

HOUSING IN COOK COUNTY

Care Partners Lunch and Learn
February, 2024

OUTLINE FOR OUR TIME

- 1) HRA: What and Why?
- 2) Housing for Seniors in Cook County
- 3) Cook County Demographics
- 4) HRA Efforts
- 5) Q&A

WHAT IS AN HRA AND WHY IS IT
NEEDED?

THE INCREDIBLE IMPACT OF HOUSING ON OUTCOMES

For Individuals...

- Health outcomes
- Educational attainment
- Job stability
- Economic advancement

For the Community...

- Essential services (hospital, school, fire)
- Employer growth and economic stability
- Tax base (i.e. public services)
- Quality of life



WHAT IS AN HRA?

- The New Deal of 1933 established the original federal funding for housing in U.S.
- 1940s: The Minnesota State Legislature enables local jurisdictions to establish their own public housing and community development agencies.
- The Housing Act of 1949 established a national policy and goal of "a decent home and suitable living environment for every American family"
- 1965: U.S. Department of Housing and Urban Development established
- August, 2021: Cook County HRA established.
 - Director started 4/25/22



The Housing and Redevelopment Authority of Cook County catalyzes and advocates for the creation of safe, stable and attainable housing opportunities for current and future residents.

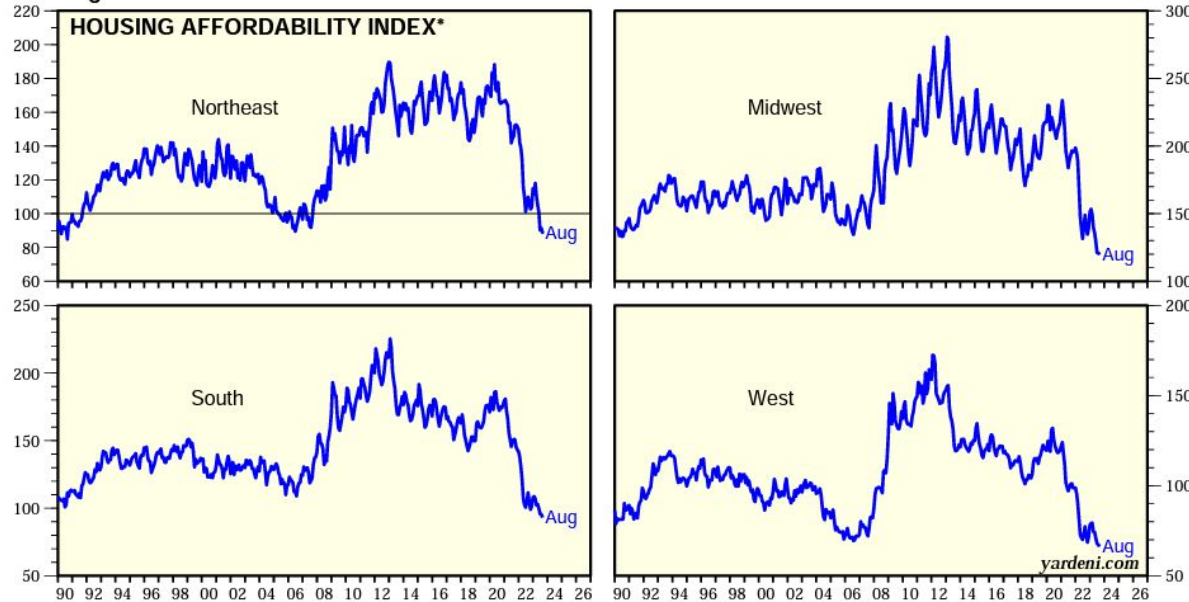


QUESTION FOR YOU!

What is your biggest challenge regarding housing in Cook County?

IT IS EXPENSIVE OUT THERE

Figure 2.



Source: National Association of Realtors.

