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# New Richmond Housing and Market Needs Analysis

*Updated July 2024*



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# Executive Summary

## Priorities for New Richmond

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

## Housing Gaps and Opportunities

- The **280-709 owner-occupied units** that are projected to be needed in the local housing market over the next 6 years should be in the following sale ranges (2024 dollars):
  - 62-85 units priced \$55,000\*-\$243,000
  - 30-116 units priced \$220,000-\$304,000
  - 141-348 units priced \$284,000-\$440,000
  - 47-116 units priced greater than \$440,000
- The **223-540 rental units** that are projected to be needed in the local housing market over the next 6 years should be in the following price ranges (2024 dollars):
  - 64-154 units priced \$400-\$700/month
  - 78-190 units priced \$700-\$1,100/month
  - 37-90 units priced \$1,100-\$1,700/month
  - 44-106 units priced \$1,400-\$2,700/month
- An additional **41 assisted living units** are needed for seniors by 2030.
- A total of **92 subsidized senior units** are needed by 2030.

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

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# Updates in the 2024 Study

## Strategic Update

- This update includes strategic updates to data that provide the most significant insight into the housing market of New Richmond. Information such as population, household income, cost burden, unit mismatch, and construction activity represent important indicators for housing availability, costs, and demand that are reflected in this study. Other information and certain maps were not updated from the 2021 study and are noted as unchanged. The updated sections include:
  - Population Change and Future Projections
  - Top Employers/Employment Indicators
  - Income Trends
  - Construction Activity
  - Median Home Value
  - Rental and Ownership Units by Year Constructed
  - Rental and Ownership Recent Projects
  - Rental and Ownership Market Affordability
  - Rental and Ownership Market Housing Stress
  - Owner Stress by Income
  - Housing Gaps and Opportunities
  - Taxes, Impact Fees, Available Lots

Most priorities and recommendations from the 2021 report remain consistent with updated data.

## Notable Takeaways

- **Population Growth** – Growth in population has remained strong since 2021 indicating a greater demand for housing in the area to meet the influx of new residents.
- **Construction Activity** – Single-family home construction has dropped since its peak in 2018, though still is well above post-recession levels. Duplex development has tapered off, but twin home projects have increased in recent years. Multi-family construction has added 260 units since 2021 making progress on the rental unit need.
- **Income** – Median household income is up 30% in New Richmond since 2019; during the same period, there is a significant decrease in lowest income households (< \$50K) and increase in highest income households (> \$100K).
- **Cost Burden** – The number of households spending more than 30% of their income on housing has remained relatively steady since 2021. There remains a significant gap in the number of homes available that are attainable for the highest earning owner households (970 owner households earning >100% AMI, but 0 units available at that level).
- **Demand Calculations** – Consistent construction activity has kept up with or even outpaced conservative projections for rental and owner unit need by 2030; however, higher population growth than anticipated means that unit need may be closer to the higher projection estimates. Assisted living unit demand has been unmet thus far with 0 units built since 2021.

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# Study Process

## Introduction

- This study was commissioned by the City Council and Forward New Richmond to inventory the existing housing stock in the city and assess where gaps exist in the housing market. The purpose of the study is to help the City better understand its housing market and to craft targeted strategies to improve options within the community. The study process began in August 2021 and was completed in December 2021. Project oversight was providing by City of New Richmond staff. The City commissioned an update of this study in February 2024 with a completion date of July 2024. Strategic updates were made during this process and sections excluded from this update are noted.

## Primary Data Sources

- US Bureau of Labor Statistics and American Community Survey (ACS) 2015-2019 and 2018-2022 Estimates\*
- US Bureau of Labor Statistics 2010 Census Counts\*
- Wisconsin Department of Administration Population Projections (2025-2040)\*
- Multiple Listing Service (accessed September 2021)
- US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy Data (2020)\*
- Northstar MLS
- City and St. Croix County GIS Data (2021)
- New Richmond Comprehensive Plan
- New Richmond Municipal Code
- City Building/Zoning Data

## Interviews

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

These interviews were completed in 2021, but not updated in 2024.

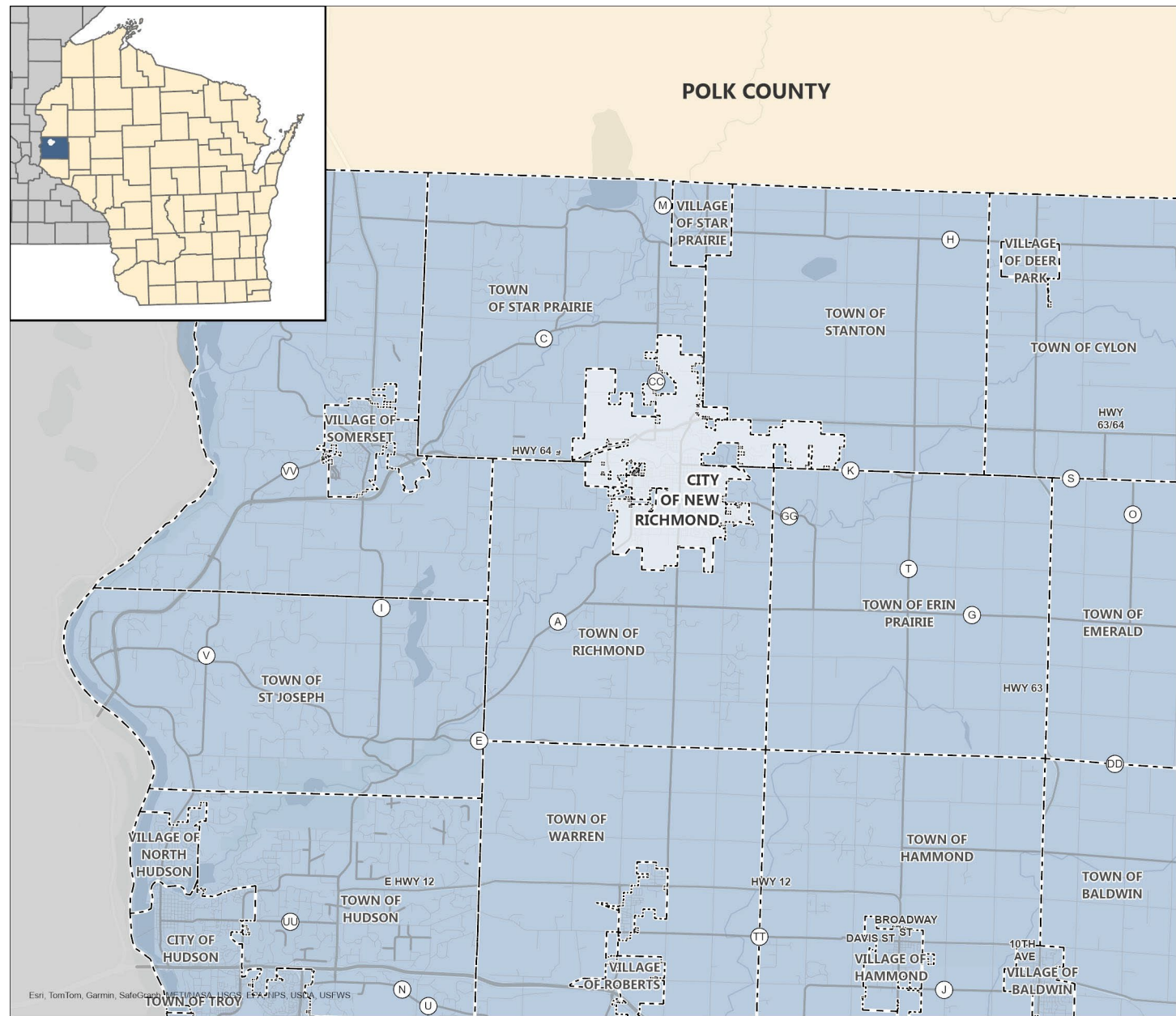
*\*Note: These sources represent the most recent available data. Due to delays caused by the pandemic, some 2020 Census data (and updated data derived from the Census) was unavailable for the original study.*

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## About New Richmond

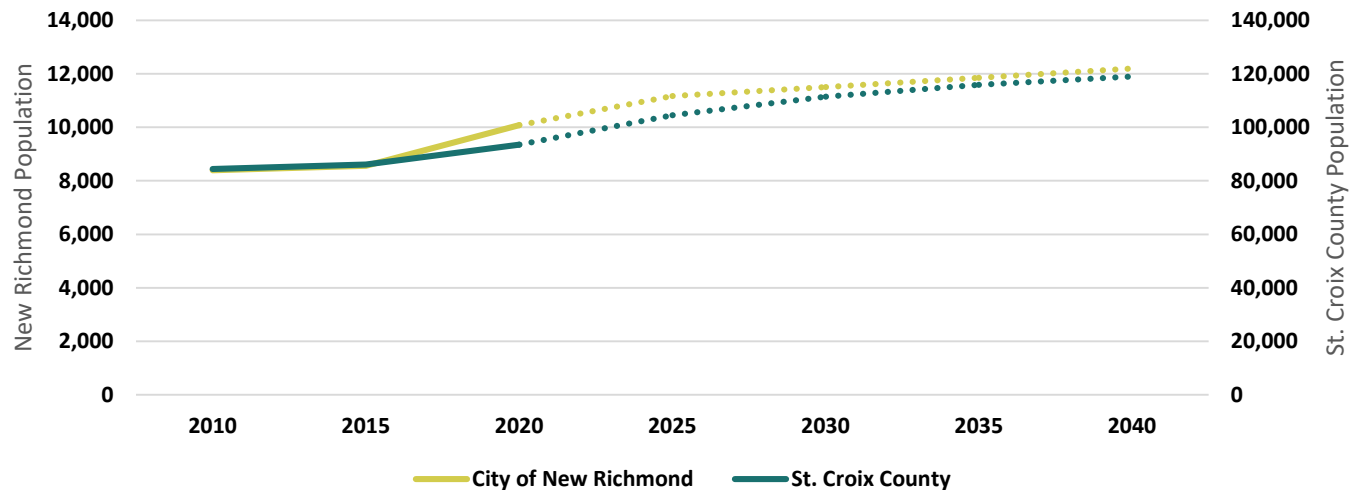
# Community Basics

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



# Population Change and Future Projections

- New Richmond has seen a relatively significant population increase from 2010-2020 (22%). From 2020-2023, New Richmond added 745 people (7.4%).
- The Wisconsin Department of Administration projects the population in the City will increase by 20% between 2020-2040. Based on strong growth through 2023, City population projections were increased by 3%. County and State projections remained consistent. Per DOA, St. Croix County is the fastest growing County in the State.
- As the population of the Twin Cities Metro continues to expand east into St. Croix County, New Richmond and surrounding Towns will continue to experience growth pressure.



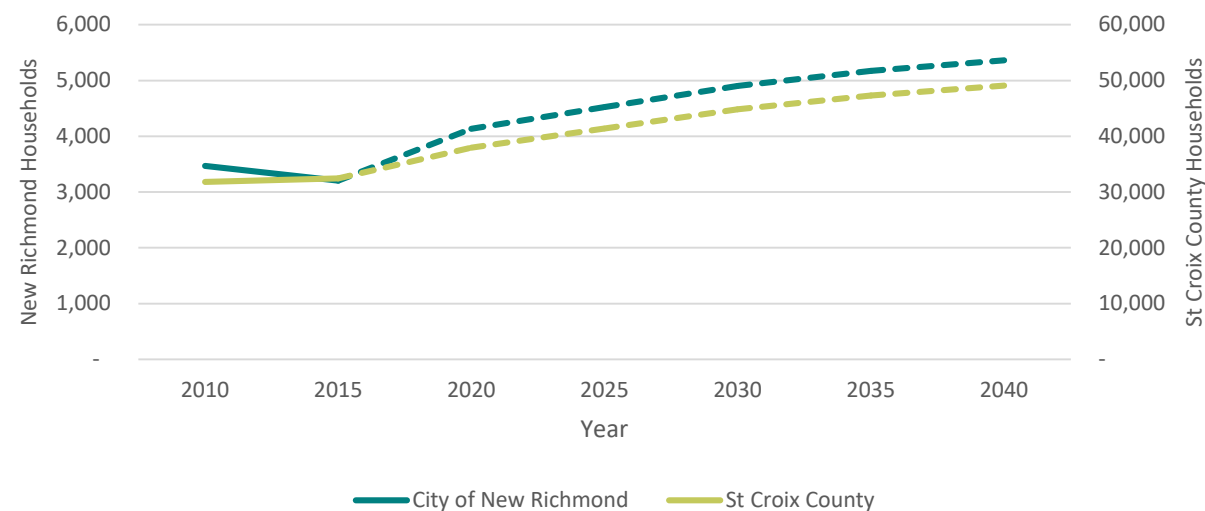
Year	City of New Richmond	St. Croix County	State of Wisconsin
2013	8,441	84,912	5,706,871
2014	8,501	85,442	5,724,692
2015	8,559	86,118	5,742,117
2016	8,687	86,726	5,754,798
2017	8,761	87,142	5,763,217
2018	8,891	87,914	5,778,394
2019	9,034	88,732	5,822,434
2020	10,075	93,536	5,893,718
2021	10,079	93,150	5,901,473
2022	10,541	96,269	5,949,155
2023	10,842	97,347	5,951,400
2025	11,167	104,450	6,203,850
2030	11,502	111,470	6,375,910
2035	11,847	115,900	6,476,270
2040	12,203	119,010	6,491,635

