

City of Amery Housing Study



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Table of Contents

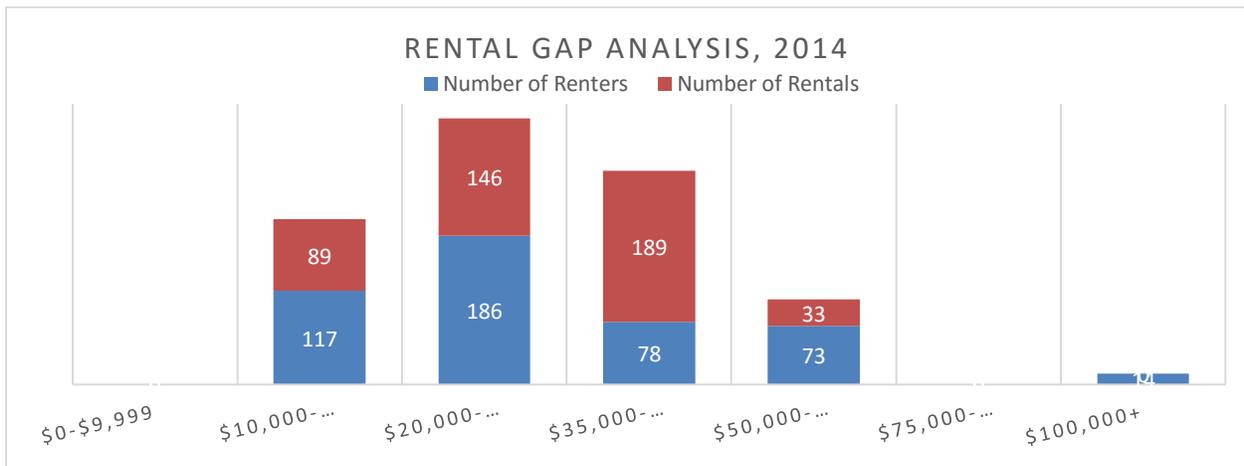
Executive Summary	2
Introduction	3
Demographic Context	4
Housing History	13
The Housing Study	20
Potential Development Strategies	35
Conclusion	39

Executive Summary

Short and simple, the City of Amery is in need of new housing. Not just replacement for old housing units (although some older housing units could use remodeling if not a complete demolition), but new, additional housing. Without it, the City's growth will likely stagnate both physically and economically.

This is a report on the housing study conducted by the City of Amery in the spring of 2016. Using the data collected from 3 different surveys compared and contrasted against data already available from entities such as the U.S. Census Bureau, the State of Wisconsin, and Polk County, an abundant amount of data is presented, covering everything from demographics of Amery residents to the housing costs and housing maintenance.

As represented in the figure below, there are currently too few rental units within the price range of the majority of renters, forcing many renters to buy into housing units above what their household incomes can adequately afford. This causes many Amery households to become "housing burdened" because they spend over 30% of their gross annual income on housing. As to homeowners, a vast majority have lived in their homes for over 10 years and do not plan on moving out in the near future. And for those homes that may become vacant in the near future, many are in need of extensive and costly repairs such as window, roofing, and siding replacements as well as interior remodeling. According to the most recent data, Amery currently has a 0% vacancy rate.



Although housing development is not necessarily in a municipality's purview, there are some strategies other communities have used in order to attract housing developers to their communities as well as entice homeowners to conduct renovations on their aging homes such as tax credits, reduced zoning regulations, and municipal financed grant programs. However, before the City commences on any type of campaign to bring more housing to Amery, focus groups and/or committees comprised of stakeholders (developers, city officials, business owners, and residents) should be organized to not only more fully understand the issues preventing new housing developments from coming to Amery but also to encourage full community participation in the effort. The more the entire community is on board in working to bring more housing to Amery the more successful such efforts will be.

Introduction

Housing, specifically the quality and quantity thereof, is essential for any community to thrive. If a community has too little quality housing compared to its demand for housing, average rents will likely increase and employers will likely choose not to locate their businesses in such a community as there is no place for their employees to live nearby. This will cause a community to suffer economically. If there is too much housing compared to the demand for housing, however, housing prices will dip lower than the actual cost of housing and many housing units will be left vacant causing blight to the community. The goal, therefore, is to develop policies that ensure a consistent housing market that mirrors the demand for housing.

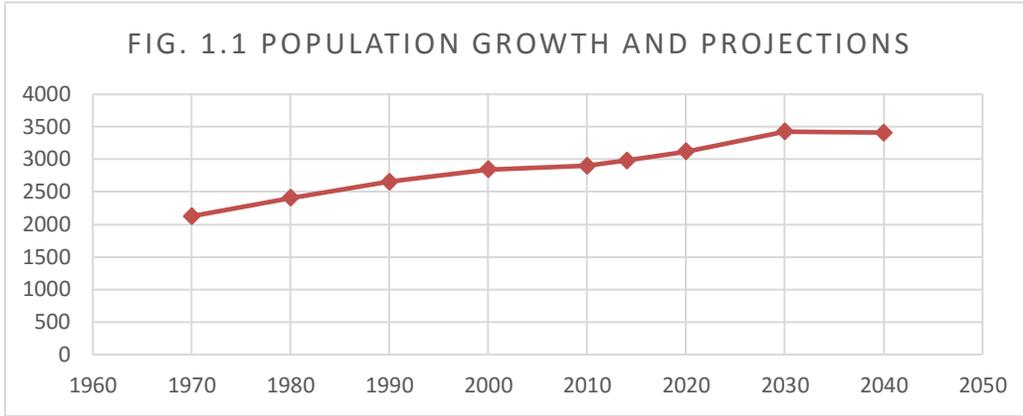
Feeling a need for more housing rather than less housing, the City of Amery fielded a housing study to better understand the housing market within city limits. The study was comprised of three different surveys designed to analyze the three main categories of people, in regards to housing, within the City: Amery residents, commuters who work in Amery but do not live within city limits, and landlords of rental properties within city limits. Taking the data collected, the City desires to come to a consensus regarding the current vitality of the housing market within Amery as well as develop next steps to address concerns uncovered by the study.

This paper will first set up the survey data by presenting a demographic context within the City of Amery as well as how housing trends within Amery and its surrounding area have developed over time. Then, the data for each of the surveys will be presented. Finally, some potential strategies for addressing the housing situation in Amery will be discussed.

Demographic Context

This section looks at how the city is changing demographically. Understanding current and future trends set up the context for the following sections.

POPULATION

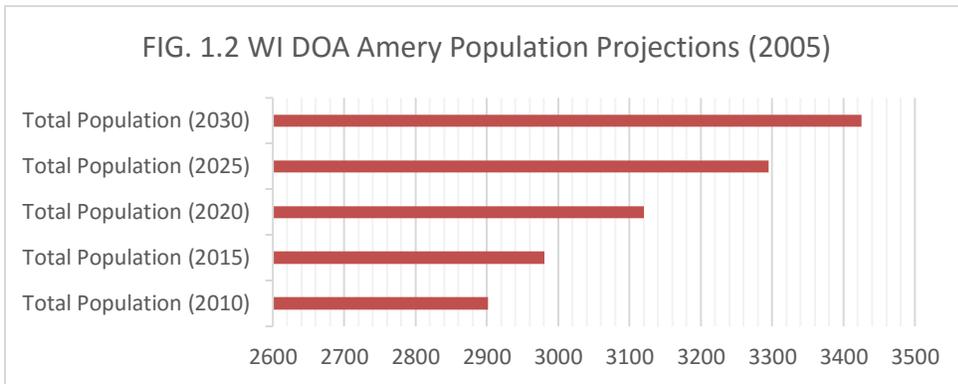


The American Community Survey (ACS) estimated the population of Amery to be 2,981 in 2014. This is a 2.7% increase from the 2010 U.S. Census and a

4.7% increase from the 2000 census. Figure 1.1 shows the population growth of Amery from the 1970s to 2014. The fastest population growth was in the 1970s and the slowest occurred from 2000 to 2010.

Projections

Amery is the largest municipality in Polk County. While Polk County had a 1% decrease in population growth from 2010 to 2014, Amery is still modestly increasing. Figure 1.2 shows the Wisconsin Department of Administration (DOA) population projections from 2005 for Amery. While the 2005 DOA projection was high in 2010 according to the U.S. Census count, the city

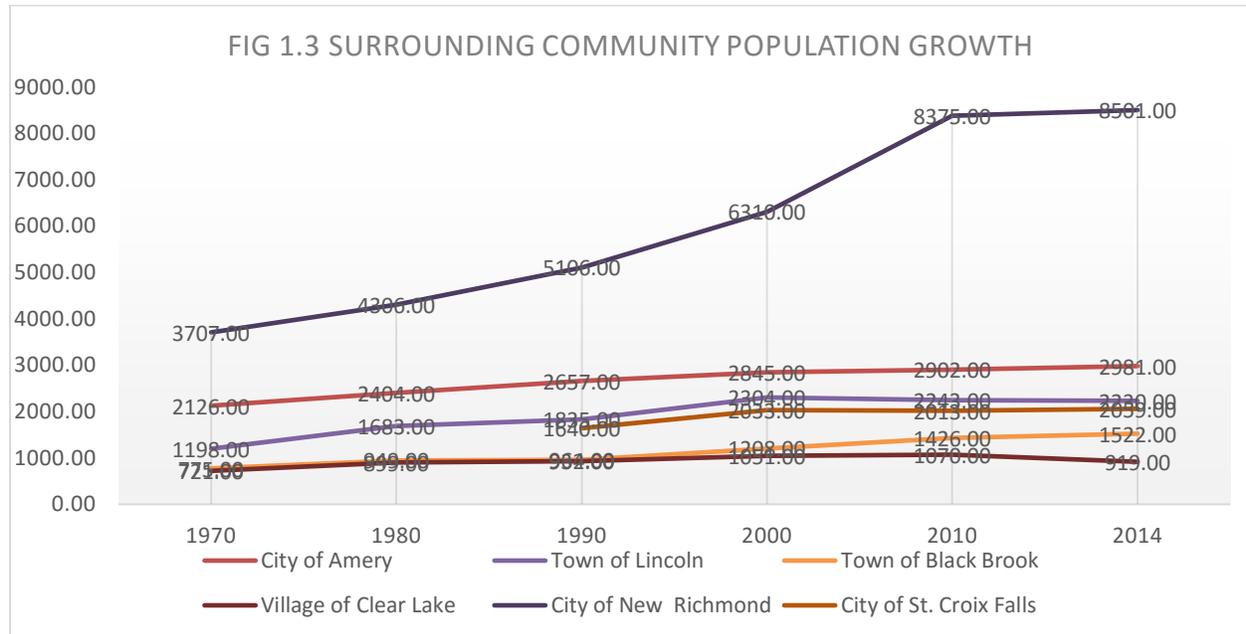


does appear to be on track for 2015 projections and appear to be exceeding the 2013 DOA projections for the year 2015. The new 2013 DOA projections also predict a faster

population growth than the previous projections, expecting an increase of 14.9 percent by 2030. However, it is important to note that population projections are subject to change. So, if there is an increase of 14.9% by 2030, that's 444 people. Assuming the 2014 household size has stabilized, which it likely has not, then by the year 2030 Amery would need 209 housing units.

Sounding Communities

Figure 1.3 compares Amery's population growth to surrounding communities. Surrounding communities such as the Town of Black Brook have experienced growth as well, while others, such as the Town of Lincoln and the Village of Clear Lake have seen shrinking populations.



Impact of St. Croix River Crossing

With the anticipated completion of the St. Croix River Crossing in late 2017, some of the surrounding communities' populations are expected to grow. However, there is little research on how the bridge completion will directly affect the City of Amery. Most experts believe that the crossing will affect the Highway 64 corridor, such as the City of New Richmond, the Village of North Hudson, and the Village of Somerset. However, experts find it difficult to isolate the direct effect of infrastructure improvements in surrounding communities. The factors of historical population growth, labor force quality, availability of developable land, the business climate, and community amenities are all variables that influence population rates. Given these factors, St. Croix County is expected to return to growth rates experienced in the 1990s and the 2000s, even with the completion of the bridge. Extrapolating on this information, the effect of the St. Croix River Crossing on the population growth in Amery should be minimal.

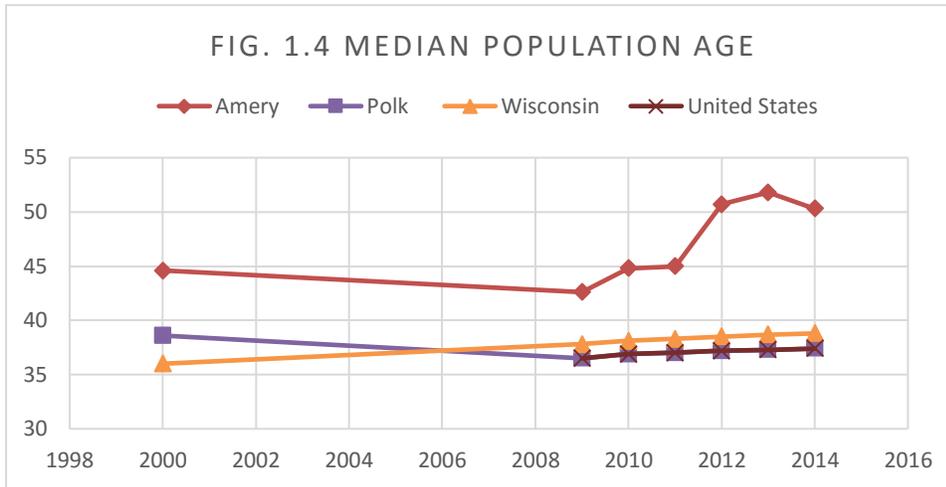
HOUSEHOLD COMPOSITION

As of 2014, Amery had 1,284 households. The 2014 American Community Survey defines the household as including "all the people who occupy a housing unit." 64.5 percent of these households were "family households" defined again by the ACS as consisting of "a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption." 423 households are single occupancy (i.e. householder living alone) of which 272 (21.2% of all households) are 65 years of age or older. The average household size is 2.12 persons with family households averaging 2.61 persons.

AMERY DEMOGRAPHICS

Age

The median age of Amery residents has increased during the past fifteen years and continues to be higher than the county, state, and national averages (Fig. 1.4). This would hardly be surprising to many in the Amery as the community is seen as a retirement community. Aging populations prefer to live close to amenities that help them reduce their dependence on automobiles and many of the businesses in the city catering to elderly residents.



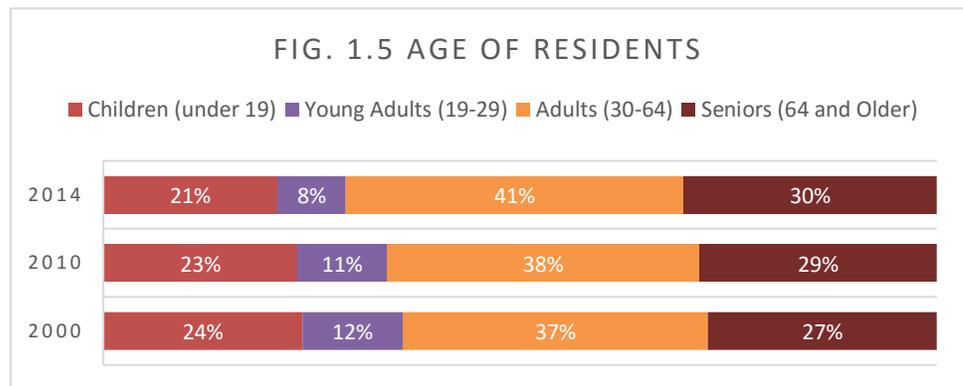
At the same time, the count of children, under the age of 19, and young adults, aged 19 to 29, has decreased (Fig. 1.5). The number of children decreased by 78 from 2000 to 2014, or three percentage points while the number of

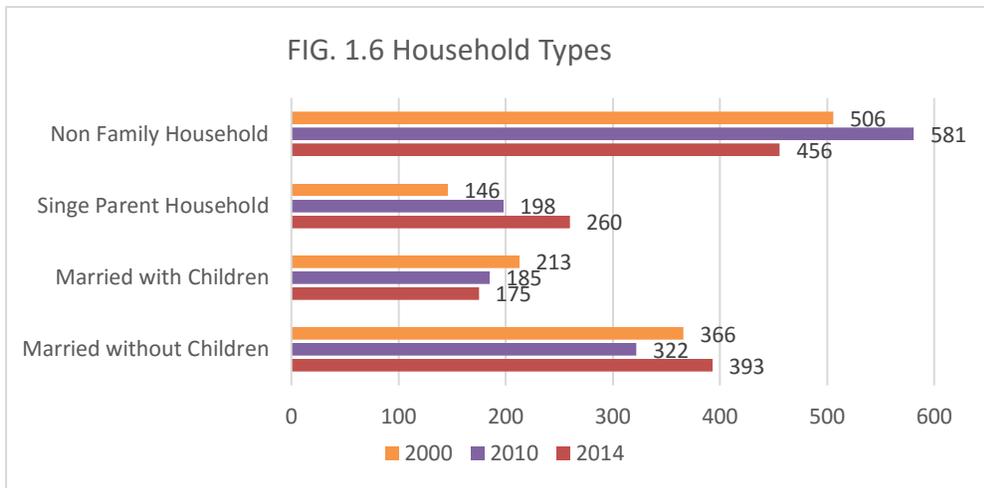
young adults decreased by 107, or four percentage points. This tracks relatively close with the national average, which, between 2012 and 2014, saw a .5% decrease in children (under 19), 2.7% increase in young adults (20-34), .9% increase in adults (34-64), and 5.8% increase in seniors (65 and older).