Market Update

2023 avg. sale price = \$325,000

2019 avg. sale price = \$219,000

A 48% increase in price in four years



INCOMES VERSUS COST

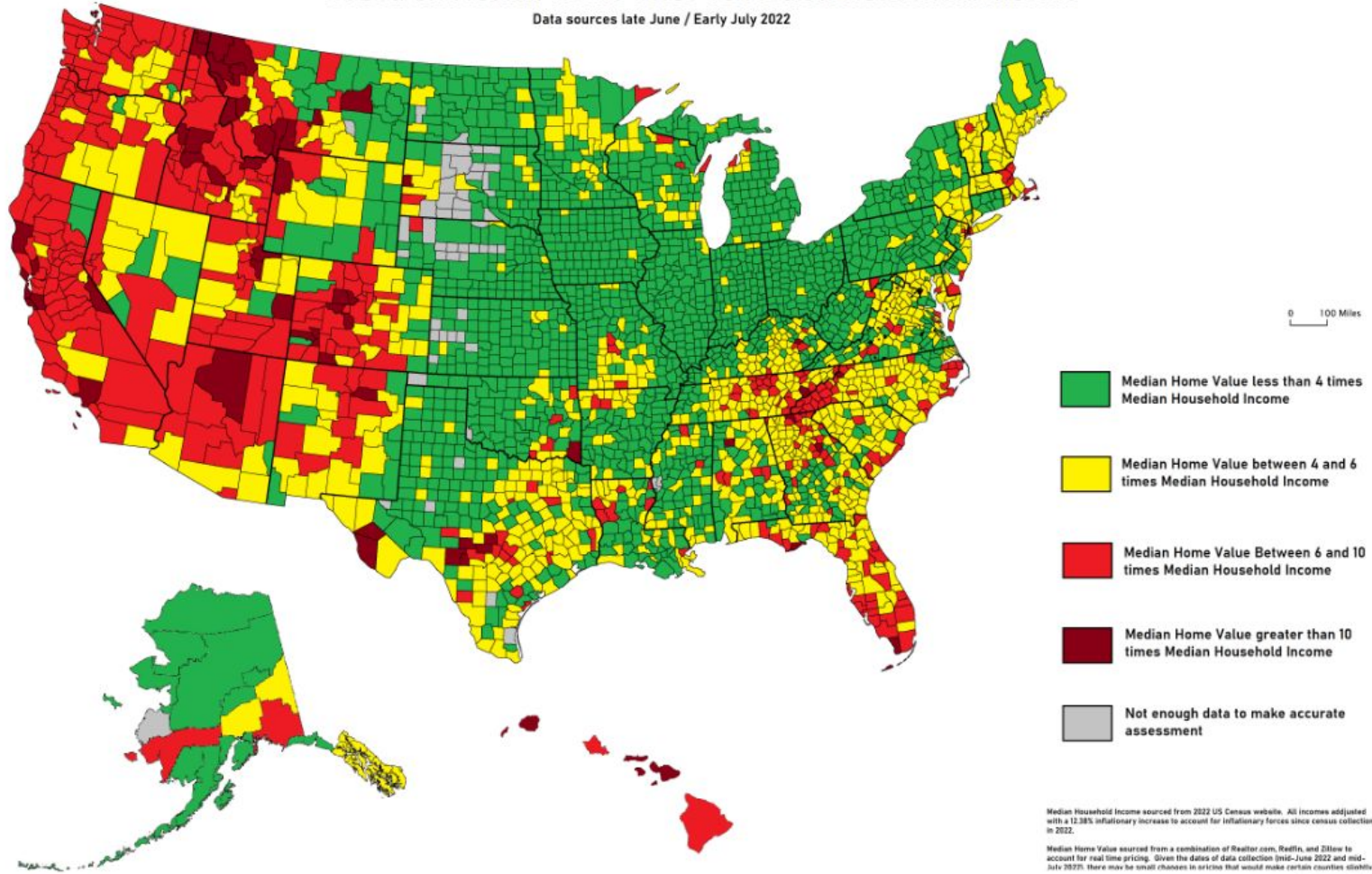
- Median household income in 1965 = \$6,900
- Median home price in 1965 = \$20,000
 - Home cost to income ratio = 2.9
- Median household income in 2023 = \$77,000
- Median home price in 2023 = \$418,000
 - Home cost to income ration = 5.4