Source: Wisconsin Department of Administration



# Household Change and Future Projections

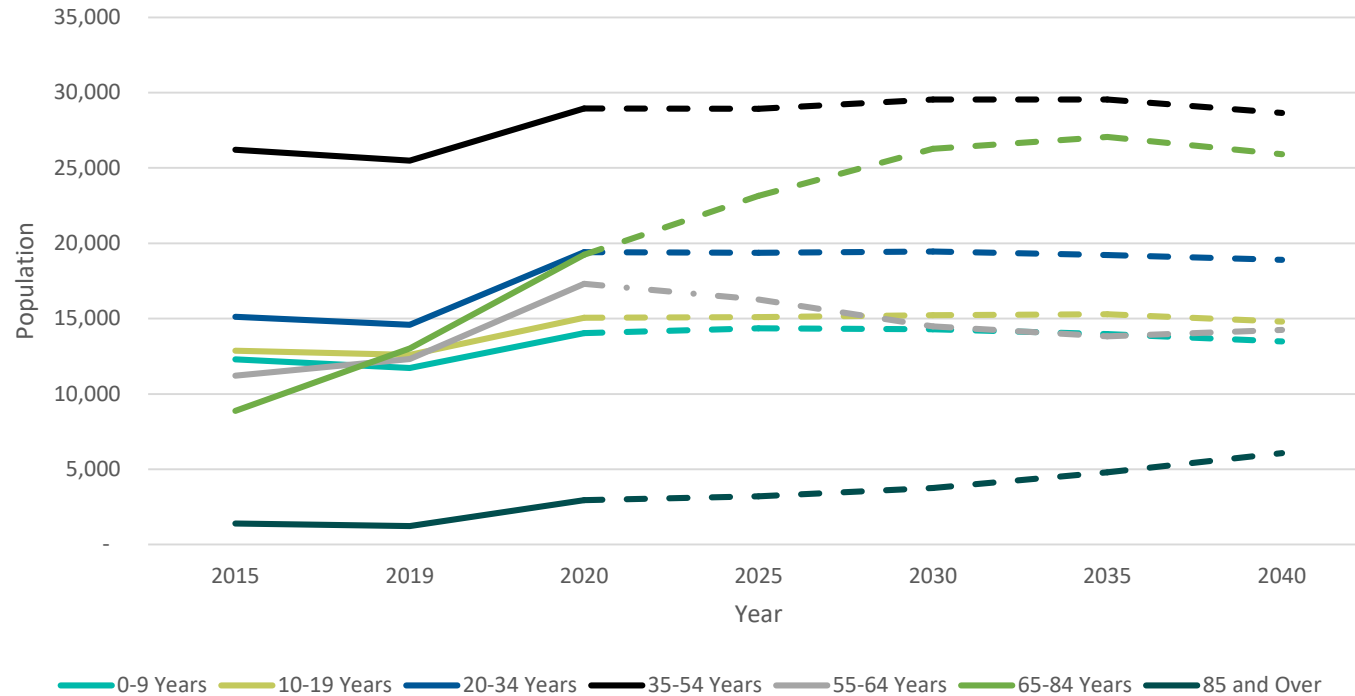
- The number of total households in the City and County has increased since 2010 and these numbers are projected to increase at an even higher rate over the next 20 years (29.6% in New Richmond and 29.4% in the County). During the same time period the State is anticipated to see a 12% increase in the number of households.
- Total households have increased slightly over the last 10 years while household size has decreased. Recent years have produced a steady household size (2.37) though, household size is projected to continue decreasing until at least 2040.
- The falling household size trend indicates additional demand for smaller family-sized housing units in both rental and ownership markets, such as attached single family townhome and duplex style.



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

Source: Wisconsin Department of Administration

# Age Cohorts and Future Projections



Source: Wisconsin Department of Administration

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

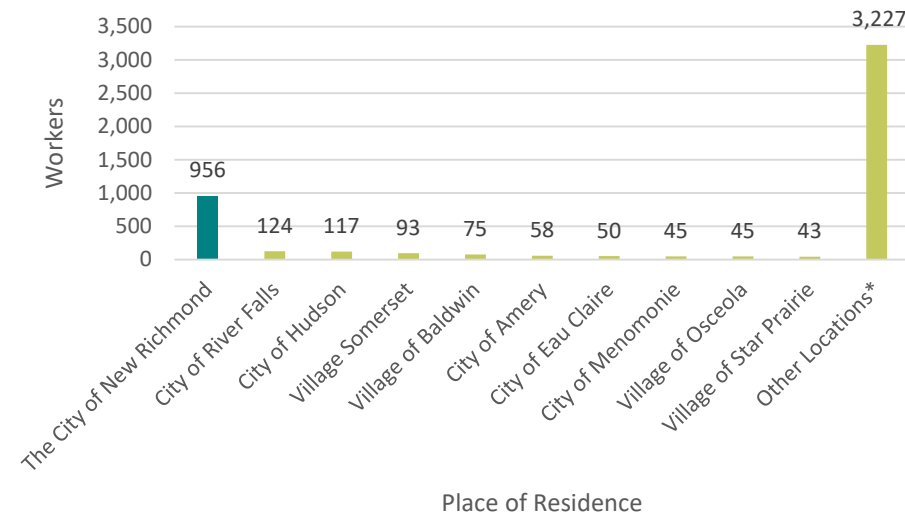
# Employment Indicators

Inflow Outflow Job Counts in New Richmond



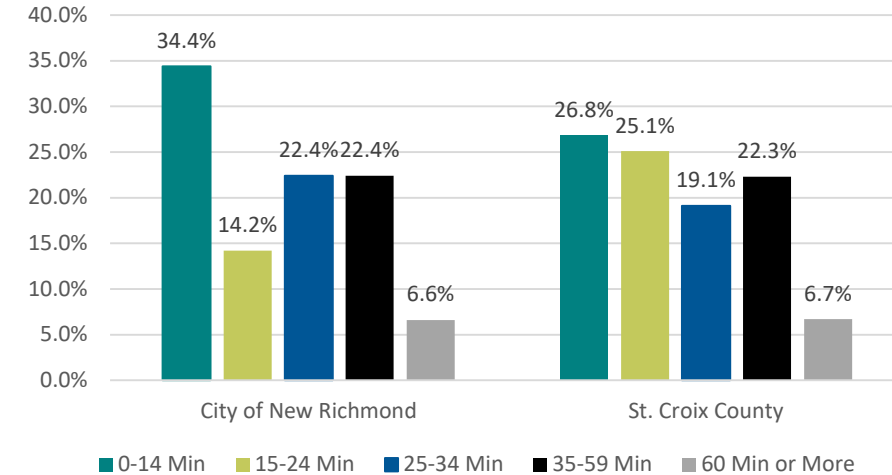
Source: US Census Bureau ACS

Where New Richmond Workers Live



Source: US Census Bureau ACS

Average Daily Commute



Source: US Census Bureau ACS

- Where workers live often coincides with location of their jobs, although there is a high degree of mobility in the region. The number of workers in New Richmond is about 5,000.
- Most workers in the City are coming from other communities (River Falls, Hudson, etc.), and most New Richmond residents are traveling for work outside of the City. Though most that travel for work still have a relatively short commute time which means they are most likely staying in the County. The “other locations” category in the chart represents workers in the surrounding townships and the Twin Cities Metro Area.
- Commute times 25-59 minutes are most common , which is representative of workers traveling to the Twin Cities Metro Area.

# Employment Indicators

- The weighted average for affordable rent limit as of 2021 (no more than 30% of income towards rent) for these top occupations was \$1,761/month
- The weighted average for affordable ownership limit as of 2021 (no more than 30% of income towards mortgage) for these top occupations was \$365,481

Top Employers in New Richmond

Company Name	Number of Employees
Westfields Hospital	400
Phillips-Medisize, a Molex Company	350
Walmart Supercenter	300
Lakeside Foods	250
Northwood Technical College	200
The Deerfield	180
Federal Foam Technologies	150
Syntegon Packing Technology	130
Isometric Micro Molding	120
Dicks Fresh Market	116

Source: US Census Bureau ACS, Job Center of Wisconsin, City of New Richmond

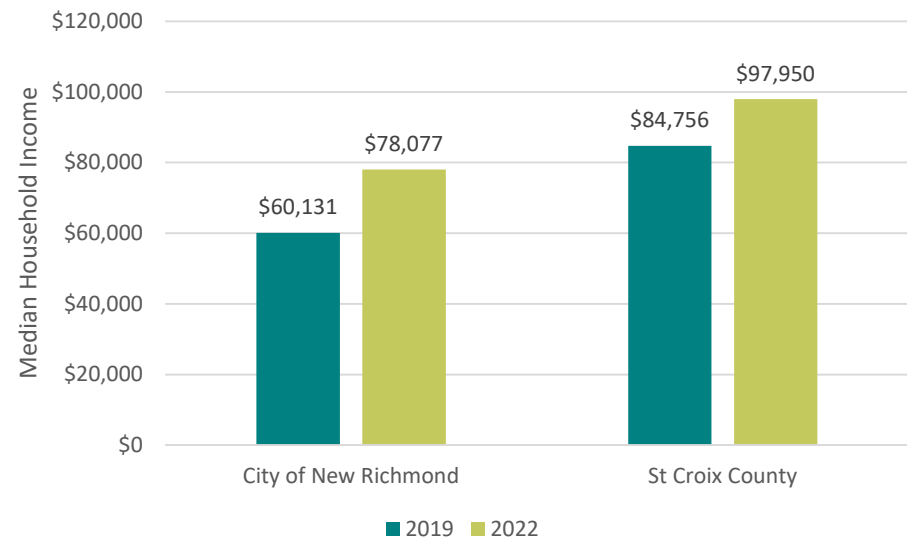
Top Occupations in New Richmond

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

Some Data unchanged in 2024 Housing Study update  
for Top Occupations



# Income Trends



Source: US Census Bureau ACS

- Income and earnings are key factors in housing affordability, the more income a household earns, the more housing options that household has within reach.
- Median household income is still lower in New Richmond as compared to the County (\$78,077 vs. \$97,950). However, the City has experienced strong wage growth since 2019.
- At both City and County levels, there has been the greatest decrease in number of lowest income households (< \$50K) and greatest increase in highest income households (> \$100K) since 2019.

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

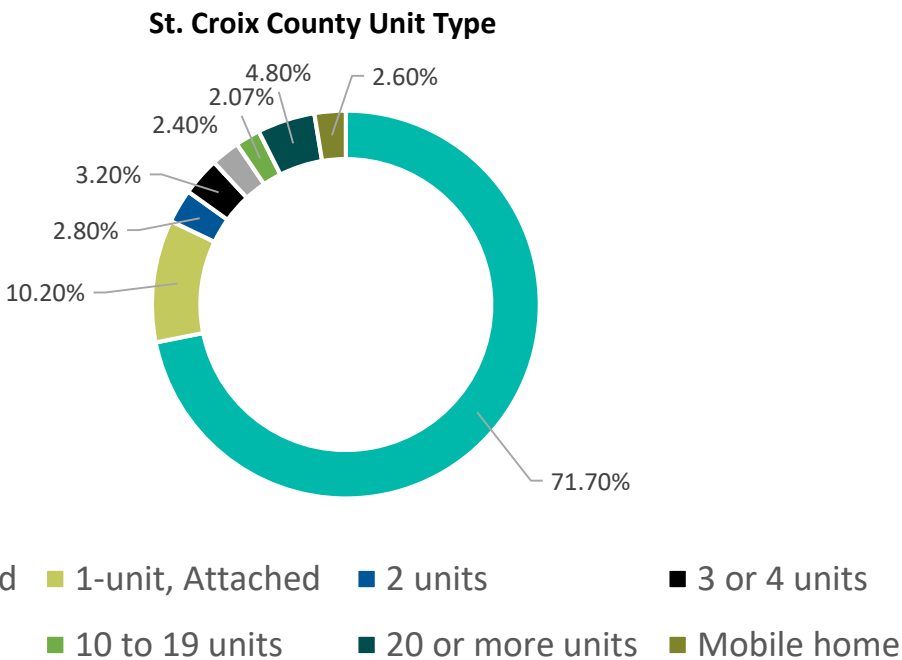
	City of New Richmond				St Croix County			
Household Income Level	<\$50K	\$50-\$75K	\$75-\$100K	>\$100K	<\$50K	\$50-\$75K	\$75-\$100K	>\$100K
2019 Estimate	1,576	616	614	912	9,312	5,786	5,540	12,944
2022 Estimate	1,161	869	564	1,579	7,741	5,509	5,041	17,714
Change	-415	253	-50	667	-1,571	-277	-499	4,770

