55 or older	604	24.4%	1,578	28.8%	1,092	28.2%
By Monthly Wage						
Workers Earning \$1,250 per month or less	733	29.7%	1,464	26.7%	1,135	29.3%
Workers Earning \$1,251 to \$3,333 per month	737	29.8%	1,874	34.2%	1,429	36.9%
Workers Earning More than \$3,333 per month	1,001	40.5%	2,137	39.0%	1,309	33.8%
By Industry						
"Goods Producing"	483	19.5%	600	11.0%	407	10.5%
"Trade, Transportation, and Utilities"	501	20.3%	1,253	22.9%	887	22.9%
"All Other Services"*	1,487	60.2%	3,622	66.2%	2,579	66.6%

*Includes the following sectors: Information, Financial Activities, Professional & Business Services, Education & Health Services, Leisure & Hospitality, Other Services, and Public Administration

Sources: US Census Bureau Local Employment Dynamics; Maxfield Research & Consulting, LLC

Fergus Falls Commuting Inflow/Outflow



Source: US Census Bureau Local Employment Dynamics

- The highest proportion of workers coming into Fergus Falls is aged 30 to 54 (51%), earning more than \$3,333 per month (39%), and employed in the "All Other Services" industry category (67%), which includes Education and Health Services. With 5,475 workers commuting to Fergus Falls daily, there is an opportunity to provide affordable housing options, which are difficult to find in the current tight housing market.

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Major Employers

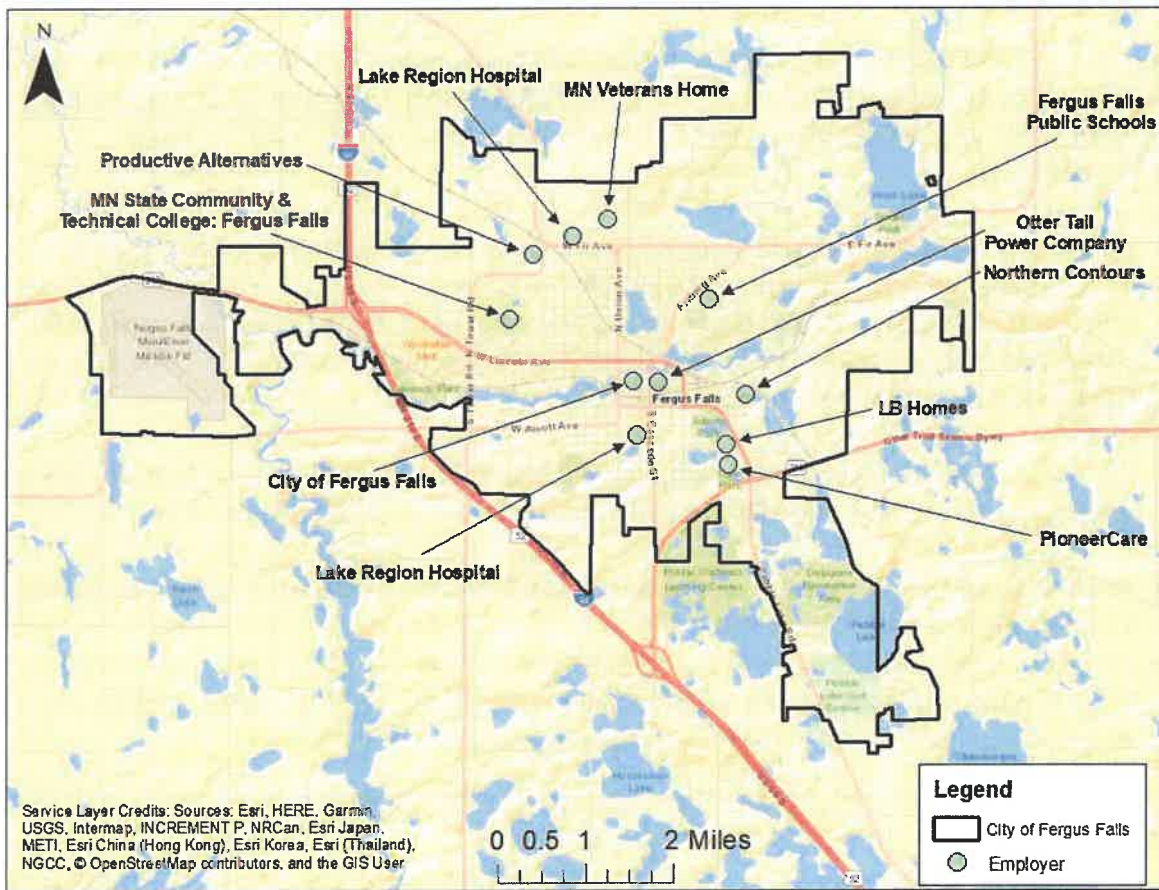
Table E-7 shows the major employers in Fergus Falls based on data provided by the City. This table is not a comprehensive list of all employers and presents a selected list of the largest employers with estimated employment. The following are key points from the major employers table.

- Lake Region Hospital is identified as the largest employer. Including hospital, medical professional and staff employees, the Hospital is estimated to employ 874 workers. Other employers in Fergus Falls with high number of employees include Otter Tail County (378), Otter Tail Power Company (377), Fergus Falls Public Schools (355), Pioneer Care (292), LB Homes (282), and Northern Contours (208).
- The list of major employers represents several industry sectors. Sectors with more than one employer listed include city and county government, senior care, and education.
- The four largest employers account for almost 60% (58.4%) of the employment at the top 11 major employers in Fergus Falls.
- Together, the top 11 employers in Fergus Falls were employed nearly 3,398 workers or approximately one third (34.0%) of total employment in 2017.

Rank	Company	Business Type	No. of Employees
1	Lake Region Hospital	Hospitals	874
2	Otter Tail County	County Government	378
3	Otter Tail Power Company	Energy	377
4	Fergus Falls Public Schools	Education	355
5	PioneerCare	Senior Care	292
6	LB Homes	Senior Care	282
7	Northern Contours	Manufacturing	208
8	MN Veterans Home	Senior Care - State Government	191
9	City of Fergus Falls	City Government	187
10	Productive Alternatives	Social Services Non-profit	129
11	MN State Community & Technical College: Fergus Falls	Education	125
	Total		3,398

Note: Rank category lists companies by number of employees from largest to smallest.
Sources: Fergus Falls Economic Improvement Commission: Community Profile; Maxfield Research and Consulting, LLC.

Fergus Falls' Major Employers



Introduction

Maxfield Research and Consulting LLC examined the for-sale housing market in Fergus Falls and larger Otter Tail County communities by analyzing single and multifamily home sales and active listings, identifying new construction and pending for-sale developments. Information was obtained through the Lake Region Association of Realtors®.

Closed Sales in Fergus Falls and Other Otter Tail County Communities

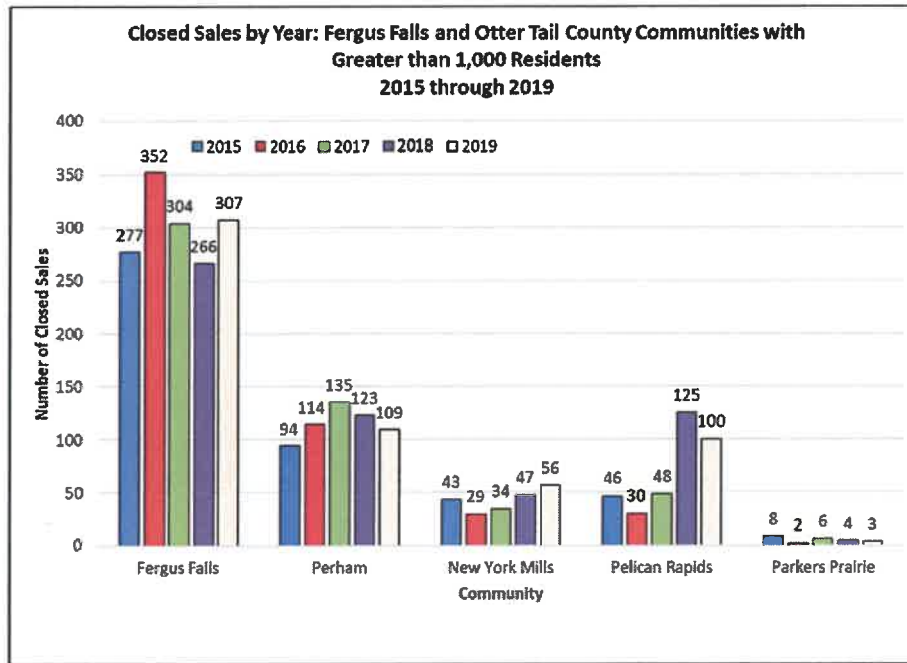
Table FS-1 presents closed sale summary data among single and multifamily housing units for Fergus Falls and other Otter Tail County communities with more than 1,000 residents. The table depicts annual closed sales from 2015 through 2019. The following are key points from Table FS-1.

- Fergus Falls’ total number of closed sales between 2015 and 2019 (1,506) accounted for 56.5% of all closed sales among communities of 1,000 or more residents in Otter Tail County.
- Fergus Falls had its highest number of closed sales in 2015 (352) and its lowest number of closed sales in 2018 (266). In comparison, Perham had its highest number of closed sales in 2017 (135) and its lowest number of closed sales in 2015 (94). New York Mills had its highest number of closed sales in 2019 (56) and its lowest number of closed sales in 2016 (29). Pelican Rapids had its highest number of closed sales in 2018 (125) and its lowest number of closed sales in 2016 (30). Parkers Prairie had its highest number of closed sales in 2015 (8) and its lowest number of closed sales in 2016 (2).

	2015	2016	2017	2018	2019	Totals	Percent Change	
							15-17'	17'-19'
Number of Closed Sales								
Fergus Falls	277	352	304	266	307	1,506	9.7%	1.0%
Perham	94	114	135	123	109	575	43.6%	-19.3%
New York Mills	43	29	34	47	56	209	-20.9%	64.7%
Pelican Rapids	46	30	48	125	100	349	4.3%	108.3%
Parkers Prairie	8	2	6	4	3	23	-25.0%	-50.0%

Sources: Lake Region Association of Realtors®; Maxfield Research & Consulting, LLC

FOR SALE ANALYSIS



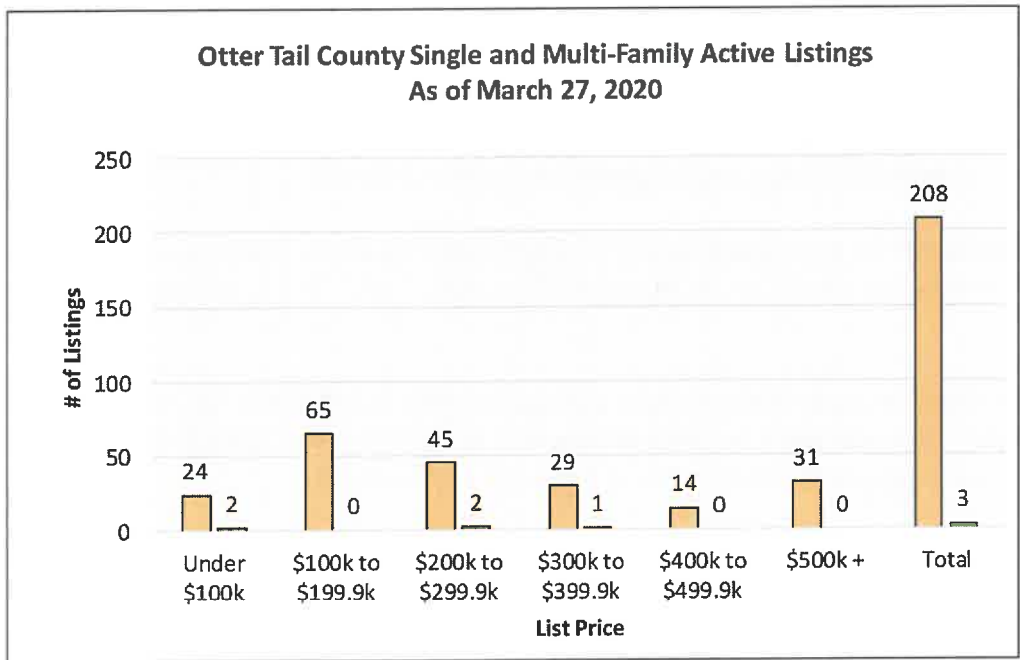
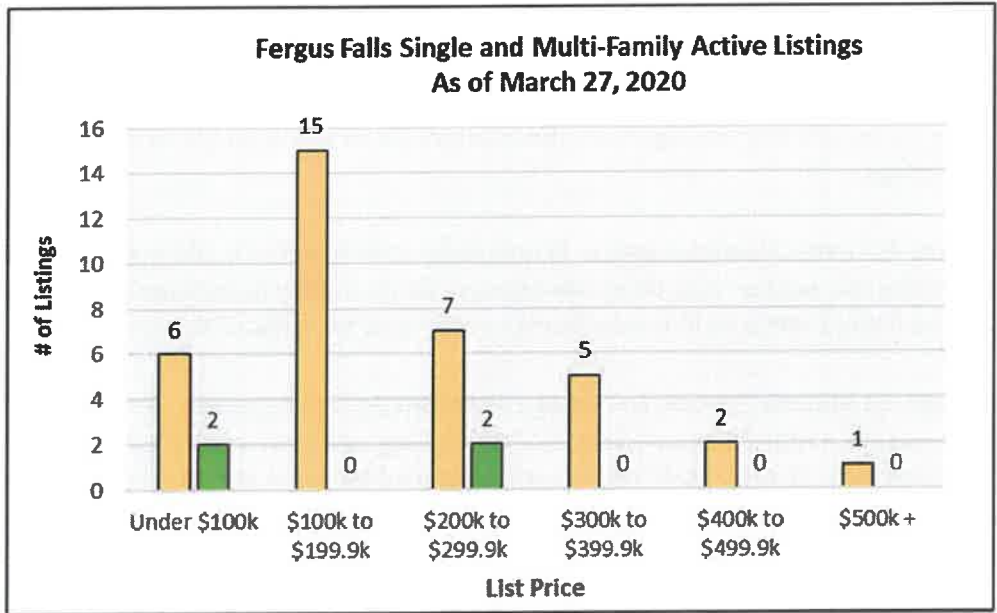
Active Home Listings

Table FS-2 presents active for sale data in Fergus Falls and Otter Tail County. Key metrics include median and average sales prices by price cluster. Data is as of March 27, 2020 and show single-family and multifamily homes among six price ranges. There were four multifamily active listings and 36 single family active listings in Fergus Falls. There were five multifamily listings and 208 single-family listings in Otter Tail County as of March 27, 2020.

**TABLE FS-2
HOMES CURRENTLY LISTED FOR-SALE
FERGUS FALLS & OTTER TAILCOUNTY
MARCH 27, 2020**

Price Range	Fergus Falls Totals				Otter Tail County Totals			
	Single-Family		Multifamily ¹		Single-Family		Multifamily ¹	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
< \$99,999	6	16.7%	2	50.0%	24	11.5%	2	40.0%
\$100,000 to \$199,999	15	41.7%	0	0.0%	65	31.3%	0	0.0%
\$200,000 to \$299,999	7	19.4%	2	50.0%	45	21.6%	2	40.0%
\$300,000 to \$399,999	5	13.9%	0	0.0%	29	13.9%	1	20.0%
\$400,000 to \$499,999	2	5.6%	0	0.0%	14	6.7%	0	0.0%
\$500,000 +	1	2.8%	0	0.0%	31	14.9%	0	0.0%
	36	100%	4	100%	208	100%	5	100%
Minimum	\$24,900		\$92,000		\$24,900		\$82,000	
Maximum	\$549,900		\$287,500		\$1,999,000		\$384,900	
Median	\$194,700		\$178,000		\$239,900		\$264,900	

¹ Includes for sale townhomes, twinhomes, and condominiums.
 Note: Active-Contingent, Auction and Duplicate Listings are excluded.
 Sources: Lake Region Association of Realtors®, Maxfield Research & Consulting, LLC



Supply of Homes on the Market

To more closely examine the market for available owner-occupied housing in Fergus Falls, we reviewed the current supply of homes listed for sale. Tables FS-3 and FS-4 show homes listed for sale in Fergus Falls by property type and housing style, respectively. The data was provided by the Lake Region Association of Realtors, based on active listings as of the end of March 2020.

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Listings through the Multiple Listing Service generally account for more than 90% of all residential listings in a given area.

The following points are key findings from the assessment of active single-family and multifamily listings.

- There were 41 homes listed for sale in Fergus Falls as of March 27, 2020 after removing active-contingent, auction and duplicate listings. Single-family homes accounted for 90.2% of all active listings while multifamily listings accounted for 9.8% of the total.
- The median list price in the City was \$194,700 for single-family homes. The median sale price is generally a more accurate indicator of housing values in a community than the average sale price. Average sale prices can be skewed by a few very high or low-priced home sales in any year, whereas the median sale price better represents the pricing of most homes in a market.
- Based on a median list price of \$194,700 for single-family listings, a household would need an income of about \$48,500 to afford a monthly housing payment of \$930 (assuming a 10% down payment, 4.0% 30-year fixed mortgage, property taxes, insurance, and PMI). A household with significantly more equity in an existing home and/or savings could put more than 10% down and afford a higher priced home. An estimated 57.2% of the City's non-senior households have annual incomes at or above \$48,500.
- One-story homes comprise 37.8% of all single-family homes in the City, while two-story and split-level homes comprise 29.7% and 27.0%, respectively. The three-story homes comprise 2.7%.
- Three-story homes have the highest average list price at \$359,000. The next highest categories are one-story and two-story homes at \$255,836 and \$248,764, respectively. Split level home designs have list prices of \$189,500 and \$108,800.