Household Type

Fig. 1.6 demonstrates that the number of families married with children has decreased while single parent

households have increased by 7% from 2000 to 2014. At the same time, the average family size as decreased from 2.81 to 2.61 from 2000 to 2014.

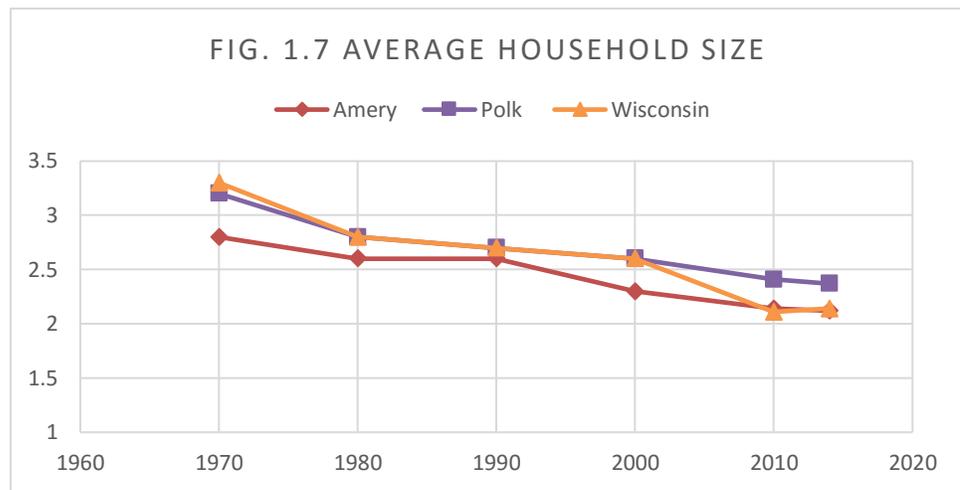




Household size

According to the American Community Survey, household size has decreased, which is consistent with national trends away from family

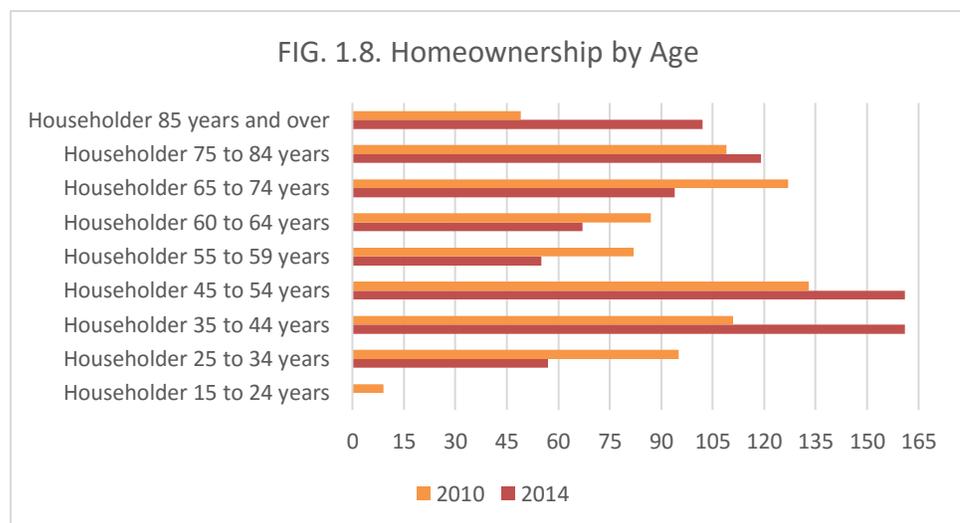
households (Fig. 1.7). Nonetheless, the average size of renter households has actually increased from 1.84 in 2000 to 1.94 in 2014 and the number of single-person households has also decreased during this period. This trend is surprising, given national expectations of large growth rates of single person household formations.



Median Age of Head of Household

Homeownership has a 1% increase since 2000, although there was a slight decrease shown in the 2010 U.S. Census. Renter occupied units have increased by 10% during the same time period. In 2014, approximately 63% of housing units were owner-occupied while 36% of units were renter-occupied.

Additionally, while the share of homeowners in Amery over the age of 60 only increased by 1% between 2010 and 2014, the



average age of those in that bracket saw an increase (Fig. 1.8). Those 85 or older saw the largest increase from 6% of all homeowners in Amery to 13%, closely followed by those 34 to 44 (14% to 20%) and those 45 to 54 (17% to 20%)

INCOME AND POVERTY

Median Family Income

The Department of Housing and Urban Development and other housing assistance programs generally use percentages of “median family income” (MFI) when determining benchmarks for housing assistance programs. Households earning less than 50% of MFI are categorized as “very low income” and are generally below the poverty line. Households earning 60% of median income are considered extremely low income and households earning 80% of income are considered low income.

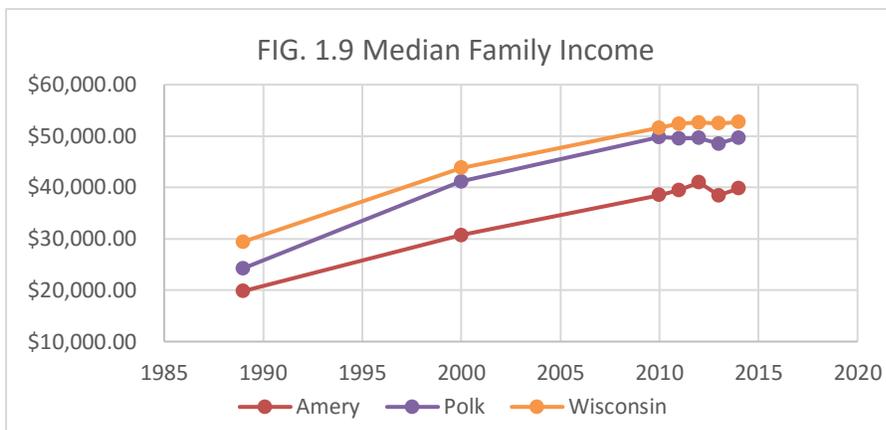
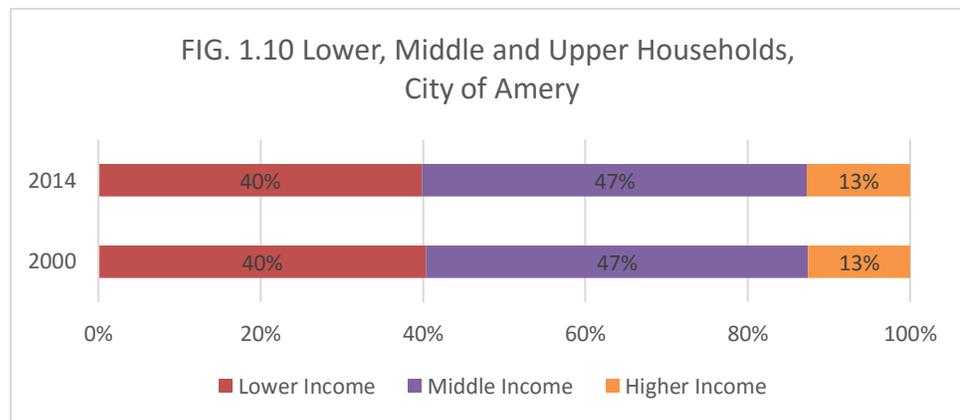


Fig. 1.9 Shows the Median Family Income levels for Polk County according to household size. The Median income for the city was \$39,788 in 2014. This was a 22.8% increase from 2000, however, the cumulative rate of inflation was 37.5%

between 2000 to 2014. This suggests that the residents of Amery lost purchasing power during this period.

Fig. 1.10 shows the distribution of lower, middle, and upper household incomes in the City of Amery for 2000 and 2014. Here, lower income is defined as two-thirds of the national household median income while upper income is approximately double the national household median income as defined in the Pew Research Report “The Rise of Residential Segregation by Income.”

While experts have spoken a great deal about the shrinking middle class, this does not appear to be the case in Amery with the distribution virtually unchanged. Figure 1.11 shows household income by range for the

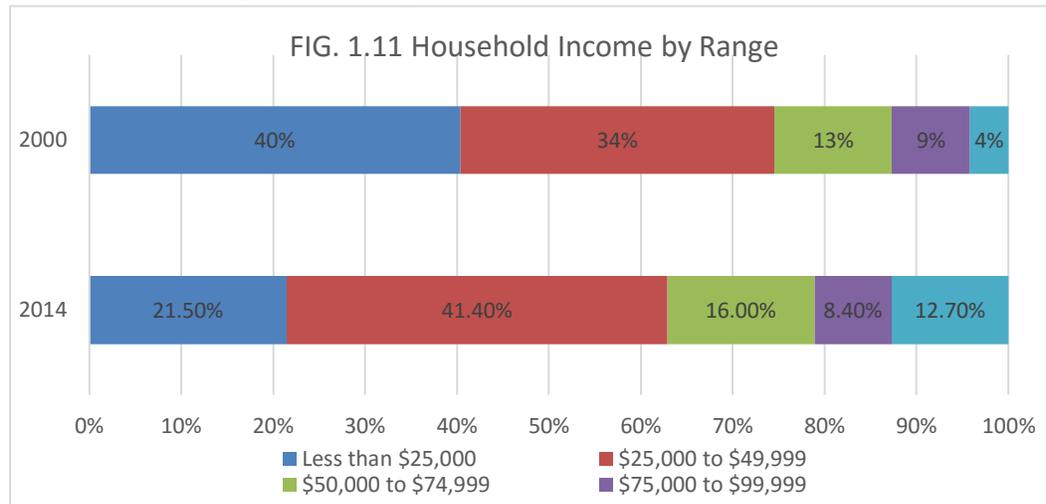


same period. At the same time, Amery households earned 80% of the country median income and 75% of the state median income.

Income by Tenure and Change

Incomes for homeowners and renters both increased from 1999 to 2014. While the number of homeowners who make \$35,000 or more increased by 28% from 1999 to 2014, the number of renters who make \$35,000 or more increased by 35%. The number of homeowners who make less than \$35,000 also decreased by 60%. However, the number of renters who make less than \$35,000 only decreased by 11% between 1999 and 2014.

Poverty Rate by Age and Change



The US Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in

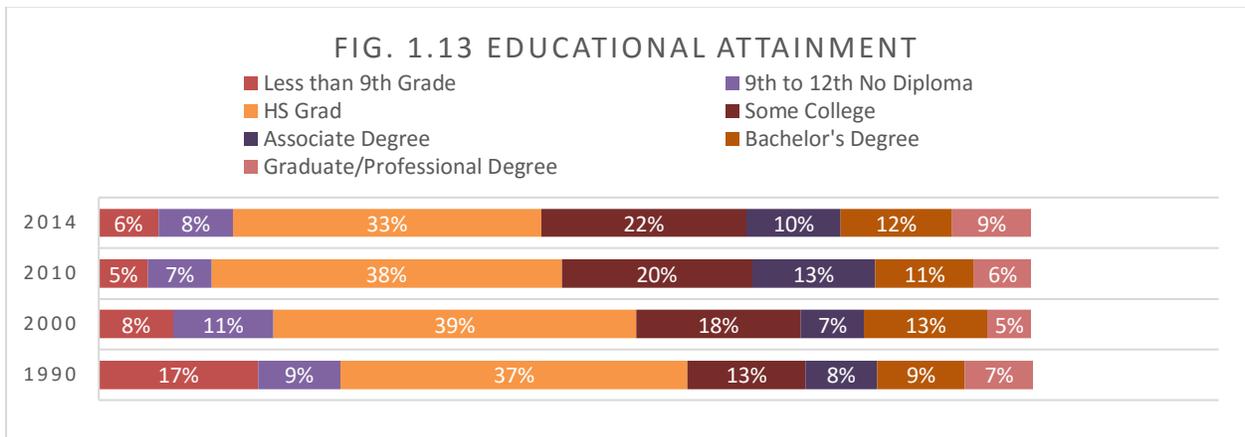
poverty. Income used to compute poverty status includes earnings, unemployment compensation, etc. and is calculated before taxes. Figure 1.12 shows that poverty rates have decreased for the City of Amery. Since 2000, the percentage of people living in poverty has decreased by 2.6 percentage points and at 5.9% in 2014 was well below the national rate of 14.5%. Due to the economic crisis, poverty rates did actually peak at 8.9 percent in 2010 but have been declining since 2011. Figure 1.15 breaks down poverty rates for several segments of the population, all of which have seen decreases since 2000.



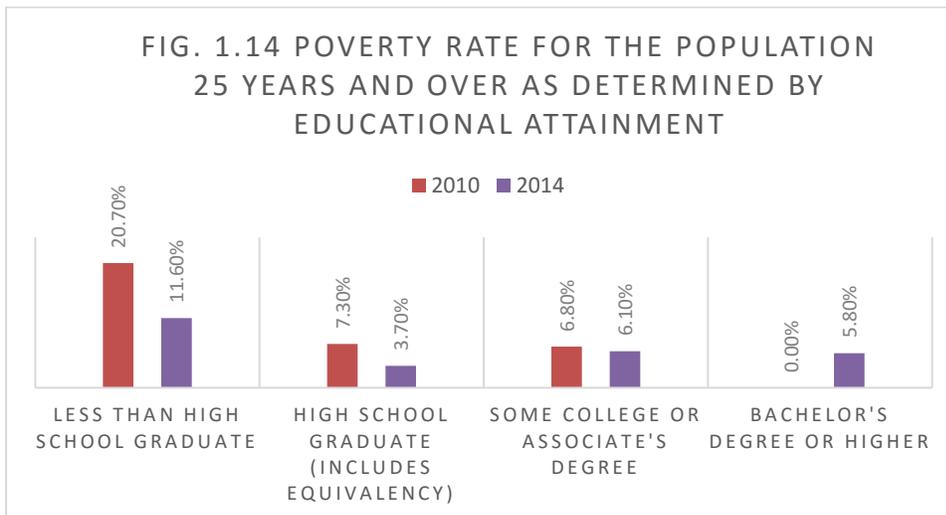
EDUCATION AND EMPLOYMENT

Educational Attainment

Educational Attainment has been steadily increasing in the City of Amery over the past couple of decades. As Figure 1.13 illustrates the U.S. Census Bureau estimates that in 2014 12 percent of the population had completed a Bachelor’s Degree. A greater amount of the population has also been completing associate’s and graduate degrees at steady levels since the 1990s. However, in 2014 the American Community Survey estimated that Amery had 8 percentage points lower rates of bachelor’s degrees than the national and state average.

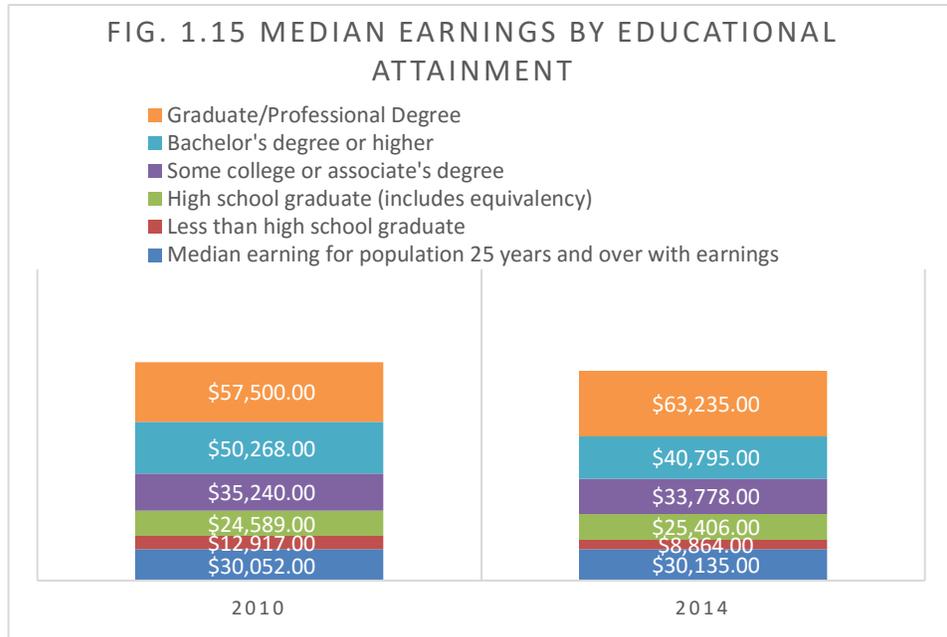


Figures 1.14 and 1.15 show median earnings by education attainment levels and poverty rates by education levels for the population 25 years of age and older with earnings.