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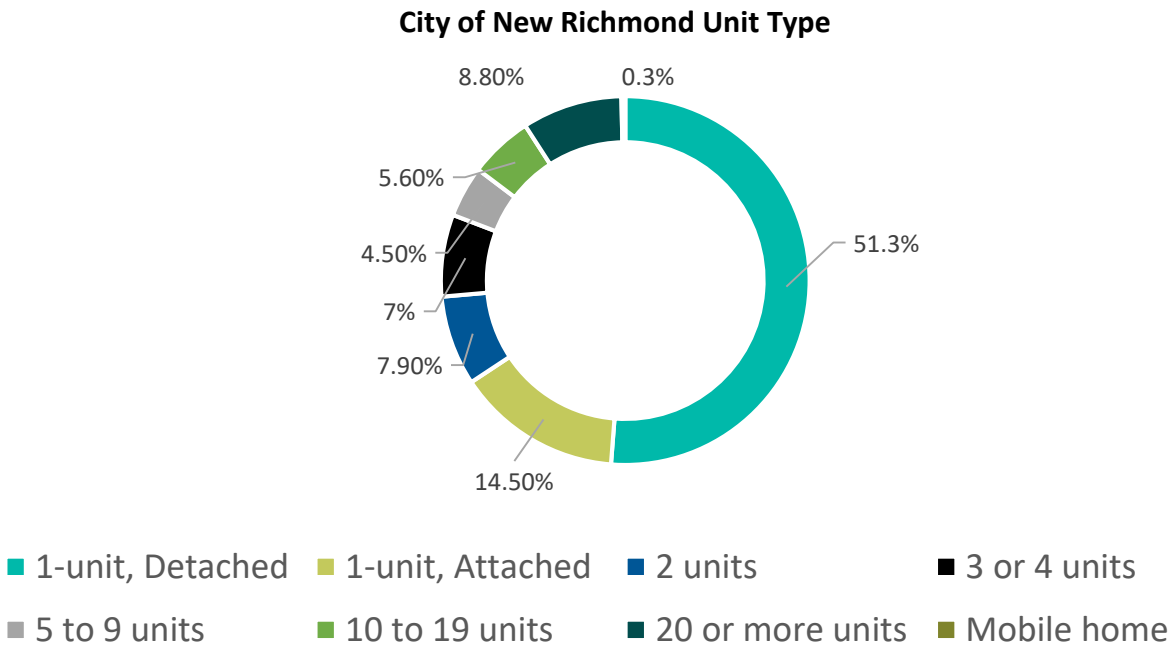
## General Housing Characteristics

# Housing Type by Unit

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



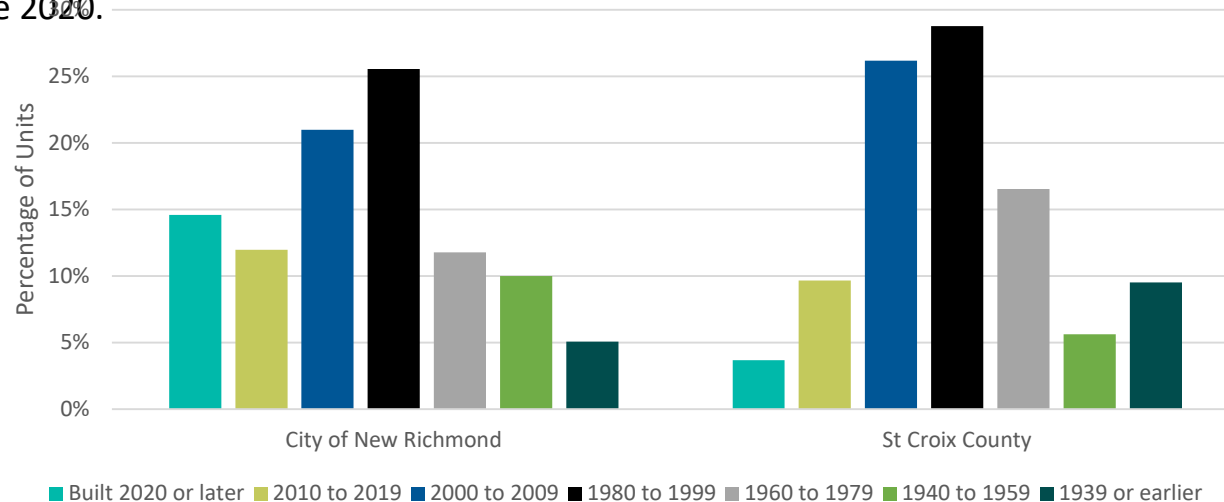
Source: US Census Bureau ACS



Source: US Census Bureau ACS

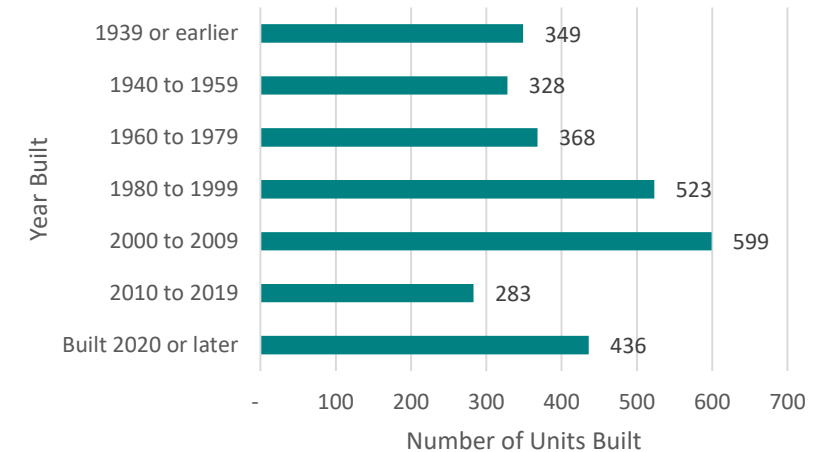
# Year Structures Built

- 73% of all housing units in New Richmond were built after 1980. Compared to the County, New Richmond has a slightly newer housing stock.
- Older homes tend to lack amenities that current buyers are interested in, require rehabilitation, and have higher maintenance costs. 27% of all housing units in the City were built prior to 1980.
- The peak of residential construction in the City was 1980-1999, there was also significant development from 2000-2009. New housing development was initially slow after the Great Recession, June of 2009. Since the opening of the bridge in 2017, the pace of residential development has been rapid. Building permit data is supplemented to show growth in housing since 2020.



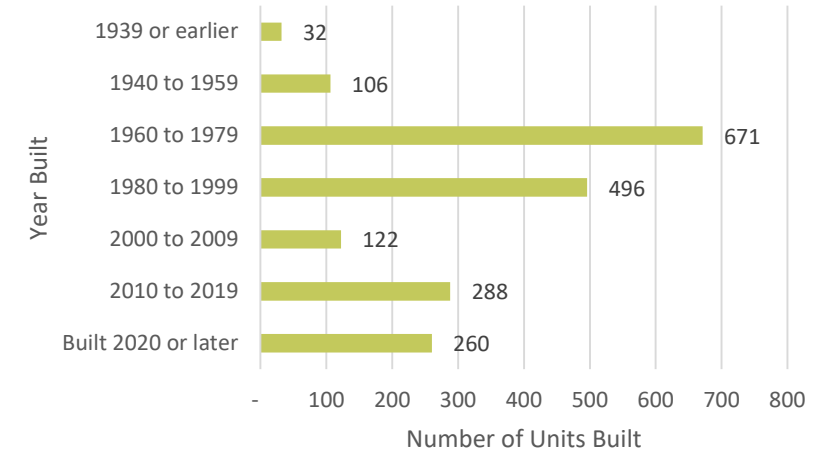
Source: US Census Bureau ACS, City of New Richmond

## New Richmond Owner Occupied Year Structures Built



Source: US Census Bureau ACS, City of New Richmond

## New Richmond Renter Occupied Year Structures Built



Source: US Census Bureau ACS, City of New Richmond

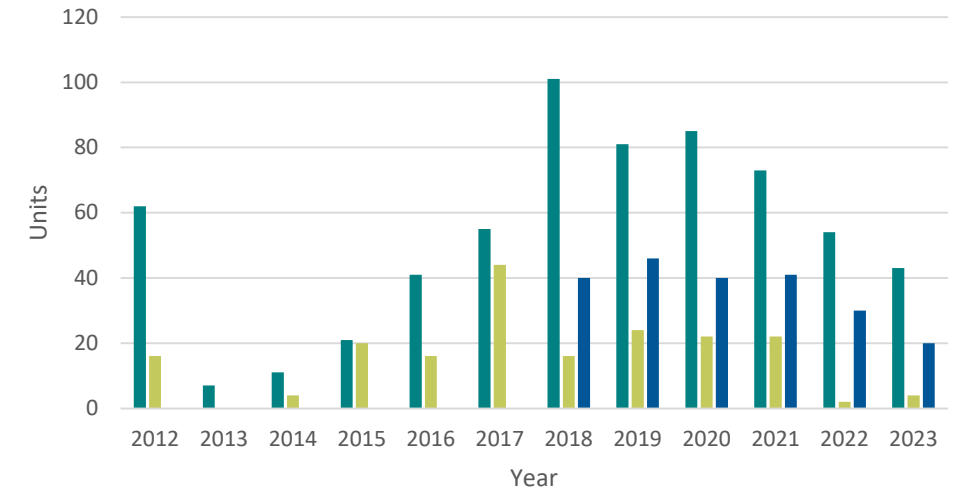


# Construction Activity

- Building permit data shows real time trend of new construction in New Richmond. Single family growth continues well above the levels post-recession, though has tapered off in recent years.
- While duplex construction has fallen, twin home ownership development (zero lot line housing) has added 217 units since 2018\*.
- Multi-unit building construction has not been consistent, which is typical of this type of development as buildings contain multiple units, although there is a significant uptick during 2019-2022 that matches national trends in multi-family development.

\* Twin home construction data not included prior to 2018

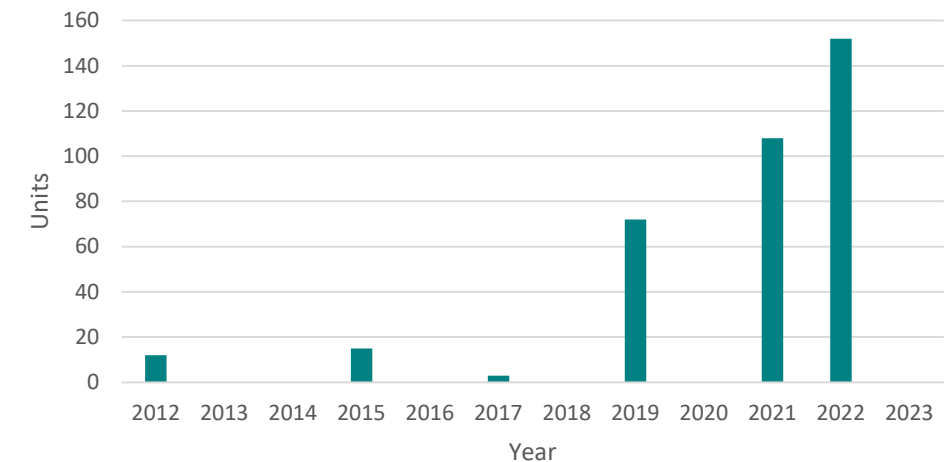
## New Dwelling Units: Single Family, Duplex, and Twin Home



Source: City of New Richmond

Single Family Duplex Twin Home

## New Dwelling Units: Multi-Family

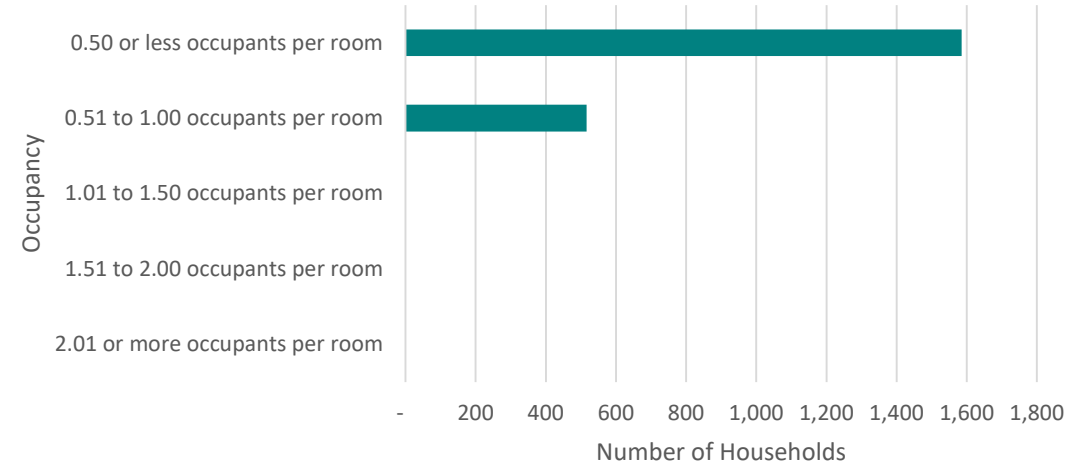


Source: City of New Richmond

# Crowding

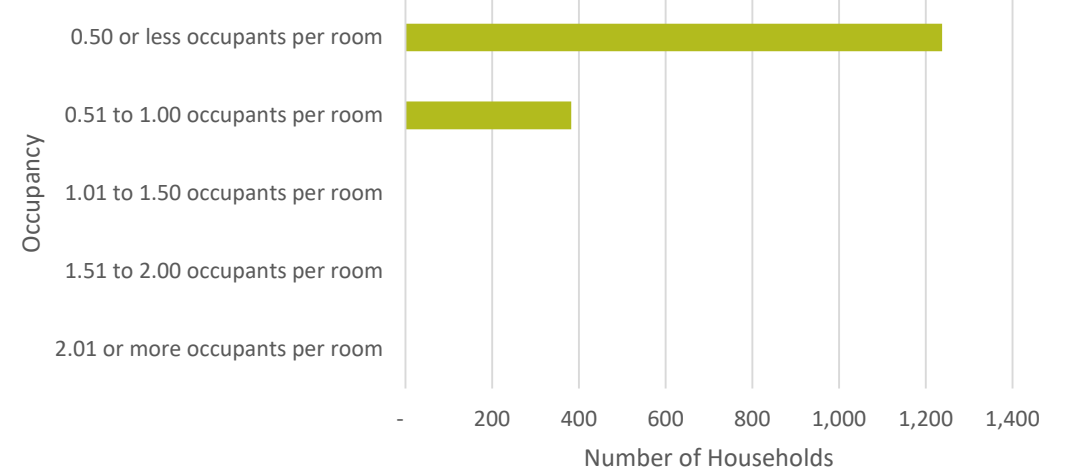
- Crowding data is used to display the relationship between housing unit size (number of rooms) and household size (number of people).
- Households that average more than 1 person per room or 1.5 persons per room are considered overcrowded or extremely overcrowded, respectively.
- Based on the data,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