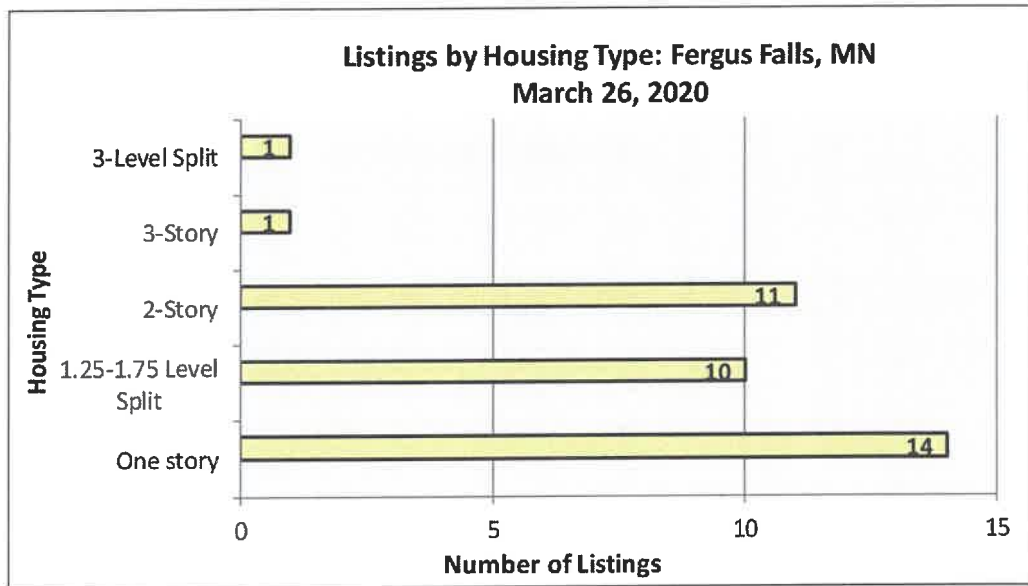
Property Type	Listings	Pct.
Single-family	37	90.2%
Townhomes/Twinhomes	2	4.9%
Condominium/Cooperatives	2	4.9%
Total	41	100.0%
Note: Active-Contigent, Auction, and Duplicate Listings are Excluded.		
Sources: Lake Region Association of Realtors®; Maxfield Research & Consulting, LLC.		

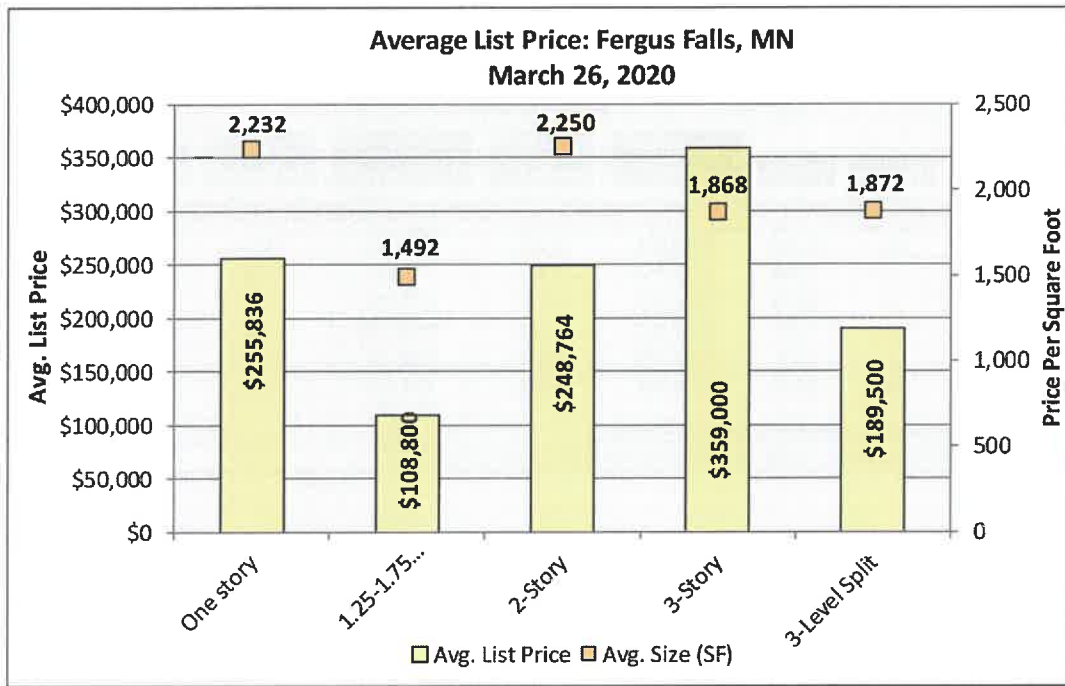
FOR SALE ANALYSIS

**TABLE FS-4
ACTIVE LISTINGS BY HOUSING TYPE
FERGUS FALLS MN
MARCH 26,2020**

Property Type	Listings	Pct.	Avg. List Price	Avg. Size (Sq. Ft.)	Avg. List Price Per Sq. Ft.	Avg. Bedrooms	Avg. Bathrooms	Avg. Age of Home
Single-Family								
One story	14	37.8%	\$255,836	2,232	114.62	3.3	2.3	1982
1.25-1.75 Level Split	10	27.0%	\$108,800	1,492	72.92	3.3	1.5	1914
2-Story	11	29.7%	\$248,764	2,250	\$110.56	3.6	2.5	1961
3-Story	1	2.7%	\$359,000	1,868	\$192.18	3.0	1.0	1958
3-Level Split	1	2.7%	\$189,500	1,872	\$101.23	2.0	3.0	1978
Total/Average	37	100.0%	\$214,989	2,018	\$98.68	3.3	2.1	1956

Note: Active-Contigent Listings and Duplicates are Excluded.
Sources: Lake Region Association of Realtors®; Maxfield Research & Consulting, LLC





Introduction

The following section of the report analyzes current market conditions for general occupancy rental housing in the Market Area. Topics covered include an overview of rental housing market conditions in the Market Area, detailed information on individual market rate and affordable rental developments in Otter Tail County (PMA) and information on new rental developments planned or under construction.

Selected Apartment Developments in and near the PMA

Maxfield Research compiled detailed information for affordable (deep subsidy and shallow subsidy) and market rate properties in the PMA with 11 or more units. The affordable properties have units that would most likely compete indirectly with the proposed permanent supportive housing development by virtue of their affordability, either deep - or shallow-subsidy. Age-restricted properties offer some services, usually activities and a meal, but do not provide social services such as those that would be available at the proposed subject property.

Information on deep-subsidy rental properties in the PMA is presented on Table 20. Table 21 summarizes information on affordable rental properties that have fixed rents. These properties identify the gap between rentals at the affordable properties and what new market rate properties are charging in Fergus Falls and in Otter Tail County

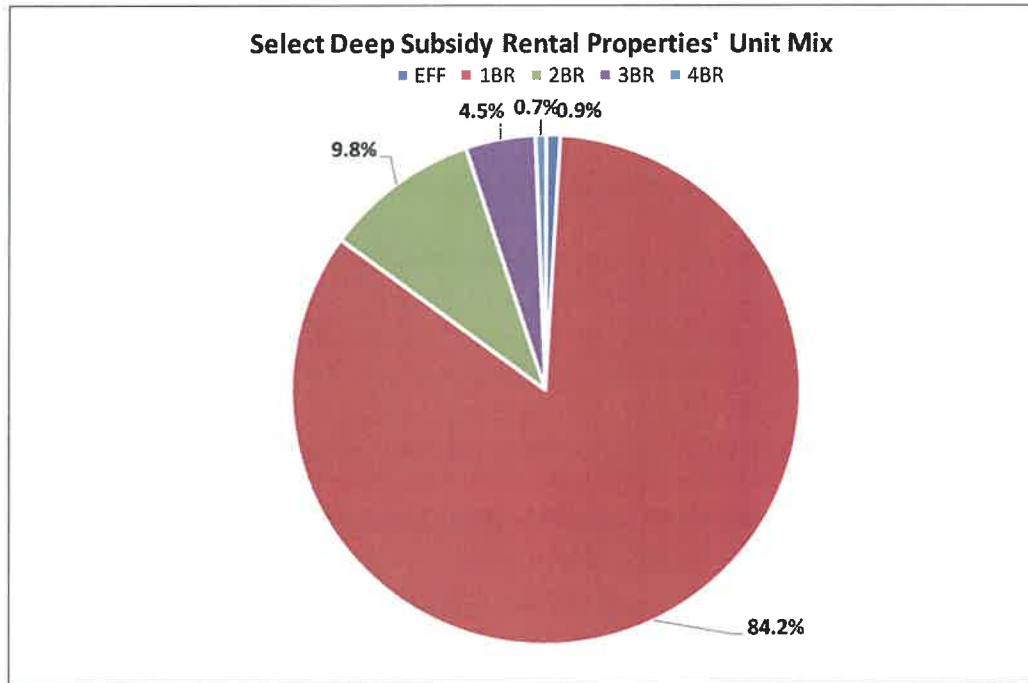
Deep-Subsidy Rental Properties

The following is a summary regarding the inventory of deep-subsidy properties in Fergus Falls and Otter Tail County:

- Nine properties are shown on Table R-1 that provide deep-subsidies, whereby residents pay 30% of their adjusted gross income for rent and the remainder is provided through housing assistance. These nine properties have a total of 448 units. Of those 448 units, 29 are vacant (6.5%). The overall vacancy rate (6.5%) is above market equilibrium for affordable properties (2% to 3%), indicating modest softness in the market, although some vacancies may be a result of the point-in-time survey when units are transitioning to new tenants. Therefore, the effective vacancy rate is likely lower.
- While the overall vacancy rate of 6.5% is above market equilibrium, four of the nine deep subsidy properties have vacancy rates at or below market equilibrium for deep subsidy properties (2% to 3%).

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- Features are generally limited including wall-mounted air conditioning (leased units available), private entries (townhomes or duplexes), surface parking only and playgrounds for family units. Elderly units usually have a common dining area, community room and lounge and may also have an on-site beauty salon.



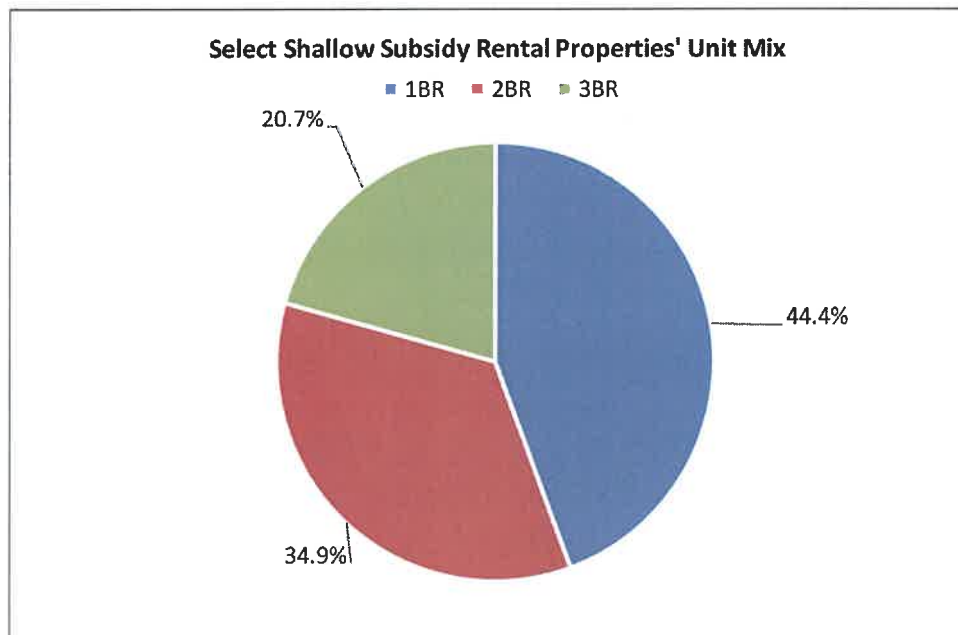
RENTAL MARKET ANALYSIS

TABLE R-1 DEEP SUBSIDY GENERAL OCCUPANCY RENTAL DEVELOPMENTS PRIMARY MARKET AREA APRIL 2020								
Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Deer Creek Manor Apartments 305 North Ave E <i>Deer Creek MN</i>	1978	20 0 0.0%	18 - 1BR 2 - 2BR	700 - 700 900 - 900	30% of AGI	N/A	N/A	Laundry facilities, community room, and utilities included.
Augustana Apartments 308 S Mill St <i>Fergus Falls</i>	1971	41 3 7.3%	4 - EFF 27 - 1BR 10 - 2BR	350 - 350 550 - 700 700 - 700	30% of AGI	N/A	N/A	Targeted to seniors 62+ and persons with disabilities. Amenities include laundry facilities and community room.
River Bend Apartments 222 N Whitford <i>Fergus Falls</i>	1979	100 2 2.0%	99 - 1BR 1 - 2BR	566 - 566 844 - 844	30% of AGI	N/A	N/A	Within walking distance of Downtown Fergus Falls. Amenities include patios.
Cardinal Homes 1016 Springen Ave <i>Fergus Falls</i>	1972	61 3 4.9%	34 - 1BR 16 - 2BR 8 - 3BR 3 - 4BR	448 - 448 596 - 596 874 - 874 1,536 - 1,536	30% of AGI	N/A	N/A	Amenities include a playground and community room. Cardinal Homes is comprised of four buildings and three houses.
Cascade Apartments 506 S Peck St <i>Fergus Falls</i>	1978	36 3 8.3%	12 - 1BR 12 - 2BR 12 - 3BR	675 - 675 1,112 - 1,112 1,485 - 1,485	30% of AGI	N/A	N/A	Features a playground, coin-operated laundry; washer/dryer hookups, and detached garages at additional charge.
Riverview Heights 205 N Sheridan St <i>Fergus Falls</i>	1968	59 1 1.7%	59 - 1BR	495 - 495	30% of AGI	N/A	N/A	Targeted to elderly/disabled. Amenities include common laundry, grab bars in showers and weekly meal options.
Kaleva Apartments 205 Walker Ave N <i>New York Mills</i>	1979	30 4 13.3%	29 - 1BR 1 - 2BR	672 - 777 882 - 882	30% of AGI	N/A	N/A	Within walking distance of Downtown New York Mills. Offers 20 off-street parking stalls for residents.
Mill Pond View Apartments 101 E Mill Ave <i>Pelican Rapids</i>	1979	66 13 19.7%	65 - 1BR 1 - 2BR	596 - 596 891 - 891	30% of AGI	N/A	N/A	Amenities include common laundry and surface parking (\$7/mo). Rooms are wheelchair accessible.
Lakeland Apartments 211 2nd Ave Se <i>Perham</i>	1968	35 0 0.0%	34 - 1BR 1 - 2BR	500 - 500 550 - 550	30% of AGI Max of \$440	N/A	N/A	Amenities include sunroom, lounge, & gazebo. Senior (62+)/disabled; includes all utilities except electric.
Total Units		448						
Vacant Units		29						
Vacancy Rate		6.5%						
NA: Not Available								
Sources: Property Management Companies, & Maxfield Research & Consulting, LLC.								

Shallow-Subsidy Rental Properties

Data on the shallow subsidy rental properties is presented in Table R-2 on the following page. The rents shown represent quoted rental rates and have not been adjusted to reflect the inclusion or exclusion of utilities. Table R-2 presents a summary of rent levels by unit type for shallow-subsidy affordable rentals in Fergus Falls and the rest of Otter Tail County.

The figure below and the following points summarize key observations for the selected affordable rental developments. The per square foot average rents reflect a weighted average based on the number of units in each development, excluding properties that have no fixed rent (deep-subsidy) and charge the tenant a rent based on 30% of the household's adjusted gross income. Developments included in Table R-2 that have a larger number of units of any one type contribute more toward the average than those with only a few units of a specific type.