US HOUSING AFFORDABILITY BY COUNTY

Based on Median Home Price vs Median Household Income

Data sources late June / Early July 2022



Median Household Income sourced from 2022 US Census website. All incomes adjusted with a 12.38% inflationary increase to account for inflationary forces since census collection in 2022.

Median Home Value sourced from a combination of Realtor.com, Redfin, and Zillow to account for real time pricing. Given the dates of data collection (mid-June 2022 and mid-July 2022), there may be small changes in ratios that would make certain counties eligible.

© RealtyHub.com - July 2022

PROJECTED DEMAND

Summary of Projected Housing Needs by 2026

- We could absorb approximately 520-615 units
- 80- 115 Senior Housing Units

	Estimated Demand
Affordable Senior Housing	10 - 15
Market-Rate Active Adult	
For-Sale Senior Housing	0 - 0
Rental Senior Housing	10 - 20
Market-Rate Independent Living/Congregate	10 - 15
Market-Rate Assisted Living	
Assisted Living	30 - 40
Memory Care	20 - 25

Source: LOCi Consulting LLC



QUESTION FOR YOU!

How many of you plan to move into a different housing situation in the next:

- 2 years?
- 5 years?
- 10 years?
- Not planning to move again?

HOUSING FOR SENIORS IN COOK COUNTY

EXISTING SENIOR HOUSING

Market Rate for sale (55+)

- Homestead Cooperative- Grand Marais
 - 26- 1 and 2 bedroom single-family units

Affordable Rental (62+)

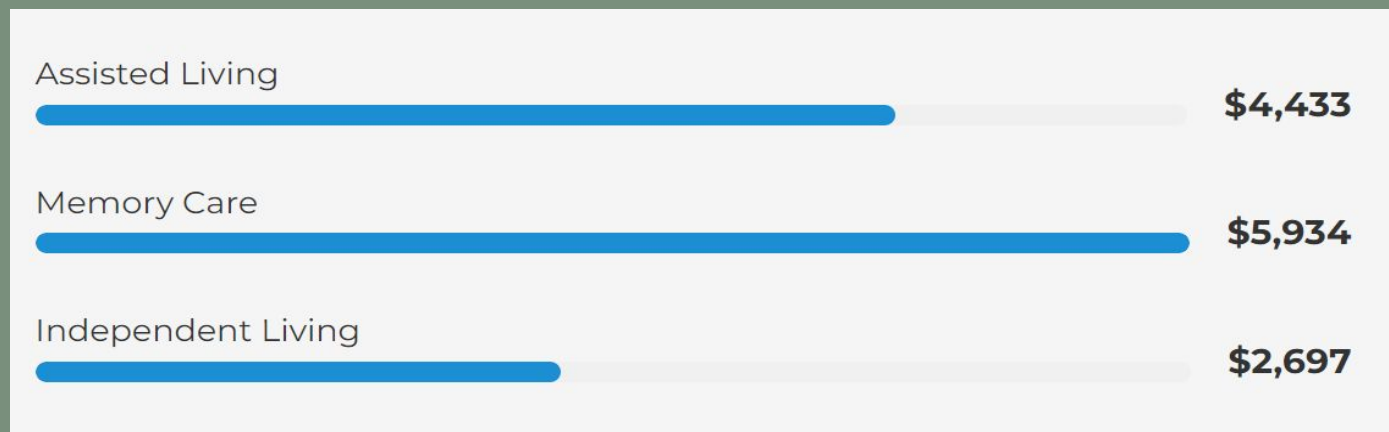
- Grand Marais Apartments- Grand Marais
 - 16 – 1 and 2 bedroom units
- Sawtooth Ridges- Grand Marais
 - 27 – 1 bedroom units
- Harborview Apartments – Grand Marais
 - 31- 1 and 2 bedroom units