## Owner Occupied



Source: US Census Bureau ACS

## Renter Occupied



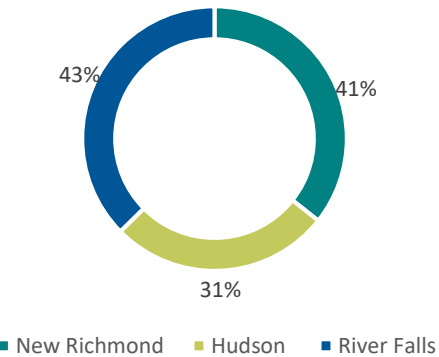
Source: US Census Bureau ACS

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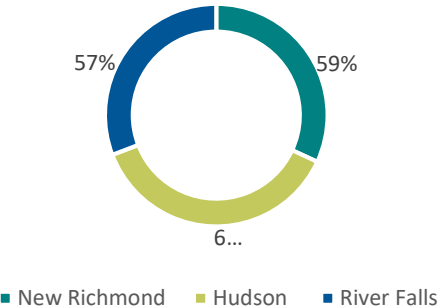
## Rental Market

# Renter Occupied Properties

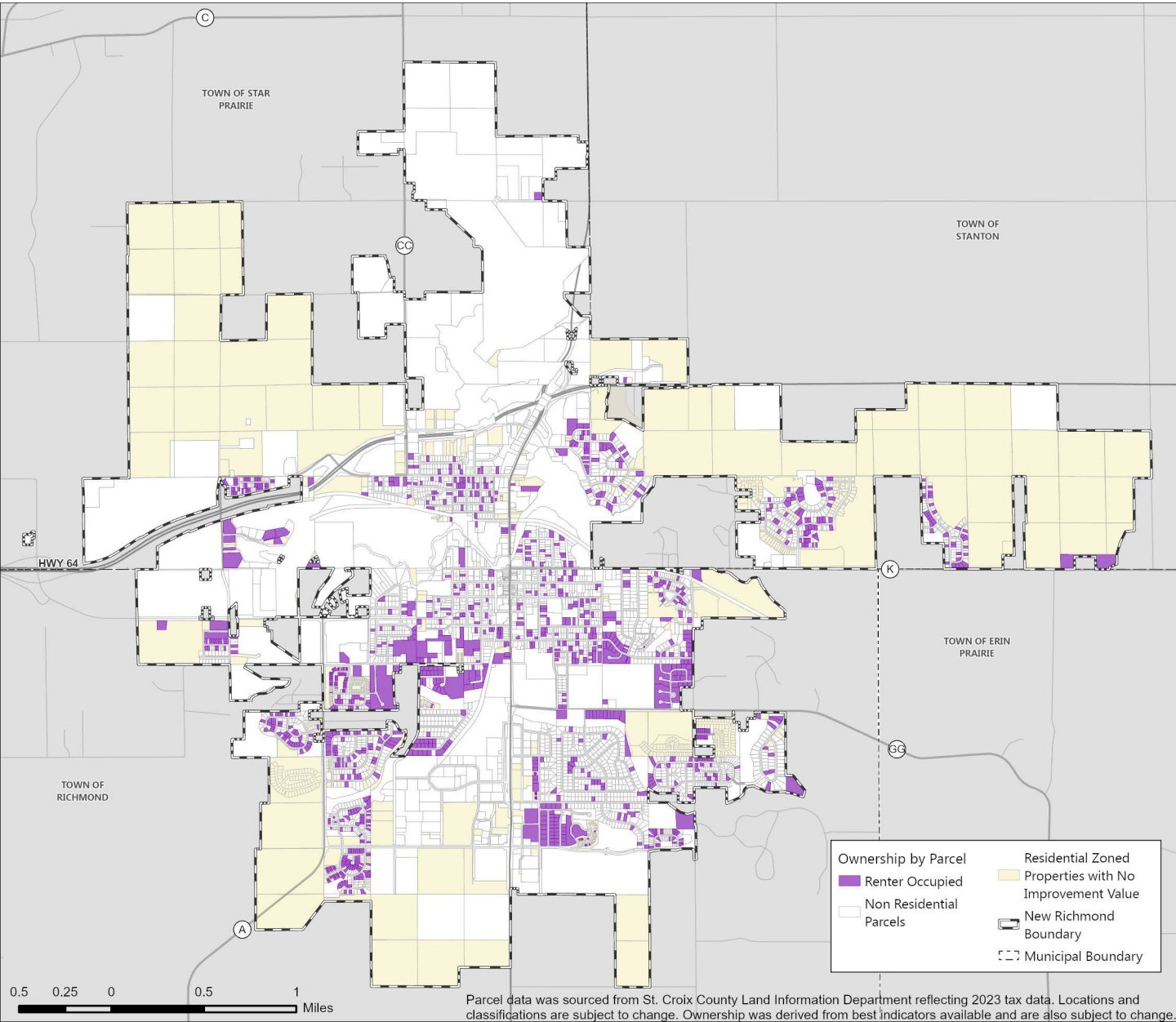
Housing Tenure  
Renter - Occupied



Housing Tenure  
Owner - Occupied



- In 2022, New Richmond renter households have decreased to 41% of total households, down from 44% in 2019. This falls right in the middle of surrounding communities, but is still well above the County and State levels.





# Affordability

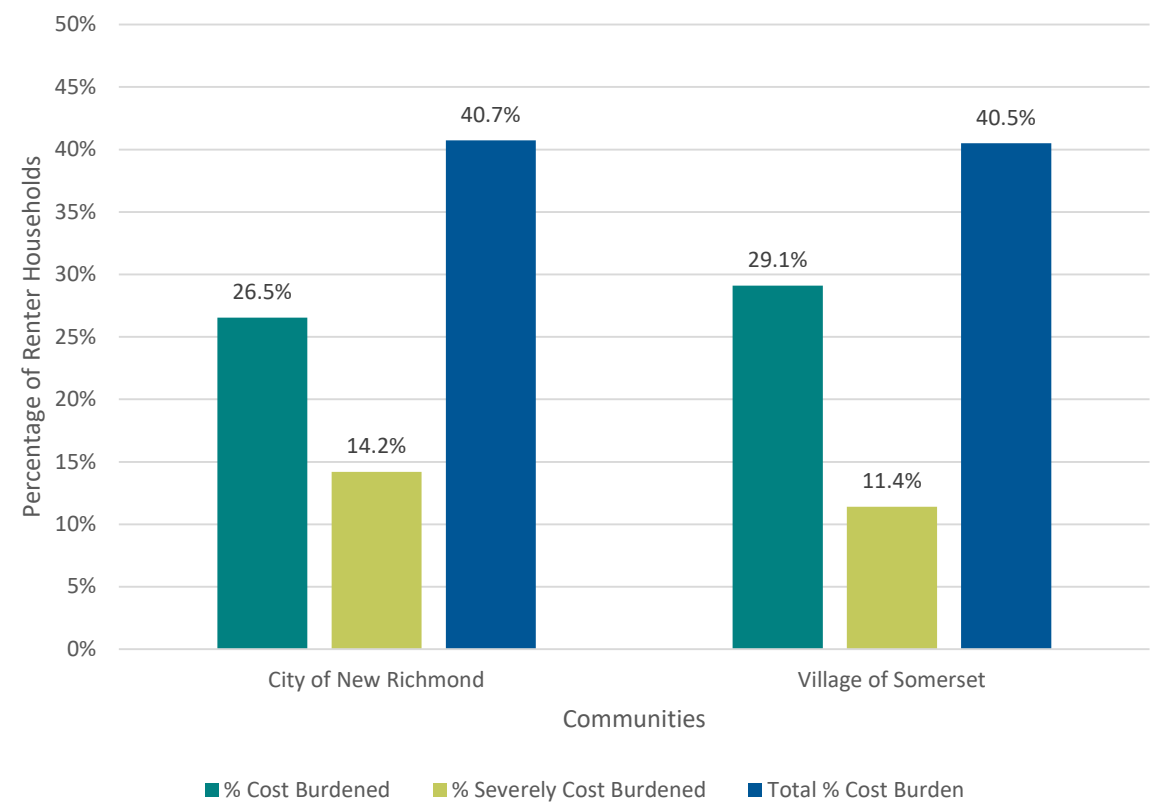
- A household that spends more than 30% of its income on housing is considered cost burdened. A household that spends more than 50% is considered severely cost burdened.
- The table below shows the general monthly rent a household could afford, by household size, at various income levels as a percentage of the Area Median Income (AMI).
- In New Richmond about 27% of renters are cost burdened and 14% are severely cost burdened, which remains moderately high when compared to surrounding communities. Cost burden has slightly decreased since 2021 when 32% of renters were cost burdened and 14% were severely cost burdened.
- The percentage of renters who are cost burdened in New Richmond is much higher than among homeowners. This is typical in most communities and is a reflection of lower renter incomes, barriers to securing financing, and other market forces.

Cost Burden-Renters	City of New Richmond	Village of Somerset	City of Hudson	City of River Falls
% Cost Burdened	26.5%	29.1%	17.7%	20.5%
% Severely Cost Burdened	14.2%	11.4%	20.2%	22.7%
Total % Cost Burden	40.7%	40.5%	37.9%	43.2%
Cost Burden-Homeowners	City of New Richmond	Village of Somerset	City of Hudson	City of River Falls
% Cost Burdened	4.5%	6.8%	14.2%	10.1%
% Severely Cost Burdened	9.0%	5.9%	7.4%	4.4%
Total All Cost Burden	13.5%	12.7%	21.6%	14.6%

Income Limit Area	Maximum Monthly Rent for Family of 4 Without Paying More Than 30% of Gross Income Toward Housing (100% Median Income)	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Richmond	\$1,952	Extremely Low Income (30% AMI)	\$410	\$468	\$527	\$586	\$632	\$679	\$726	\$773
		Very Low Income (50% AMI)	\$683	\$781	\$878	\$976	\$1,054	\$1,132	\$1,210	\$1,288
		Low Income (80% AMI)	\$1,093	\$1,249	\$1,405	\$1,562	\$1,686	\$1,811	\$1,936	\$2,061
		Median Income (100% AMI)	\$1,366	\$1,562	\$1,757	\$1,952	\$2,108	\$2,264	\$2,420	\$2,577

# Housing Stress

Cost Burden Renters



Source: HUD CHAS

- Of renters experiencing cost burden, 13% are severely cost burdened (spending more than 50% of income on rental costs).
- Cost burden in the City exists primarily with renter households at or below 50% of the area median income, those considered very low or extremely low income.
- There are gaps in the rental market for those earning the lowest incomes and for those earning higher incomes. This demonstrates a need for both subsidized and higher-rent, higher-quality units in the market.