RENTAL MARKET ANALYSIS

TABLE R-2 AFFORDABLE GENERAL OCCUPANCY RENTAL DEVELOPMENTS PRIMARY MARKET AREA MARCH 2020								
Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Summit Village 102 N Madison Ave <i>Battle Lake</i>	1978	16 0 0.0%	15 - 1BR 1 - 2BR	750 - 750 900 - 900	\$445 - \$545 \$475 - \$570	\$495 \$523	\$0.73 - \$1.11 \$0.63 - \$1.10	Coin operated laundry facility and community room. USDA Rural Housing Program. Families. Of the 16 units, 11 can receive rental assistance.
Prairie Village I and II 107-109 4th Ave N <i>Parkers Prairie</i>	1977	20 3 15.0%	14 - 1BR 6 - 2BR	600 - 600 800 - 800	\$502 - \$502 \$531 - \$531	\$502 \$531	\$0.84 - \$1.00 \$0.66 - \$1.00	Laundry facilities and multi-use room. USDA Rural Housing Program. Families. At Prairie Village II, 10 of the 6 units can receive rental assistance.
Pelican Rapids Townhomes 301 River Rd <i>Pelican Rapids</i>	1998	40 0 0.0%	18 - 2BR 22 - 3BR	1,480 - 1,480 1,585 - 1,585	\$794 - \$794 \$895 - \$895	\$794 \$895	\$0.54 - \$1.00 \$0.56 - \$1.00	Low Income Housing Tax Credit (LIHTC) property. Playground, in unit washer/dryer, and assigned garage parking.
Ridgecrest Apartments 301-305 10th Ave Se <i>Pelican Rapids</i>	1990	16 0 0.0%	12 - 2BR 4 - 3BR	-- -- -- --	-- -- -- --	-- --	-- -- -- --	Income based rural development assistance. Families. Of the 16 units, 11 can receive rental assistance.
The Meadows 920 Coney St W <i>Perham</i>	2016	24 6 25.0%	12 - 2BR 12 - 3BR	1,084 - 1,328 1,489 - 1,489	\$664 - \$664 \$759 - \$759	\$664 \$759	\$0.50 - \$1.00 \$0.51 - \$1.00	Water, sewer, & garbage included, coin operated laundry facilities, attached garage included, and playground area.
Parkview 606 Pine Ln Dr <i>Perham</i>	2004	14 0 0.0%	1 - 1BR 9 - 2BR 4 - 3BR	-- -- -- -- -- --	-- -- -- -- -- --	-- -- --	-- -- -- -- -- --	Low Income Housing Tax Credit (LIHTC) property.
Timber Place Townhomes 1151 Friberg Ave <i>Fergus Falls</i>	1997	20 0 0.0%	4 - 2BR 16 - 3BR	1,095 - 1,095 1,350 - 1,350	\$625 - \$625 \$725 - \$725	\$625 \$725	\$0.57 - \$1.00 \$0.54 - \$1.00	Townhomes. Coin operated washer/dryer, and attached one car garage.

Continued

RENTAL MARKET ANALYSIS

TABLE R-2 (CONTINUED)									
SHALLOW SUBSIDY GENERAL OCCUPANCY RENTAL DEVELOPMENTS									
PRIMARY MARKET AREA									
APRIL 2020									
Country Pine Apartments 506 & 508 Pinewood Ln <i>Perham</i>	1991	24 1 4.2%	1 1BR 17 - 2BR 6 - 3BR	600 - 600 800 - 800 1,100 - 1,100	\$525 - \$525 \$610 - \$610 \$665 - \$665	\$525 \$610 \$665	\$0.88 - \$0.88 \$0.76 - \$0.76 \$0.60 - \$0.60	Includes heat, water, and sewer. Garages are available.	
Silverleaf 124 E Summit Ave <i>Fergus Falls</i>	1984	32 0 0.0%	32 - 1BR	550 - 550	\$490 - \$705	\$598	\$0.89 - \$1.28	Rural Development Program; elderly/disabled. Of the 32 units, 19 can receive rental assistance.	
Goldenwood 1145 Friberg Ave <i>Fergus Falls</i>	1989	31 0 0.0%	30 - 1BR 1 - 2BR	585 - 585 615 - 615	\$465 - \$606 \$500 - \$675	\$536 \$588	\$0.79 - \$1.04 \$0.81 - \$1.10	Rural Development program; elderly/disabled. Of the 31 units, 23 can receive rental assistance.	
Pleasant View Apartments 1095 Westside Dr <i>Fergus Falls</i>	1982	14 0 0.0%	2 - 1BR 12 - 2BR	700 - 700 800 - 800	\$680 - \$680 \$720 - \$720	\$680 \$720	\$0.97 - \$0.97 \$0.90 - \$0.90	Rural Development program; family housing; Of the 16 units, 12 can receive rental assistance.	
Page House 221 East Cavour Ave <i>Fergus Falls</i>	1983	31 0 0.0%	31 - 1BR	550 - 550	\$480 - \$665	\$573	\$0.87 - \$1.21	Rural Development Program; family housing; Of the 31 units, 20 can receive rental assistance.	
Aspen Green II 720 Melody Ln <i>Fergus Falls</i>	1985	18 2 11.1%	6 - 1BR 12 - 2BR	624 - 624 780 - 780	\$490 - \$490 \$550 - \$550	\$490 \$550	\$0.79 - \$0.79 \$0.71 - \$0.71	Rural Development Program; Family housing; Of the 18 units, 11 can receive rental assistance.	
Scandia Village I, II, III 102-106 Edgewood St <i>New York Mills</i>	1976	30 0 0.0%	15 - 1BR 15 - 2BR	600 - 600 900 - 900	\$543 - \$565 \$575 - \$615	\$554 \$595	\$0.91 - \$0.94 \$0.64 - \$0.68	Rural Development Program; Family housing; Of the 30 units, 17 can receive rental assistance.	
Parkview 407 E Gilman St <i>New York Mills</i>	1991	12 2 16.7%	2 - 2BR 10 - 3BR	900 - 900 1,100 - 1,100	\$700 - \$700 \$775 - \$775	\$700 \$775	\$0.78 - \$0.78 \$0.70 - \$0.70	All utilities are included at Parkview. One stall detached garage.	
Tamarac Manor 208 Cleveland Avenue <i>Underwood</i>	1980	16 0 0.0%	12 - 1BR 4 - 2BR	N/A - N/A N/A - N/A	\$375 - \$460 \$400 - \$485	\$418 \$443	N/A - N/A N/A - N/A	Rural Development Program; serves elderly; Of the 16 units, 9 can receive rental assistance.	
Total Units		358							
Vacant Units		14							
Vacancy Rate		3.9%							
N/A: Not Available									
Sources: Property Management Companies, Mahube-Otway Community Action Partnership, Inc; Maxfield Research and Consulting LLC.									

- A total of 358 units is represented among the shallow subsidy properties in Otter Tail County.
- Forty-four percent of all units in the competitive set have one bedroom and 35% have two bedrooms. Three-bedroom units account for 21% of the total. There are no studio or four-bedroom units.

RENTAL MARKET ANALYSIS

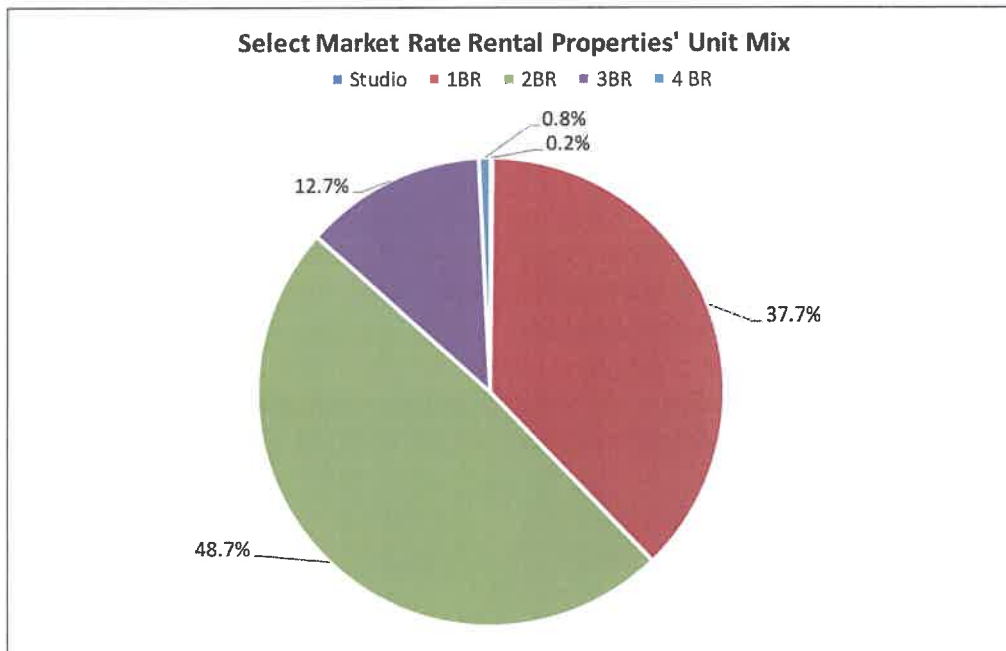
- Monthly rental rates range from a low of \$445 per month for a one-bedroom unit at Summit Village to a high of \$895 per month for a three-bedroom unit at Pelican Rapids Townhomes.
- The following list identifies the average per square foot rent ranges for shallow subsidy affordable properties in Otter Tail County along with their year built (Parkview Apartments in Perham, Ridgecrest Apartments in Pelican Rapids and Tamarac Manor in Underwood are excluded due to missing data):
 - Summit Village (1978) \$0.53 to \$0.73 per square foot
 - Prairie Village I and II (1977) \$0.66 to \$0.84 per square foot
 - Pelican Rapids Townhomes (1998) \$0.54 to \$0.56 per square foot
 - The Meadows (2016) \$0.50 to \$0.51 per square foot
 - Timber Place Townhomes (1997) \$0.54 to \$0.57 per square foot
 - Country Pine Apartments (1991) \$0.60 to \$0.88 per square foot
 - Silverleaf (1984) \$0.89 to \$1.28 per square foot
 - Goldenwood (1989) \$0.79 to \$1.10 per square foot
 - Pleasant View (1982) \$0.90 to \$0.97 per square foot
 - Aspen Green II (1985) \$0.71 to \$0.79 per square foot
 - Page House (1983) \$0.87 to \$1.21 per square foot
 - Scandia Village I, II, III \$0.64 to \$0.68 per square foot
 - Parkview (1991) \$0.70 to \$0.78 per square foot
- The existing shallow-subsidy properties contain a total of 358 units, 14 of which were vacant, representing a 3.9% vacancy rate, below the market equilibrium vacancy rate of 5% for affordable properties. As such, it appears that the supply of affordable rental housing in the Market Area is current operating below market equilibrium, indicating some pent-up demand.
- New construction properties whether market rate or affordable continue to increase the level of features and amenities offered to residents. Amenities that are generally standard for new affordable rental properties include:
 - Full-kitchen appliance package including microwave oven and dishwasher;
 - Laminate hardwood flooring in entry way and living/dining areas;
 - Larger size windows;
 - Balcony or patio;
 - Walk-in closets;
 - Washer-dryer hook-ups;
 - Window coverings; and
 - Detached garages.

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Some properties offer additional common area amenities such as fitness center, community room and playground or tot lot. Plug-ins for winter months are available at some of the properties for an additional charge.

Market Rate Rental Properties

- As depicted on Table R-3, 23 market rate rental properties were surveyed containing a total of 632 units.
- The properties surveyed are representative of the rental rates and features and amenities provided by market rate rental properties in the PMA. The points that follow summarize key observations for the selected market rate rental developments in and near the PMA.
- The selected 23 market rate rental properties contain a total of 632 units, 23 of which were vacant, which equates to a 3.6% vacancy rate, which is below the market equilibrium rate of 5.0% vacancy. This data suggests that there is pent-up demand for additional market rate units in Fergus Falls and Otter Tail County.
- Studio units account for 0.2% of market rate units surveyed. One- and two-bedroom units account for 37.7% and 48.7% of the mix, respectively. Three- and four-bedroom units account for 12.7% and 0.8% of the mix, respectively.



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TABLE R-3 MARKET RATE GENERAL OCCUPANCY RENTAL DEVELOPMENTS PRIMARY MARKET AREA APRIL 2020								
Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Sunset Ridge Apartment Homes 2387-2467 Pioneer Rd Fergus Falls	2015	70 8 11.4%	30 - 1BR 40 - 2BR	702 - 953 948 - 960	\$735 - \$735 \$850 - \$896	\$735 \$873	\$0.77 - \$1.05 \$0.90 - \$0.93	Amenities include: a fitness center, playground, community room, laundry facilities, library, and garage parking available (\$60 with opener and \$40 without).
Broadway Apartments 623 West 1st Fergus Falls	1972	36 2 5.6%	15 - 1BR 21 - 2BR	765 - 765 1,000 - 1,080	\$660 - \$660 \$820 - \$840	\$660 \$830	\$0.86 - \$0.86 \$0.78 - \$0.82	Broadway Apartments features a fitness center, laundry facilities, and detached garages.
River Bluff Apartments 306-320 Western Ave Fergus Falls	2001	59 3 5.1%	20 - 1BR 20 - 2BR 19 - 3BR	770 - 770 966 - 966 1,200 - 1,200	\$714 - \$714 \$815 - \$815 \$916 - \$916	\$714 \$815 \$916	\$0.93 - \$0.93 \$0.84 - \$0.84 \$0.76 - \$0.76	River Bluff Apartments contains a playground, laundry facilities, and garage parking (\$45).
Campus View Historic Apartments 1447-1628 Patterson Loop Fergus Falls	1920 Renovated 2016	31 2 6.5%	13 - 1BR 15 - 2BR 3 - 3BR	469 - 665 1,153 - 1,153 1,572 - 1,572	\$500 - \$700 \$1,000 - \$1,000 \$1,000 - \$1,300	\$600 \$1,000 \$1,150	\$1.05 - \$1.05 \$0.87 - \$0.87 \$0.64 - \$0.83	Property built in 1920 but renovated with modern amenities in 2016. On the National Register of Historic Places. Amenities include: hardwood floors, in unit washer/dryer, and stainless steel appliances.
Courtyard Apartments 407 W 1st Ave Fergus Falls	1976	15 0 0.0%	5 - 1BR 10 - 2BR	800 - 800 1,000 - 1,000	\$575 - \$575 \$675 - \$675	\$575 \$675	\$0.72 - \$0.72 \$0.68 - \$0.68	Courtyard Apartments contains stainless steel appliances in select units and laundry facilities.
Lindenwood Apartments 913 E Vernon Fergus Falls	2015	15 0 0.0%	15 - 3BR	1,000 - 1,000	\$850 - \$875	\$863	\$0.85 - \$0.88	Amenities include: in unit washer/dryers and stainless steel appliances.
Legacy Trail Apartments 401 S Tower Rd Fergus Falls	2017	30 0 0.0%	15 - 1BR 10 - 2BR 5 - 3BR	720 - 720 1,000 - 1,000 1,150 - 1,150	\$670 - \$695 \$795 - \$795 \$1,050 - \$1,050	\$683 \$795 \$1,050	\$0.93 - \$0.97 \$0.80 - \$0.80 \$0.91 - \$0.91	Legacy Trail Apartments contains in unit washer/dryers and stainless steel appliances.
Somerset Apartments 1120 Somerset Rd Fergus Falls	2006	24 2 8.3%	1 - Studio 12 - 1BR 11 - 2BR	770 - 770 966 - 966 1,200 - 1,200	\$714 - \$714 \$815 - \$815 \$916 - \$916	\$714 \$815 \$916	\$0.93 - \$0.93 \$0.84 - \$0.84 \$0.76 - \$0.76	Somerset Apartments contains a patio, outdoor gated space, and garage parking (\$40).
809 East Cavour 809 East Cavour Fergus Falls	1969	36 0 0.0%	18 - 1BR 18 - 2BR	800 - 800 1,000 - 1,000	\$575 - \$575 \$675 - \$675	\$575 \$675	\$0.72 - \$0.72 \$0.68 - \$0.68	Amenities include laundry facilities and detached garages; select units have a private balcony
1117 & 1127 College St 1117 & 1127 College St Fergus Falls	1972	16 0 0.0%	8 - 1BR 8 - 2BR	800 - 800 1,000 - 1,000	\$595 - \$595 \$700 - \$700	\$595 \$700	\$0.74 - \$0.74 \$0.70 - \$0.70	Each apartment includes a detached garage; common laundry facilities.
Cedar View Apartments 414-424 E Cedar Ave Fergus Falls	1963	36 0 0.0%	18 - 1BR 18 - 2BR	800 - 800 950 - 950	\$575 - \$575 \$675 - \$675	\$575 \$675	\$0.72 - \$0.72 \$0.71 - \$0.71	Amenities include: a laundry facility and off street parking.