HOUSING WITH SERVICES

- North Shore Living- 37 bed nursing home in Grand Marais.
- There are no assisted living or memory care assisted living properties in Cook County.
 - Closest is in Silver Bay

According to the 2021 Glenworth Cost of Care survey, average monthly facility costs* in MN include:



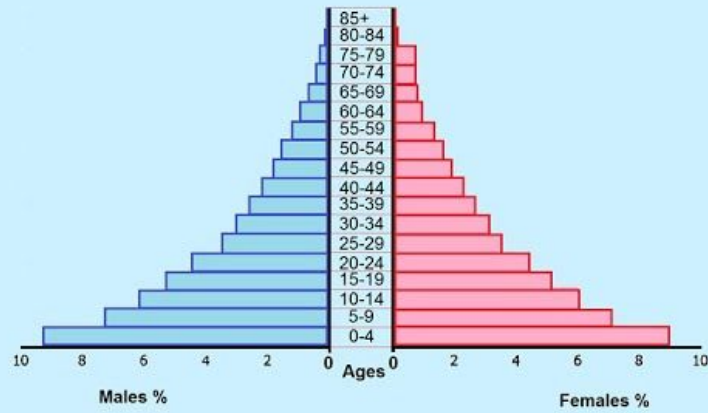
*Does not include Elderly Waiver program/Medicaid

DEMOGRAPHIC SITUATION

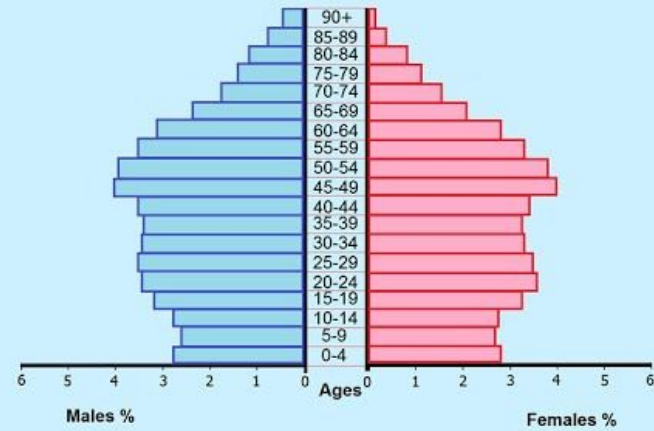
STATE DEMOGRAPHIC CENTER PROJECTIONS

- The Arrowhead region (EDR 3) in the Northeast corner of the state will experience the greatest loss at -19,200 residents.
- Population in Cook County will peak in 2034 at 5975, then decline.
 - By 2050 there will be fewer people than there are now.
 - By 2075 there will be a projected 4733 people in Cook County.
- In 2030, approximately 33% of the County will be over the age of 65.