Rental Unit Mismatch

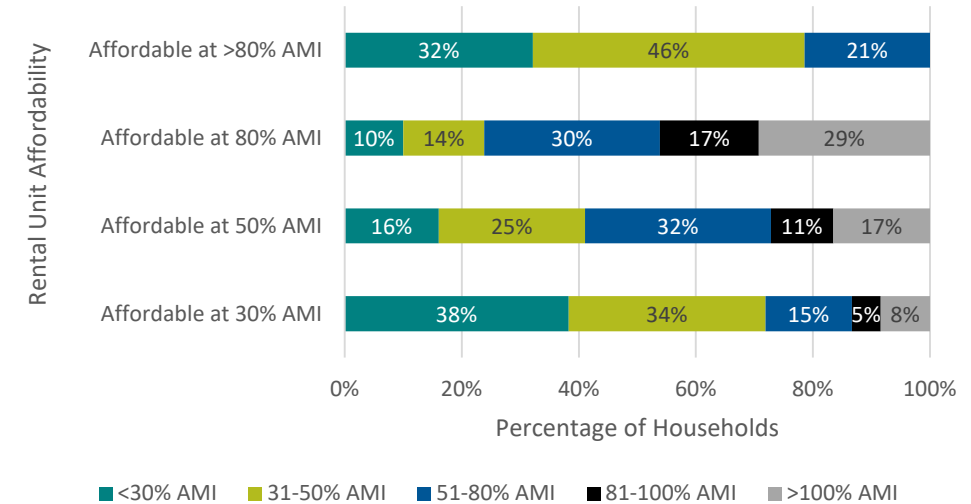
	Rental Units Available	Renter Households	Over/Under Supply
0-30% AMI	410	500	-90
31-50% AMI	990	535	455
51-80% AMI	210	305	-95
>80% AMI	10	275	-265

Source: HUD CHAS

# Rental Unit Consumption

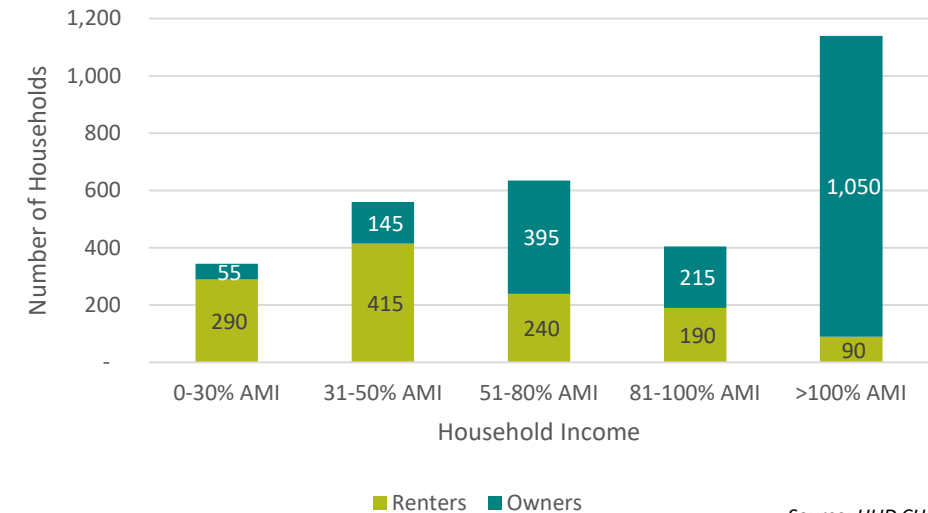
- The figure on the upper right shows 38% of units affordable to those earning 30% or less are being rented by households at that income level. 62% of these units are rented by households earning more than 30% AMI.
- All of the units affordable to households earning more than 80% AMI are rented by households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

## Rental Unit Consumption by Income



Source: HUD CHAS

## Households by Income and Tenure

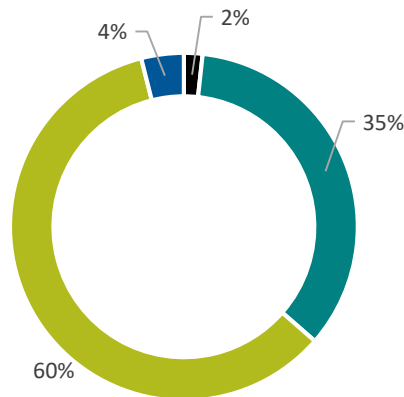


Source: HUD CHAS

# Unit Types

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

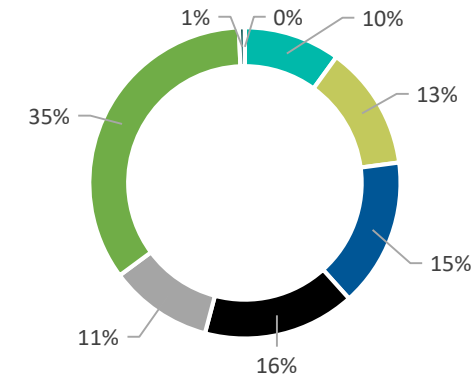
**Rental Units by Bedroom**



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

Source: US Census Bureau ACS

**Rental Units by Type in New Richmond**



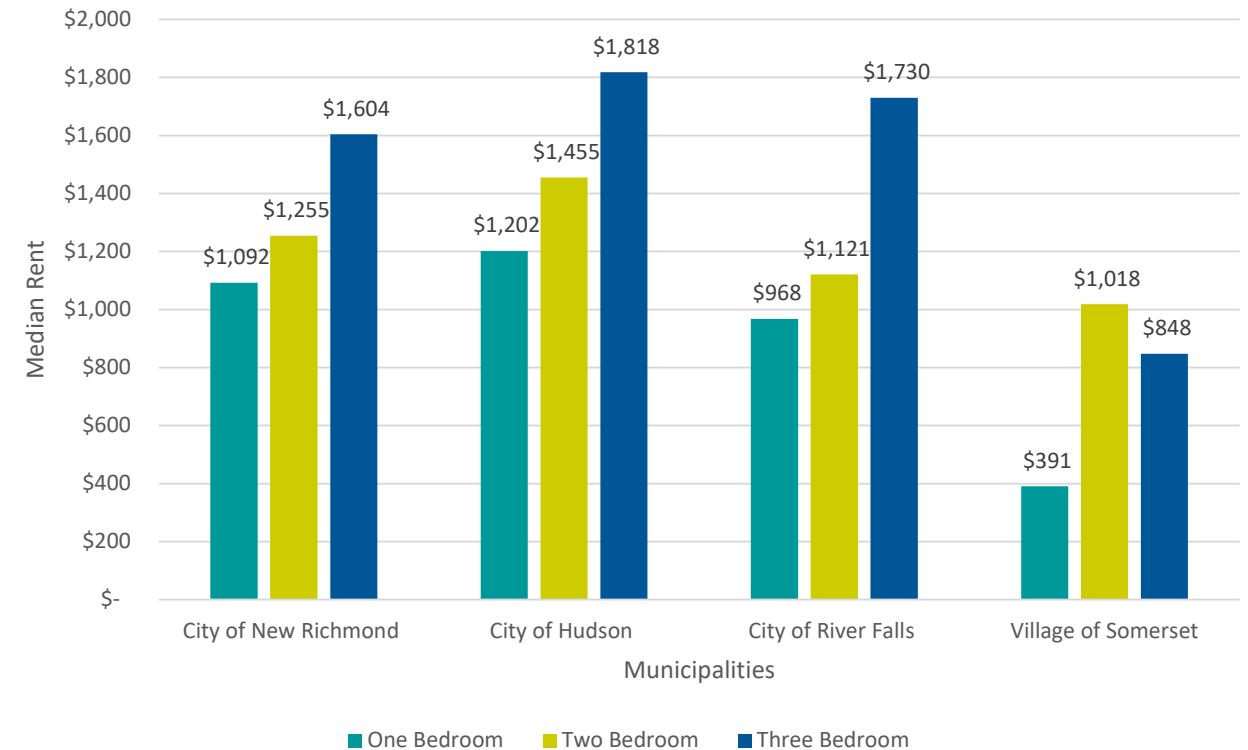
■ 1-unit, Detached ■ 1-unit, Attached ■ 2 units  
■ 3 or 4 units ■ 5 to 9 units ■ 10 to 19 units  
■ Mobile home

Source: US Census Bureau ACS



# Cost

- Among peer City communities, New Richmond generally sees median rent prices as middle of the line. New Richmond rent prices for 2024 appear to be average. The lower rent amounts are found within townships and villages as can be seen with the Village of Somerset.
- Per the American Community Survey estimates New Richmond rental units are in the price range of \$500 to \$999 per month. These estimates are likely low as they did not reflect the 100+ new rental units constructed in the past several years. The new chart reflects the newer rental units.
- Recent new rentals that are affecting rising rent prices in the City are Foster Place, Mill City Flats, and West Fifth Townhomes. For the Chart to the right, 2024 estimates have been used per Apartments.com.

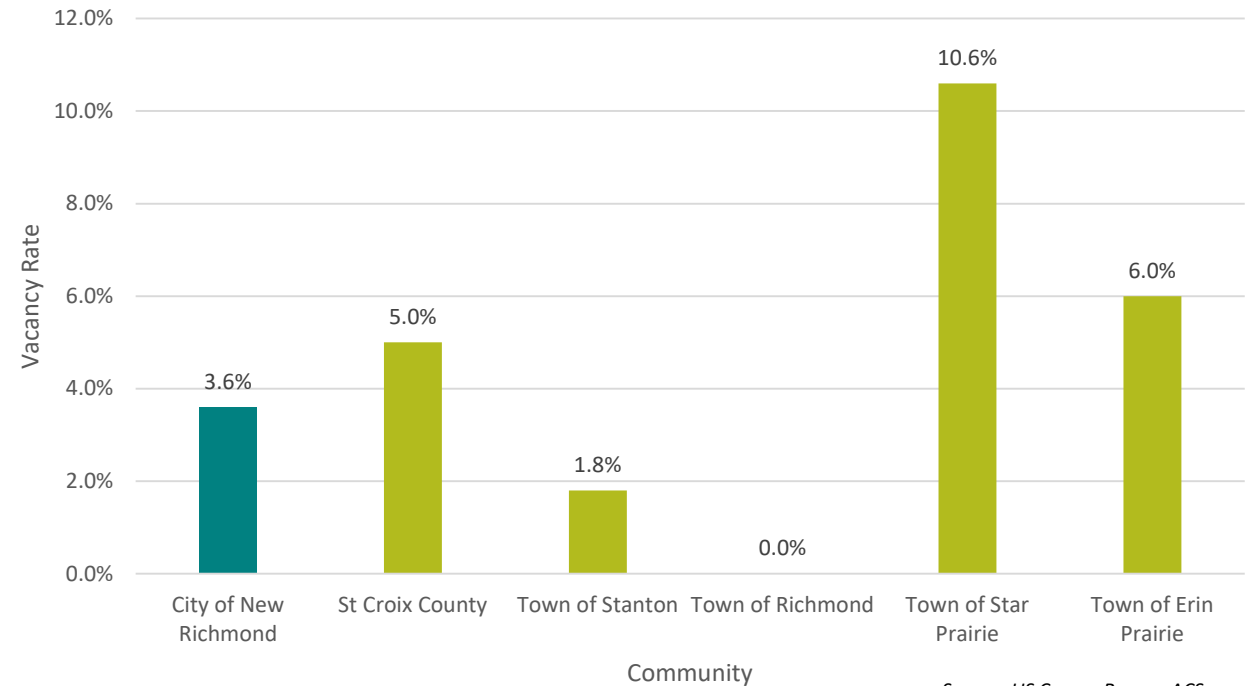


Source: Apartments.com

# Vacancy

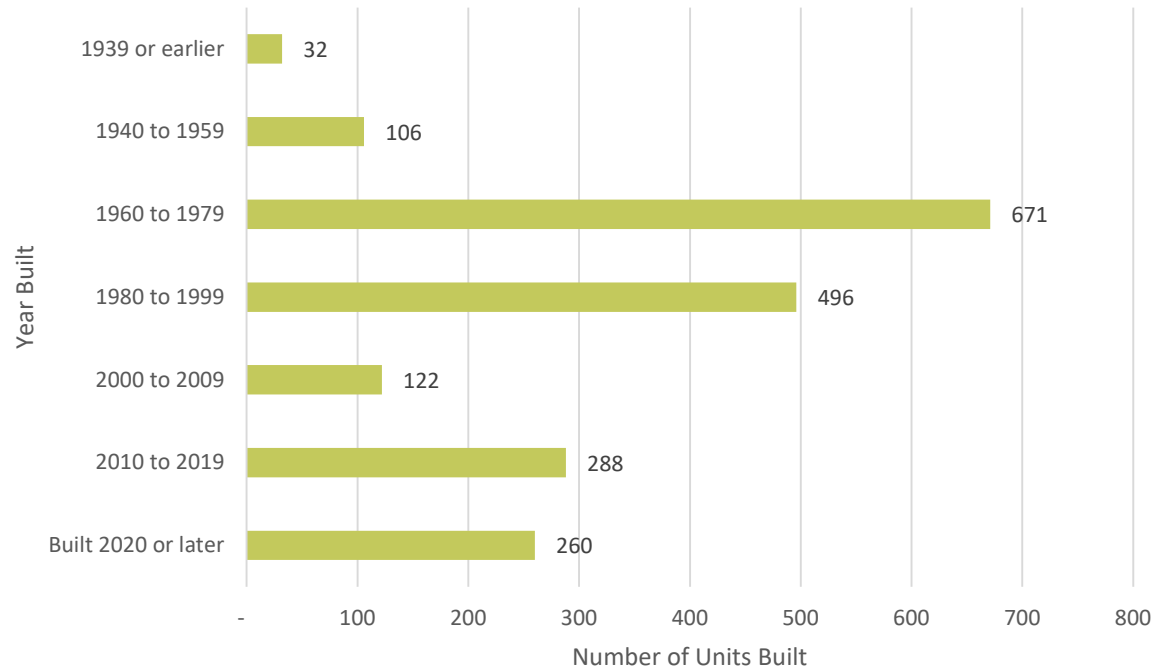
- Vacancy rates are an important measure of balance between housing demand and supply.
- New Richmond's vacancy rate estimated at 3.6%, a typically healthy rental vacancy rate is between 5-7%.
- The current vacancy rate indicates there is more demand than supply and it is harder for renters to find units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

Vacancy Rate of New Richmond and Surrounding Communities



Source: US Census Bureau ACS

# Age of Rental Stock



Source: US Census Bureau ACS

- 73.1% of the rental units in New Richmond were built between 1980 and 2009.
- Older rental units in the City are primarily located near and along Main Street.
- City building permit data is supplemented for missing data for units built since 2020. 260 rental units have been developed during that time frame. This is on pace to be the largest increase in rental stock in City history.

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# New/Recent Rental Projects

- The following rental projects were completed in recent years:
  - Dakota Meadows (50 units)
  - Foster Place (72 units)
  - Mill City Flats (88 units)
  - Beebe Lofts Senior Living (50 units)
  - West 5<sup>th</sup> Townhomes (48 units)
  - Willow Countryside Villas (16 units)
  - The Deerfield Retirement Community (24 units)
- Since these projects are recent, unit counts may not be reflected in the US Census or HUD data within this report due to targeted updates for the 2024 report.