Continued

RENTAL MARKET ANALYSIS

TABLE R-3 CONTINUED MARKET RATE GENERAL OCCUPANCY RENTAL DEVELOPMENTS PRIMARY MARKET AREA APRIL 2020								
Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Avg Rent	Rent Per Sq Ft.	Amenities/Comments
Westridge 1501 & 1515 College Way Fergus Falls	1984	24 3 12.5%	12 - 1BR 12 - 2BR	585 - 585 780 - 780	\$580 - \$580 \$670 - \$700	\$580 \$685	\$0.99 - \$0.99 \$0.86 - \$0.90	Amenities at Westridge include coin operated laundry facilities and a garage. TV and internet are included.
Riverside Apartments 911 E Lincoln Ave Fergus Falls	1979	36 0 0.0%	12 - 1BR 18 - 2BR 6 - 3BR	750 - 750 900 - 900 1,050 - 1,050	\$575 - \$575 \$675 - \$675 \$825 - \$825	\$575 \$675 \$825	\$0.77 - \$0.77 \$0.75 - \$0.75 \$0.79 - \$0.79	Common laundry, detached garage included; addtl space (\$50/mo); trash removal, water, sewer included.
313 S Cascade St 313 S Cascade St Fergus Falls	1882	11 1 9.1%	11 - 1BR	450 - 550	\$375 - \$525	\$450	\$0.83 - \$0.95	Located within walking distance of Downtown Fergus Falls.
Pelican Apartments 40 1st Ave NW Pelican Rapids	1939	14 0 0.0%	14 - 2BR	925 - 925	\$575 - \$575	\$575	\$0.62 - \$0.62	Located in Downtown Pelican Rapids and contains laundry facilities.
301 7th Ave NW 301 7th Ave NW Pelican Rapids	2018	24 0 0.0%	6 - 1BR 16 - 2BR 2 - 3BR	675 - 675 850 - 850 1,075 - 1,075	\$595 - \$595 \$695 - \$695 \$825 - \$825	\$595 \$695 \$825	\$0.88 - \$0.88 \$0.82 - \$0.82 \$0.77 - \$0.77	Amenities include: in unit washer/dryers, stainless steel appliances, and garages.
Mill Valley Townhomes 401 John Mark Avenue New York Mills	2014	16 0 0.0%	12 - 2BR 4 - 3BR	997 - 997 1,292 - 1,292	\$825 - \$825 \$975 - \$975	\$825 \$975	\$0.83 - \$0.83 \$0.75 - \$0.75	Heat, water, sewer as well as trash and snow removal are included. Amenities include an attached two car garage with opener and laundry hook-ups.
Riverside Apartments 424 1st Ave NW Pelican Rapids	1977 Renovated 1990	30 0 0.0%	15 - 1BR 15 - 2BR	700 - 700 900 - 900	\$550 - \$550 \$750 - \$750	\$550 \$750	\$0.79 - \$0.79 \$0.83 - \$0.83	Property was renovated in 1990 and includes laundry facilities and a dishwasher.
Westfield I & II Apartments 520 3rd St NW Pelican Rapids	2018	37 0 0.0%	7 - 1BR 19 - 2BR 6 - 3BR 5 - 4BR	689 - 689 963 - 963 1,050 - 1,050 1,245 - 1,245	\$595 - \$595 \$695 - \$695 \$895 - \$895 \$1,175 - \$1,175	\$595 \$695 \$895 \$1,175	\$0.86 - \$0.86 \$0.72 - \$0.72 \$0.85 - \$0.85 \$0.94 - \$0.94	Energy efficient; stainless steel appliances; dishwashers, in unit washer/dryers.
Clearwater Apartments 734 8th Ave SW Perham	2014	14 0 0.0%	1 - 1BR 9 - 2BR 4 - 3BR	650 - 650 800 - 1,150 1,475 - 1,475	\$635 - \$635 \$690 - \$690 \$840 - \$840	\$635 \$690 \$840	\$0.98 - \$0.98 \$0.60 - \$0.86 \$0.57 - \$0.57	Clearwater Apartments includes units with in unit washer/dryers, decks, two stall garages with openers. Heat, water, & sewer are included.
Pine Edge Townhomes 689 8th Ave SW Perham	2014	31 0 0.0%	16 - 2BR 15 - 3BR	997 - 997 1,292 - 1,292	\$900 - \$900 \$1,150 - \$1,150	\$900 \$1,150	\$0.90 - \$0.90 \$0.89 - \$0.89	Water, sewer, garbage, and heat included. Amenities include: attached two car garages with openers, washer/dryer hookups, and a community room.
Swan I 719 East Cavour Fergus Falls	1978	15 1 6.7%	9 - 1BR 6 - 2BR	580 - 580 700 - 700	\$580 - \$580 \$680 - \$700	\$580 \$690	\$1.00 - \$1.00 \$0.97 - \$1.00	Swan I units include: dishwashers and on site coin laundry. Garbage, water, and sewer are included.
Swan III 825 East Cavour Fergus Falls	Early 1980s	12 1 8.3%	11 - 1BR 1 - 3 BR	580 - 580 800 - 850	\$700 - \$700 \$710 - \$710	\$700 \$710	\$1.21 - \$1.21 \$0.84 - \$0.89	Swan III units include: dishwashers and on site coin laundry. Garbage, water, and sewer are included.
Total Units		632						
Vacant Units		23						
Vacancy Rate		3.6%						
N/A: Not Available								
Source: Property Management Companies, Mahube-Otwa Community Action Partnership, Inc., & Maxfield Research & Consulting, LLC.								

RENTAL MARKET ANALYSIS

The following list identifies the average per square foot rent ranges market rate properties in Otter Tail County along with their year built (Properties with missing data are excluded):

– Sunset Ridge Apt Homes (2015)	\$0.77 to \$1.05 per square foot
– Broadway Apartments (1972)	\$0.78 to \$0.86 per square foot
– River Bluff Apartments (2001)	\$0.76 to \$0.93 per square foot
– Campus View Historic Apts (1920)	\$0.64 to \$1.05 per square foot
– Courtyard Apartments (1976)	\$0.68 to \$0.72 per square foot
– Lindenwood Apartments (2015)	\$0.85 to \$0.88 per square foot
– Legacy Trail Apartments (2017)	\$0.80 to \$0.97 per square foot
– Somerset Apartments (2006)	\$0.76 to \$0.93 per square foot
– 809 East Cavour (1968)	\$0.68 to \$0.72 per square foot
– 1117 & 1127 College St (1972)	\$0.70 to \$0.74 per square foot
– Cedar View Apartments (1963)	\$0.71 to \$0.72 per square foot
– Westridge (1984)	\$0.86 to \$0.99 per square foot
– Riverside Apartments (1975)	\$0.75 to \$0.79 per square foot
– 313 S Cascade St (1882)	\$0.83 to \$0.95 per square foot
– Pelican Rapids Townhomes (1998)	\$0.54 to \$0.56 per square foot
– Pelican Apartments (1939)	\$0.62 to \$0.62 per square foot
– 301 7 th Ave NW (2018)	\$0.77 to \$0.88 per square foot
– Mill Valley Townhomes (2014)	\$0.75 to \$0.83 per square foot
– Riverside Apartments (1977)	\$0.79 to \$0.83 per square foot
– Westfield I & II Apartments (2018)	\$0.72 to \$0.94 per square foot
– Clearwater Apartments (2014)	\$0.57 to \$0.98 per square foot
– Pine Edge Townhomes (2014)	\$0.89 to \$0.90 per square foot
– Swan I (1978)	\$0.97 to \$1.00 per square foot
– Swan II (Early 1980s)	\$0.84 to \$0.89 per square foot

Features and amenities offered at new construction/recently renovated market rate properties in the Fergus Falls and Otter Tail County include:

- Stainless steel appliances;
 - Vinyl plank flooring (wood-look);
 - Walk in closets;
 - Balcony;
 - In-unit washer/dryer (stacked and full-size), walk-in closets;
- The following are some of the common area amenities being offered by market rate properties. The list has grown as the market becomes more competitive.
 - Outdoor grill areas;
 - Outdoor play area;
 - Fitness room;
 - Garages w/openers;

HRA Owned Properties

The Fergus Falls HRA offers assisted housing, general occupancy and age-restricted housing to households with incomes at or less than 50% of the Area Median Income (AMI). The AMI for the Fergus Falls area is based on the calculated Median Income for the Micropolitan Area as a whole. According to Novogradac, the AMI for a family of four in the Fergus Falls Micropolitan Statistical Area, which includes all of Otter Tail County, is \$70,500.

The Fergus Halls Housing and Redevelopment Authority (HRA) owns and manages a diverse array of rental housing properties, those targeted to families, the elderly and individuals that have a disability.

Public housing properties in Fergus Falls include:

Riverview Heights Apartments

205 North Sheridan

- Built 1968
- 60 units (60-1BR)
- Apartments

Fergus Falls Public Housing

209/211 1st Ave

1215/1219 Marian

722/724 Channing

816/818 Junius

- Built 1980
- 8-3BR units
- Family Duplexes

Public housing properties in other Otter Tail County communities include (3/4 BR units):

- 106/110 10th Ave SW, Pelican Rapids
- 206 Foss St #1 & 2, Underwood
- 216 Foss St, Underwood
- 504/506 Marshall Ave, Henning
- 206 Holden Ave, Henning
- 111 Milne Ave, Henning
- 104/106 Smith Ave, New York Mills
- 104 Pleasant LN, New York Mills
- 210 Larson Ct, New York Mills

RENTAL MARKET ANALYSIS

Low-Income Housing Tax Credit (LIHTC) properties in Fergus Falls include

Timber Place Townhomes

910 Timber Place

- Built 1997
- 20 units (4-2BR, 16-3BR)
- Townhomes

Wait List for public housing properties varies by property and people could be on the waitlist anywhere from hours to months.

General Occupancy (All ages)

Wait List for Riverview Heights

- 1 - needing customized living
- 15 - elderly/near elderly/disabled (non-assisted living)
- 17 - others

Wait List for Fergus Falls Family Duplex

- 35 – 2 BR
- 18 – 3 BR

Wait List for Timber Place Townhomes

- 12 – 2BR
- 2 – 3BR
- 2 – 3BR Handicap

Wait List for Other Otter Tail County Public Housing Properties

- 34 – 2BR
- 12 – 3BR
- 3 – 4BR

Wait List for Shelter Plus Care Vouchers

Any unit type - 6-12 months

Deep-Subsidy Age-Restricted Properties Privately Owned

Elderly (55+)

Cardinal Homes (119 units, 1BR)

Crescent West (46 units, 1BR)

Amenities featured at the elderly properties include on-site beauty salon, noon meal served M-F, Chapel, Community Room, Game Room, Lounge, free washer/dryers, nurse on-site twice weekly.

Wait List for Elderly Units

1BR – 6-18 months

Public Housing Waiting List and Housing Choice Voucher Program

The Fergus Falls HRA (FFHRA) manages the issuance of and wait list for the Housing Choice Voucher Program (HCVP) in the City of Fergus Falls and manages applications and provides subsidized housing to low-income households. Individuals must meet eligibility requirements, including income limits and other regulations specified by HUD and the FFHRA.

The Fergus Falls HRA has been allocated a total of 185 vouchers for Fergus Falls and 140 vouchers for Otter Tail County. The HRA currently serves 154 households in Fergus Falls and 120 households in Otter Tail County through the Housing Choice Voucher program with funds available. The estimated time for households on the wait list to obtain a voucher can change monthly and can range from one to 12 months in the County, depending on household size and the type of unit that becomes available. There are five vouchers ported out of Fergus Falls and none ported out of the County.

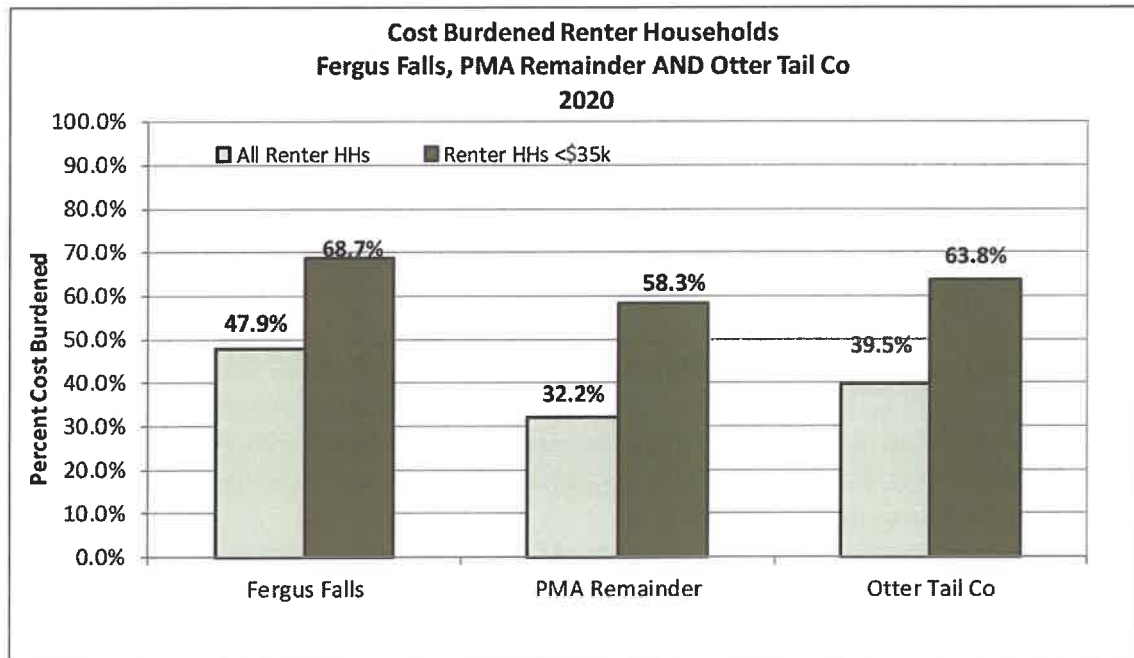
The need for affordable housing varies among Otter Tail County communities. Cities such as Perham, New York Mills, Parkers Prairie and Dalton have strong supplies of affordable housing developments and unit mixes. Battle Lake and Underwood, in contrast, are lacking in their affordable housing mixes. In between, Pelican Rapids has a wide variety of unit mixes but is lacking in affordable units. Fergus Falls has primarily affordable one - and two-bedroom units but lacks three-bedroom plus units where there is a greater demand than supply.

Housing Cost Burden

Table R-4 on the following page presents data on renter housing cost burdens for the PMA (Otter Tail County), Fergus Falls and the Remainder of the PMA. Figures are presented for renter households with cost burdens of 30% and 50% (severely cost-burdened). Data for 2020 is compiled from the American Community Survey 2014-2018 (five-year estimates) and adjusted by Maxfield Research to 2020. Also shown is the proportion of renter households that are cost-burdened with incomes of \$35,000 or less.

The table shows that among all renter households in the PMA (Otter Tail County), 39.5% were cost-burdened, including 47.9% of renters in Fergus Falls and 32.2% of renter households in the Remainder of the PMA. Severely cost-burdened households comprised 20.7% of renter households in the PMA, including 27.4% of households in Fergus Falls and 15% of renter households in the Remainder of the PMA.

Community	Fergus Falls		PMA REMAINDER		PMA	
	No.	Pct.	No.	Pct.	No.	Pct.
Owner Households						
All Owner Households	3,784		15,407		19,191	
Cost Burden 30% or greater	821	21.7%	2,681	17.4%	3,800	19.8%
Cost Burden 50% or greater	394	10.4%	1,032	6.7%	1,363	7.1%
Owner Households w/ incomes <\$50,000	1,368		5,350		6,718	
Cost Burden 30% or greater	437	31.9%	2,459	46.0%	2,896	43.1%
Cost Burden 50% or greater	158	11.5%	1,233	23.0%	1,391	20.7%
Renter Households						
All Renter Households	2,390		2,761		5,150	
Cost Burden 30% or greater	1,146	47.9%	889	32.2%	2,035	39.5%
Cost Burden 50% or greater	654	27.4%	413	15.0%	1,067	20.7%
Renter Households w/ incomes <\$35,000	1,632		1,455		3,087	
Cost Burden 30% or greater	1,121	68.7%	848	58.3%	1,969	63.8%
Cost Burden 50% or greater	644	39.5%	410	28.2%	1,054	34.1%
Median Contract Rent ¹	\$572		\$570		\$567	
¹ Median Contract Rent 2018.						
Note: Calculations exclude households not computed and use 2018 tenure totals adjusted to 2020 household estimates.						
Sources: American Community Survey 2018 estimates; Maxfield Research and Consulting LLC						



The proportions increase substantially for renter households whose incomes are \$35,000 or less annually. Of renter households with incomes of \$35,000 or less, nearly 64% in the PMA are cost-burdened or pay more than 30% of their income toward housing costs. In Fergus Falls, this proportion is 69% in Fergus Falls and 58% in the Remainder of the PMA. In the PMA, 34% are severely cost-burdened, paying 50% or more for their housing costs. In Fergus Falls, this proportion is nearly 40% and 28% in the PMA Remainder.

This data indicates that in general, rent burdens within the PMA are somewhat higher in Fergus Falls than the rest of Otter Tail County (Remainder of the PMA). Renters seeking housing in Fergus Falls will find it more challenging to obtain affordable rental housing than in other cities in the PMA. In addition, for the homeless, this creates an even greater burden, as there are often other barriers to finding suitable housing other than just the cost.

Small Cities Development Program (SCDP)

The Fergus Fall HRA is participating in MN Deed’s Small Cities Development Program. The HRA is utilizing funds from MN DEED to repair homes in Fergus Falls and other Otter Tail County cities. Households that request funds from the HRA need to meet income requirements in order to make sure funds are granted to lower- and middle-income households. As a result, households will be able to remain in their homes and not have to search for other affordable housing options.

Planned and Pending Developments

Maxfield Research conducted interviews with city staff in Fergus Falls and other large Otter Tail County communities to determine if there are any facilities planned that would potentially compete with the proposed HRA site in Fergus Falls.

Fergus Falls

At this time, there is a 16-unit market rate property proposed in Fergus Falls. The project, being developed by Platte Properties LLC., targets those 55+ and would also include 14 townhouse units.

Pelican Rapids

Pelican Rapids has a 36-unit market rate apartment project under construction. The project, being developed by DW Jones, has a tentative move in time of August 2020. In Perham, the Roach family is developing a 40-unit income restricted property set to begin construction shortly. The project will also include 20 townhouse units.