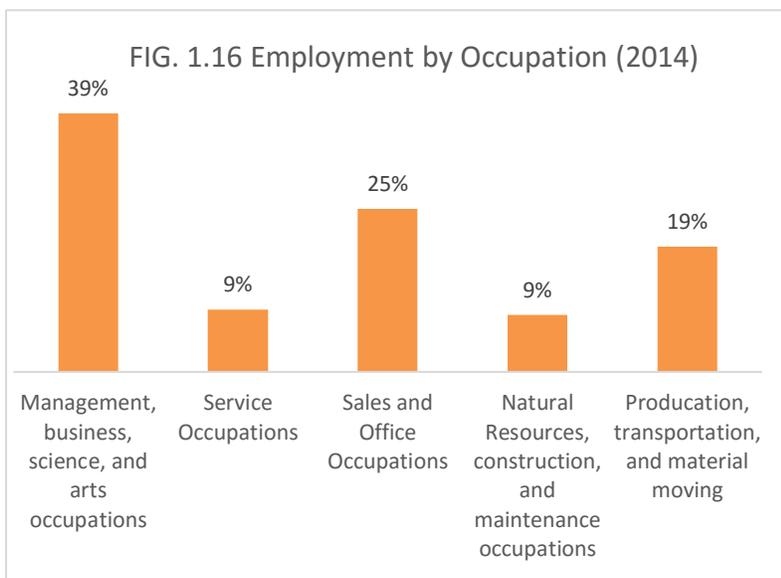
Employment

According to the Census Bureau Longitudinal Employer-Household Dynamics, there are 2,746 jobs in the Amery city limits. Thirty-four percent of jobs are in healthcare and social assistance, and 22.1% of jobs are in manufacturing. Coming in at third is educational services.



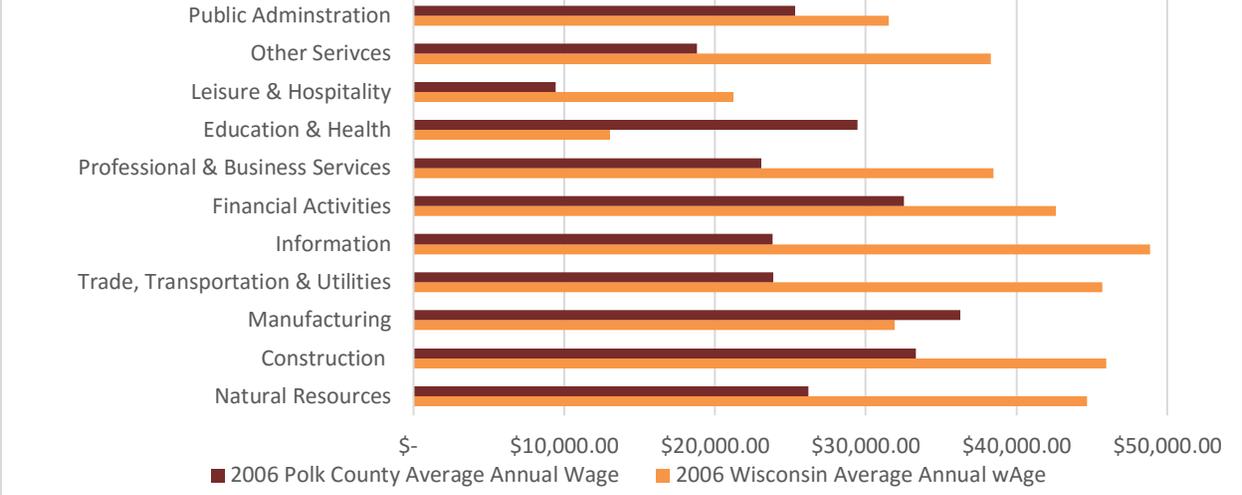
In 2014, 48.9% of Amery wage earners 16 and over worked within the city. This figure is nearly 20 percentage points higher than the national and state averages of 31.4% and 29.3% respectively. Thirty-nine percent of workers in the city had a commute of fewer than 10 minutes but only 2.8% of workers walked to work.

According to the Bureau of Labor Statistics in April of 2015, the unemployment rate was 4.7%. This was down from 6.4% the previous year and from 13.4% in February of 2010 at the highest unemployment peak during the recession.



For Amery residents, aged 16 and over, Figure 1.16 shows the percentage employed by industry. Figure 1.17 show a comparison of annual wages by employment field of Polk County and Wisconsin. Interestingly, Polk County has lower wages for every industry, except education and health.

1.17 Wage by Industry, Polk County



Housing History

TRENDS IN HOUSING SUPPLY

Housing Units

According to the U.S. Census Bureau, the City of Amery had 1,311 housing units in 2000. By 2010, the census counted 1,445 units. The American Community Survey estimated 1,355, with a margin of error of +/-128, putting the census's count of 1,445 within the range estimated by the ACS. Between 2010 and 2014, only 3 housing permits were issued for housing constructed within city limits.

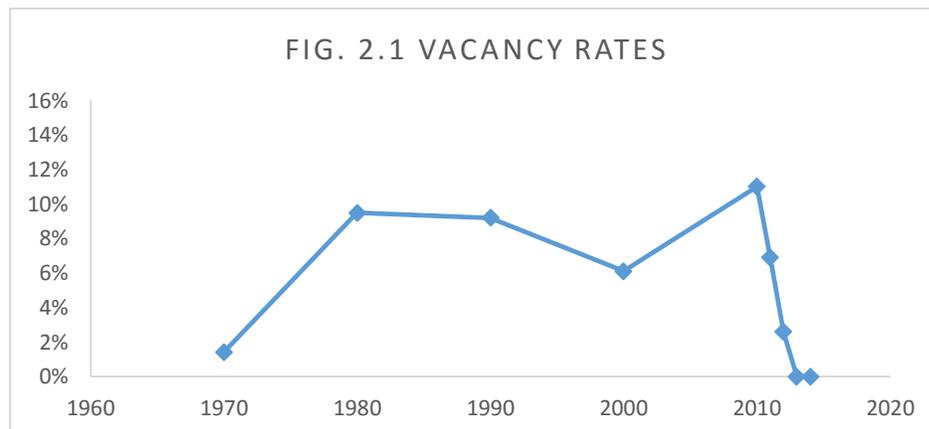
In 2014, the American Community Survey estimated that there were 1,284 housing units, with a margin of error +/- 96. The household count at this time was also 1,284 with the same margin of error. This would mean that the city had a vacancy rate of 0%. With the addition of only three housing units since this time, in spring of 2016, the vacancy rate would have most likely remained the same. Anecdotal evidence would suggest this as well.

The decrease in the number of housing units from 2010 to 2014 is puzzling. Using the American Community Survey's estimate of 1,284 housing units in 2014, there was a decrease of either 238 (ACS) or 161 (Census) housing units, representing a 15% decrease or 11% respectively. Such a large decrease could hardly go unnoticed in such a small community. Yet, long time Amery residents cannot recall any housing units lost. Nonetheless, no data was available that clarified the matter. As result, the number of housing units estimated in 2014 and the number of households were used for most of the analysis.

(The city water utility was used to create another estimate of housing units in Amery. In 2014, there were 1,182 residential water meters. Several multiplexes had one meter per structure, totaling about 174. There are also about 20 houses in Amery not served by the water utility. This would total 1,376 housing units. But from 2011 to 2015, the estimated total, not including lawn meters, has ranged by about one hundred.)

Vacancy Rates

Economists and urban planners consider a housing unit vacancy rate of 5% to be ideal conditions to meet the interests of both seller and buyer, or landlord and tenant. In 2000, the vacancy rate

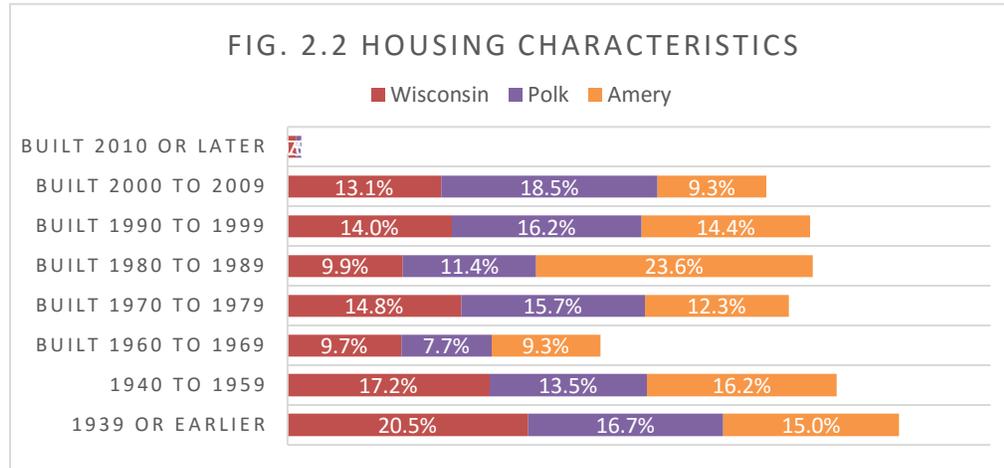


was 6.1%. In 2014, however, the vacancy rate was virtually zero (Figure 2.1). This is consistent with anecdotal evidence of newcomers struggling to find housing in the community. Despite the low vacancy rate,

there have not been any permits to build new apartments complexes since 2000 and only three new housing permits since 2010.

GENERAL HOUSING CHARACTERISTICS

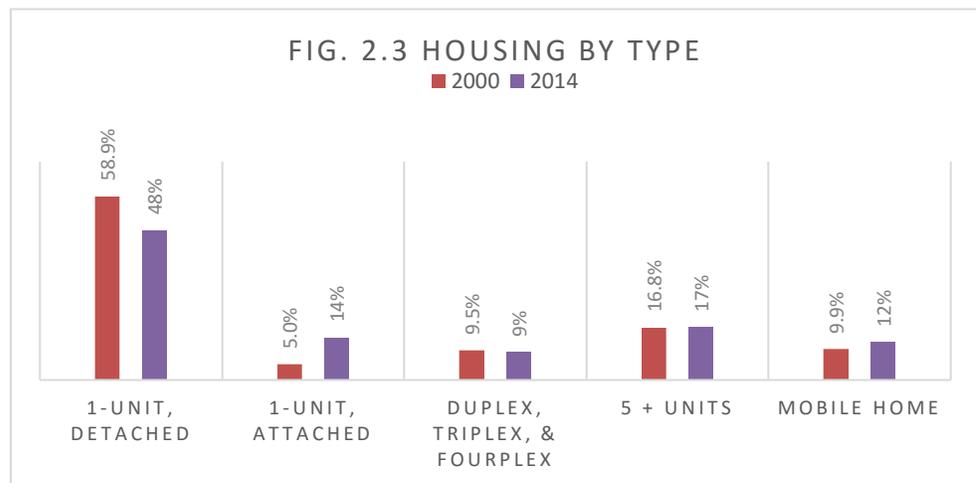
As Figure 2.2 demonstrates the age Amery’s housing stock is generally comparable to Polk County and overall Wisconsin. A housing units’ age is a basic gage for the probability that a house will need work, have lead pipes or paint, or contain asbestos products. Furthermore, an older house is less likely to be



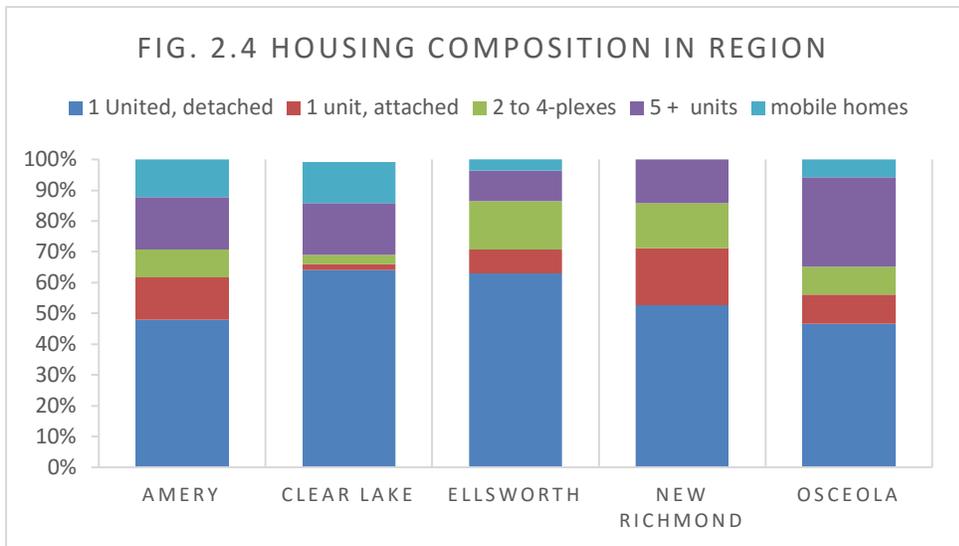
energy efficient. However, since 2000, Amery has had few residential properties built. While this probably lead to fewer foreclosures during the 2007 Housing Crisis, it will likely

become a problem for economic growth.

As shown in Figure 2.3, in 2014, 48% of housing units were single-family detached homes. Forty percent were attached units while 12% percent were mobile homes. Amery’s housing composition is compared to other similar and close communities in the area in Figure 2.4.



100% of housing units across all types had complete plumbing facilities and 99.8 percent had complete kitchen facilities. Sixty-eight percent of houses had two to three bedrooms. 69.9 percent used gas for heating while 26.2 percent used electricity.



OCCUPANCY CHARACTERISTICS

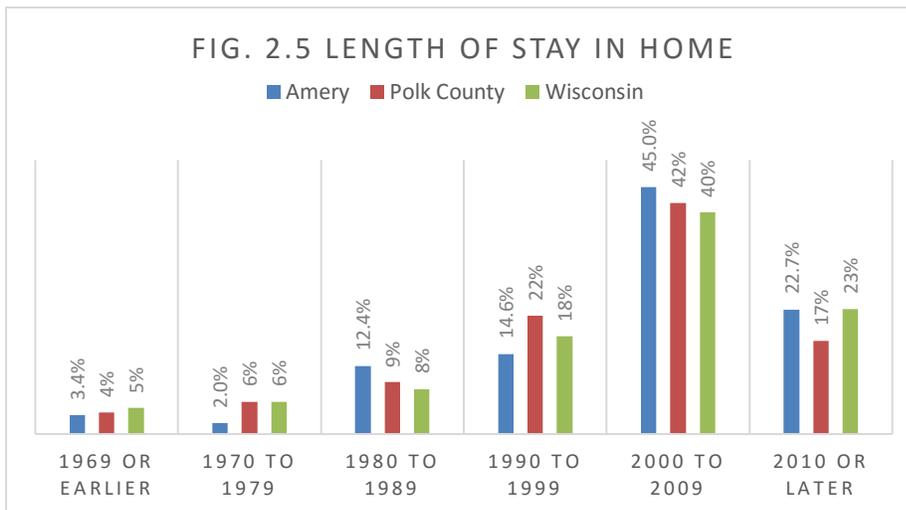
Tenure

In 2014, 63.5% of housing units were owner-occupied. Homeownership has not increased much since 2000 when there were 807 homes that were homeowner occupied. Today, there are 816 homes

occupied by the homeowner, a percentage increase of one percent. The number of renters has increased somewhat by ten percent.

Length of stay in home

In 2014, the American Community Survey estimated that 22.7% of Amery heads of households had moved into their current place of residence in 2010 or later. Forty-five percent of householders had moved into their current residence between 2000 to 2009. Thirty-two percent of householders had moved into their current residence before 2000. These statistics are similar across Polk County and Wisconsin (Figure 2.5).



HOUSING AFFORDABILITY

Many communities struggle with the need to provide more affordable housing. Amery is not an exception to this. Amery has lower incomes compared to Polk County and Wisconsin while at the same time the median gross rent is higher than Polk

County's average and more comparable to larger metropolitan areas, such as New Richmond, Minneapolis and St. Paul.

