

# **Granite Falls Housing Study Summary**

## **Demographic Highlights**

- ▶ Granite Falls has had a gradual loss of population in recent decades, but this is largely attributed to fewer people per household, as more one and two person households are common, and families tend to have fewer children.
- ▶ The City's household count has remained relatively stable in recent decades, with the possible loss of an average of one to two households per year over the past decade.
- ▶ Age-based estimates show the City and the surrounding area adding households age 55 and older since 2010, with fewer households in the age ranges 54 and younger.

## **Projection Highlights**

- ▶ Projections for a small community are generally based on a continuation of past patterns. For Granite Falls this yields an expectation of a minor reduction in the number of residents and households over the next five years. However, this Study has used a projection that annual growth of 6 to 8 households per year is achievable.
- ▶ Age-based projections to 2025 for both Granite Falls and the Market Area show an increasing number of households age 65 and older, as the large 'baby boom' generation continues through the aging cycle. Fewer households are projected in the age ranges 64 and younger.

## **Income and Housing Cost Highlights**

- ▶ In 2019, the City's estimated midpoint household income was \$58,690, while the midpoint family income was \$73,929. As a result, most households in the City could apply more than \$1,450 per month to housing costs without experiencing a cost burden.
- ▶ There is a large discrepancy, however, between income levels by housing tenure. The American Community Survey estimated that the median income level for renters was less than \$20,000 in 2019. While this appears to be too low, the actual median for renters was probably less than \$30,000, compared to more than \$76,000 for home owners.
- ▶ With lower income levels, approximately 53% of all renters had a housing cost burden in 2019, compared to about 13% of all home owners.

- ▶ According to the American Community Survey, the estimated median gross rent in Granite Falls was \$583 for all units and \$754 for two-bedroom options. This is generally consistent with the telephone survey of multifamily rental properties that found a prevailing range of \$550 to \$900 for two-bedroom options.
- ▶ Existing home values are generally in a moderate range, with an estimated median of \$110,000 based on recent sales. Other indicators point to an estimated median that is closer to \$125,000. There is upward price pressure evident and a small inventory of existing homes listed for sale in 2021.

### **Housing Highlights**

- ▶ Housing construction was very limited in the past decade, with only six new houses and 10 new rental units constructed since 2010. But after adjusting for flood-prone property clearance efforts, the inventory of single family houses in 2021 may be smaller than existed in 2010.
- ▶ With limited new construction, the City's occupancy tenure rates probably remain similar to 65% home ownership and 35% renter.
- ▶ With only limited new construction in recent decades, the median year of construction is estimated in the 1970s for both owner and renter units.
- ▶ The City does have attractive lot options available, providing capacity for new construction.

### **Rental Market Conditions**

- ▶ An extremely low vacancy rate was recorded in conventional market rate rental housing, and evidence of unmet demand was present.
- ▶ Waiting lists existed for the town house-style units that offer amenities of single family living. Rental rates for these higher-amenity units were significantly above the prevailing rates in the community.
- ▶ The City has affordable subsidized housing for both general occupancy and senior/disable tenants. However, the large majority of these units have only one bedroom, and no subsidized units exist with three or more bedrooms for larger families. Occupancy rates were generally high in subsidized housing although some one-bedrooms were available.
- ▶ Vacancies did exist in the only market rate senior project offering some level of services. There are no assisted living options in Granite Falls.

## Overview of Findings and Recommendations

While Granite Falls has not added households in the recent past, in the opinion of the analysts the City does have the potential to grow in the future. But growth going forward will be directly linked to housing availability. When new housing options have been created, they have been successful. The difficulty remains in producing units that are price-compatible with local expectations.

***New Single Family Construction*** - Although past market conditions have not been strong, the City needs to promote new housing construction to help the community grow. This may include some forms of financial incentives for new construction. In addition, direct programs to home buyers such as down payment assistance and home buyer education could be offered.

***Promote Existing Homes for Affordable Ownership*** - While existing home values are rising, the estimated value of an existing house is probably less than half the cost for new single family home construction. Promoting older, lower valued houses for home ownership can help to preserve these units and can reduce conversion to rental housing.

***Owner-Occupancy and Rental Rehabilitation*** - The City has been active in promoting programs and resources for housing rehabilitation, including an open SCDP grant. With a large percentage of the City's housing units more than 50 years old, ongoing attention will be required. In some cases, structures may be too dilapidated to economically rehab. Continued demolition of severely substandard structures is encouraged to enhance community appeal.

***Market Rate Rental Construction*** - This Study includes new rental housing construction recommendations. While most of this is market rate housing, without any form of income limits or occupancy restrictions, attempts should be made to keep rent amounts within a more moderate price range. Development should also be cognizant of the area's growing population of senior residents, with design features and amenities that would appeal to older renters.

***Affordable Rental Construction/Preservation*** - While new market rate rentals should be promoted, most existing renter households have relatively low income levels, and cannot afford the rents typically associated with new construction. Any affordable rental housing that can be accomplished would be encouraged, including conversions and the use of existing structures, and rehab/preservation of rental housing that is deteriorated and unoccupied.

***Monitor/Preserve Income-Restricted Housing*** - Any subsidized housing that is lost in Granite Falls is unlikely to be replaced.

***Promote Specialized Senior Housing*** - While Granite Falls has senior housing with light services and a 'state of the art' nursing home, the City does not have assisted living options or specialized memory care units.

## Findings and Recommendations

Findings and Recommendations	
Home Ownership Recommendations	
1.	Projected demand for three to five owner-occupancy units annually
2.	Promote attached single family housing construction
3.	Promote the lot options in the City/monitor lot supply
4.	Consider the creation of housing construction incentives
5.	Consider affordable new construction partnerships
6.	Promote the affordable existing housing stock in the City
7.	Utilize and promote all programs that assist with home ownership
8.	Consider the development of a purchase/ rehabilitation program
Rental Housing Recommendations	
9.	Promote the production of 20 to 24 units of market rate rental housing
10.	Promote the creation of 20 to 30 units of moderate rent market rate housing
11.	Monitor the supply and demand for income-restricted rental housing
12.	Monitor demand for senior housing with light services
13.	Promote the development of 22 to 26 units of senior assisted living
14.	Promote the development of 16 to 20 beds of memory care housing
Housing Rehabilitation and Preservation	
15.	Continue to offer rental housing rehabilitation programs
16.	Continue to offer owner-occupied housing rehabilitation
17.	Continue to demolish dilapidated structures
18.	Consider programs to improve the condition and quality of mobile homes
19.	Continue strategies for downtown housing and redevelopment
Other Initiatives	
20.	Promote employer involvement in housing
21.	Create a housing plan and coordination among housing agencies
22.	Develop community marketing programs and strategies