RENTAL MARKET ANALYSIS

**TABLE R-5
PENDING MARKET RATE & AFFORDABLE GENERAL OCCUPANCY RENTAL DEVELOPMENTS
OTTER TAIL COUNTY
APRIL 2020**

Project Name Location	City	Developer/Applicant	Unit Type	Status/Notes
3250 101 Nw 6th St 3250 Nw 66th St 55435	Pelican Rapids	DW Jones	MR	Under Construction with Tentative Move in August 2020.
600 Block of 8th Ave E 600 Block of 8th Ave Se East of Perham Health	Perham	Roach Family	AFF	Set to begin Construction. The rental units are income restricted. There are also 20 townhome units.
1480 West Side Dr. & 1406, 1410, & 1412 Alcott Ave W 1480 West Side Dr & 1406, 1410, & 1412 Alcott Ave W	Fergus Falls	Platte Properties LLC	MR	Proposed. Targets those 55+. There are also 14 townhome units.
Affordable:				
Under Construction Subtotal:			40	
Approved Subtotal:			40	
Planned/Proposed Subtotal:			0	
Market Rate:				
Under Construction Subtotal:			52	
Approved Subtotal:			36	
Planned/Proposed Subtotal:			0	
Pending Total:			92	

Source: PMA Cities & Maxfield Research & Consulting, LLC.

Introduction

Various groups such as the homeless population, disabled, and prison populations require special needs and services. This section details those populations and their needs.

Emergency Shelter Facilities – Fergus Falls

There are no emergency shelter facilities in Fergus Falls and Otter Tail County.

Homeless Population

Table SN-1 presents individual and family homeless data for the State of Minnesota from 2012 to 2018. Data is from the Wilder Foundation which conducts counts ever three years. In general, homeless counts in Minnesota have remained relatively consistent over the past six years. Between 2012 and 2018, the number of homeless individuals and families increased by 1,475 individuals and families or 14.7%. This equates to an average annual increase of 2.4%.

TABLE SN-1 HOMELESS INDIVIDUALS & FAMILIES BY YEAR MINNESOTA STATEWIDE 2012 to 2018						
No. of Homeless Individuals/Families	2012		2015		2018	
	Number	Pct.	Number	Pct.	Number	Pct.
Individuals	6,636	65.2%	5,943	53.7%	6,920	59.4%
Families	3,546	34.8%	5,126	46.3%	4,737	40.6%
TOTAL	10,182	100.0%	11,069	100.0%	11,657	100.0%

Sources: Wilder Research, Minnesota Homeless Studies: 2012, 2015, 2018.

Table HMA-2 presents individual and family homeless data in West Central Minnesota from 2012 to 2018. The West Central Region of Minnesota includes Otter Tail County (PMA) in addition to the following counties: Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope. Between 2012 and 2018, the number of homeless individuals and families increased by 34 individuals and families or 9.4%. This equates to an average annual increase of 1.6%.

HOMELESS AND HARD TO HOUSE ANALYSIS

No. of Homeless Individuals/Families	2012		2015		2018	
	Number	Pct.	Number	Pct.	Number	Pct.
Individuals	231	63.6%	176	54.0%	227	57.2%
Families	132	36.4%	150	46.0%	170	42.8%
TOTAL	363	100.0%	326	100.0%	397	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Minnesota Homeless Studies: 2012, 2015, 2018.

Homeless Characteristics – West Central Region

The following tables and graphs show demographic and other characteristics of the homeless population seeking shelter in the Minnesota West Central Region of Minnesota in 2018. The data is different from the point-in-time counts as this information reflects the total number of individuals and families that sought emergency shelter services. While the counts here include those that may have needed services on more than one occasion, the data points to the overall size of the homeless population in the area and the potential need for additional housing (traditional and supportive) to assist those that are homeless with stabilizing their living situations in order to improve their overall quality of life and their ability to take advantage of other opportunities when housing is not consistently a “crisis.” In addition, it has been proven that providing permanent and stable housing, whether or not there are regularly provided support services reduces the overall costs of assisting and caring for households who have housing emergencies.

Number of Adults by Age Group

Table SN-3 below shows the number of homeless adults by age group in both West Central Minnesota and statewide in 2018. Of the various categories, those aged 30-39 and 40-49 are the two largest categories in both West Central Minnesota and Statewide. The total number of homeless adults in 2018 was 211 in West Central Minnesota and 6,351 Statewide.

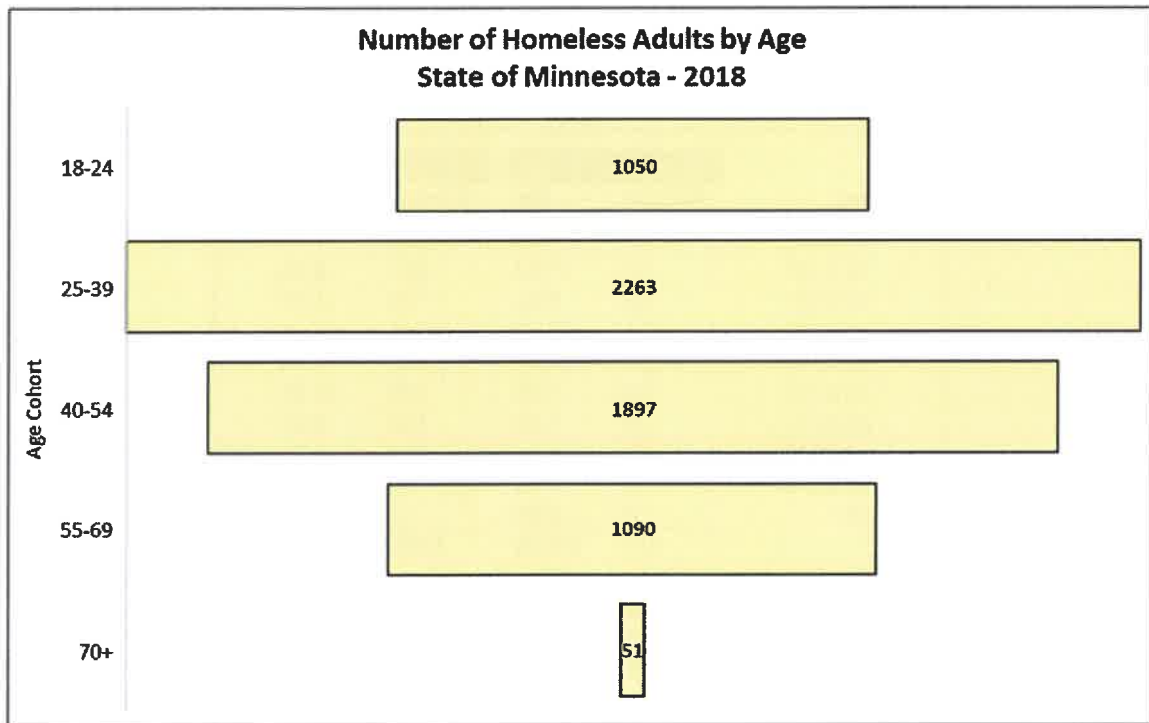
HOMELESS AND HARD TO HOUSE ANALYSIS

**TABLE SN-3
HOMELESS AGE DISTRIBUTION
WEST CENTRAL MN AND STATEWIDE*
2018**

Age	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
18 to 21	18	8.5%	656	10.3%
22 to 24	21	10.0%	394	6.2%
25 to 29	17	8.1%	720	11.3%
30 to 39	51	24.2%	1,543	24.3%
40 to 49	51	24.2%	1,227	19.3%
50 to 54	16	7.6%	670	10.5%
55 to 59	15	7.1%	569	9.0%
60 to 69	20	9.5%	521	8.2%
70 to 79	2	0.9%	49	0.8%
80+	0	0.0%	2	0.0%
	211	100.0%	6,351	100.0%
Median age	39		38	

* People living in temporary housing programs or informal housing and identified unsheltered people, excluding youth less than 18 years of age and children staying with parents
 Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.
 Source: W+A1:K28ilder Research, Oct. 2018.





Homeless by Shelter Type

The table on the following page illustrates the breakdown by shelter type of the homeless 18+, unaccompanied minors, and homeless children with parents in West Central Minnesota.

HOMELESS AND HARD TO HOUSE ANALYSIS

**TABLE SN-4
NUMBER OF HOMELESS
WEST CENTRAL MINNESOTA AREA
2018**

Housing Situation	Total number of people in temporary housing programs, informal housing or unsheltered	Total number of adults* age 18+ in temporary housing programs, informal housing or unsheltered	Total number of children with parents in temporary housing programs, informal housing or unsheltered	Total number of unaccompanied minors < 18 in temporary housing programs, informal housing or unsheltered
Emergency shelter	94	67	27	0
Domestic violence shelters	21	9	12	0
Transitional housing	131	71	58	2
Rapid Rehousing	0	0	0	0
Unsheltered	95	76	17	2
TOTAL	341	223	114	4

West Central MN

Transitional Housing includes Rapid Rehousing

*Homeless people age 18 and older, excluding children with parents and unaccompanied youth

Note: The West Central MN Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Source: Wilder Research, Oct. 2018. Maxfield Research and Consulting, LLC.

HOMELESS AND HARD TO HOUSE ANALYSIS

- As of 2018, there were 341 homeless in West Central Minnesota. Of those 341, 38.4% (131) are in transitional housing, 27.9% (95) are unsheltered, 27.6% (94) are in emergency shelters, 6.2% (21) are in domestic violence shelters, and none are in rapid rehousing.
- Of the homeless aged 18+, 34.1% were not in shelters, 31.8% were in transitional housing, 30.0% were in emergency shelters, 9% were in domestic violence shelters, and 0% were in Rapid Rehousing.
- There are a total of 114 homeless children with parents in the West Central Minnesota. Of those 114, 50.9% (58) are in transitional housing, 23.7% (27) are in emergency shelters, 14.9% (17) are unsheltered, 10.5% (12) are in domestic violence shelters, and none are in Rapid Rehousing.
- In the West Central Minnesota there were four unaccompanied minors. Of those, four 50% (2) were in transitional housing and 50% (2) were unsheltered.

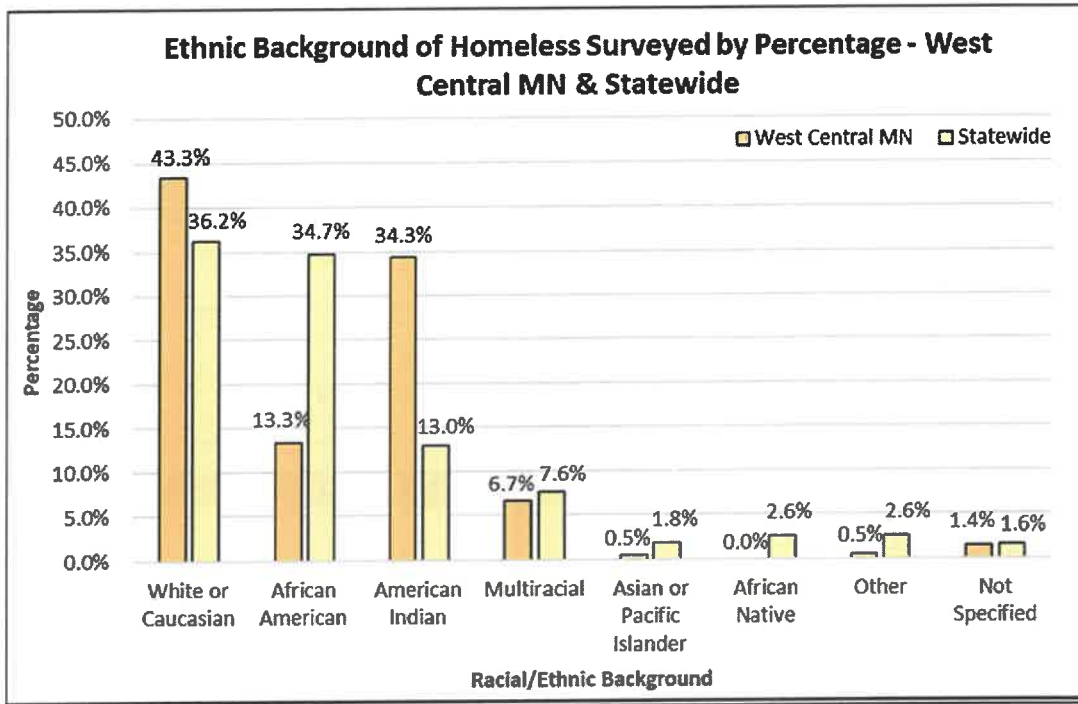
Race/Ethnicity

Table SN-5 shows the breakdown by race/ethnicity of the homeless in West Central Minnesota and Statewide. As shown, the racial/ethnic group with the highest percentage of homeless was White or Caucasian at 43.3% and 36.2% respectively for West Central Minnesota and Statewide. The second largest percentage in West Central Minnesota was American Indian (34.3%) while it was African American (34.7%) for Minnesota.

<u>Racial/Ethnic background</u>	<u>West Central MN</u>		<u>Statewide</u>	
	<u>Number</u>	<u>Pct.</u>	<u>Number</u>	<u>Pct.</u>
White or Caucasian	91	43.3%	2,296	36.2%
African American	28	13.3%	2,206	34.7%
American Indian	72	34.3%	826	13.0%
Multiracial	14	6.7%	482	7.6%
Asian or Pacific Islander	1	0.5%	116	1.8%
African Native	0	0.0%	162	2.6%
Other	1	0.5%	162	2.6%
Not Specified	3	1.4%	100	1.6%
TOTAL	210	100.0%	6,350	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018. Maxfield Research and Consulting, LLC.



Employment Status

Table SN-6 shows the employment status of the homeless in both West Central Minnesota and Statewide. The percentage of employed homeless in West Central Minnesota is slightly lower (0.6% less) than the employed homeless statewide.

Are you Currently Employed?	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Yes	61	29.0%	1,864	29.6%
No	149	71.0%	4,438	70.4%
TOTAL	210	100.0%	6,302	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018. "2018 Homeless adults and children."

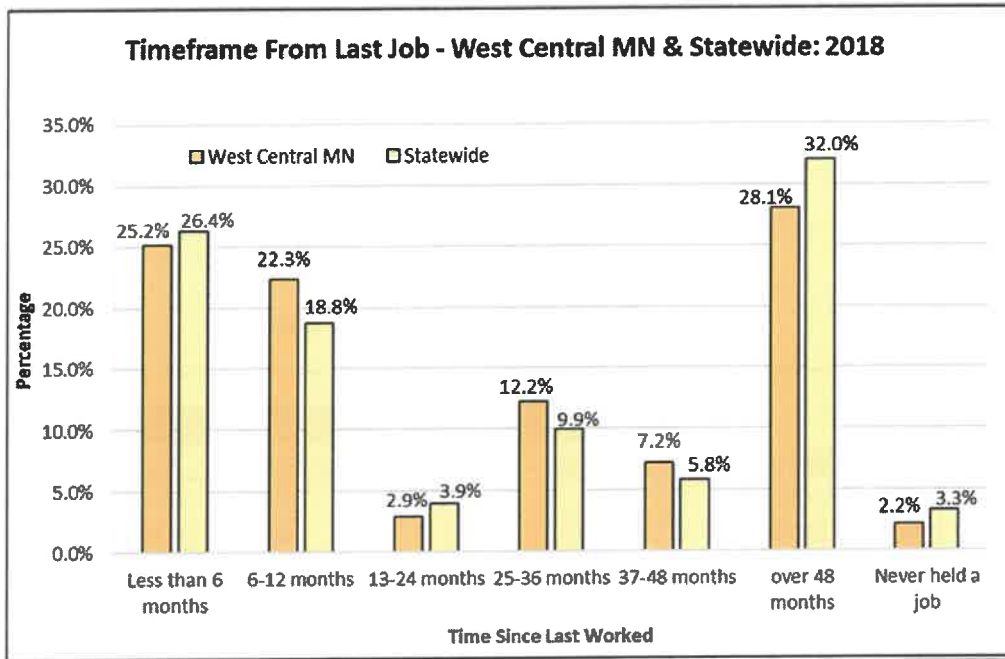
HOMELESS AND HARD TO HOUSE ANALYSIS

Timeframe from Last Job

Table HMA-7 shows the timeframe since their last job for the homeless in both West Central Minnesota and statewide. The category with the highest percentage in both the West Central Minnesota and statewide was over 48 months, followed by less than 6 months, 6-12 months, and 25-36 months. The percentages of the homeless who have never held a job was 2.2% in West Central Minnesota and 3.3% statewide.

Time Since Last Worked	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Less than 6 months	35	25.2%	1,068	26.4%
6-12 months	31	22.3%	760	18.8%
13-24 months	4	2.9%	159	3.9%
25-36 months	17	12.2%	403	9.9%
37-48 months	10	7.2%	235	5.8%
over 48 months	39	28.1%	1,295	32.0%
Never held a job	3	2.2%	133	3.3%
TOTAL	139	100.0%	4,053	100.0%
Mean (days)	1,417		1,567	
Median (days)	425		570	
Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.				
Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."				

HOMELESS AND HARD TO HOUSE ANALYSIS



Barriers to Employment

Table SN-8 shows the top five barriers to employment in West Central Minnesota and statewide. The top five barriers to employment in West Central Minnesota, in order include: transportation, physical health, housing, mental and chemical health, and childcare. In comparison, the top five barriers to employment statewide are physical health, transportation, mental & chemical health, housing, and criminal history.