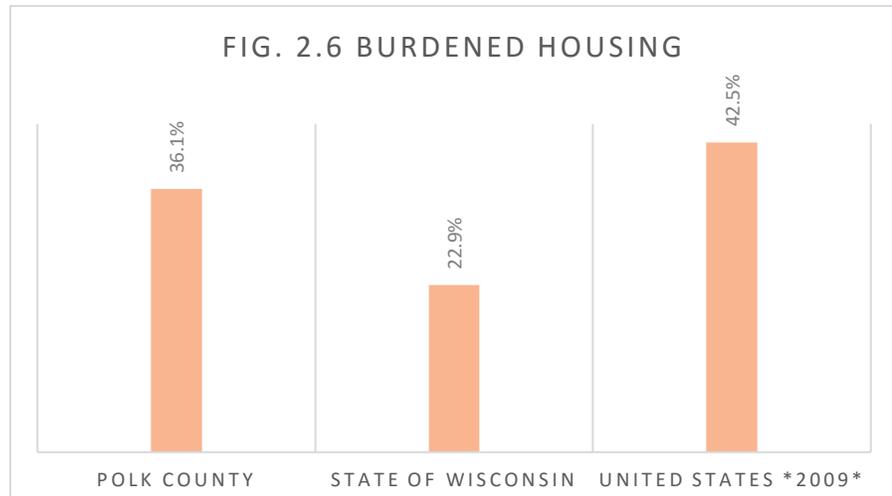
A household is considered house burdened when they are spending 30% of their gross income on housing costs. This includes mortgage or rent payments, homeowners or renters insurance, basic utilities, and property taxes. In 2009, 42.5% of renting households in the United States were considered

to be housing burdened (Figure 2.6). As of 2012, 36.1% (down from 37.6% in 2009) of all households in Polk County are considered while the overall percentage of burdened households in Wisconsin is listed at 33.9%. A burdened household can face serious financial challenges as it has fewer funds available to acquire other needs, such as groceries, clothing, transportation, and savings.

Thirty percent is the national standard for measuring housing affordability and allows for comparison between other jurisdictions. The federal housing Choice Voucher program requires participants to pay 30% of their income on housing.

However, some housing experts disagree about the 30% mark, claiming that

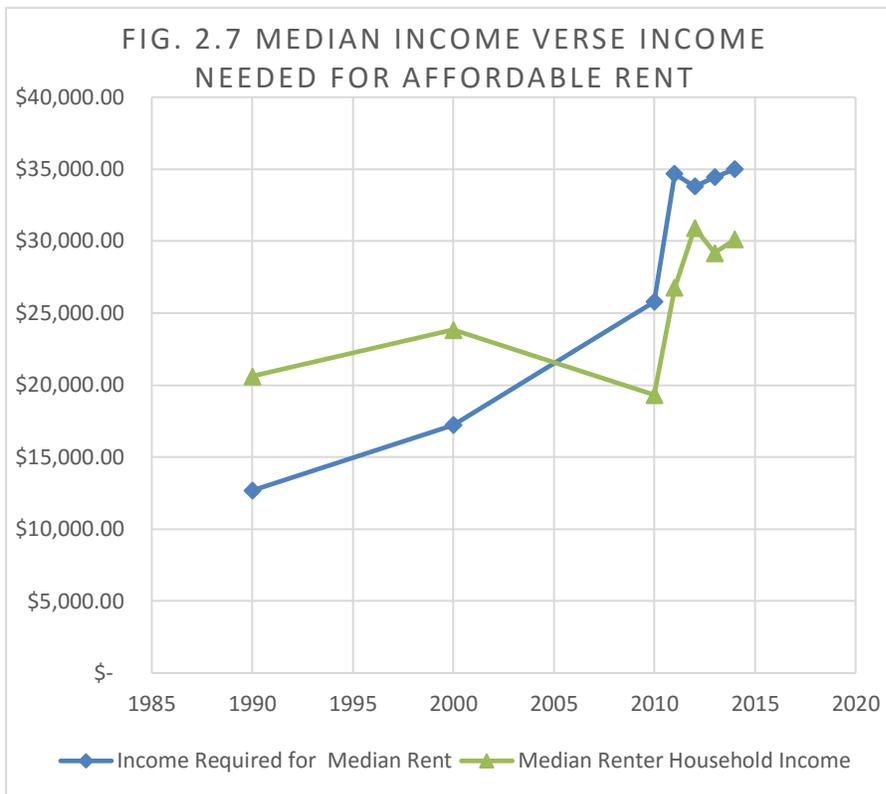
the number is arbitrary. The DOT, EPA, and HUD have agreed that if a household's transportation costs should be taken into account and that a household could spend more on housing if its transportation costs are comparatively lower. This can be extended to other scenarios as well. For example, a potential young house owner could arguably take a mortgage at a higher percentage if his expected earning potential is high. However, if the same potential homeowner has a high amount of student debt, he might need to spend less than the 30% on housing costs. Despite disagreements, the study, like many others, uses 30 percent of income to define a house burdened household as most of the data available uses this standard.



Rental Affordability

Monthly rent has increased considerably in the past fifteen years. In 2000, the median monthly gross rent in Amery was \$431. In 2010, rent increased to \$645 and in 2014, to \$875. Gross rent includes rent as well as an estimate of basic utilities. This represents a 103% increase in monthly median gross rent from 2000 to 2014. At the same time, the median renter household income increased by only 46.2% to \$30,132 from \$20,607. In 2014, a rental household needed to earn to \$35,000 to not be housing burdened.

As shown in figure 2.7, median renter incomes did not keep up with the increases needed to afford median rent. In 2014, 34% of renters were house burdened. Sixteen percent of renters were paying more than 50 percent or more on gross rent.



Rental Subsidies

Increases in rent are particularly interesting in Amery, as the median rent in Polk County is \$720, or 21% lower than Amery’s median gross rent. Rent in Amery is more comparable to St. Croix County, New Richmond, St. Paul, and Minneapolis. Although this is only a recent phenomenon, and may be a result of low vacancy rates and basic economics.

As evidenced by the rental gap analysis below, maintaining an inventory of publicly and privately subsidized rentals is key to

providing rentals to the city’s lowest income renter households.

The Amery Housing Authority owns and manages five subsidized properties in the community. There are 163 total subsidized units and eligibility is based on the federal assistance programs and income limits. The authority maintains over 62 units for the mentally and physically disabled. There are also over 60 subsidized units reserved for the elderly.

Due long waiting lists of 18 to 24 months, the Housing Authority is not taking applications for the waiting list. The typical stay in a subsidized unit is two years and households pay 30% of their income towards rent for their unit. According to the Amery Housing Authority manager, half of these residents graduate to improved housing situations. However, many residents are unable to meet the terms of their rental agreement.

The authority also manages 40 Federal Housing Choice Vouchers, commonly known as Section 8 vouchers, in the community. A household in possession of a voucher seeks a market rate apartment in the community and pays 30% of their income to the landlord. The Housing Authority then pays the difference between 30% of the household’s income and the “fair market rent”, set by HUD.

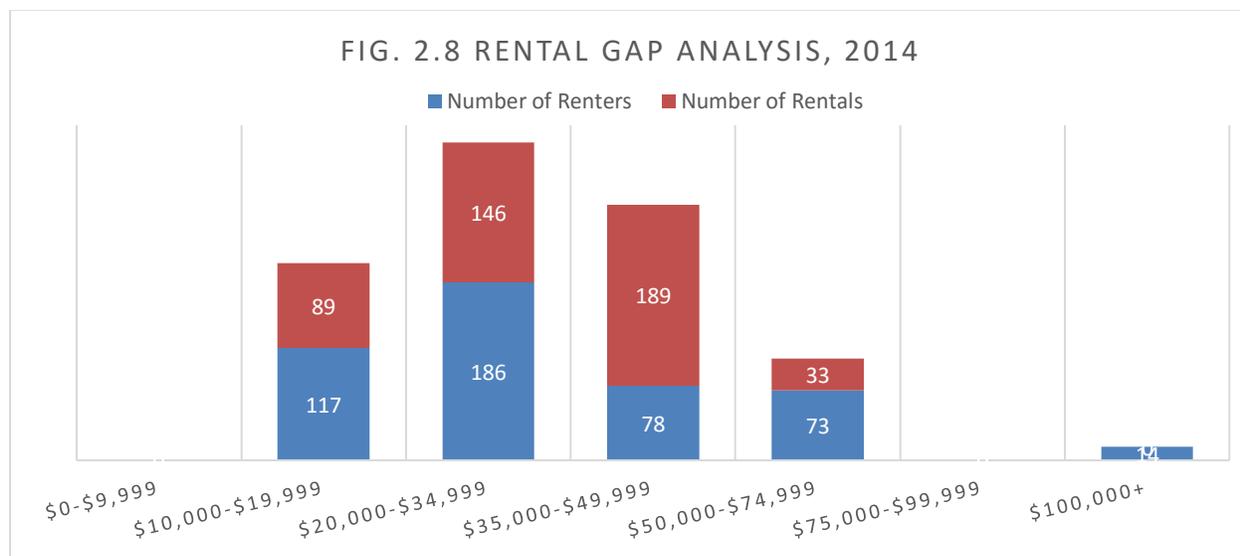
The Apple River Apartments are managed by the Catholic Charities Bureau. These are eight one bedroom apartments designed to provide comfortable and secure housing for people with chronic mental illness. The rent is also sent at 30% of monthly adjusted income, with utilities included.

Rental Unit Gap Analysis

Figures 2.8 and 2.9 are a rental gap analysis for current Amery residents presented in two different ways. Renter households are grouped by annual income and paired with rental units that have a gross

rent that is affordable according to the 30 percent of income standard. The rental gap analysis below shows that in 2014 the largest gap was for renters with an annual income below \$35,000. There was also a fairly substantial gap for renters between \$50,000 to \$74,999 annual income. Although, for this range of income, households may be choosing to rent only because they plan to stay for a short period of time, resulting in a preference to rent rather than buy.

The only surplus category was rentals with gross rent between \$875 to \$1,249. The 68 rental households from the lower income categories are most likely renting here. This would represent 14.5% of renters, and about 42% of house burdened renter households.



Two items should be noted with looking at the rental gap analysis. In an ideal setting, every renter would be paired with a rental that best fits their income category and the gap for lower income renters would actually be 68 rentals. However, two more items are at play that disrupt this scenario. First, because there is a low vacancy rate, potential renters can be forced to take whatever is available. This leads to some higher income renters in lower rent apartments, exacerbating the rental gap. This is further compounded by landlords being enabled to be more selective when choosing tenants and rent to households with higher incomes. This would explain why there is a greater percentage of house burdened renter households than explained by the gap analysis.

FIG. 2.9 RENTAL GAP ANALYSIS, 2014

Annual Income	# of Renters	Affordable Rent-Low	Affordable Rent-High	Number of Rentals	Gap
\$0-\$9,999	0	\$ 0	\$ 250.00	0	0
\$10,000-\$19,999	117	\$ 250.00	\$ 499.98	89	-28
\$20,000-\$34,999	186	\$ 500.00	\$ 874.98	146	-40
\$35,000-\$49,999	78	\$ 875.00	\$ 1,249.98	189	111
\$50,000-\$74,999	73	\$ 1,250.00	\$ 1,874.98	33	-40
\$75,000-\$99,999	0	\$ 1,875.00	\$ 2,499.98	0	0
\$100,000+	14	\$ 2,500.00	+	0	-14

The second item to be noted is that this a rental gap for the current situation this does not take into account potential renters looking to move into the city. Also, as the population and the number of households grow, the demand for rentals will most likely grow as well.

Homeownership Affordability

Homeownership has increased by 1% since 2000 and was at 64% in 2014, lower than the state of Wisconsin at 68% and Polk County at 78%.

House Ownership Affordability for Homeowners and Renters

The median household annual income was \$39,788 in 2014. Assuming that there no household debt and a 30 year fixed mortgage, the median household could afford a house valued between \$132,3000 to \$154,700 given an interest rate between 3.5% and 4.0% with a \$10,000 to \$20,000 down payment. This is a conservative approach, with no more than a 36 debt to income ratio and no more than 28% gross income going towards housing expenses. This household would have a range of monthly housing costs of \$897 to \$928 including mortgage, property taxes, private mortgage insurance, and home insurance. This doesn't include basic utilities. (realtor. com)

FIG. 2.10 HOME VALUES AND INCREASES, 1990-2014				
Value of Owner Occupied Units	2014 Percent	2010 Percent	2000 Percent	1990 Percent
Under \$50,000	23%	16%	5.5%	30.3%
\$50,000 to \$99,999	11%	24%	54.1%	64.3%
\$100,000 to 149,000	39%	21%	27.4%	4.6%
\$150,000 to 199,999	25%	24%	9.7%	0.4%
\$200,00 to \$299,999	3%	10%	3.3%	0.4%
\$300,000 to 749,999	0%	5%	0.0%	0.0%

The median house value was \$120,100. (The median house price was not available). Approximately 50% of houses had values between \$90,000 to \$174,999. In 2010,

the median house value was 119,100 and in 2000 is was \$93,500. This is a 28 percentage increase in house values from 2000 and more comparable to 22.8 percent increase in the median household income during the same time period. Given this range and the previously made assumptions, the median Amery household appears well matched to the housing market.

However, the median house owner is generally wealthier than the renter household as evidenced by the resident survey (Section 3), which found that homeowners make up 97% of all gross annual incomes of \$50,000 and above. The median income for a household with a mortgage was \$74,464 and the median value of a household with a mortgage was \$138,000. 35.7% of homeowners with mortgages were housing burdened, but mostly largely from lower income categories.

The median renter household, assuming no debt and a 30 year fixed mortgage, could afford a house between \$102,400 to \$124,6000 given an interest rate between 3.5% and 4.0% with a \$10,000 to \$20,000 down payment. Given that the current median gross rent is high and the rental gap analysis, there are many renter households in the city that may be better off buying given the investment of their down payment and the net proceeds of a sale.

The Housing Study

CITY OF AMERY HOUSING SURVEYS

In addition to data gathered from external sources such as the American Community Survey, the City of Amery fielded three surveys regarding housing within the city. The City surveyed the three main categories of people in Amery, in regards to housing, that can be found in the city on a daily basis: owners and renters of Amery homes, commuters (specifically those that commute into Amery for work), and landlords of Amery rental properties.

The household survey (targeted at homeowners and renters) was administered both via the City’s website and via hardcopy delivered either by mail with the quarterly water bill or by door hanger. Door hangers were used primarily on rental properties as the landlords of these properties usually receive the quarterly water bill from the City, not the tenants themselves.

The commuter survey was also administered via the City’s website and via hardcopy. Hardcopies were delivered to the largest employers in the city who have many commuting employees such as the hospital, school district, and various manufactures.

The landlord survey was administered solely through hardcopy.

Survey recipients were incentivized to participate by being entered into a drawing for gift cards once their completed survey was returned to the City.

AMERY HOUSEHOLD SURVEY

Survey Participants

314 household surveys were completed. Of the approximately 1,168 hardcopy surveys delivered, 281 hardcopy surveys were returned to the City. An additional 33 surveys were completed via the City’s website. 263 respondents were homeowners, and 51 respondents were renters.

The age of participants ranged from under 25 years of age to over 65 years of age. Figure 3.1 illustrates how not only was there a wide age range among participants but that over 50% of the participants were also 65 or older and 77% over the age of 44.