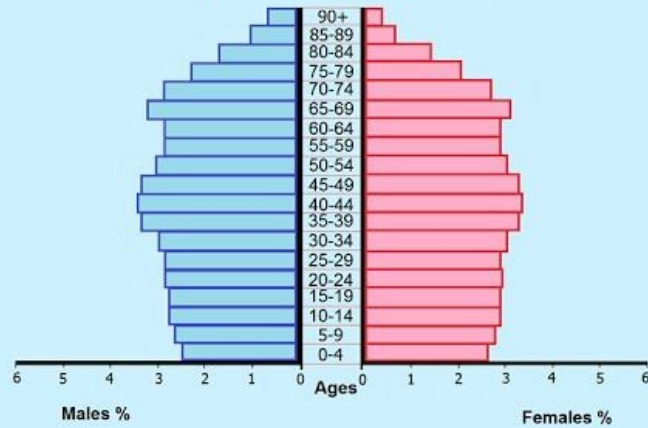
Youthful Population



Ageing Population



Aged Population



Cook County Demographic Pyramid in 2025

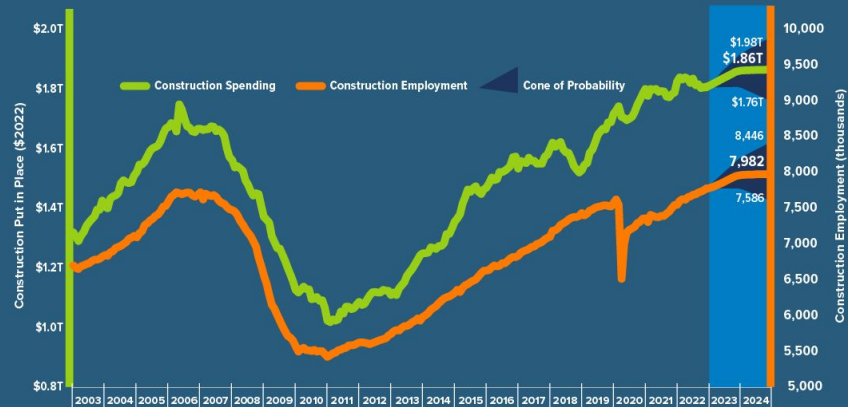


WHY DO DEMOGRAPHICS MATTER?

- If older populations continue to seek out Cook County and our current older population remains, new development is our only option.
 - Low replacement rate (births per woman) and limited working-age population means attraction of new residents/employees is our only option in short-to-medium term.
- An increasing senior population requires greater levels of services from healthcare.
 - North Shore Living = 9 beds are empty (9+ on this list) due to staffing.

WE NEED WORKERS, THEY NEED HOUSING

Construction Workforce Shortage Tops Half a Million in 2023, Says ABC



\$1 billion in additional construction spending creates 3,620 new jobs. In 2023, the construction industry needs to attract 546,000 new workers.



- According to the American Hospital Association, federal data estimates that 500,000 nurses will leave the field by the end of 2023, bringing the total shortage to 1.1 million.

SUMMARY OF OUR CHALLENGES

1. Housing is too expensive to build and operate.
 1. Cook county is a great place to be: strong demand means higher prices.
 2. There aren't enough construction and healthcare workers: higher labor costs and insufficient capacity.
 3. We are geographically isolated: limited nearby alternatives and higher materials costs
2. This will only get more difficult as Cook county ages. Unless we build.