# Development Scenario

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

2024 Typical 1-Bedroom Rental Construction & Land Cost = \$145,665			
Equity to Cost Ratio	20%	Loan to Cost Ratio	80%
Required Equity	29,133	Mortgage Loan	116,532
Annual Re-Tax Distribution Rate	10%	Mortgage Interest Rate	7%
Cash Payments for Equity	\$2,913.30	Debt Service	\$9,391.00
Net Operating Income		\$12,304.19	
Operating Expenses		\$2,913.30	
Real Estate Taxes (2023 Effective Tax Rate of .01498)		\$2,181.65	
Replacement Reserve		\$300	
Effective Gross Value		\$17,699.14	
Vacancy (5% required assumption)		\$884.96	
Gross Potential Income		\$18,584.10	
Breakeven Annual Rent		\$18,584.10	
Breakeven Monthly Rent		\$1,548.67	

Income Limit Area	2022 Maximum Monthly Cost for Family of 4 (100% Median Income)	Income Limit Category	Persons in Family							
New Richmond	\$1,952		1	2	3	4	5	6	7	8
		Extremely Low Income (30% AMI)	\$410	\$468	\$527	\$586	\$632	\$679	\$726	\$773
		Very Low Income (50% AMI)	\$683	\$781	\$878	\$976	\$1,054	\$1,132	\$1,210	\$1,288
		Low Income (80% AMI)	\$1,093	\$1,249	\$1,405	\$1,562	\$1,686	\$1,811	\$1,936	\$2,061
		Median Income (100% AMI)	\$1,366	\$1,562	\$1,757	\$1,952	\$2,108	\$2,264	\$2,420	\$2,577

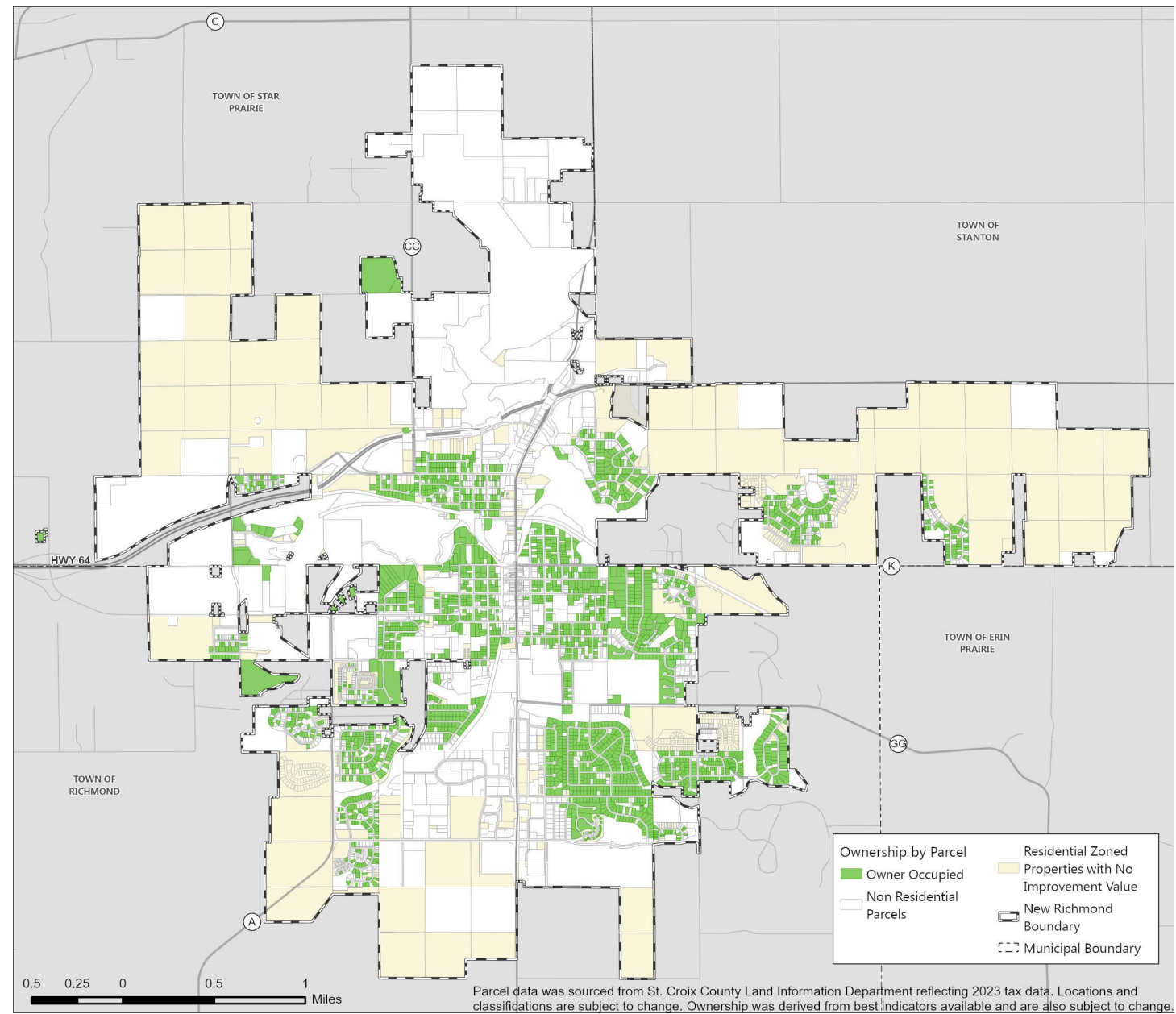


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## Ownership Market

# Owner Occupied Units

- The majority of residential parcels in the City, 59 percent, are owner-occupied.
- New home development continues to occur in New Richmond. The City is a place of high interest for developers due to its proximity to the Twin Cities, lower building costs compared to Minnesota, and the willingness of City staff and officials to welcome new residential development.

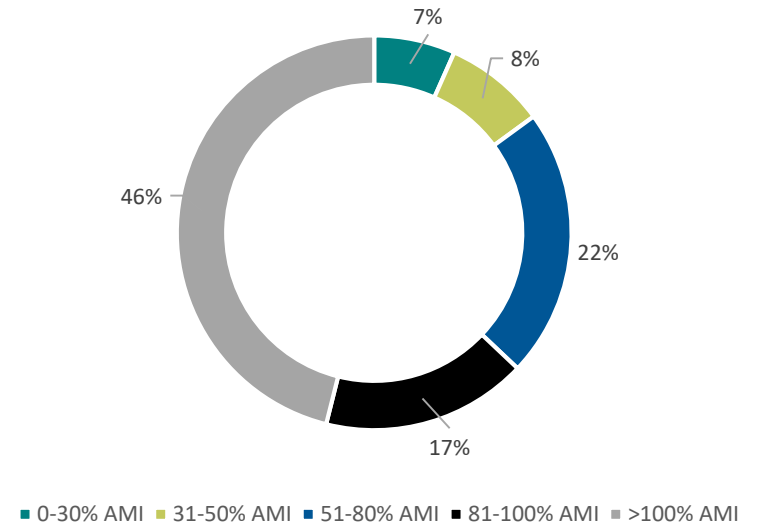


# Affordability

Income Limit Area	Maximum Purchase for Family of 4 Without Paying More than 30% of Gross Income Toward Housing (100% Median Income)	Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
New Richmond	\$262,339	Extremely Low Income (30% AMI)	\$55,091	\$62,961	\$70,831	\$78,702	\$84,998	\$91,294	\$97,590	\$103,886
		Very Low Income (50% AMI)	\$91,819	\$104,935	\$118,052	\$131,169	\$141,663	\$152,156	\$162,650	\$173,144
		Low Income (80% AMI)	\$146,910	\$167,897	\$188,884	\$209,871	\$226,661	\$243,450	\$260,240	\$277,030
		Median Income (100% AMI)	\$183,637	\$209,871	\$236,105	\$262,339	\$283,326	\$304,313	\$325,300	\$346,287

- The table above shows the general purchase price a household could afford at various income levels, by household size, without being cost burdened (more than 30% of gross income paid towards housing). Most of these price points are a challenge for developers to build at due to increasing costs of labor and supplies.
- 46% of the City's owner-occupied households earn an income that is 100% or more of the area median income - this is a 10% decrease since 2019. There has been an increase in the number of <30% AMI and 81-100% AMI owner households.

**Income Levels for Homeowners in New Richmond**

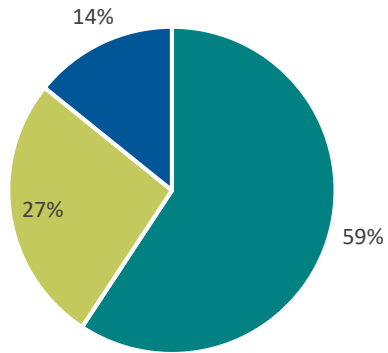


Source: HUD CHAS

# Housing Stress

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

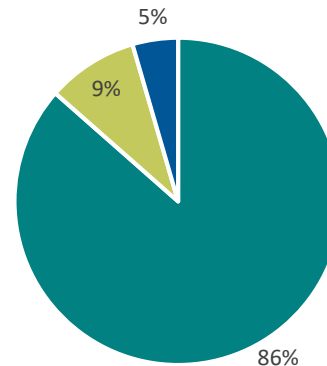
Renter Households



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

Source: HUD CHAS

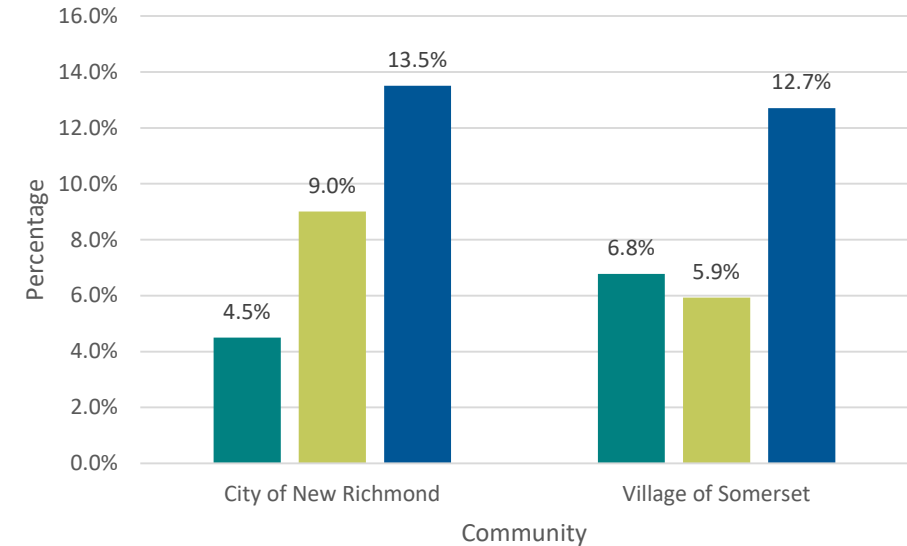
Owner Households



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

Source: HUD CHAS

Cost Burden Owner Occupied



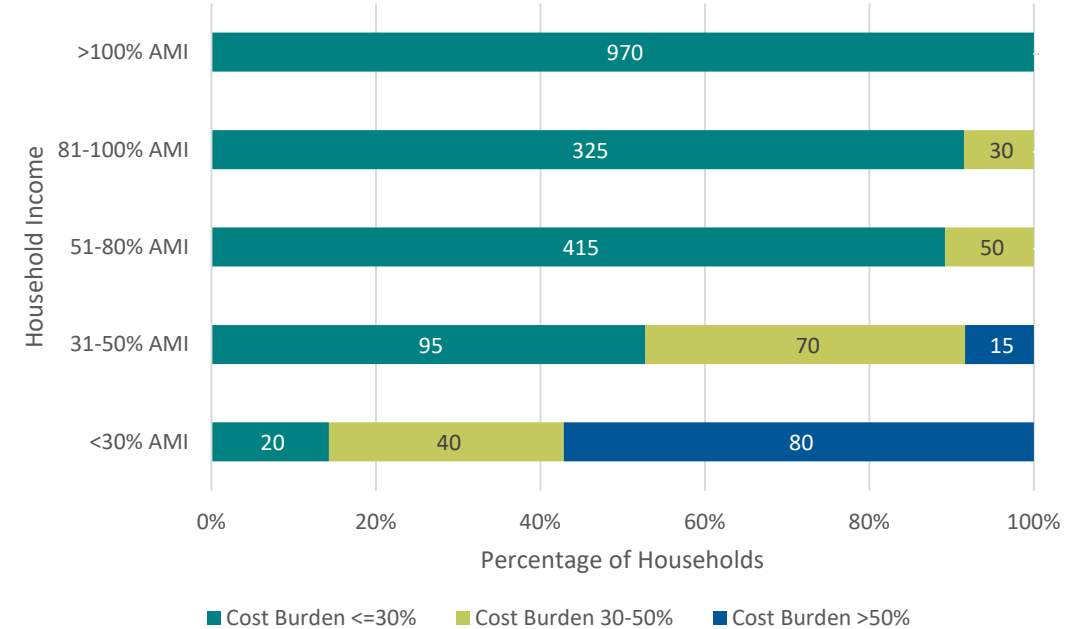
■ % Cost Burdened ■ % Severely Cost Burdened ■ Total All Cost Burden