**TABLE SN-8
BARRIERS TO EMPLOYMENT FOR HOMELESS
WEST CENTRAL MINNESOTA AND STATEWIDE
2018**

TOP 5 Barriers to Employment	West Central MN		Statewide	
	Barrier Type	Pct.	Barrier Type	Pct.
1	Transportation	42.7%	Physical Health	29.3%
2	Physical Health	32.1%	Transportation	25.9%
3	Housing	18.8%	Mental & Chemical Health	22.8%
4	Mental & Chemical Health	18.6%	Housing	17.8%
5	Child care	11.8%	Criminal History	12.3%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."

HOMELESS AND HARD TO HOUSE ANALYSIS

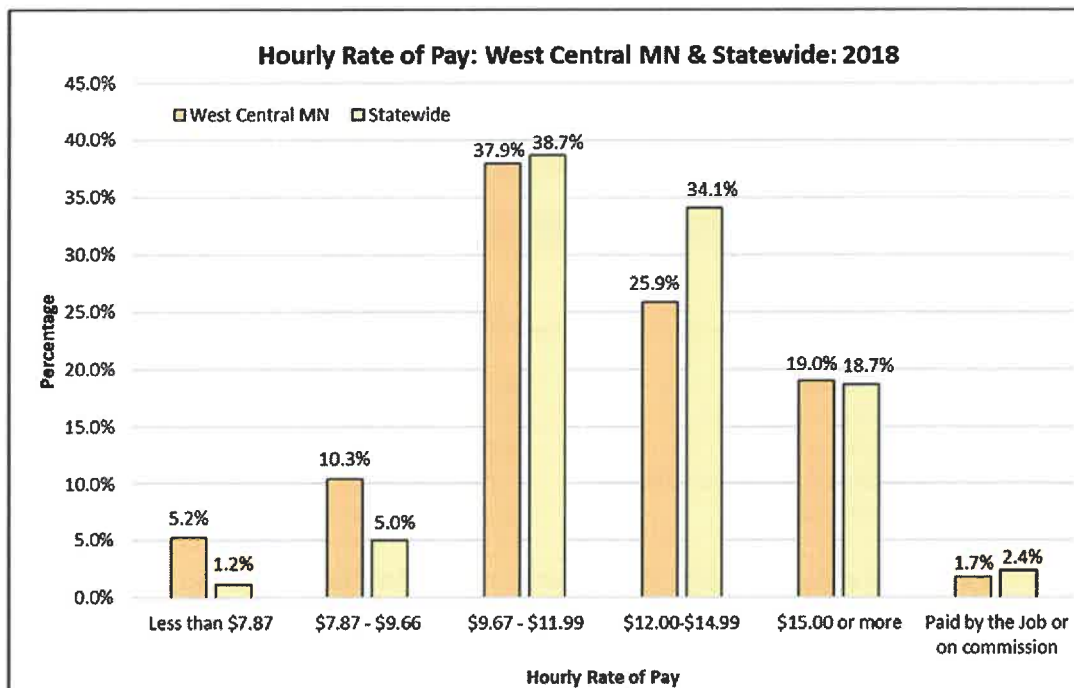
Hourly Rate of Pay

Table SN-9 is a look at hourly wages earned by the homeless in West Central Minnesota and statewide. The three highest wage categories in both West Central and Minnesota were in order: \$9.67 to \$11.99, \$12.00 to \$14.99, and \$15.00 or more.

Hourly Rate of Pay	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Less than \$7.87	3	5.2%	21	1.2%
\$7.87 - \$9.66	6	10.3%	91	5.0%
\$9.67 - \$11.99	22	37.9%	705	38.7%
\$12.00-\$14.99	15	25.9%	621	34.1%
\$15.00 or more	11	19.0%	340	18.7%
Paid by the Job or on commission	1	1.7%	43	2.4%
TOTAL	58	100.0%	1,821	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018, "2018 Homeless adults and children."



HOMELESS AND HARD TO HOUSE ANALYSIS

Monthly Income

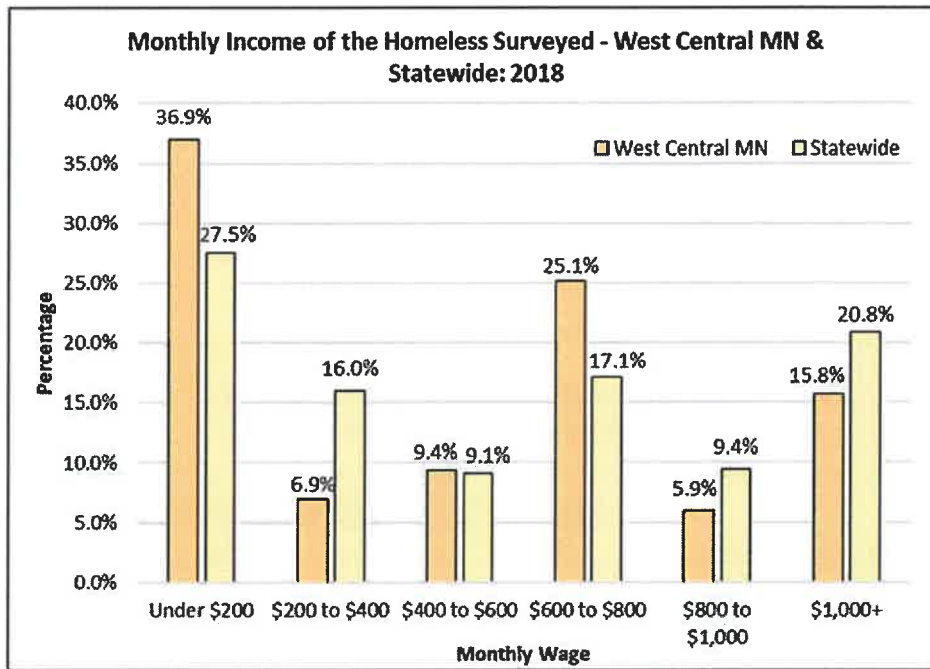
Table SN-10 is a look at monthly wages earned by the homeless in West Central Minnesota and statewide. The three highest wage categories in West Central Minnesota were in order: under \$200 (36.9%), \$600 to \$800 (25.1%), and \$1,000+ (15.8%). In comparison the three highest wage categories statewide were in order: under \$200 (27.5%), \$1,000+ (20.8%), and \$600 to \$800 (17.1%). The median monthly wage in West Central Minnesota in 2018 was \$547. This was 0.05% less than statewide (\$550).

TABLE SN-10 MONTHLY INCOME OF THE HOMELESS SURVEYED WEST CENTRAL MINNESOTA AND STATEWIDE 2018				
Monthly Income	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Under \$200	75	36.9%	1,578	27.5%
\$200 to \$400	14	6.9%	916	16.0%
\$400 to \$600	19	9.4%	521	9.1%
\$600 to \$800	51	25.1%	981	17.1%
\$800 to \$1,000	12	5.9%	539	9.4%
\$1,000+	32	15.8%	1,194	20.8%
TOTAL	203	100.0%	5,729	100.0%
Mean Income	\$598		\$684	
Median Income	\$547		\$550	

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Source: Wilder Research, October 2018.

HOMELESS AND HARD TO HOUSE ANALYSIS



Hours Worked Per Week

Table SN-11 is a look at hours worked per week by the homeless in West Central Minnesota and statewide. The highest number of hours worked by the homeless in both West Central Minnesota and statewide was between 35 to 40 hours. The lowest number of hours worked in both geographies was 41 or more hours.

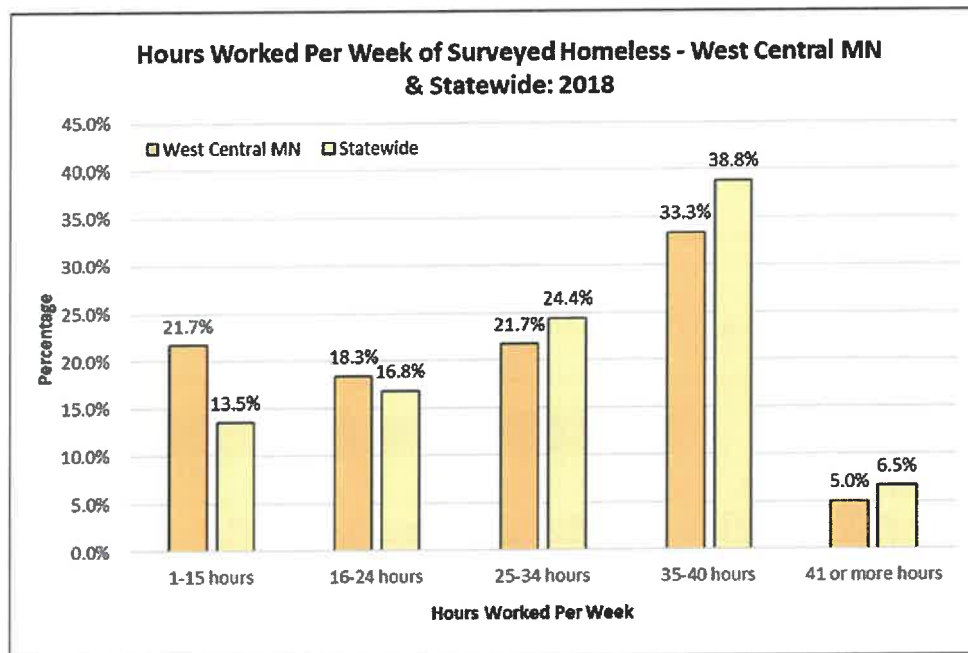
**TABLE SN-11
HOURS WORKED PER WEEK OF SURVEYED HOMELESS
WEST CENTRAL MINNESOTA AND STATEWIDE
2018**

Hours Worked	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
1-15 hours	13	21.7%	246	13.5%
16-24 hours	11	18.3%	306	16.8%
25-34 hours	13	21.7%	444	24.4%
35-40 hours	20	33.3%	708	38.8%
41 or more hours	3	5.0%	119	6.5%
TOTAL	60	100.0%	1,823	100.0%
Part Time (1-34 hours/week)	37	61.7%	996	54.6%
Full Time (35+ hours/week)	23	38.3%	827	45.4%
TOTAL	60	100.0%	1,823	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."

HOMELESS AND HARD TO HOUSE ANALYSIS



Number of Bedrooms Needed

Table SN-12 is a look at the number of bedrooms needed by the homeless in West Central Minnesota and statewide. In West Central Minnesota the top three number of bedrooms needed by the homeless are in order: two bedrooms (27.1%), no bedroom/single occupancy (25.2%), and one bedroom (23.8%). In comparison, the top three number of bedrooms needed by the homeless are in order those with one bedroom (36.2%), no bedroom/ single occupancy (26.1%), and two bedrooms (23.4%).

**TABLE SN-12
NUMBER OF BEDROOM SIZE NEEDED
WEST CENTRAL MINNESOTA AND STATEWIDE
2018**

No. of Bedroom	West Central MN		Statewide	
	No.	Pct.	No.	Pct.
OBR or single-room occ.	53	25.2%	1,648	26.1%
1 BR	50	23.8%	2,282	36.2%
2 BR	57	27.1%	1,476	23.4%
3 BR	29	13.8%	667	10.6%
4BR +	21	10.0%	236	3.7%
TOTAL	210	100.0%	6,309	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Source: Wilder Research, Oct 2018.

HOMELESS AND HARD TO HOUSE ANALYSIS

Veteran Service

Table SN-13 shows the number homeless veterans in both West Central Minnesota and statewide. West Central Minnesota has a lower percentage of homeless veterans (3.8%) than statewide.

TABLE SN-13 VETERAN SERVICE WEST CENTRAL MINNESOTA AND STATEWIDE 2018				
Have you served in the US military?	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Yes	8	3.8%	428	6.8%
No	200	96.2%	5,885	93.2%
TOTAL	208	100.0%	6,313	100.0%
Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.				
Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."				

Veteran – Health Conditions

Table SN-14 shows the number homeless veterans in both West Central Minnesota and statewide with health conditions. West Central Minnesota has a higher percentage of its veterans with health conditions (55.6%) than statewide (47.0%).

TABLE SN-14 VETERAN-HEALTH CONDITIONS WEST CENTRAL MINNESOTA AND STATEWIDE 2018				
Do you feel you have any service-related health problems?	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Yes	5	55.6%	198	47.0%
No	4	44.4%	223	53.0%
TOTAL	9	100.0%	421	100.0%
Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.				
Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."				

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Veteran – Service-Related Issue

Table HMA-15 shows veterans service-related issues in West Central Minnesota and statewide with health conditions. In West Central Minnesota all veterans suffering service-related issues are battling mental health issues. In addition, two of the five veterans suffering service-related issues are also dealing with unspecified physical health/physical injuries. Veterans with the two highest service-related issues statewide are those battling metal health issues and those with ear or hearing issues.

For those with service-related problems, what kinds of problems do you feel that you have?	West Central MN		Statewide	
	Number	Pct.	Number	Pct.
Mental Health (including PTSD & readjustment disorder)	5	100.0%	99	52.6%
Ear or hearing	--	--	46	24.5%
Back	--	--	26	14.0%
Knees	--	--	21	11.3%
Physical health/physical injuries (not specified)	2	39.2%	16	8.5%
Head Injury	--	--	11	5.9%
Shoulders/Arms	--	--	7	3.9%
Migraines	--	--	7	3.6%
Leg Injury	--	--	6	3.4%
Sleep Disorder	--	--	6	3.1%
Broken Bone/fractures	--	--	6	3.1%
Illness (e.g. Malaria)	--	--	5	2.9%
Eyes	--	--	5	2.6%
Respiratory/Lungs	--	--	4	2.1%
Cancer	--	--	4	2
Alcohol/Drug addiction	--	--	4	1.9%
Chemicals, Unspecified	--	--	4	1.9%
Diabetes	--	--	3	1.6%
Problems with feet	--	--	3	1.6%
	--	--	3	1.5%
Neck Injury	--	--	3	1.4%
Nervous system disorder (e.g. epilepsy)	--	--	1	0.8%
Heart problems	--	--	1	0.6%
Tendon Injury	--	--	1	0.5%
TOTAL	5	100.0%	188	100.0%

Note: The West Central Region includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, and Pope.

Sources: Wilder Research, Oct. 2018. "Homeless adults and children, 2018."

Factors Leading to Homelessness – Primary Market Area

The following tables present information compiled from the US Census Bureau: American Community Survey which provides data on the prevalence of individuals with a disability; type of disability, and age ranges of the disabled. In addition, we also present release statistics of individuals from Minnesota prisons and for youth aging out of foster care. The latter two tables represent individuals that may potentially have a high probability of becoming homeless if they have been released and 1) their housing is insecure and 2) if they have been released from prison and are not receiving needed support services such as job training, employment search assistance, transportation assistance, and assistance with securing stable housing.

Overall Prevalence of a Disability

Table SN 16, on the following page, shows the prevalence of disability among non-institutionalized people of all ages in Fergus Falls, the PMA Remainder, and the PMA for 2020. Data was gathered from the 2014-2018 5-Year American Community Survey and adjusted by Maxfield Research to 2020. As shown, 16.3% of all non-institutionalized people have some type of disability in Fergus Falls, 12.1% have some type of disability in the PMA Remainder, and 13.1% have some type of disability in the PMA. The three highest disability types by proportion in Fergus Falls are: ambulatory difficulty (8.9%), cognitive difficulty (6.6%), and independent living difficulty (5.7%). In comparison, the three highest disability types by proportion in the PMA Remainder are ambulatory difficulty (5.3%), hearing difficulty (4.9%), cognitive difficulty (4.0%). Within the PMA as a whole the top three highest disability types by proportion are ambulatory difficulty (6.1%), hearing difficulty (5.0%), and cognitive difficulty (4.6%).

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TABLE SN-16 DISABILITY BY TYPE FERGUS FALLS, PMA REMAINDER & PMA* 2020		
Fergus Falls*		
Type of Disability	Total Number with Disability	Percent with Disability
Hearing Difficulty	716	5.1%
Vision Difficulty	413	2.9%
Cognitive Difficulty	926	6.6%
Ambulatory Difficulty	1,250	8.9%
Self-Care Difficulty	434	3.1%
Independent Living Difficulty	803	5.7%
Fergus Falls Total Population*	Total Number with a Disability	Percent with a disability
14,103	2,305	16.3%
PMA Remainder*		
Type of Disability	Total Number with Disability	Percent with Disability
Hearing Difficulty	2,340	4.9%
Vision Difficulty	896	1.9%
Cognitive Difficulty	1,912	4.0%
Ambulatory Difficulty	2,503	5.3%
Self-Care Difficulty	950	2.0%
Independent Living Difficulty	1,612	3.4%
PMA Remainder Total Population*	Total Number with a Disability	Percent with a disability
47,490	5,739	12.1%
PMA*		
Type of Disability	Total Number with Disability	Percent with Disability
Hearing Difficulty	3,056	5.0%
Vision Difficulty	1,309	2.1%
Cognitive Difficulty	2,838	4.6%
Ambulatory Difficulty	3,753	6.1%
Self-Care Difficulty	1,384	2.2%
Independent Living Difficulty	2,415	3.9%
PMA Total Population*	Total Number with a Disability	Percent with a Disability
61,593	8,044	13.1%
*: Does not include institutionalized populations.		
Note: PMA includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County sans Fergus Falls.		
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC.		