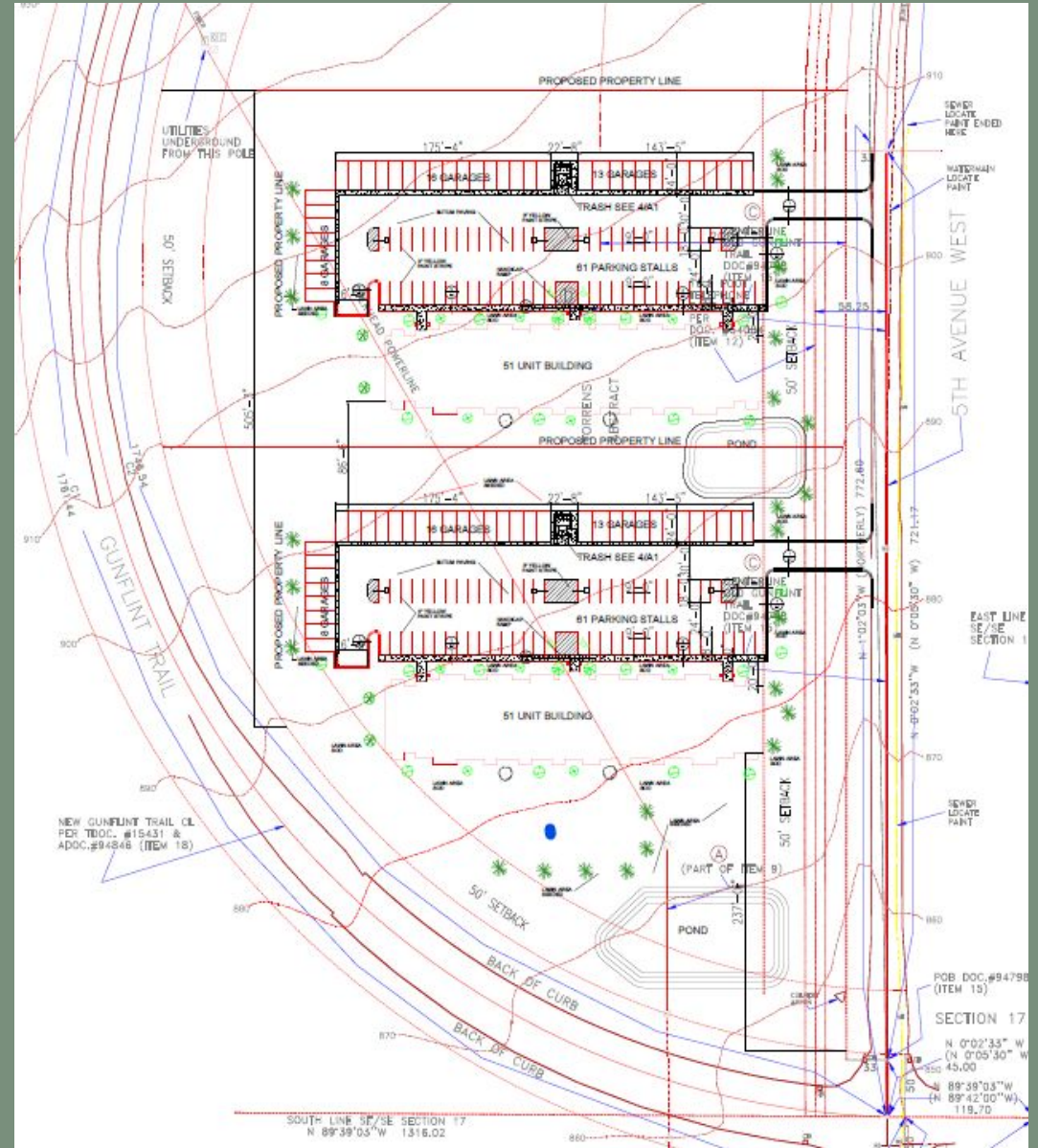
HRA EFFORTS

PROJECTS UNDERWAY

Switchback Village

Spring 2024 Start

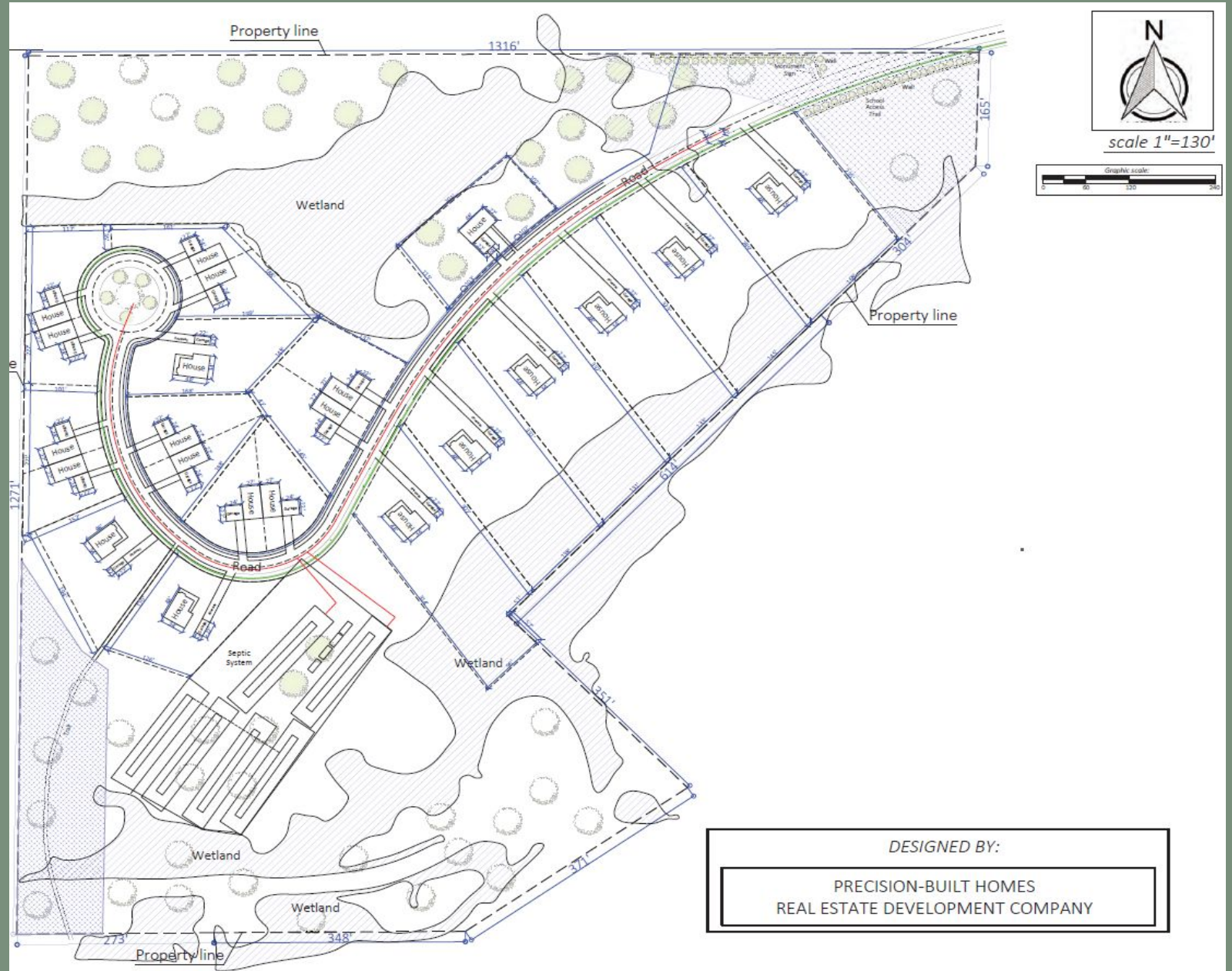
- 51 units, 13 workforce (80% AMI) and 38 market rate
 - Optional phase II built in to Agreement



Temperance Trails

Spring 2024 Start

- Approx. 29 acres in Tofte
- Approx. 22-24 homes



PROJECTS IN PRE-DEVELOPMENT

The Heights

Mud season 2024 Start (subject to funding)



36-unit workforce housing project

- Lead by local investor group
- HRA providing technical assistance, including grant applications and public assistance requests
- Received variance approval and tax abatement commitment from the City and County

1800 W Highway 61

Fall 2024/Summer 2025 Start (subject to funding)