Source: HUD CHAS

# Owner Stress by Income

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

Ownership Unit Cost Burden



Source: HUD CHAS

Ownership Unit Mismatch	Owner Units Available	Owner Households	Over-/Under-Supply
0-50% AMI	1,210	320	890
51-80% AMI	850	465	385
81-100% AMI	40	355	-315
>100% AMI	0	970	-970

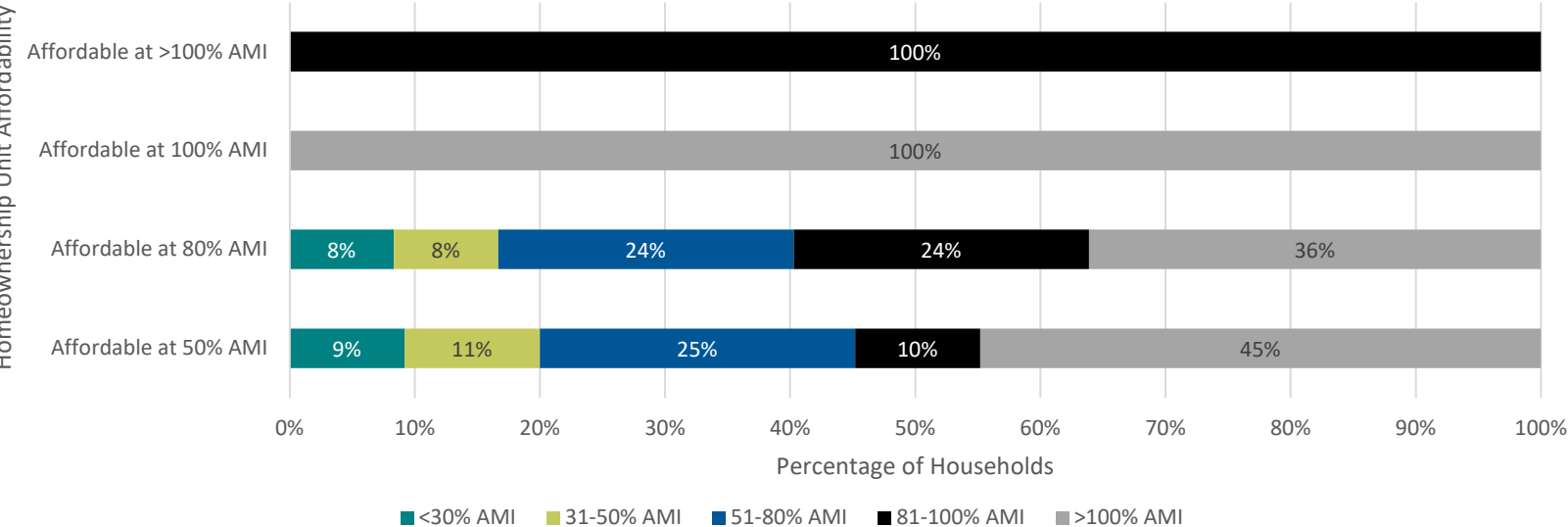
Source: HUD CHAS



# Homeownership Unit Consumption

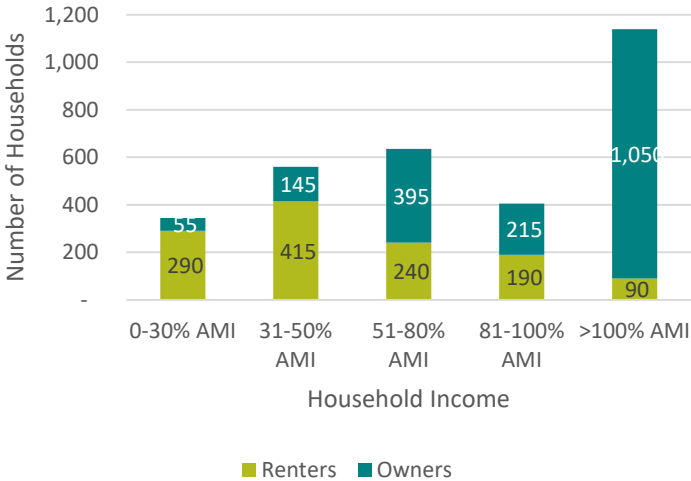
- In New Richmond, many homeowners are owning homes that are considered affordable when compared to their incomes.
- It is a challenge for lower income families who are trying to purchase a home, as higher-income families are able to offer more money, better terms, and use standard mortgage types (not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

Owner Occupied Unit Consumption by Income



Source: HUD CHAS

Households by Tenure and Income



Source: HUD CHAS

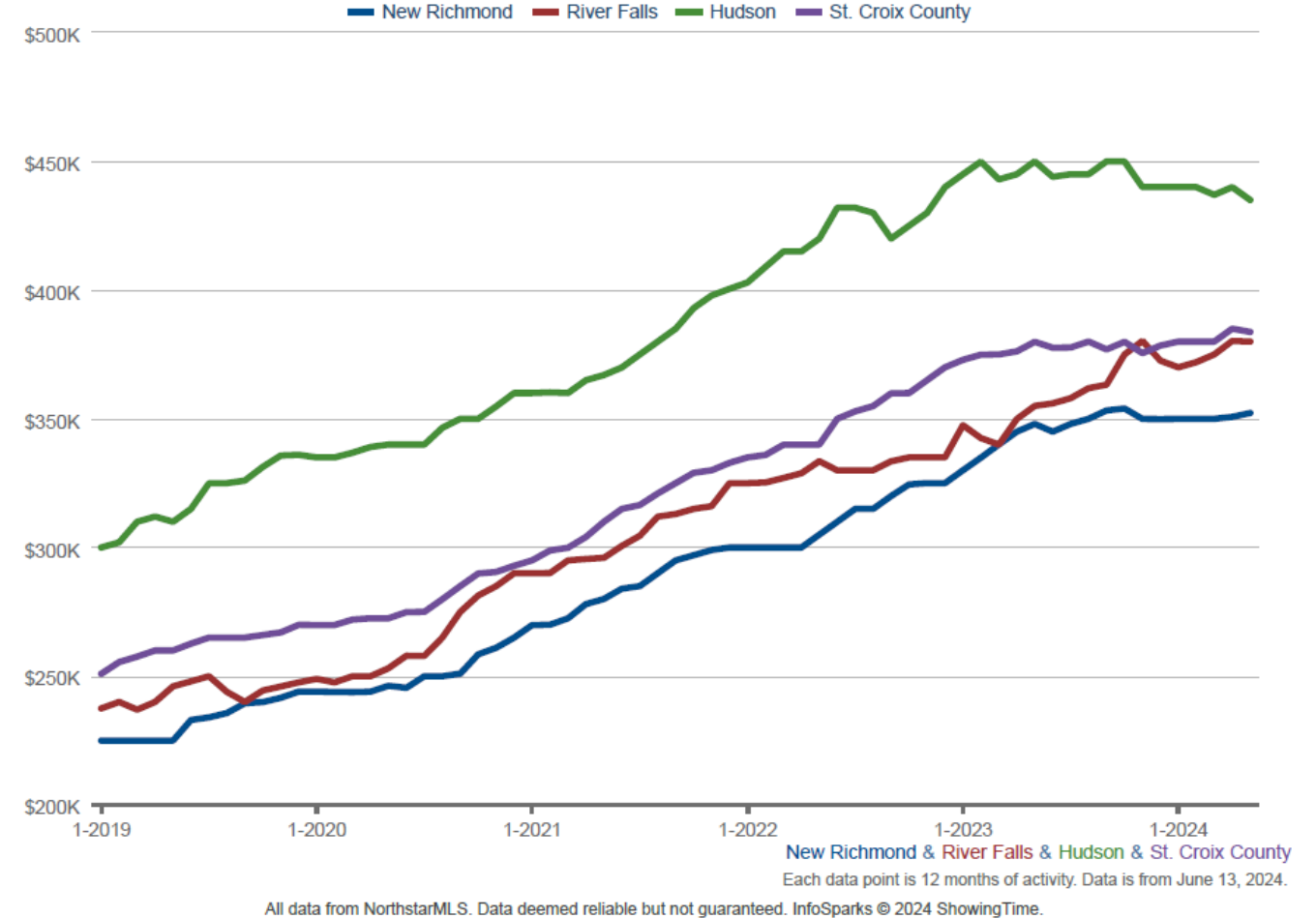
# Housing Cost

- The median home value in New Richmond has seen consistent growth since the 2021 report, but still falls below the county average. The current, 2024, estimate for median home value in New Richmond is \$352,250, up from \$235,000 in 2019. The price of housing has risen by 65% in the past 5 years, which is a substantial increase. From 2017 to 2022, the median home sale price in Wisconsin increased by more than 50%, while median household incomes in the state increased by only 19.7% according to the Wisconsin Policy Forum.
- Since 2019, many homes have been added to the New Richmond market priced at \$350k-\$400k based on feedback from interviews.

## 2024 Median Sales Price

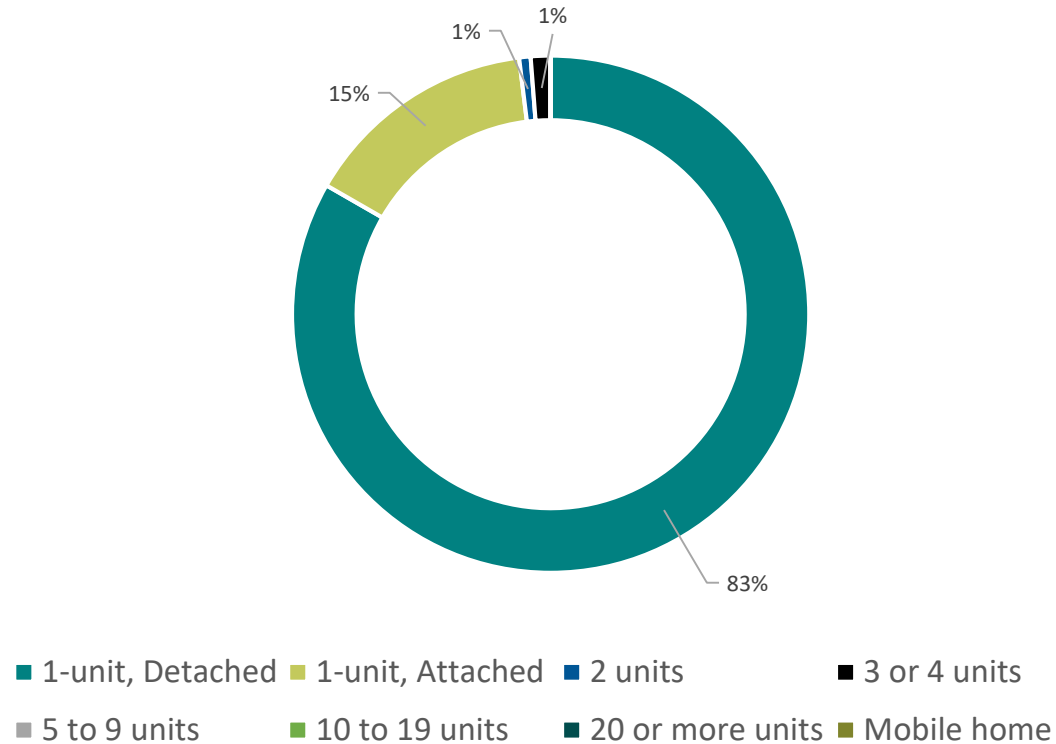
- New Richmond \$352,250
- River Falls \$380,000
- Hudson \$435,000
- St. Croix Cty. \$383,750