Prevalence of Disability by Age

Table SN-17 show the prevalence of disability by age in Fergus Falls, the PMA Remainder, and PMA in 2020. In Fergus Falls, 2.6% of individuals under 18 have a disability, 13.7% of individuals between 18 and 64 have a disability, and 34.6% of individuals 65+ have a disability. By comparison, in the PMA Remainder, 4.4% of individuals under 18 have a disability, 9.0% of individuals 18 to 64 have a disability, and 27.8% of individuals 65+ have a disability. In the overall PMA, 4.0% of those under 18 have a disability, 10.% of those 18 to 64 have a disability, and 29.5% of those 65+ have a disability.

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TABLE SN-17 DISABILITY FERGUS FALLS PMA REMAINDER, & PMA 2020			
Fergus Falls*			
Age	Total Number of People	Number of People with a Disability	Percent with Disability
Under 18	2,860	74	2.6%
18 to 64	7,946	1,091	13.7%
65+	3,297	1,140	34.6%
All Ages	14,103	2,305	16.3%
PMA Remainder*			
Age	Total Number of People	Number of People with a Disability	Percent with Disability
Under 18	10,660	464	4.4%
18 to 64	26,493	2,389	9.0%
65+	10,337	2,876	27.8%
All Ages	47,490	5,729	12.1%
PMA*			
Type of Disability	Total Number of People	Number of People with a Disability	Percent with Disability
Under 18	13,515	537	4.0%
18 to 64	34,441	3,487	10.1%
65+	13,637	4,021	29.5%
All Ages	61,593	8,045	13.1%
*: Does not include institutionalized populations.			
Note: PMA includes all of Otter Tail County. PMA Remainder includes all of Otter Tail County sans Fergus Falls.			
Sources: U.S. Census Bureau - American Community Survey; Maxfield Research and Consulting, LLC.			

Mental Health Care

The Fergus Falls Regional Treatment Center, formerly the Fergus Falls State Hospital, was in operation between the late 1880s and 2005. The facility is now closed leaving a void in the community. There are short term mental health options within Fergus Falls. However, for more comprehensive options residents must travel an hour north to Fargo, North Dakota for services.

Minnesota Corrections: Release Statistics

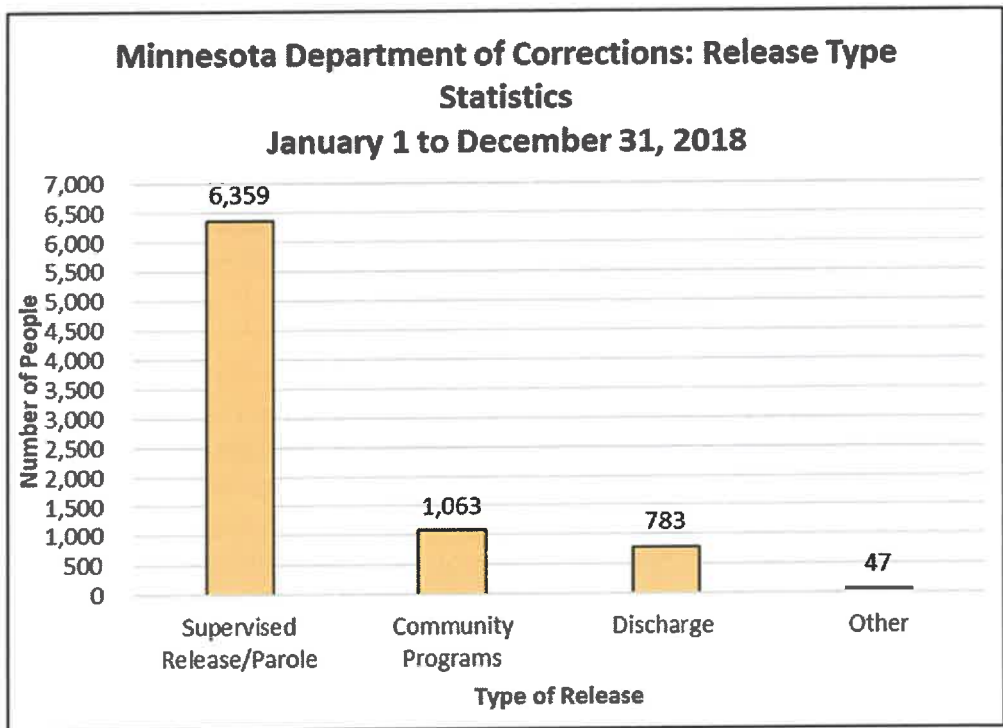
Table SN-18, on the following page, shows the number of people released from Minnesota prisons and community programs between January 1 and December 31, 2018.

The Minnesota Department of Corrections has resources to provide assistance to inmates in planning for re-entry and release planning occurs throughout an inmate's incarceration. Housing is one of the risk factors that is assessed as part of the development of case plans for inmates through the initiative. Tight housing markets, landlords' unwillingness to accept former inmates in rental apartments and specifically those that are registered as sex offenders continue to present substantial challenges to creating housing stability for these individuals upon re-entry.

Table SN-18 Minnesota Corrections: Release Type Statistics State of Minnesota January 1 to December 31, 2018		
Supervised Release/Parole	6,359	77.1%
Community Programs	1,063	12.9%
Discharge	783	9.5%
Other	47	0.6%
	<u>8,252</u>	<u>100.0%</u>

*Community programs includes work release.
Note: Counts total number of releases. In other words individuals can be counted more than once per year.

Source: MN Department of Corrections.



Youth Aging Out of Foster Care

Most young people in the US today experience an increasingly prolonged transition to adulthood. It is no longer assumed that they will automatically become self-sufficient adults on their 18th or even 21st birthdays. Instead, young adults are gradually taking on the roles and responsibilities traditionally associated with adulthood while they acquire the education and work experience needed to become economically independent. This is often made possible through direct financial assistance and support provided by parents or other family members. It is now normal for young people to remain at least somewhat economically dependent on their families well past the age of 18.

The transition for young people aging out of foster care not through unification, adoption or legal guardianship, but rather by aging out, is much more abrupt. At age 18 or in some states 21, these young adults are expected to shift from being dependents of the state to being independent adults virtually overnight. As part of this accelerated transition, young people must find and maintain suitable housing, most cases without support from either their family or the state.

Each year, an average of about 28,000 young adults age out of foster care in the US. Similar to the US child welfare population, these youth tend to be disproportionately youth of color and the families from which they were removed are predominantly low income. The research shows from three decades of research that young adults aging out of foster care tend to fare more poorly than their peers across a variety of domains, including education and employment. Foster youth are more likely to experience adverse outcomes such as early parenthood, criminal justice system involvement and public assistance receipt.

One of the research areas for youth exiting foster care is whether or not they have experienced homelessness after existing foster care. Data is being collected by states through the NYTD (National Youth in Transition Database) survey which began in 2010 and for which follow up data has been collected in 2014 and 2016. According to survey data between 2016 and 2018, 17% of 17-year olds had experienced homelessness at some time in their lives. Twenty percent of those age 19 reported they had been homeless at some time in the past two years, a majority of which (79%) were no longer in foster care. Of the 1,042 youth that participated in the survey at age 17 who had reported a history of homelessness at age 17, 49% had reported another period of homelessness over all three years.

Provider Focus Group

Maxfield Research conducted an in-person focus group with local social service, health care and affordable housing providers in Fergus Falls and Otter Tail County in January 2020. In attendance were individuals from the Housing and Redevelopment Authority, Lakeland Mental Health, Lake Region Hospital, City of Fergus Falls and Otter Tail County Human Services.

Questions were asked regarding affordable housing, wait lists for affordable housing, health care and mental health services provided to those in Otter Tail County and service gaps that exist for those that are homeless or most at risk regarding housing and mental health instability.

Participants noted that a number of landlords in Otter Tail County have been renovating and upgrading their rental units and charging higher rents. This has created a reduced supply of low cost housing affordable to low income households, particularly those with higher barriers to securing housing in the traditional rental market.

Although the HRA provides housing targeted to very low and extremely low income households, those that have criminal records, previous eviction notices or histories of chemical and other substance abuse, will often not qualify to reside in public housing or project-based Section 8 units. These households must then try to find housing in the private market, which also has many of the same restrictions. This exacerbates housing instability and places more individuals at risk of become homeless.

There is a gap in the community for transitional housing that will provide on-going services for individuals in need. Although there is a crisis stabilization unit, an individual can only remain there for a maximum of ten days. The individual may then work with a transitional case manager on a plan for housing for up to three months with the goal of relocating to a permanent housing situation. Three months however, may be insufficient for many individuals who have significant chronic mental health issues or other underlying conditions that severely limit their ability to sustain a regular housing situation.

Sometime people may fall through the cracks until a crisis emerges and then they may need a much longer period of assistance than just three months or they may need a permanent supportive housing situation to assist them to manage day to day. The proposed permanent supportive housing could help these individuals, some of whom may eventually transition out of the service-based housing, but some may not.

Households most at risk may already be living in tenuous housing circumstances or substandard living units such as mobile homes, campgrounds or other types of situations that are not considered to be traditional housing. Some may be currently sheltered with family or friends, but which situation is not permanent. For those needing services, it is often difficult to reach these households for communication or to deliver regular or needed services.

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The more rural character of Otter Tail County makes it difficult to regularly connect with individuals that need these services. Reliable and consistent transportation is often a need for those that require ongoing mental health services. If they cannot obtain transportation, it is difficult to conduct follow-up appointments. A transportation service was implemented in the County, but it is not cost effective.

Provider Interviews

Additional interviews were completed with City planning staff, Police Department, Sheriff's Department, local health care, mental health and social service providers in Fergus Falls. The following are key points from those interviews:

Many Otter Tail County social services and social service agencies are in Fergus Falls. Other cities in the County have health care facilities, but not all of those are equipped to deal with mental health crises or emergencies.

Many calls received by local police departments involved some type of mental health crisis which also may include other criminal activities such as drug abuse or may include alcohol abuse. Local police departments will first take the individual to an emergency medical facility, but after the immediate crisis, there are very limited options for the individual to receive on-going care and services in a stabilized setting. Post-crisis, many family members or friends are not equipped to deal with an individual that has on-going mental health issues, especially if those challenges are significant.

Once an individual is released from a crisis hold, there are no facilities available to be able to provide on-going support services combined with a stable residential environment. Therefore, many people that end up in a crisis situation are released back into the community where the process simply repeats itself (i.e. self-medicating, mental health crisis, emergency treatment and then return to traditional setting). A key goal with permanent supportive housing is to try to break this cycle or reduce the number of crisis situations. Repeat crises are expensive and taxing on local law enforcement and local health care systems. Reducing crises can save money and stabilize individuals' lives.

The Otter Tail County Adult Behavioral Services Unit provides adult intake for County services, Adult & Children's Mental Health Services, Chemical Dependency Assessments, Service planning and funding; Vulnerable Adult investigations & service planning; BCOW Adult Mental Health Initiative grant funding to community programs.

Number of Individuals Served (2018); numbers for 2019 will remain the same or will increase;

Adult Mental Health – 118 people served

Children's Mental Health – 115 people served and their families

HOMELESS AND HARD TO HOUSE ANALYSIS

Chemical Dependency – 896 referral assessments

Vulnerable Adults – 444 reports screened; 125 people assessed

Otter Tail County Human Services Behavioral Health Unit coordinates with the following local and regional care providers:

Lake Region Health Care Corporation
Perham Health Hospital
Lakeland Mental Health Center
Lutheran Social Service of MN
Crisis Stabilization Unit/Productive Alternatives Inc.
Community Behavioral Health Hospital- Fergus Falls
Community Addiction Recovery Enterprise (CARE)- Fergus Falls
Solutions Behavioral Health, Inc.- Fergus Falls
Clay County Detox- Moorhead MN

Anecdotally, an estimated one-third to one-half of clients are homeless or at risk of becoming homeless. This is particularly true with those screened for commitment because of mental illness and/or chemical dependency. In 2019, 87 people were screened for commitment and there were 70 petitions for commitment filed.

County Human Services identified a need for housing with supportive services that will house people and provide ongoing support services to those that are precariously housed with mental illness and chemical dependency diagnoses. The service continuum is missing facilities to serve those that do not need 24-hour care but need ongoing supportive services in order to maintain independence in the community. Otter Tail County currently has one housing support site, which may be selling or closing and one transitional housing location in Perham (Perham 180/Productive Alternatives, Inc.) that provides support to individuals for six months while the person seeks/secures employment.

Otter Tail County could also benefit from having a psychiatric emergency room/services for those that need medical and psychiatric evaluation but do not need hospitalization or commitment.

Many individuals served through the County with mental illness or chemical dependency challenges develop situations where they have poor rental histories, evictions, and legal/criminal records that bar them from being able to secure housing in the traditional rental market.

Freedom Resource Center in Fergus Falls provides daily on-site resources for people with disabilities. Freedom Resource Center offers information and referral resources, individual advocacy, independent living skills training, peer mentoring, systems advocacy and transition services.

HOMELESS AND HARD TO HOUSE ANALYSIS

Often people will come into the Center for socialization and to use the computers. During the COVID Shelter in Place orders, the Center was only open for emergency services. Many people in need use the Center for daily drop-in and as a social and informational connection. With the Center essentially closed, it has created a hardship for many of their customers and clients. For some of their Clients, the Center is the only social connection that they have in the community.

Lake Region Healthcare is a 95-bed, acute care facility with a 14-bed rehabilitation unit. In 2008, the hospital expanded its emergency room facilities adding four additional treatment rooms and a new double ambulance garage. In late 2009, a new 15,000 square foot cancer care center opened at the south end of the hospital campus. In 2018, Lake Region Healthcare was named one of the top 100 Rural & Community Hospitals in the Nation.

Lake Region Healthcare offers behavioral health care services, care coordination and Medication-Assisted Treatment (MAT). Lake Region Healthcare annually has 150,000 inpatient and outpatient visits and provides care coordination services to 230 patients. The MAT program currently has 50 active patients.

The most common types of mental illness and/or chronic health issues include depression and anxiety, hypertension and diabetes. The majority of people with mental health and/or chronic health issues also have challenges with social needs such as transportation, housing, insurance and access to mental health services, especially urgent mental health services. There is usually a three-month wait to obtain an appointment with a mental health provider.

A lot of patients with mental health challenges end up in the emergency room at Lake Region. The ER usually then contacts the Crisis Stabilization Unit for assistance. The community used to have a community paramedic program, which could avert having some patients come into the ER.

Generally, there are more supports in the community for families than for singles. Families and singles tend to have different needs.

Lake Region Behavioral Health works collaboratively with County public health and human services, Productive Alternatives, Lakeland Mental Health and law enforcement, especially with more complex patients or those in the MAT program. Patients with social needs are referred to Mahube-Otwa and Salvation Army.

Lack of housing and/or housing instability and insecurity adds stress to the individuals and/or families, which removes the focus from their health to finding a way to meet their basic needs. A permanent supportive housing facility that would provide consistent access to a nurse, social worker, navigator or community health worker will be helpful in assisting those that need these services regularly.

HOMELESS AND HARD TO HOUSE ANALYSIS

From Lake Region's MAT program, five would benefit directly from a permanent supportive housing facility. For these individuals, having supportive resources on-site would likely reduce recidivism and overdoses.

Summary – Key Findings

All providers we spoke with believe that providing a permanent supportive housing facility would fill a void that exists with being able to provide a stable living environment which will allow clients to focus on their health care and other living challenges.

Housing insecurity and instability for those with mental illness and chronic illness is a significant factor in ongoing crises situations, which creates significant problems for the Clients but also increases the costs of care.

While Otter Tail County has strong social service and health care providers, systems continue to be strained by rising case loads and a lack of housing with supports to serve those most vulnerable and most in need.

DEMAND ANALYSIS

Demand Calculation

Demand for Housing to Serve Homeless Adults

Table DM-1 shows our calculation of demand for individual adults in the PMA with the understanding that the vast majority of homeless adults in the area are adult males that would live alone. The table calculates demand from homeless households utilizing data provided by the Wilder Foundation regarding point-in-time counts and annual demand for emergency shelter in 2018. A review of data from point-in-time counts and from annual figures is analyzed to conservatively estimate the proportion of those that may be suited to the housing and services that would be provided by the proposed HRA Site.

TABLE DM-1 ESTIMATED DEMAND FOR HOUSING FOR HOMELESS (SINGLE ADULTS) PRIMARY MARKET AREA (OTTER TAIL COUNTY) 2020 to 2025		
Demand from Projected Household Growth (% of Homeless)		
Projected growth in homeless adult households, 2020 to 2025 ¹ -PMA	=	85
Demand from Existing Homeless		
Estimated number of homeless adult households in temporary housing or unsheltered in PMA, 2018 ¹	=	86
(less) Projected available housing units to accommodate homeless households (adjusted for household size) ²	-	0
(equals) Remaining demand from homeless without permanent housing in PMA	=	86
(minus) Pending developments to serve LTH	-	0
(equals) Excess demand for adult homeless units from existing homeless in PMA	=	86
(equals) Projected annual need from five-year growth and excess demand from existing adult homeless	=	171
(equals) Excess demand for homeless units for single adults	=	171
Number of LTH units at Future Fergus Falls HRA Site		24
(equals) Estimated capture rate of LTH units at Fergus Falls HRA Site	=	14.0%
¹ Estimated % of adults and unaccompanied youth that are currently homeless based on data provided by emergency shelter usage in MN West Central Area which includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, & Pope. ² Based on surveys of non-designated housing for homeless and proportion of homeless residents served in shelters by household size. Includes units without designated support services whereby homeless would transition to low-income units; not specifically designated for the homeless.		
Sources: Wilder Foundation; Maxfield Research and Consulting.		