Figure 3.2 shows a breakdown of respondents by tenure in their current home. While the “1-5 years” category is the single largest category, over half of the total respondents have been in their current home for over 10 years with a full 25% having been in

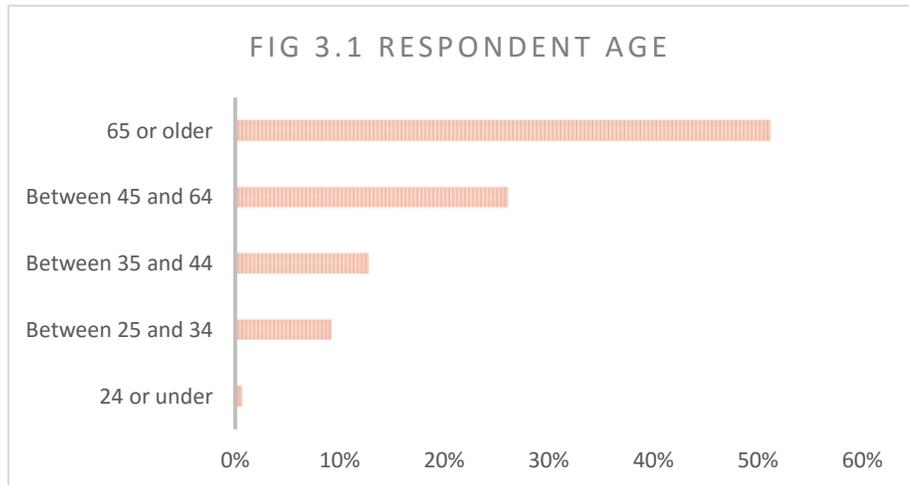
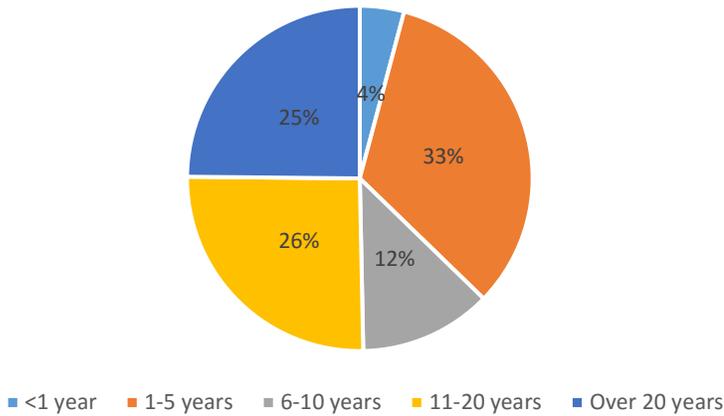


FIG. 3.2 Tenure in Current Home (Residents)

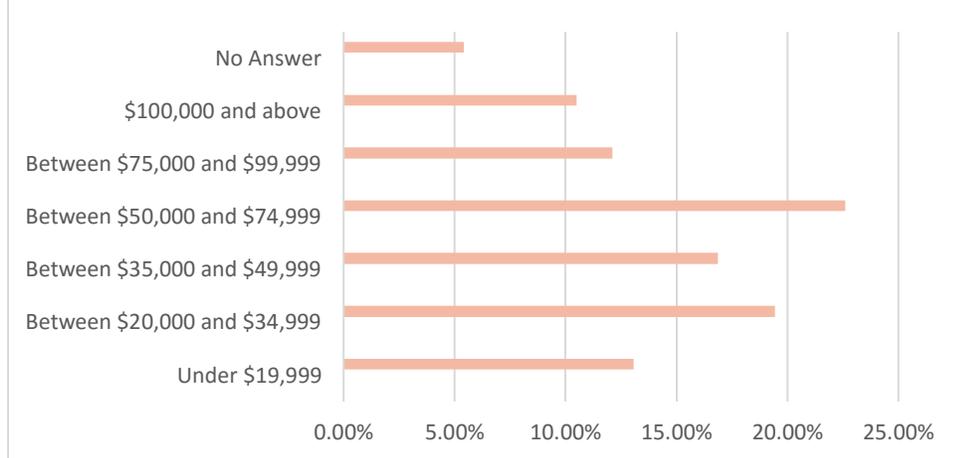


their current home for over 20 years. For those in growing and developing communities, this statistic may seem quite high. With a vast majority (77%) of survey participants being over the 45 years of age or older, however, that number is more easily understood.

Additionally, many respondents mentioned in the “comments” section of the survey that they have lived in or near Amery much or all of their lives, which would also help explain this number.

Survey participants were also asked the annual gross income for their households (Figure 3.3). Household incomes were almost evenly split between those with gross incomes of under \$50,000 per year (49%) and those with gross incomes of over \$50,000 per year (45%). 17 respondents did

FIG. 3.3 Resident Income

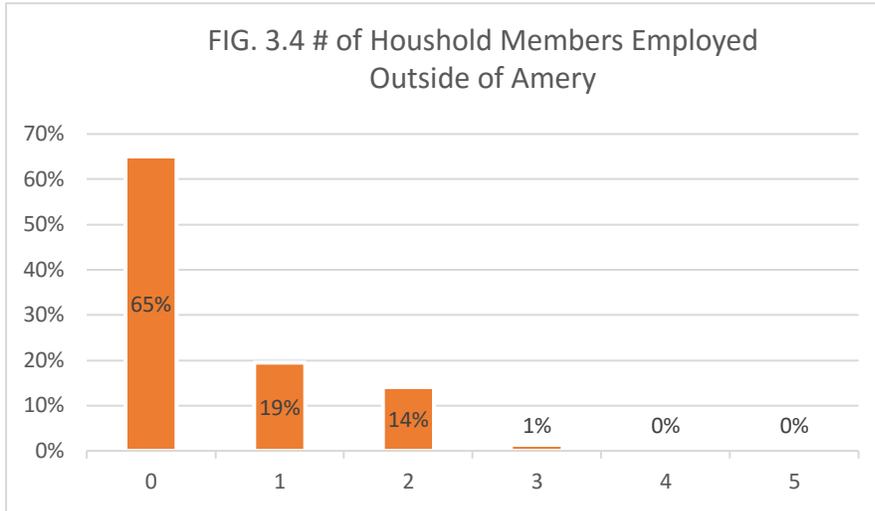


not answer the income question. This seems consistent with the Census Bureau’s 2014 \$39,788 median household income for Amery residents, especially as 19% of respondents categorized themselves with incomes between

\$20,000 and \$34,999 and 17% of respondents with incomes between \$35,000 and \$49,999. Surprisingly, however, the single largest income category selected by respondents was “between \$50,000 and \$74,999. This could be, however, as the majority of survey respondents (84%) were homeowners who tended to indicate higher annual incomes than those of the renters.

65 percent of survey respondents indicated that zero household members 18 years of age or older were employed outside of Amery (Figure 3.4). 19 percent indicated that only one household member is employed outside of the city while 14% indicated that two household members are employed outside of the city. It is important to note that the low respondent employment rate

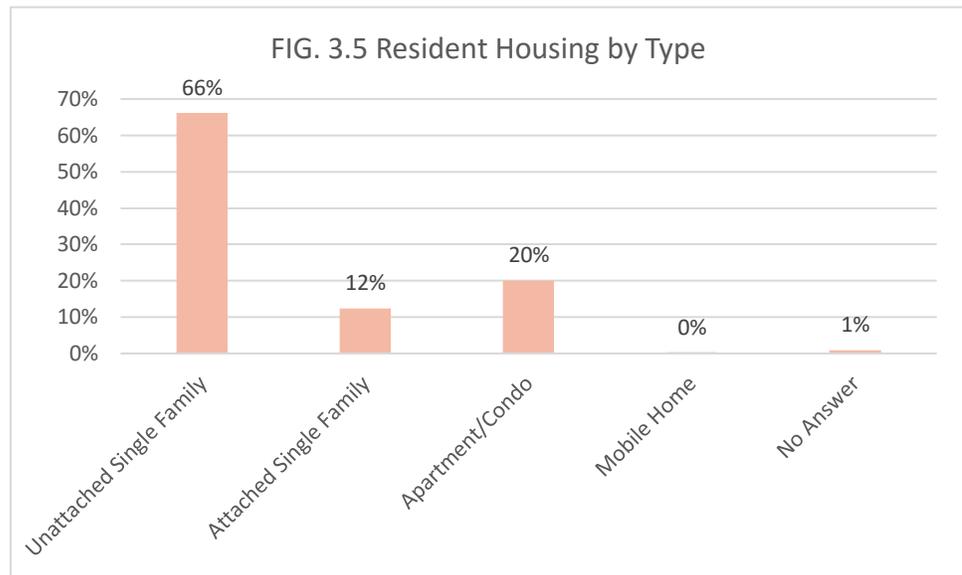
outside of the city was likely impacted by over 50% of respondents being 65 or older and, therefore, does not necessarily accurately represent the employment environment in Amery.



Resident Housing

Figure 3.5 shows a breakdown of respondent housing by type. While, according to 2014 data, 48% of all housing in Amery is unattached, single family housing, 66% percent of resident survey respondents identified as living in an unattached, single family home. This high response

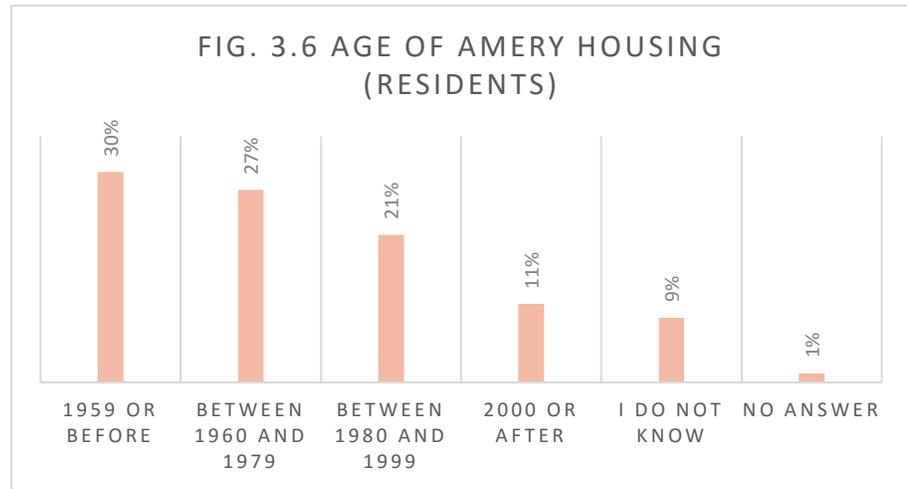
rate compared to the overall percentage of unattached, single family homes may likely be a combined result of the older age of the respondents and that 84% of respondents are homeowners. 12 percent of respondents did identify as living in an attached, single family home, however, which is on par with the type’s total housing share within Amery. Interestingly, of the 314 respondents, only one identified as living in a mobile home, which, according to 2014, data make up 12% of the total housing in Amery.



Closely following the most recent data

on the age of the housing in Amery (Figure 2.2 in Section 2), 30% of respondents listed the age of their home as being built prior to 1960 (Figure 3.6). However, the “between 1960 and 1979” category had a response rate 5% higher than the total percentage for Amery, and the “between 1980 and 1999” category had a response rate 17% lower than the total percentage for Amery.

Again, both of these irregularities can likely be attributed to both the older age of respondents combined with the average tenure of respondents in their homes. 10 percent of respondents also indicated either not knowing they age of their home or provided no response. Many of these respondents, however, indicated living in an apartment building.



Amongst the eight factors provided in the survey, 32% of respondents selected “housing costs” as the most important factor when choosing a home (Figure 3.7). The next most important factor was “living in the city/close to amenities” at 19%. With housing being the single largest household expenditure (33.3% of total average household expenditures followed only by transportation expenditures at 17% according to the Bureau of Labor Statistics for 2014), it should not be surprising that “housing costs” was the most selected factor when choosing a home, especially as the median rent (and home cost) continues to rise at a rate higher than that of the median household income.

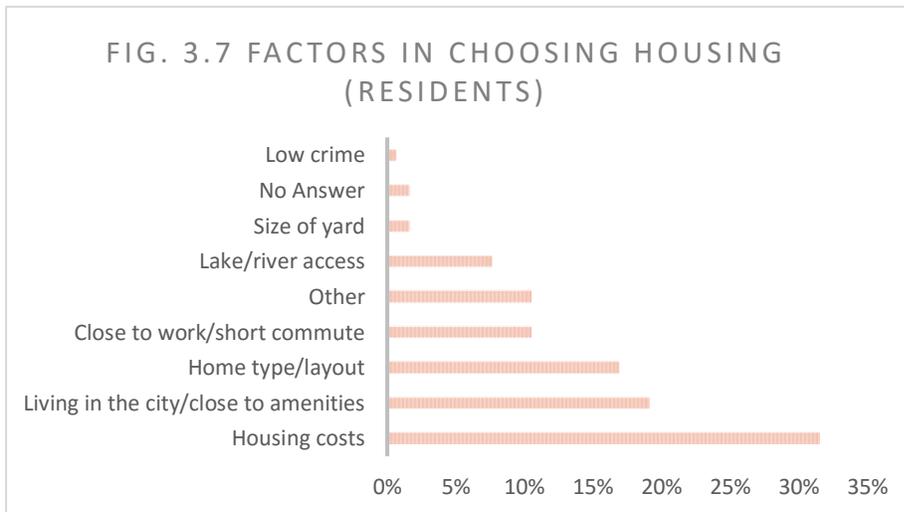
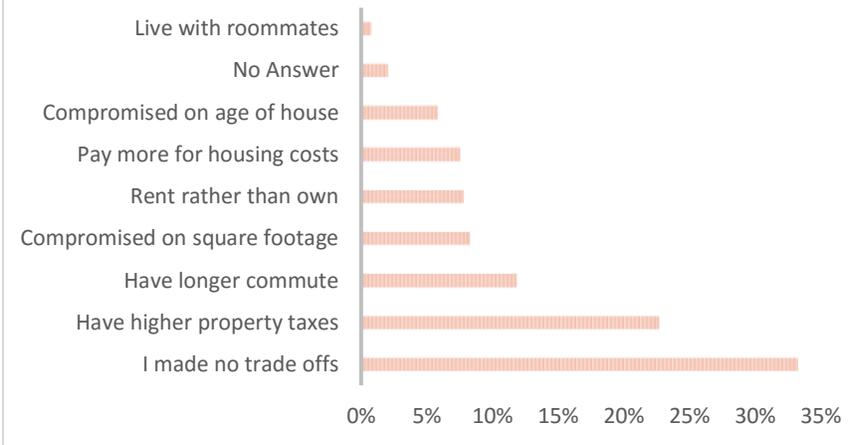


Figure 3.8 shows the distribution of the trade-offs survey participants made when deciding to live within Amery city limits. 33 percent of respondents responded as having made no trade-offs when deciding to live within city limits. The only other trade-offs that were selected more

10% of the time were “have higher property taxes” and “have longer commute” at 23% and 12% respectively. Interestingly, although the median cost of rent has steadily continued to rise (especially with an almost 0% vacancy rate in Amery) only 8% of respondents listed “pay more for housing costs” as a trade-off to living within Amery city limits, which could be a result of the hire tenure rate in Amery (i.e. costs were not high when people originally bought their homes).

FIG 3.8 HOUSING TRADE-OFFS



46 percent of survey participants indicated that their latest housing search took one to six months before they found their current home (Figure 3.9). While an additional 26% of respondents indicated a one month or less housing search, 6% of participants did indicated that their search either took over one year or that they never find a home.

68 percent of participants indicated that they are not planning on moving within the next five years. Of those who indicated they are planning on moving, 25% listed finding senior housing as their reason to move while 14% cited unaffordable property taxes and another 24% listed “other.”

FIG. 3.9 LENGTH OF HOUSING SEARCH

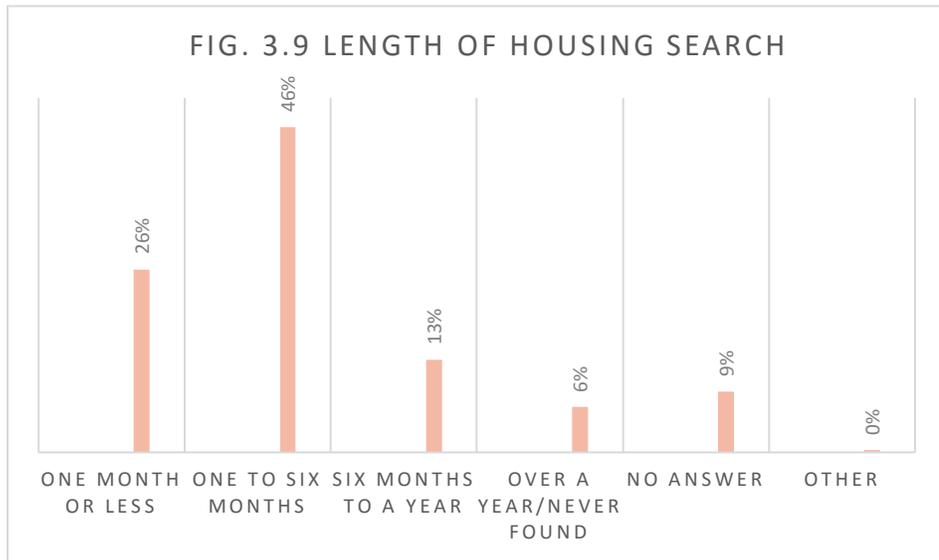


FIG. 3.10 AVERAGE MONTHLY HOUSING EXPENDITURES (RESIDENTS)