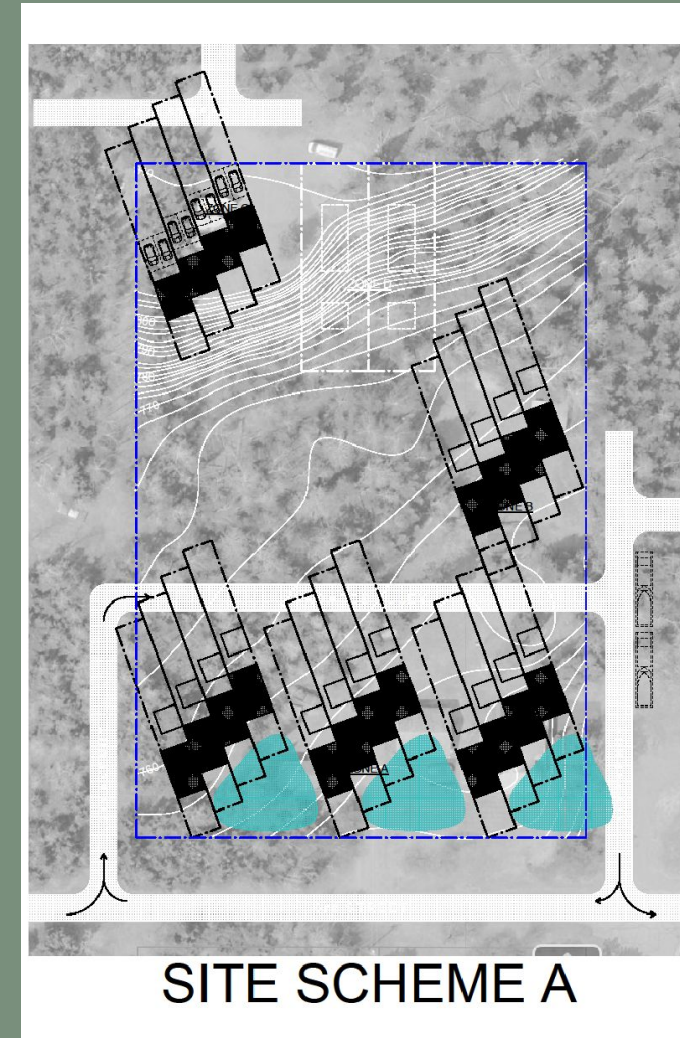
- Two phases of 16 units (32 total)
- Applying for MHFA Workforce Housing Development Grant
- City has agreed to provide land for \$1
- Speaking with local businesses about partnerships



Bjorkberg

Mud season 2024 Start (subject to funding)

- Approximately 20 single family homes
- ADU's optional for several
 - Creates an income property and additional unit
 - Great for family/single workers
- Working on engineering and City requirements
- Submitted IRRR grant request in March for infrastructure



Cedar Grove Lots

- EDA owned, approximately 4 acres
- City approved rezoning to R-1
- EDA planning to conveying to HRA for housing
- HRA exploring development interest
 - One option for each parcel, likely single family homes and/or townhomes



OTHER HRA EFFORTS

Envelope and Energy Improvement Program

- Provides grants up to \$5,000
 - Income based eligibility (80% AMI and less)
 - Windows & Insulation/Sealing
- HRA contributed \$20,000; secured \$50,000 NE HOME Consortium grant



Harborview Apartments

- Affordability requirements expire on June 30, 2025.
- Working with new owner to explore ways to keep current tenants there.
- This is a problem across the country.



Birchwood Apartments



- HRA worked with property owner, USDA, MHFA and other agencies to identify funding opportunities and engage One Roof Community Housing.
- HRA grant and a deferred loan to assist One Roof.
- *One Roof was awarded \$10.5M in December to acquire and rehabilitate the property!*

Hamilton Habitat

- HRA is providing a funding buffer for current project.
 - We will cover cost overages up to \$10,000 per unit so HH does not lose money on each house.
- We are also working to secure and provide property for future HH projects.



SENIOR HOUSING OPPORTUNITIES

- Apartments being built.
 - Folks can sell their homes and rent. Not for everyone, but can be a win-win for new families looking to buy.
- Build accessory dwelling units (ADU's) on owner property
 - Stable income opportunity for homeowner, or senior moves into ADU.
 - Housing option to recruit in-home care
- HRA single family projects (Tofte and GM) will be age-in-place friendly.
 - Single-level living with attached garages.
 - Three-story townhomes will have an elevator option.

QUESTIONS?