Based on an analysis of point-in-time counts and emergency shelter needs in the PMA, we estimate that growth in the number of homeless adult households will increase by 85 households.

Next, we estimate the number of homeless adult households currently in temporary housing or unsheltered in the PMA as of 2018. This figure was derived by considering the number of adults that sought shelter and the number of unsheltered as calculated through the point-in-time counts. This figure totals 86 adult households. Thus, 86 LTH homeless households would require housing. There are no pending developments of which we are aware in the PMA. Therefore, demand remains at 86 LTH units.

DEMAND ANALYSIS

The projected need for units to serve long-term homeless adults in Otter Tail County would add growth to existing households resulting in 171 units. Phase I is planned for 24 one-bedroom units targeted to single adults, resulting in a capture rate of 14.0%, which, in our opinion, is easily achievable in the market.

A possible future Phase 2 would include up to 12, two- and three-bedroom units, targeted to families. The proposed HRA Site would have 35 units, which would result in a capture rate of 20.5% of the demand.

We find that this level of capture would be achievable considering the total number of homeless adults in Fergus Falls and the Remainder of Otter Tail County that were seeking shelter and the annual point-in-time count figures.

Demand for Housing to Serve Homeless Families

Table DMD-2 provides a calculation of potential demand for housing for families in the PMA. Again, calculations are based on the potential growth in demand from households with children, either single-parent households or couples with children.

TABLE DM-2 ESTIMATED DEMAND FOR HOUSING FOR HOMELESS FAMILIES PRIMARY MARKET AREA (OTTER TAIL COUNTY) 2020 to 2025		
Demand from Projected Household Growth (% of Homeless)		
Projected growth in homeless family households, 2020 to 2025 ¹ -PMA	=	35
Demand from Existing Homeless		
Estimated number of homeless family households in temporary housing or unsheltered in PMA, 2018 ¹	=	44
(less) Projected available housing units to accommodate homeless family households (adjusted for household size) ²	-	0
(equals) Remaining demand from homeless families without permanent housing in PMA	=	44
(minus) Pending developments to serve LTH	-	0
(equals) Excess demand for homeless family units from existing homeless in PMA	=	44
(equals) Projected need from five-year growth and excess demand from existing homeless family households	=	79
(equals) Excess demand for family units for LTH Homeless Families at Fergus Falls HRA Site	=	79
Number of LTH units at Future Fergus Falls HRA Site		12
(equals) Estimated capture rate of LTH units at Fergus Falls HRA Site	=	15.2%
¹ Estimated % of family households that are currently homeless based on data provided by emergency shelter usage in MN West Central Area which includes the following counties; Otter Tail, Clay, Becker, Wilkin, Traverse, Grant, Douglas, Stevens, & Pope.		
² Based on surveys of non-designated housing for homeless families and proportion of homeless families served in shelters by household size.		
Sources: Wilder Foundation, Oct 2018; Maxfield Research and Consulting.		

DEMAND ANALYSIS

Projected growth in homeless family households over the next five years was calculated at 8 households considering existing family households that were served through emergency shelters in the PMA, excluding families served that are victims of domestic violence and/or assault.

The estimated number of homeless family households (86) in temporary shelter or unsheltered was calculated using figures obtained from the Wilder Foundation.

There are no developments currently proposed to serve long-term homeless families and we do not propose a development at this time. Therefore, demand exists for 79 units for homeless families with children.

Affordable Rental Demand Calculation

Demand calculations analyze information from the demographic (demand-side) and market (supply-side) conditions for affordable rental housing. Table DM-3 presents a summary of demand calculations for affordable rental housing in the PMA over the next five years.

Demand for housing in the PMA will be generated by new households as well as existing PMA residents seeking new housing. The PMA is projected to add 1,431 households from 2020 to 2025, as detailed earlier in this report. Of this projected household growth, we anticipate that an estimated 35% to 40% will seek rental housing (501 to 572 households) based on estimated 2020 household tenure data.

Maxfield Research reviewed data on household income, household size and tenure in order to estimate the percentage of renter households in the PMA that would be qualified (based on income an income range of 50 to 80% AMI for one- to six-person households) and able to afford affordable rental rates at the proposed project. Based on the analysis, we estimate that 39% of rental demand would be size and income qualified for the units affordable to households earning between 50% and 80% of Area Median Income (AMI).

Additional demand for rental housing will also come from existing renter households in the PMA through normal turnover. There are an estimated 5,150 renter households in the PMA and based on Census data and 38% of all renter households in the PMA are expected to move over the next five years. Of the 1,962 renters that are expected to move, we project that 39% will be size and income-qualified for affordable rental housing at the proposed development.

DEMAND ANALYSIS

Since new housing is typically more desirable than older housing, a portion of the existing renter households turning over will seek new units – we conservatively estimate 15% to 20%. Using these figures, we estimate that 131 to 151 existing PMA size and income-qualified renter households will seek new housing in the PMA between 2020 and 2025.

Combined, demand from household growth plus demand from turnover of existing households results in total PMA demand for an estimated 306 to 371 rental units between 2020 and 2025. In addition to demand generated from household growth and turnover in the PMA, a portion of demand will come from households outside of the PMA. We project that an additional 25% will come from outside the PMA. Including demand from outside the PMA, projected demand for new rental housing is estimated to be between 102 and 124 units between 2020 and 2025.

From this total, we subtract affordable rental units that are planned, pending and under construction in the PMA. We identified one project with 40 affordable units set to begin construction in the PMA. After subtracting 38 units (total units under construction at 95% occupancy), we find excess demand for 370 to 457 affordable rental housing units in the PMA between 2020 and 2025.

No one site or development can capture all the demand for affordable rental units in the PMA. As proposed, the subject project would have 35 total affordable units (33 units at 95% occupancy), and therefore, would need to capture between 7.3% and 9.0% of the excess affordable rental demand in the PMA. Given the high quality of the subject Site and the relatively tight affordable rental housing market conditions in the PMA, we find that this capture rate range would be achievable.

Capture Rate and Penetration Rate

Based on renter income data from the U.S. Census and ESRI, an estimated 9,333 households are income-qualified for affordable housing in the PMA. Dividing the proposed affordable units (24 units) at market equilibrium (95% occupancy) by the number of income-qualified renter households yields a project capture rate of 0.2%. This low project capture rate indicates that the income-qualified renter base is sufficient to support the proposed affordable rental housing units.

To arrive at the market penetration rate, we include the 24 units at the proposed project combined with the 806 existing affordable units in the PMA and the 38 pending units in the PMA. Since 25% of the demand will be drawn from outside of the PMA, we only include 75% of the units at market equilibrium (651 units). The 651 units, divided by the income-qualified renter household base yields a market penetration rate of 6.6%, indicating that the income-qualified base is sufficient to support all the existing and proposed affordable rental developments in the PMA.

DEMAND ANALYSIS

TABLE DM-1 DEMAND FOR AFFORDABLE RENTAL HOUSING PRIMARY MARKET AREA (OTTER TAIL COUNTY) 2020 to 2025		
Demand from Projected Household Growth		
Projected new housing unit demand from household growth, 2020 to 2025	=	1,431
(times) Estimated propensity of HHs to rent their housing	x	35% - 40%
(equals) Projected PMA demand for rental housing units	=	501 - 572
(times) % of Households Size & Income Qualified ¹	x	39%
(equals) Projected PMA demand for rental housing units	=	193 - 220
Demand from Existing Renter Households		
Estimated number of renter households in PMA in 2020	=	5,150
(times) Estimated % Turnover between 2020 and 2025 ²	x	45%
(equals) Total existing households projected to turnover	=	2,318
(times) % of Households Size and Income Qualified	x	39%
(equals) Demand for Affordable Rental Housing, 2020 - 2025	=	892
(times) Estimated % desiring new rental housing	x	15% - 20%
(equals) Demand from existing households	=	134 - 178
Total Demand From Household Growth and Existing Households 2020 to 2025		327 - 399
(plus) Additional demand from outside PMA ³	+	109 - 133
(equals) Projected PMA demand for new rental housing units	=	436 - 532
(minus) Affordable units pending for development ⁴	-	38
(equals) Excess demand for affordable rental housing units in PMA	=	398 - 494
Estimated number of affordable rental units on the Fergus Falls HRA Site		24
(equals) Capture rate of PMA excess affordable rental demand	=	4.6% - 5.7%
<i>Income-qualified renter households in the PMA in 2020</i>		9,333
<i>Project penetration rate (35 units) of income-qualified renter households</i>	=	0.2%
<i>Market penetration rate (existing + pending units + subject) of income-qualified renter households</i>	=	6.6%
¹ Affordable to households earning 80% or below AMI (\$57,920), adjusted for household size ² This figure is based on data from the 2018 5-Year American Community Survey. ³ 25% of total units to be captured from outside the Otter Tail County Market Area from other adjacent communities ⁴ At stabilized occupancy (95%).		
Source: Maxfield Research & Consulting, LLC		

Conclusions

Based on an analysis of population and household growth trends in Otter Tail County (PMA), demographic characteristics of the population and household base including incomes, household type, household tenure, poverty levels, cost-burden and other data, housing units that would provide stable housing along with strong case management would enable residents that may be currently shifting from living situation to living situation to be able to stabilize their housing and take the time needed to focus on other issues that may be challenging them to improve their living situations. Regardless of the age or income of the individual resident, the figures alone of the number of these individuals seeking emergency shelter continues to remain high.

The conclusions reached are supported by interviews with health care providers, social service and non-profit agencies in the Fergus Falls and Greater Otter Tail County area that provide services to low-income populations, those that are homeless and those that are at risk of becoming homeless.

Proposed Development Concept for the Facility

The proposed HRA Site would have 24 units of permanent supportive housing with staff on-site to coordinate with residents the care and services needed and would directly work with residents to connect them to the appropriate providers that can assist them in obtaining those services. A number of different local providers of services in Fergus Falls and communities across the County are anticipated to provide services at the proposed facility. The full list of providers that will offer services has not yet been fully determined.

The proposed facility will utilize project-based vouchers for residents to provide them with assistance for their housing at the HRA Site. The project-based vouchers will be provided through the Fergus Falls/Otter Tail County Housing Authority or other similar organization that will enable the resident to receive housing assistance. Additional local resources will enable residents to access other services (training, employment, education, health care) to assist them with stabilizing their living situations.

We anticipate that most of the residents of the proposed facility will have limited incomes whereby housing costs and care services will be provided to them based on assistance through other agencies.

All the 24 permanent supportive rental units at the proposed facility will be one-bedroom units. There would be community areas with amenities such as dining, recreation, offices for case management and other types of facilities for programming of group or one-on-one activities. The property would provide surface parking only.

Estimated Absorption – Proposed HRA Site

Based on projected demand as identified in the previous section, we estimate that 24 units of permanent supportive housing in concert with a strong outreach and marketing campaign through local agencies and the service providers, would be able to pre-lease 50% of its units (12 units) with the remaining units leasing at a rate of four units per month with full occupancy in three months of opening. It is our opinion that the estimated absorption rate is conservative.

Additional Community Needs

Additional housing will be needed going forward for other “hard to house” market segments. There are also no emergency shelters in the community. Social Service organizations like the Salvation Army and Lutheran Social Services are in Fergus Falls but these organizations do not provide emergency shelter. Those needing emergency shelter are faced with the dilemma of traveling the hour north to the Fargo-Moorhead Area to find emergency housing. The permanent supportive housing facility can alleviate some but not all of the community’s housing challenges for at-risk populations.

APPENDIX



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Breaking Ground since 1983



Mary Bujold
President

GENERAL BACKGROUND

Mary has over 35 years of experience in real estate research and consulting and is considered a market expert in the field of residential real estate and in market analysis for financial institutions. She regularly testifies as an expert witness for eminent domain, tax appeal and other types of real estate litigation.

As President, she heads projects for large-scale land use and redevelopment studies including downtown revitalization for private developers and municipalities as well as private developers and universities on their student housing needs.

Mary frequently gives presentations at seminars and workshop sessions on current real estate market topics.

EDUCATION

Bachelor of Arts in Business Administration
Marquette University
Masters of Business Administration
University of Minnesota

PROFESSIONAL DESIGNATIONS AND APPOINTMENTS

Counselors of Real Estate (CRE)
CRE Vice Chair Liaison
CRE Budget & Finance Committee
CRE Minneapolis Chapter Chair
Housing Development Committee-Project for Pride in Living

PROFESSIONAL ORGANIZATIONS

Counselors of Real Estate (CRE)
National Association of Realtors (NAR)
Minnesota Association of Realtors (MAR)
Minneapolis Area Association of Realtors (MAAR)
National Historic Trust – Main Street Center
Sensible Land Use Coalition
Lambda Alpha International (LAI)

EXPERIENCE

- ◆ Large-scale Redevelopment
- ◆ Master-planned Communities
- ◆ Rental Housing
- ◆ Condominium Housing
- ◆ Senior Housing
- ◆ Student Housing
- ◆ Financial Institutions
- ◆ Expert Testimony and Litigation Support
- ◆ Comprehensive Housing Needs
- ◆ Retail Analysis
- ◆ Downtown Revitalization
- ◆ Industrial Analyses
- ◆ Fiscal Impact Analyses

CONTACT INFORMATION

7575 Golden Valley Road Suite 385
Golden Valley, MN 55427
(Office) 612-904-7977 (Fax) 612-904-7979
Email: mbujold@maxfieldresearch.com
www.maxfieldresearch.com



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GENERAL BACKGROUND

Andrew joined Maxfield Research and Consulting in September 2018 as a research associate. His professional experience includes positions with city and county government in planning and economic development as well as in the private sector providing market research, demographic analysis and site selection. Andrew's work in the public and private sectors enables him to work with public entities and developers. He has worked in the Twin Cities as well as various markets around the country. This has helped him to stay informed of the latest trends in planning and real estate development.

Andrew is also interested and keeps informed of planning and development globally, a result of his education and study abroad experiences in South Africa and Western Europe.

EDUCATION

Bachelor of Arts in Political Science and History
Concentration in Africa and the Americas
St. Olaf College
Master of Urban and Regional Planning (Capstone Project)
Graduate Certificate in African Studies
University of Michigan

EXPERIENCE

- ◆ *Planning and Demographic Analysis*
- ◆ *Economic Development*
- ◆ *Market Research and Site Selection*
- ◆ *Community Needs Assessment*
- ◆ *Affordable Housing*
- ◆ *Public and Private Sector*



Andrew McIntyre
Research Associate

CONTACT INFORMATION

7575 Golden Valley Road Suite 385
Golden Valley, MN 55427
(Office) 612-904-7978 (Fax) 612-904-7979
Email: amcintyre@maxfieldresearch.com
www.maxfieldresearch.com



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WHO WE ARE

Maxfield Research & Consulting is a full-service research firm providing timely and comprehensive real estate market information and analysis that is critical to the success of our clients. With 35 years of experience in real estate market feasibility and consulting, our expertise enables us to offer solutions to difficult challenges. We assess the needs of each project, anticipate problems and provide solutions. We work closely with each client to assure our research data and analysis provide exactly the information needed in planning and developing new projects. We provide customized studies designed to deliver strategic framework for each of our clients' objectives to optimize land use and value of their real estate needs.

Developing dynamic relationships and delivering strategic solutions has earned us our clients' confidence in our expertise. Our broad experience and varied customer base includes public, private and institutional clients seeking crucial information in making decisions regarding the latest trends in the real estate industry.

Maxfield is a local, regional, national and international player in the real estate consulting industry.

OUR CLIENTS

Public Sector—Recommendations provide decision makers a guide to future planning. Strategic counsel on market trends and real estate activities assists clients with a value added service.

Private Sector—Provides clients with objective and unbiased advice to position themselves to maximize opportunity and reduce risk.

Institutional Sector—Extensive experience serving broad spectrum of clients with unique organizational needs.

WHAT WE DO

- ◆ **Residential**—Assist with information on multifamily, senior housing, tax credit, master-planned communities and residential scenarios.
- ◆ **Commercial**—Analysis for retail, office, industrial and hotel space working with private developers on specific projects.
- ◆ **Land Use**—Highest and best use assessments, redevelopment and development issues, collaborating with planning consultants to provide market data and support land use recommendations.
- ◆ **Special**—Provide expert testimony and litigation support, economic impact analysis, and financial pro-formas.
- ◆ **Consulting Services**—Custom analysis according to specific needs, specified aspects regarding floor plans, unit-mix, premium pricing assessments and competitive shopping.

OUR STAFF

Mary Bujold, President
 Matt Mullins, Vice President
 Dan Gatchell, Senior Research Associate
 Joe Hollman, Senior Research Associate
 Brian Smith, Senior Research Associate
 Andrew McIntyre, Research Associate
 Max Perrault, Research Associate
 Jessica Van Voorhis, Research Associate
 Rob Wilder, Research Associate
 Julie Thompson, Executive Assistant