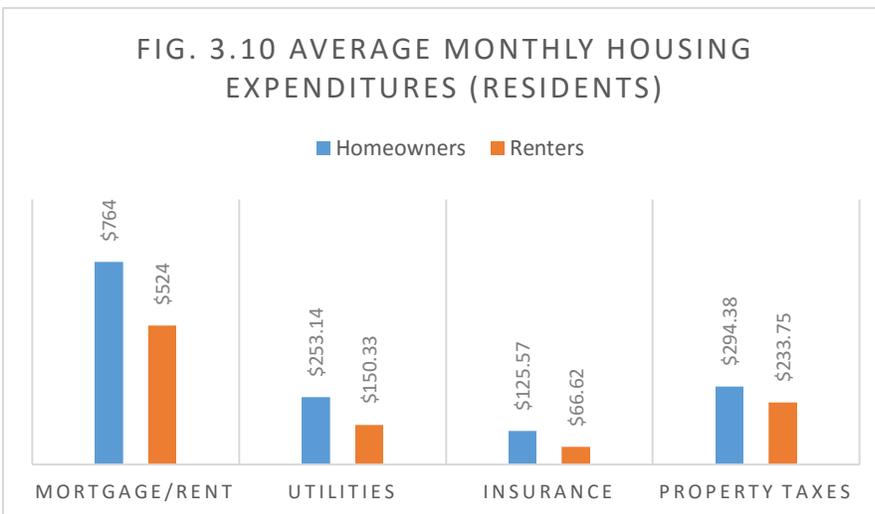
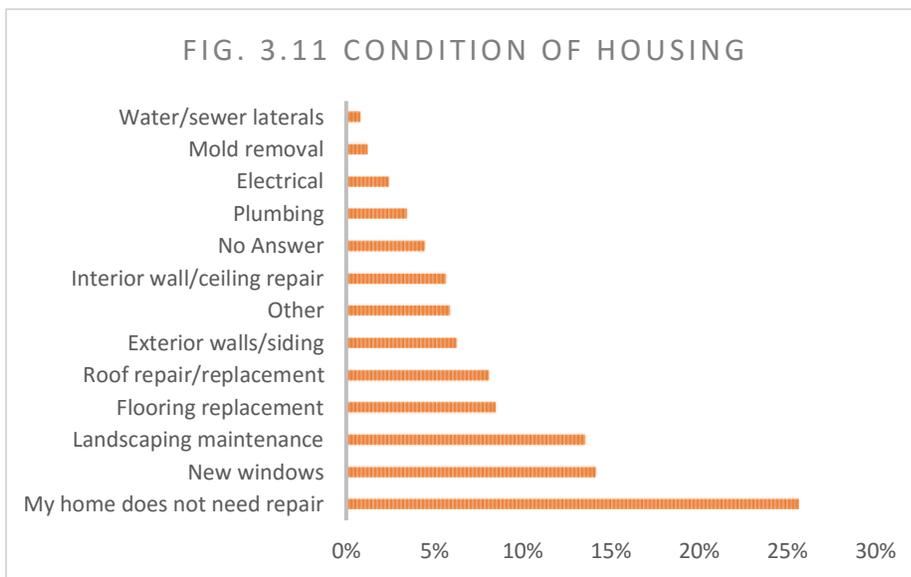


Figure 3.10 shows the average monthly housing expenses for homeowners and renters. On average, the total monthly housing expenses (mortgage/rent, utilities, insurance, and property taxes) for homeowners is 47% higher than those of renters with the largest individual difference

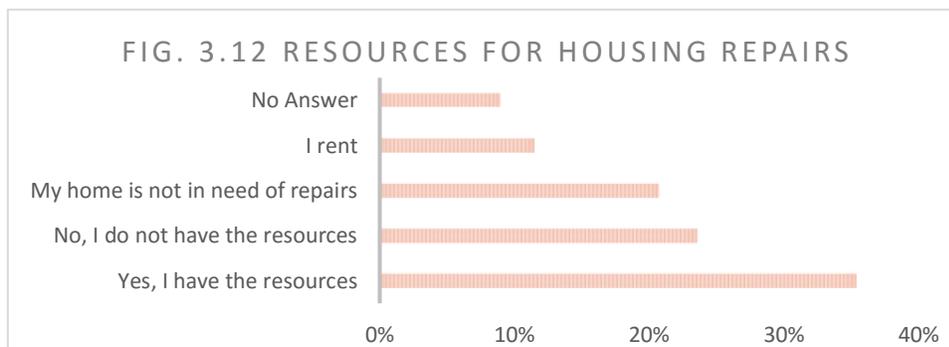
being between homeowners' insurance over renters' insurance. Additionally, while the graphs show only a 26% difference between the average monthly property taxes of homeowners and renters, only 4 respondents who identified as renters provided an answer for their property tax payment. This is mostly a result of, as many respondents wrote on their surveys, landlords incorporating property tax directly into monthly rent. Similarly, 54% of identified renters answered "N/A" or "0" under homeowner/renter insurance as it is usually tied into their monthly rent. Overall, these numbers match closely with those of the 2014 American Community Survey.

Survey participants were also asked whether or not their homes need repairs and, if so, what kind of repairs are needed. 26 percent of respondents indicated that their homes do not require any repairs (Figure 3.11). Of the 11 repair types provided to respondents from which to choose, "new windows" and "landscaping maintenance" received the most selections at 14% each with



"flooring replacement" and "roof repair/replacement" coming in second with 8% each. 4 percent of participants chose not to answer the question. In regards to this question, it is important to notice, however, that "repairs" can be subjective in the eyes of the participant. What may be seen as in need of

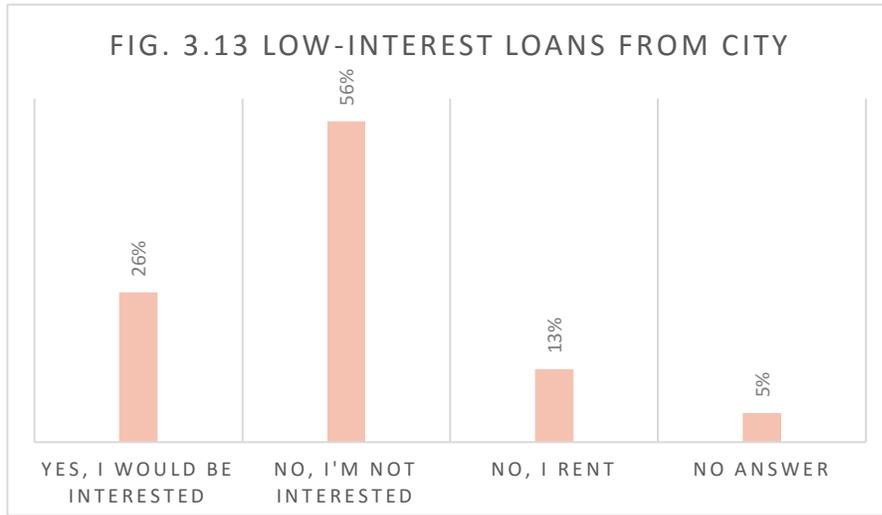
repair by an outsider may not be seen as needing of repairs by the homeowner and vice versa. Additionally, a homeowner, for example, may want their kitchen floor replaced but not see it as a "needed repair" while another person might. Finally, in a follow-up question, only 8 respondents (3%) identified their homes as "unlivable because of repairs needed."



Following the needed repairs question, participants were asked if they had the resources for needed repairs and if they were interested in low-interest loans from

the City. Figure 3.12 shows that 35% of respondents identified as having the resources to conduct repairs while 24% identified as not having enough resources. 56 percent of respondents

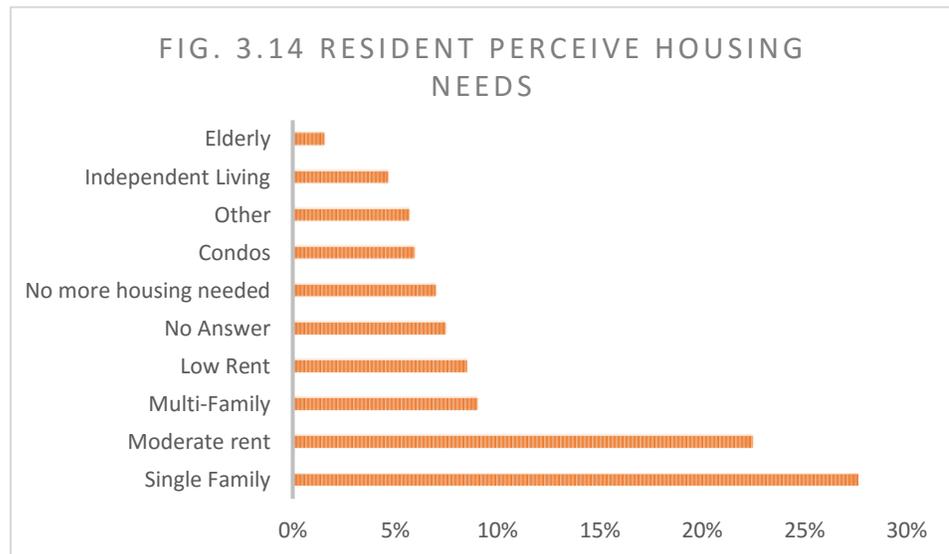
also responded as not being interested in low-interest loans from the City with 26% showing interest (Figure 3.13).



The second to last question participants were asked inquired about what additional types of housing they believe Amery needs. The plurality of respondents (28%) selected “single family housing” as the type of housing most needed in Amery, with “moderate rent housing”

coming in a close second at 22% (Figure 3.14). No other housing type was selected by more than 10% of respondents. It is important to note that while 9% of respondents did selected “low rent housing” as a need in Amery, many clarified their answers by writing that low, unsubsidized rent is needed as they believe that, for the population of Amery, there is already more than enough subsidized or Section 8 housing available.

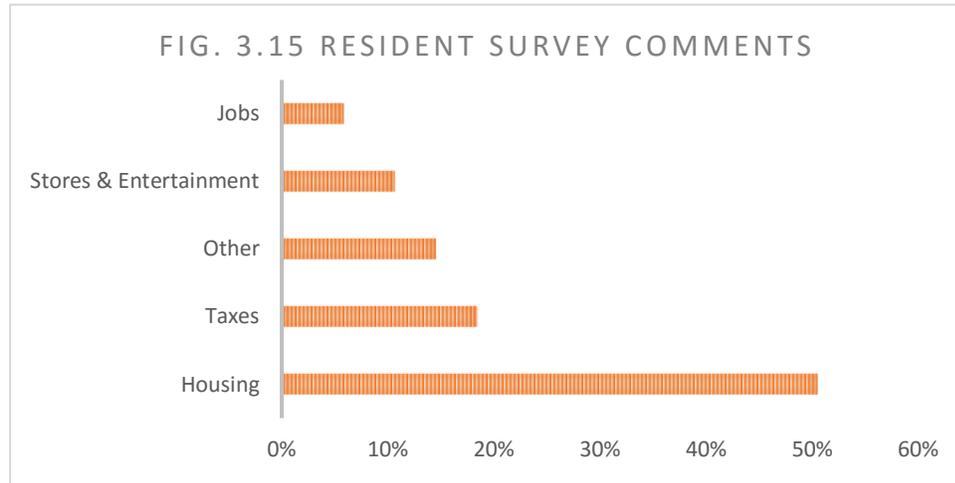
At the very end of the survey, participants were provided the opportunity to give any additional comments regarding housing in Amery. 32 percent of respondents provided comments.



Comments were grouped into 5 categories: Housing, Taxes, Jobs, Stores & Entertainment, and Other (Figure 3.15). Overall, 50% of comments left were in regards to housing in Amery. Like the previous question, many comments discussed the lack of affordable single family housing both to own and rent. Within these comments, the affordability aspect was the most prominent. Many discussed how they perceive Amery as losing many young professionals and young families to other communities due to either the lack of housing that accommodates their needs or to mortgage and rental rates that are just too high. As stated before, commenters discussed that lower or moderate rent housing is needed, but not subsidized or Section 8 housing. Additionally,

respondents discussed the lack of housing maintenance (i.e. trash in yards, overgrown landscaping, and housing in general disrepair) as impediments on the Amery housing market.

Trailing “housing” comments by quite a bit but still with 18% of all comments provided was the concern (or more appropriately frustration) over the property tax rates in Amery. Commenters felt that property taxes are unreasonably high in Amery compared to the city’s surrounding communities. Commenters were also displeased with the perceived high property taxes rates as, in their opinion, city infrastructure (roads, sidewalks, parks, etc.) go unrepaired or unmaintained. Many of the “other” comments also addressed a lack of public infrastructure maintenance or



general dissatisfaction with City services.

Finally, some respondents (a combined 17%) listed a lack of quality jobs, a lack of shopping, and a lack of quality entertainments, especially for youth

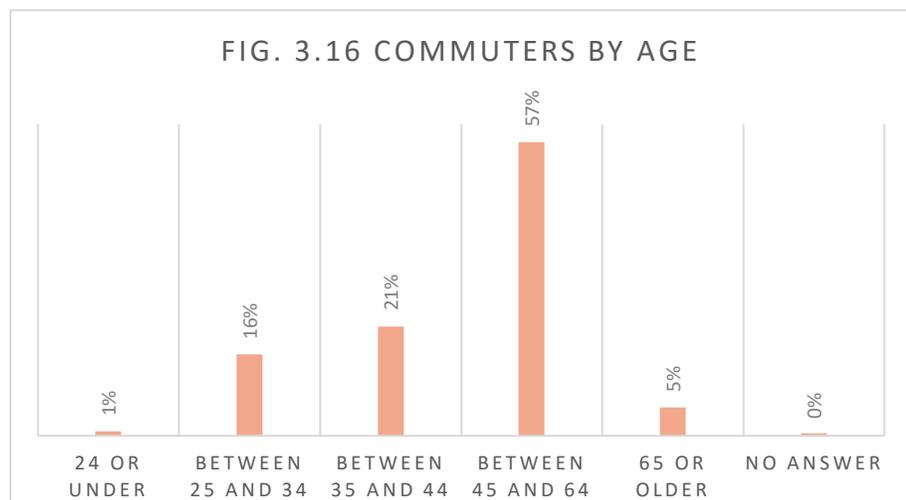
and young professionals, as obstructions to growth in Amery.

COMMUTER SURVEY

Commuter Demographics

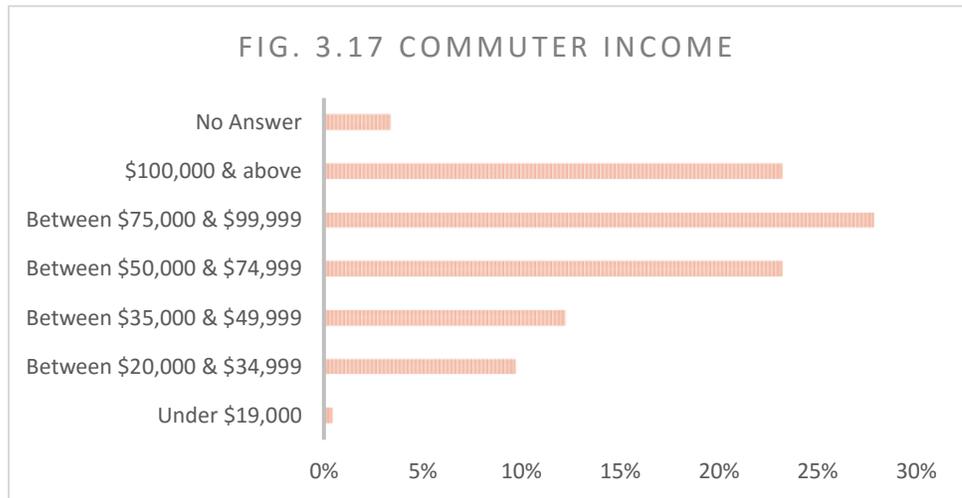
237 commuter surveys were filled out by those who work but do not live in Amery. Participants commuted into Amery from 50 different communities, 5 of which are in Minnesota. Unlike the Amery resident survey, 54 percent of participants completed the survey online through the City’s website and 46% through hardcopy. 86 percent of respondents identified as homeowners with 14% identifying as renters.

Just as with the resident survey, the age range for participants in the commuter survey ranged from under 25 year of age to over 65 years of age. The largest subsection of participants (almost 3 times larger than any other age group) was



participants between 45 and 64 with 57% (Figure 3.16). This group was then followed by 35 to 44 year olds (21%) and 25 to 34 year olds (16%). In stark contrast to the resident survey, however, only 5% of participants were 65 or older. This is likely due to much of this age group being retired.

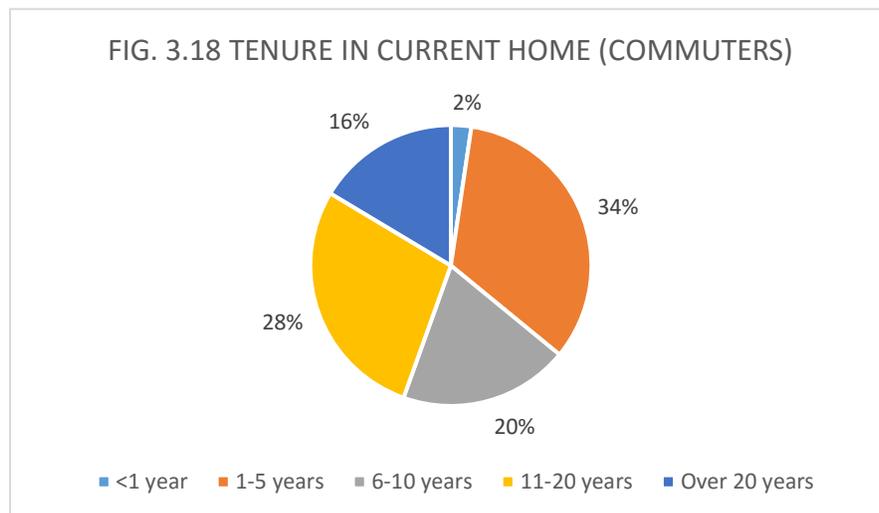
The annual gross household income for commuters was relatively spread out amongst the six different salary brackets as no single income bracket was selected by more than 30% of respondents (Figure 3.17). However, the annual gross income for commuters tended much higher than Amery residents, with 74% of commuters having an annual gross income of \$50,000 or higher compared to the 45% by Amery residents. This should not be taken as an indication that the average annual gross household income in Amery is that much lower than those in other communities, however.



Remember, 65% of

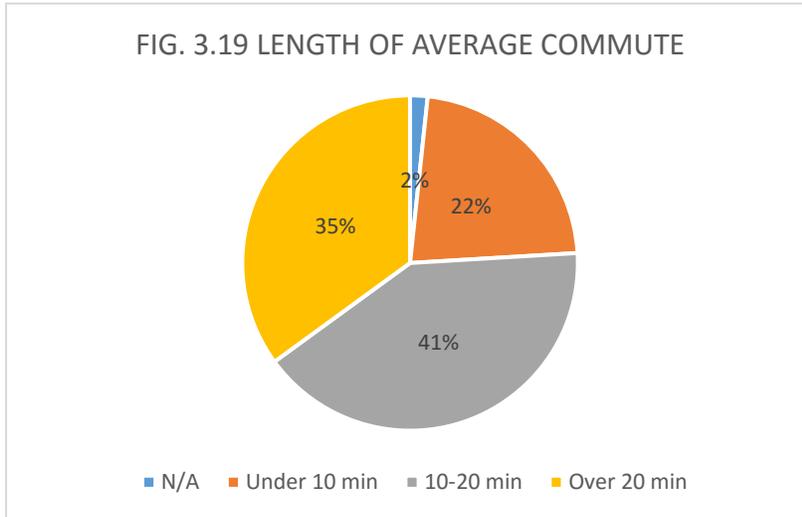
resident survey respondents indicated that no one over the age of 18 was employed outside of Amery. So, in theory, Amery residents should have the same jobs as those who commute into Amery for work. The likely cause for this disparity is the fact that those who took the commuter survey are on average younger and currently employed while over 50% of resident survey respondents are 65 or older, many of whom are retired.

For commuter survey respondents, the largest tenure in current home bracket was “1-5 years” (Figure 3.18). However, like Amery residents, almost 50% of respondents have lived in their



current home over 10 years, 77% of whom have lived in their current home for over 20 years. It is important to point out, however, that these numbers do not represent all commuter survey respondents as the tenure questions was only included in the online version of the survey.

Commuters were also asked the length of their average commute into Amery. Of all 237 respondents, the average commute was 20 minutes. Figure 3.19 breaks down respondents' average commutes. While the average of all commutes was only 20 minutes, 35% of respondents do have an average commute of over 20 minutes, however. Only 22 percent of respondents indicated having a commute of less than 10 minutes.

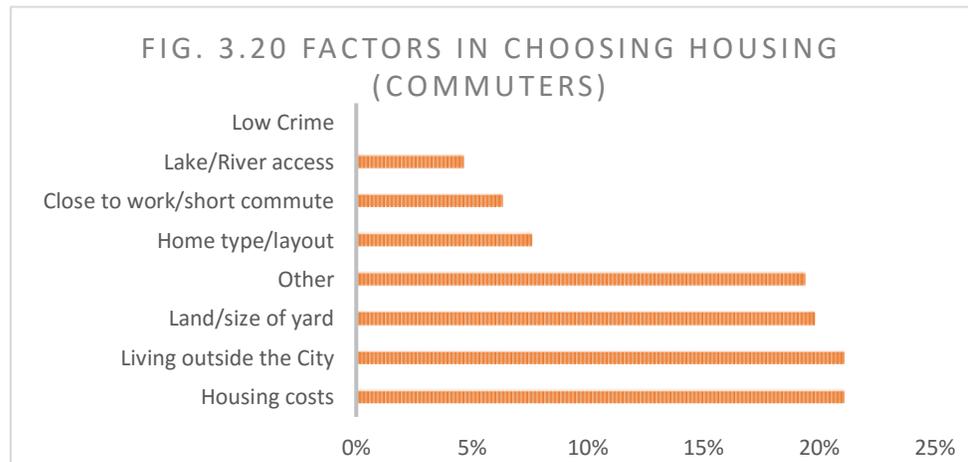


Commuter Housing

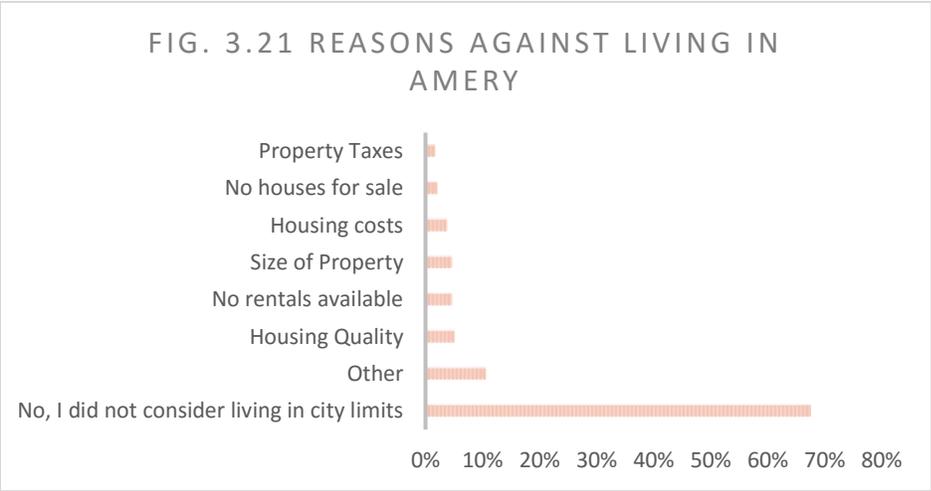
While commuters were not asked what type of housing they live in, they were asked the factor that most influenced them when they last looked for a house. Like Amery residents, “housing costs” was the most selected factor (Figure 3.20). Unlike Amery residents, however, 21% of commuters listed “living outside the city” as an important factor was

choosing a home (which was actually tied with “housing costs”), while “living in the city” was the second most selected factor by Amery residents. Additionally, “land/size of yard” and “other” closely followed at 20% and 19% respectively. Most “other” comments discussed factors such as family owned property, halfway point between each spouse’s place of employment, and wanting to be in the country or on farm land.

Survey participants were then asked if they had considered living in Amery when they last moved, and if no, why not. 68 percent of respondents indicated that they did not consider living in Amery when they last



moved (Figure 3.21). The next most selected reason for not living in Amery was “other.” Here, people often, again, discussed living on family owned property, having farm land, or wanting to live in the country. Interestingly, unlike Amery residents, only 2% of respondents listed property taxes as reason not to move to Amery. “No rentals available” and “no houses for sale” were mentioned by 5% and 2% of respondents respectively.



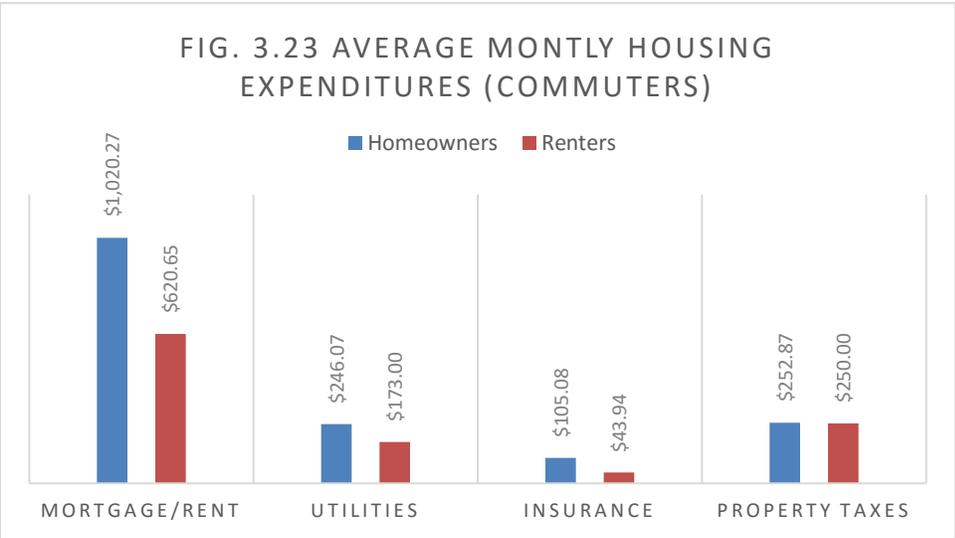
Like Amery residents, 80% of respondents indicated that they have no intention of moving within the next 5 years. “Other” was the next most selected response to the question with the most common explanation being a desire to be closer to work. Desiring to own

a home was listed third most by 5% of respondents.

Participants were also asked if they would be willing to move within Amery city limits and, if so, what housing trade-offs they would be willing to make. An overwhelming 86% of respondents indicated that they would not consider moving within Amery city limits. The only trade-off that was selected by more than 10 participants was “rent rather than own” with 11 selections (5% of all selections).

In addition to the two previous questions, commuter survey participants were asked if they would prefer to rent or own if they moved to Amery. Like the previous question, an overwhelming 73% of participants stated they would not consider moving to Amery. However, 20% did say that if they were to move to Amery, they would want to own a home.

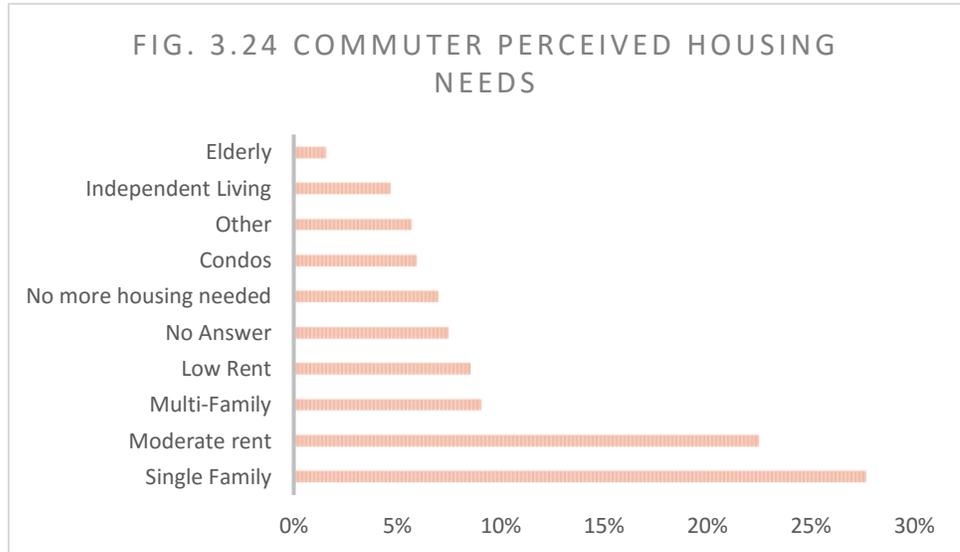
Figure 3.23 shows the average monthly housing expenditures for commuters. On average, commuters have a higher mortgage/rent payments per month than Amery residents. Home



owning commuters have roughly 33% higher mortgage payments on average than Amery homeowners, and commuters who rent, on average, have roughly 18% higher rent payments than Amery renters. Amery residents do tend to pay slightly

more for utilities and homeowners/renters insurance than commuters. Amery residents, on average, also pay approximately 41% higher property taxes than commuters.

Commuters were also asked what kinds of additional housing (if any) they perceive is needed in Amery. Just like Amery residents, single family housing and moderate rent housing were the top two selections at 28% and 22% respectively (Figure 3.24).

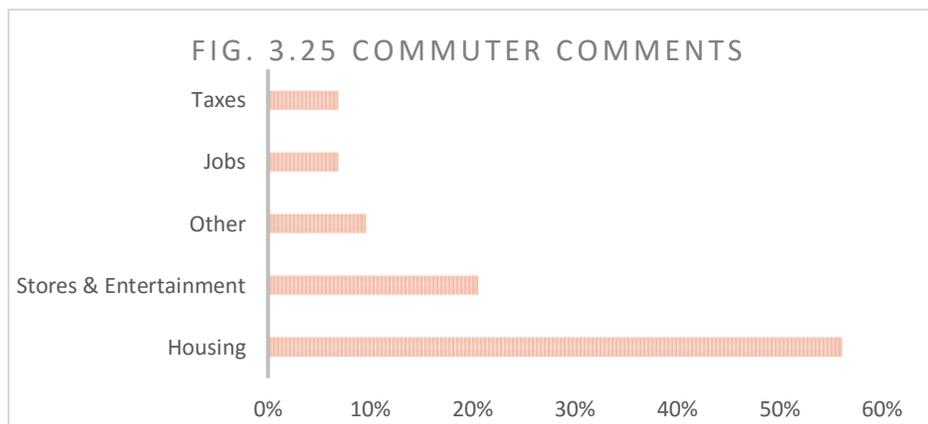


Multi-family and low rent housing were the third most selected housing types at 9% each. Here too, some respondents clarified on their surveys that by “low rent housing” they did not mean subsidized or Section 8 housing.

Lastly on the survey, participants were given the opportunity to provide any other comments they had on housing in Amery. 31 percent of participants provided comments. The number one type of comment with 56% was in regard to housing in Amery (Figure 3.25). Here, commenters discussed a lack of affordable rental housing that is not subsidized, housing that is old and/or not well maintained, and a lack of housing on sizable property.

The second most discussed topic in the comment section was “stores & entertainment” at 21%. Commenters discussed both a lack of shopping options (especially larger department type stores like Target and Wal-Mart) and a lack of entertainment options for both youth and young professionals.

Like Amery residents, jobs were also discussed but by only 7% of commenters. Interestingly, while “taxes” was the second most discussed topic by Amery residents, the topic was with jobs for the least discussed topic by commuters.



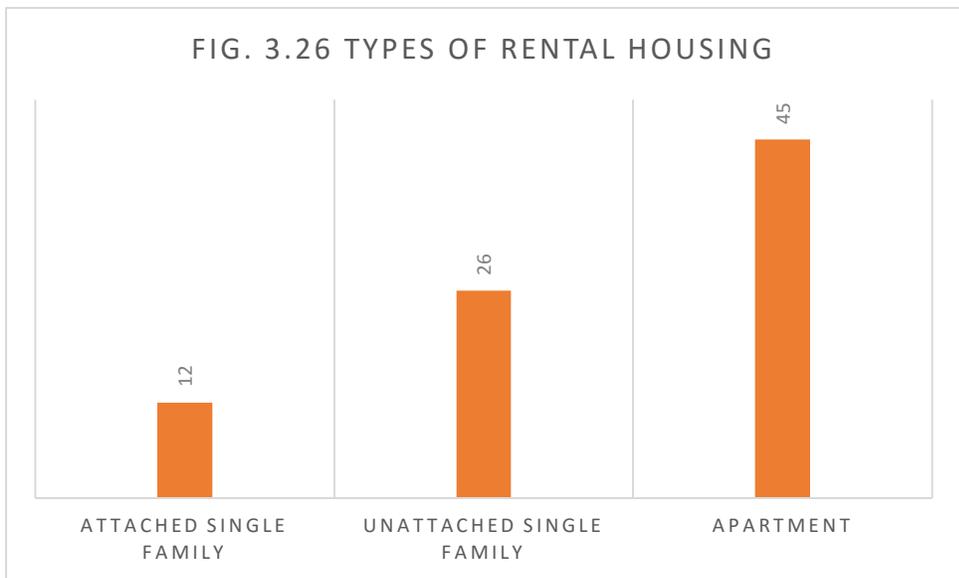
This may be explained, however, by the 44% difference in average property taxes paid by Amery residents and commuters.

Finally, “other” issues (10%) discussed by commenters where public infrastructure (sidewalks, roads, parks, etc.) in poor condition and perceived issues with drugs, theft, and vandalism in Amery.

Landlord Survey

A total of 31 landlord surveys were completed and returned to the City. Survey participants own and/or manage a combined 83 rental housing units.

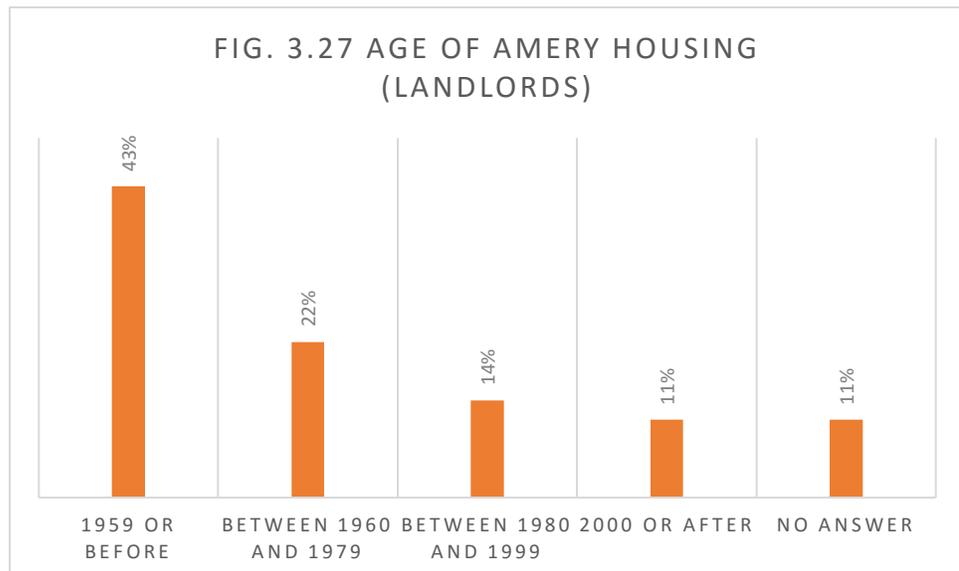
When asked how many rental units each respondent had vacant at the time the survey was completed, only one unit was listed as vacant (survey was completed on April 26, 2016). Additionally, when asked how many rental units had been vacant at one point over the last year (April 2015 to April 2016), only 4 units were listed as having been vacant. Such a low vacancy rate supports the Census Bureau’s almost 0% vacancy rate in Amery.



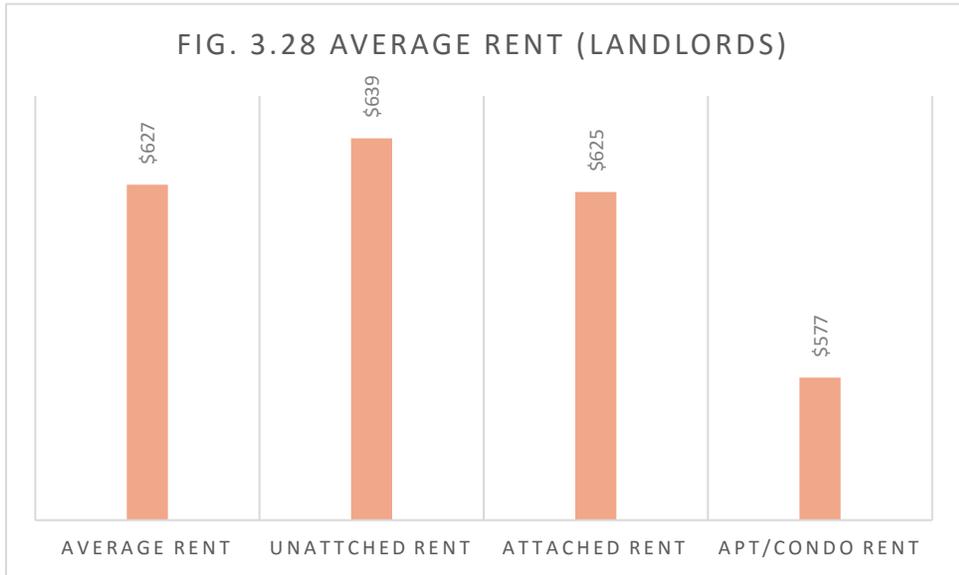
54 percent of the rental housing units included in the landlord survey were listed as apartments (Figure 3.26). Unattached, single family homes and attached, single family homes comprised 31% and 14% of all rental units comprised in the survey.

Of the rental units comprised in the landlord survey, participants indicated that 43% of them were built prior to 1960 (Figure 3.27).

A further 22% of units were build prior to 1980. Only 11% of units were built in the year 2000 or later. This numbers correlate closely with the listed housing ages provided by participants in the resident survey.



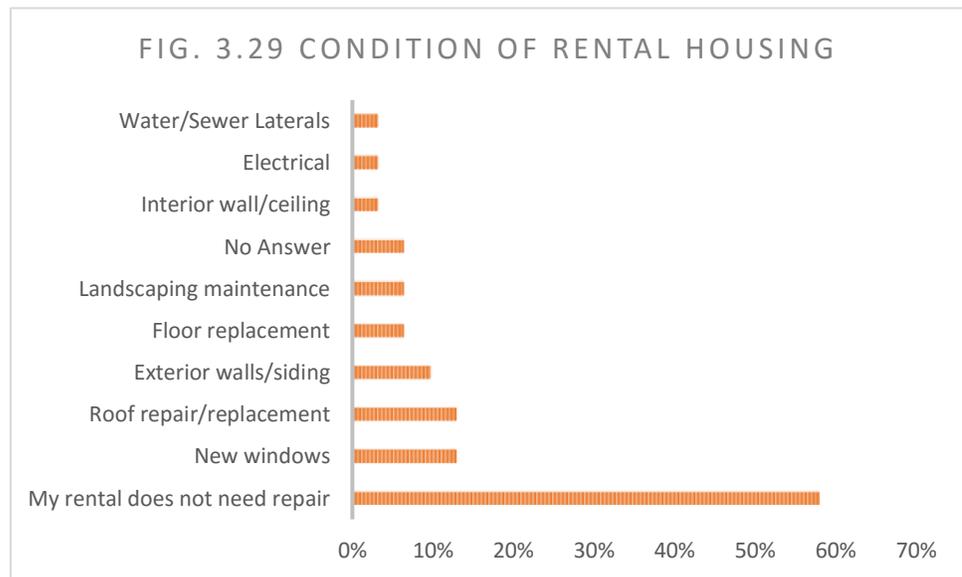
The average rent for the rental units included in the landlord survey is \$627 (Figure 3.28). Unattached, single family homes had the highest average rent of all three rental types, being on average 2.2% higher than unattached, single family homes and 10.7% higher than apartments. This is not surprising given that unattached, single family homes generally have more square footage than both attached, single family homes and apartment in addition not sharing any property with other tenants.



58 percent of survey respondents said that their rental units have no needed repairs. Just like Amery residents, “new windows” was the most selected repair by those who did list needed repairs for their rental units (Figure 3.29). “Roof repair/replacement” and “Exterior

walls/siding” were also top needed repairs.

31 percent of landlord survey participants provided comments in the comments section at the end of the survey. Many respondents commented that more rental properties are definitely needed in Amery. They discussed that, even when they do not have any vacancies, they are regularly contacted about rental vacancies and when vacancies might open up. They also discussed that when they do have a vacancy, it usually fills rather quickly.



Although there is a high demand for rental properties, some comments addressed the negatives to managing rental properties. Some issues are that, while there are a plethora of renters seeking housing, there seems to be a limited number of “quality” applicants as some respondents expressed issues with past renters including drug use and inconsistent payments. Additionally, some believe that they perceived poor job market in Amery causes rental rates to be low, but high tax rates and utility costs result in low profit margins for landlords.

Finally, some respondents commented that the large number of subsidized rental properties in Amery in relation to the City’s population makes it hard for private rentals (especially “low rent” rentals) to compete and that the City does not do a very good job at enforcing ordinances related to rentals such as unit inspections standards and property maintenance.

Potential Development Strategies

THE NEED FOR HOUSING

After analyzing public data from agencies such as the United States Census Bureau as well as from over 400 responses from the three different surveys fielded by the City of Amery, it is safe to say that there is definitely a need for housing in Amery. A lack of housing supply not only results in an increase in housing rents but also stalls the City's ability to grow economically, resulting in businesses choosing to locate themselves in other communities as there is no housing for their employees within city limits. This also results in people who are looking for housing to refrain from looking in Amery due to the lack of amenities offered by such businesses. This will likely have an immediate impact on the industrial park the City is desiring to develop.

But "housing" in and of itself is broad. Are there specific types of housing that are needed in Amery? In short, yes. According to the surveys fielded by the City of Amery, over 25% of both resident survey and commuter survey respondents indicated that single-family housing is the most needed type of housing. "Multi-family" and "moderate rent" housing followed with over 20% and roughly 10% of responses respectively by both resident survey and commuter survey respondents.

WAYS TO INCENTIVES HOUSING DEVELOPMENT

There are many factors that influence housing development including: current housing supply, federal, state, and local housing regulations, zoning policies, buyers' desire to move into the community, the economic situation of the community, and overall construction costs. In order to effective incentives housing development, it is important to understand individual communities' barriers to housing development.

For the City of Amery, current housing supply is low, and there seems to be a general desire amongst buyers to move within city limits. These are both positives for encouraging housing development. However, like most municipalities, zoning policies in Amery restrict housing development to specific areas within city limits, even limiting what types of housing can be built in areas zoned as residential. Additionally, with the level of industry (and thus jobs) having become stagnant over the last few years combined with the generally lower economic standing amongst Amery residents compared to those in metropolitan areas, developers are restrained by both the type of housing they can produce and at what price they can sell it. Recent evaluations put the maximum affordable single-family house in Amery at about \$120,000.

Three main ways to incentives the development of housing in Amery have been identified: reduce zoning restrictions on housing type, reduce or assist with zoning requirements, and provide tax incentives.

Housing Type Restrictions

City of Amery ordinance provides for 4 different types of residential zoning districts within city limits. R-1 residential districts are set aside for primarily single-family detached homes with conditional uses for housing such as bed and breakfast inns, planned unit developments, and

nursing and rest homes for senior citizens. R-2 residential districts are intended for two-family homes including duplexes, flats, or apartment conversions in large, older, single-family homes. Single-family homes are also permitted in R-2 districts with conditional uses for bed and breakfast inns, planned unit developments, and nursing and rest homes for senior citizens. R-3 residential districts are intended for two-family condominium homes (however, condominiums must be zero lot line dwellings). Construction of single-family homes is permitted in R-3 districts. As with the previous two districts, bed and breakfast inns, planned unit developments, and nursing and rest homes for senior citizens are conditionally permitted in R-3 districts. R-4 residential districts are reserved for multi-family housing units (apartments). While two-family (duplex) housing is also permitted in R-4 districts, single-family housing is only permitted on a conditional basis. However, there are no R-4 districts currently zoned within Amery city limits.

By allowing residential housing development in any district no matter the type of housing being built, the City can incentivize new housing developments by providing developers more choice as to which lots to build on instead of limiting their choice to a few specific lots. Additionally, the City may want to consider allowing developers to build housing in areas currently not zoned for residential housing.

Assistance with Zoning Requirements

In addition to relaxing zoning requirements as to the types of housing that may be built, the City may also consider revising and/or assisting with zoning requirements within housing developments. Examples of zoning requirements the City may want to consider assisting with or revising include:

- Street Trees Fee (Section 14-1-20)
- Public improvement requirement (Section 14-1-50)
- Street construction and improvements (Section 14-1-53)
- Curbs, sidewalks, gutters, and sewers (Section 14-1-54 through Section 14-1-58)

Easement or City provided assistance in relation to zoning requirements such as these (many of them construction related) should incentivize developers by reducing their financial contribution to the project while also demonstrating that the City is invested in the project.

Tax and Other Incentives

There are many avenues the City can pursue to provide finance assistance to housing developers and homebuyers. The United States Department of Agriculture (USDA) provides multiple forms of financial assistance to housing developers, specifically in rural areas. Two such programs are the Multi-Family Housing Loan Guarantees Program and the Single Family Home Loan Guarantees Program.

For the Single Family Home Loan Guarantees Program, the USDA “provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.” The funds loaned under this program may be used for a variety of uses including: the purchase of new or existing residential property, repairs or rehabilitation of an existing dwelling, installation of equipment into an existing dwelling to accommodate a

household member who is physically disabled, the purchasing of essential household equipment, and towards a pro rata share of real estate taxes that is due and payable on the property at the time of loan closing. Applicants for this program must be considered low-income or moderate-income¹ (moderate-income threshold for a household of 4 in Polk County is \$75,650 in 2016 while low-income is \$51,050 and very-low-income is \$31,900) and must agree to occupy the dwelling as their primary residence.

The Multi-Family Housing Loan Guarantees Program offered by the USDA operates similarly to the single family program, providing “financing to qualified borrowers to increase the supply of affordable rental housing for low- and moderate-income individuals and families in eligible rural areas and towns.” The funds associated with these loan guarantees may be used for construction, improvement, or the purchase of multi-family rental housing as well as for buying and improving land and providing necessary infrastructure. Unlike the previous program, however, individual persons are not eligible for this program. Only state and local government entities, nonprofit organizations, for-profit organizations, and federally recognized tribes are eligible. Additionally, only low-income and moderate-income households may live in these complexes; rent on individual units cannot exceed 30% of 115% area median income; and complexes must have at least 5 units (although they may contain units that are detached, semi-detached, row houses or multi-family structures).

In addition to grant programs like those offered by the USDA, some municipalities have created programs designed to offer rebates to builders to encourage development within their communities. For example, one city created a program through the city’s utility authority that provided builders rebates of up to \$3,000 depending on the final sale price of the home. As the City of Amery already has over \$300,000 in outstanding home improvement loans, this is a program that could be undertaken by the Amery Economic Development Corporation.

Other ways the City can try to encourage housing development is through the use of funds from Tax Increment Districts (TIDs), which the City is already doing to some extent as well as reduce other costs associated with housing development such as reducing or eliminating impact fees for a period of time. The City of New Richmond, WI used this approach recently, eliminating impact fees for a 1-year period. This, to some extent, helped result in the construction of some 50 new homes during that period.

Another way to incentivize people to move into Amery city limits is to improve the condition of the current housing supply. As shown previously, over 50% of the current housing supply in Amery was constructed prior to 1980 and over 75% constructed prior to the year 2000. With the vast majority of housing in Amery over 20 years old and a large percent over 50 years old, most houses in Amery are likely in need of some type of renovation. Only 25% of resident survey respondents indicated that their homes do not need repair while many listed expensive and

¹ **Median-income** is defined as the greater of 115% of the U.S. median family income or 115% of the average of the state-wide and state non-metro median family incomes or 115/80ths of the area low-income limit. **Low-income** is considered 50%-80% of area median income. **Very-low-income** is considered below 50% of area median income.

needed (and important to buyers) repairs such as new windows, floor replacement, and roof replacement.

As mentioned previously, the City has already conducted a renovation incentive grant program designed to recoup grant funds when owners eventually sell their homes. However, with over \$300,000 in outstanding grant repayments due to participants not moving (something that is not likely to change with over 50% of resident survey respondents indicating that they have lived in their current residents for over 10 years), a similar grant program is not a financially viable option for the City. However, an option the City may want to consider is providing tax credits or reduce the resident's utility bill based upon home improvements conducted. For example, if a resident installed a new roof, the City would take a certain percentage off the resident's property tax or take a certain percentage off the resident's utility bill.

Finally, for developers who believe that the minimum cost to build a home in Amery is more than what most people would be willing to pay, the City could try encourage rent-to-own housing developments where residents enter into a lease agreement with the developer to pay a monthly rent like any other rental housing but with the intent on purchasing the home at a later date for a reduced rate. In this case, much of the monthly "rent" prior to purchase would count as small down payments on the overall cost of the home. This option is good for buyers who do not initially qualify for mortgages large enough to purchase the home outright.

Conclusion

From the data presented throughout this study, it seems evident that the City of Amery is in desperate need of additional housing as well as improvements in its current housing supply. Without such, the City will likely not only cease to grow in population but also economically. Additionally, current housing rents will likely continue to increase if demand increases without the housing supply increasing. Finally, potential residents and companies will choose to locate elsewhere, and Amery will become stagnate.

Unfortunately, additional housing is not something the City can develop overnight. In fact, it can be argued that housing development is not within the City's purview. If it is not directly the City's responsibility to develop housing, then who's responsibility is it and how should it be approached? Housing development is not a one person do all venture. Especially for a small, tightly knit community like Amery, it is a venture that should involve the entire community. Landowners, business owners, and community organizations must court developers; banks must be willing to provide loans to developers and buyers; and the City must develop policies that aid all such parties in the development of housing.

With all the data provided by this study and with the understanding that the most effective way to develop housing within the City of Amery is as a community, the next step in this process should be to create focus groups and/or committees made up of stakeholders both from within and from outside the city. Stakeholders represented in these focus groups/committees should include: developers, city officials, business owners, and other residents of Amery. The purpose of these focus groups/committees would be to further discuss the findings of this study, identify barriers to housing development within Amery, and develop potential action plans for encouraging housing development within Amery city limits.

By using the data presented in this study and taking the next step to involve more stakeholders into the discussion regarding how to bring more housing developments to Amery, the Amery community will be better equipped to encourage housing development and improvement of existing housing moving forward.