## Median Sales Price



Source: Northstar MLS

# Unit Types



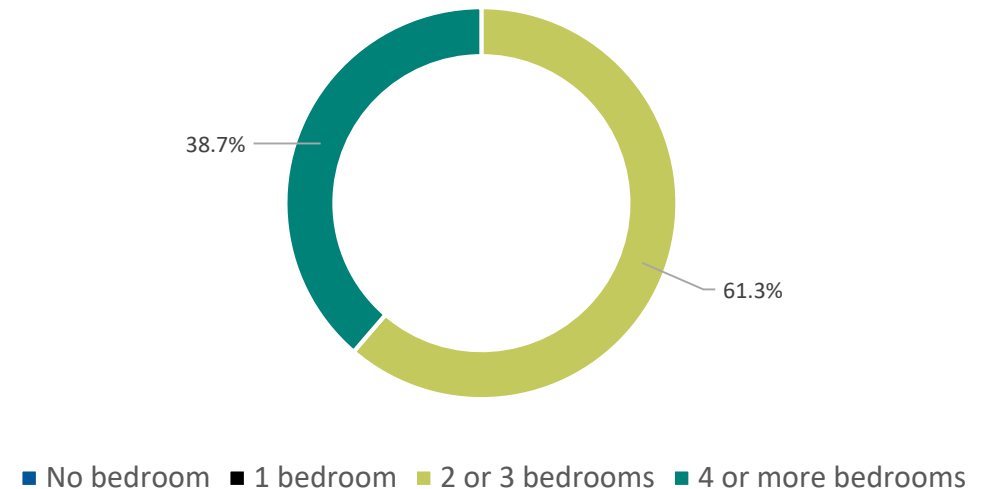
Source: US Census Bureau ACS

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

# Ownership Unit Size

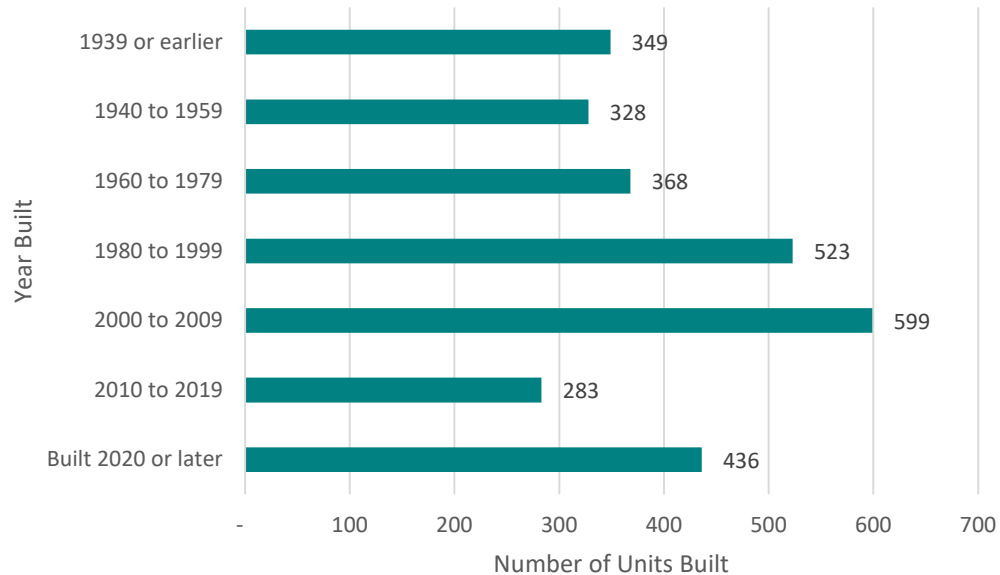
- There are no owner-occupied houses with only 1 bedroom in the City of New Richmond. This is consistent with St. Croix County and surrounding communities.
- Homes with fewer bedrooms are generally more affordable both within existing and new-construction markets. Ownership units with one bedroom can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

Number of Bedrooms



Source: US Census Bureau ACS

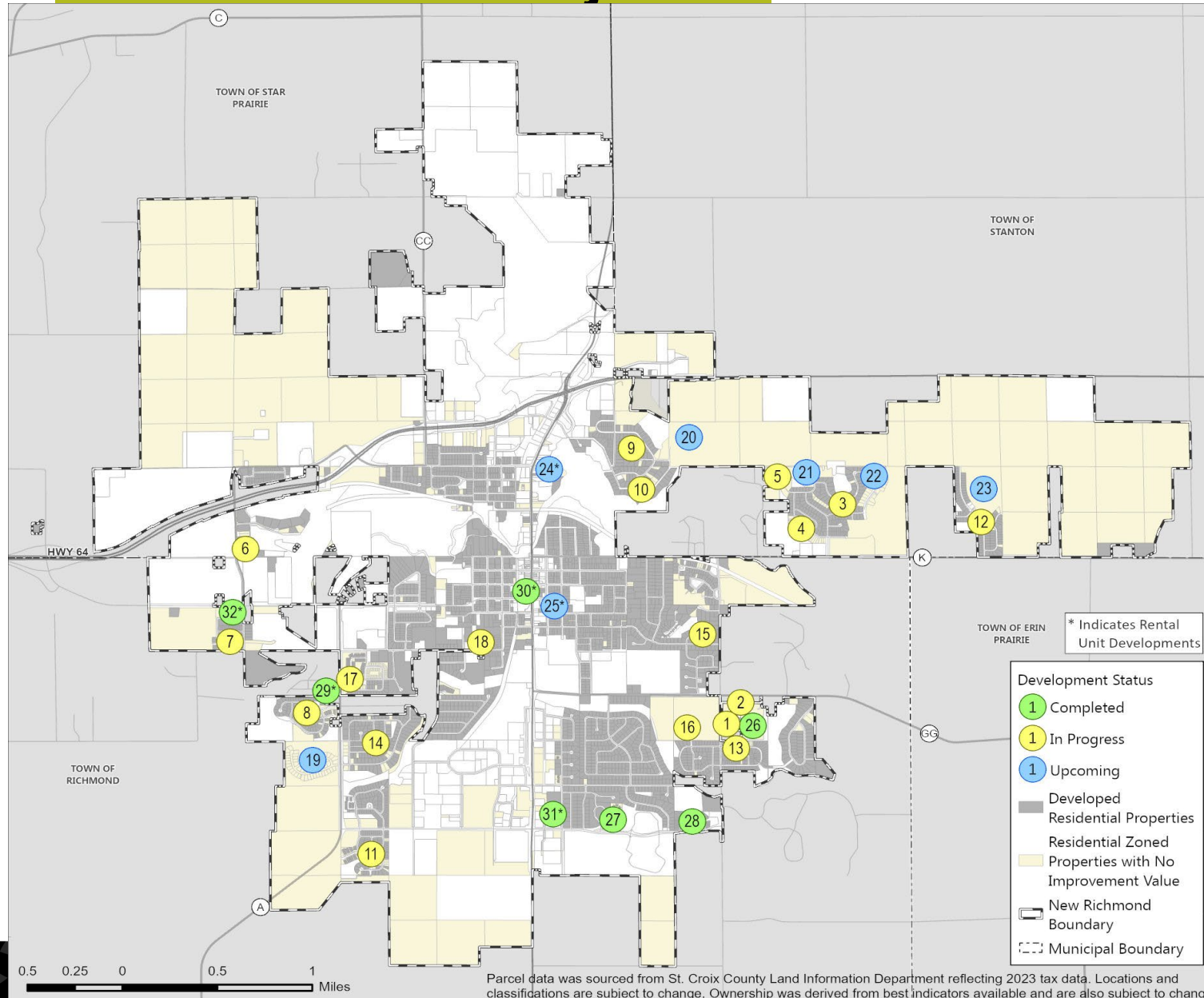
# Housing Age of Owner-Occupied Housing



Source: US Census Bureau ACS

- Approximately 45.7% of owner-occupied homes were built between 2000-2023.
- The City does also have a significant supply of homes built prior to 1980 (36.2%). Older housing units tend to be more affordable and offer opportunity for households with lower incomes and entry-level homebuyers.

# New Richmond Projects



1. Meadow Crossing 1<sup>st</sup> (55 lots, 54 available)
2. Meadow Crossing 2<sup>nd</sup> (12 lots, 6 available)
3. Fox Run 2<sup>nd</sup> Addition (103 lots, 32 available)
4. Fox Run 3<sup>rd</sup> Addition (24 lots, 14 available)
5. Fox Run 4<sup>th</sup> Addition (52 lots, 48 available)
6. Golf Side Villas (12 lots, 3 available)
7. Golf View Estates (41 lots, 4 available)
8. Willow River Bluffs (86 lots, 3 available)
9. Lakeview Estates (50 lots, 2 available)
10. North Shore Addition (29 lots, 4 available)
11. Evergreen Valley 3rd Addition (97 lots and 7 available)
12. Whispering Prairie (103 lots and 4 available)
13. Paperjack Townhome Community (19 lots and 4 available)
14. Woodland Creek (163 lots, and 15 available)
15. Pine Bluff 4<sup>th</sup> Addition (59 lots, 3 available)
16. Avondale (42 lots, 35 available)
17. Willowind 1<sup>st</sup> Addition (77 lots, 55 available)
18. Falcon Glen (24 Condo units)
19. Gloverdale (60 lots)
20. Francois Fields (97 lots)
21. Fox Run 5<sup>th</sup> Addition (14 lots)
22. Fox Run 6<sup>th</sup> Addition (15 lots)
23. Whispering Prairie North (90 lots)
24. Lakeside Flats (103 units)
25. Public/Private Partnership Apartments and Townhomes (81 units)
26. Meadow Crossing
27. Richmond Prairie
28. Naser Heights
29. Willow Countryside Villas
30. Beebe Lofts Senior Living
31. Mill City Flats
32. West 5<sup>th</sup> Townhomes



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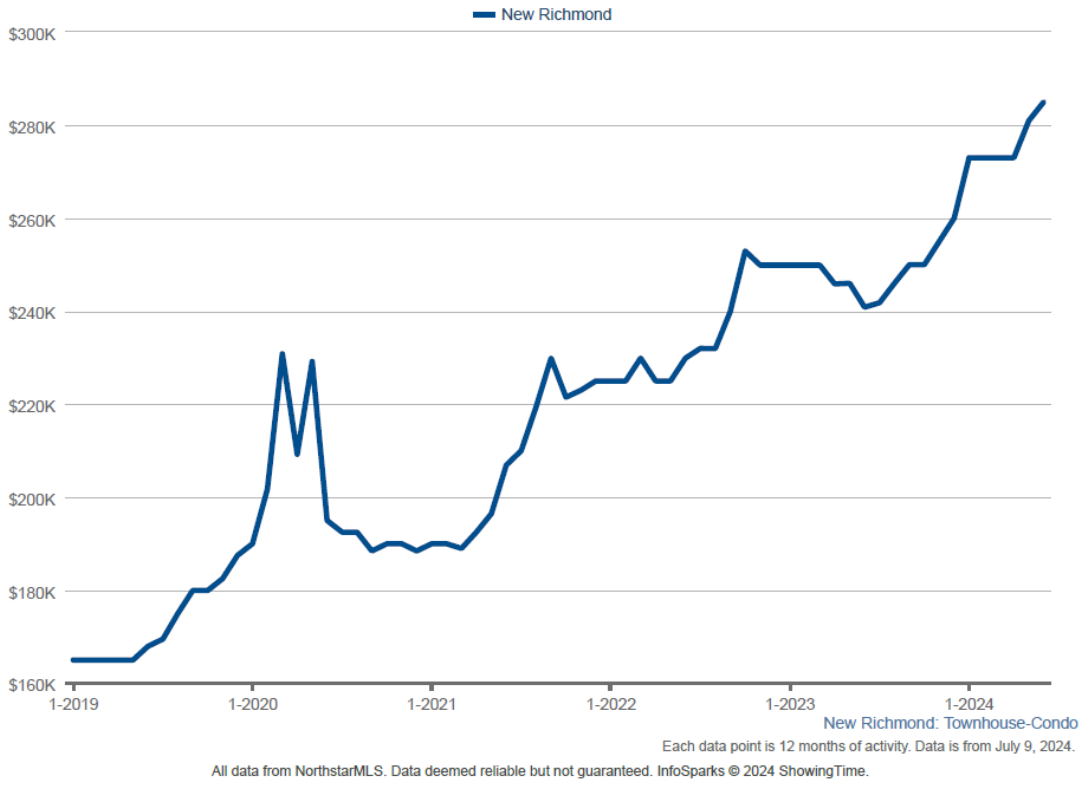
# Market Trends, Detached Single Family Homes

- From 2019 to 2024, the median sale price for detached single family homes increased an estimated 65% (from \$235,000 to \$357,000). This is primarily due to the tight supply of housing stock.
- The median home sale prices between 2019 and 2024 have been above what is considered affordable for the median income earning household in the City. Based on interviews with local housing experts there need to be more owner-occupied units priced between \$250,000-\$300,000.
- The total number of homes sales has decreased by 51% from 2019 to 2023 (279 to 143), which could be based on the increase in interest rates and rising construction costs. As a result of these numbers, apartments are being constructed in New Richmond.

*Source: Multiple Listing Service*

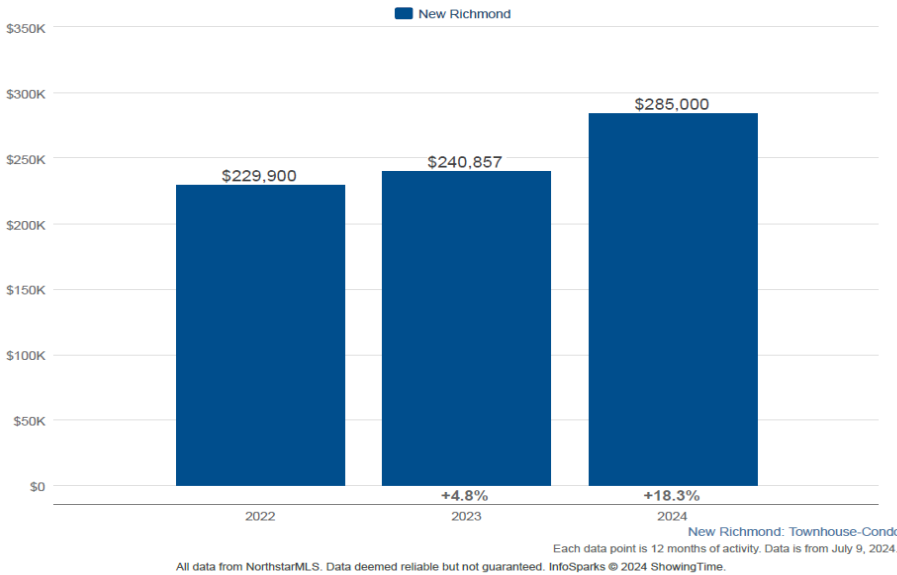
# Market Trends, Condos and Duplex

Median Sales Price



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

Graph on right:  
3-year over  
year Median  
Sales Price for  
Townhomes  
and Condos



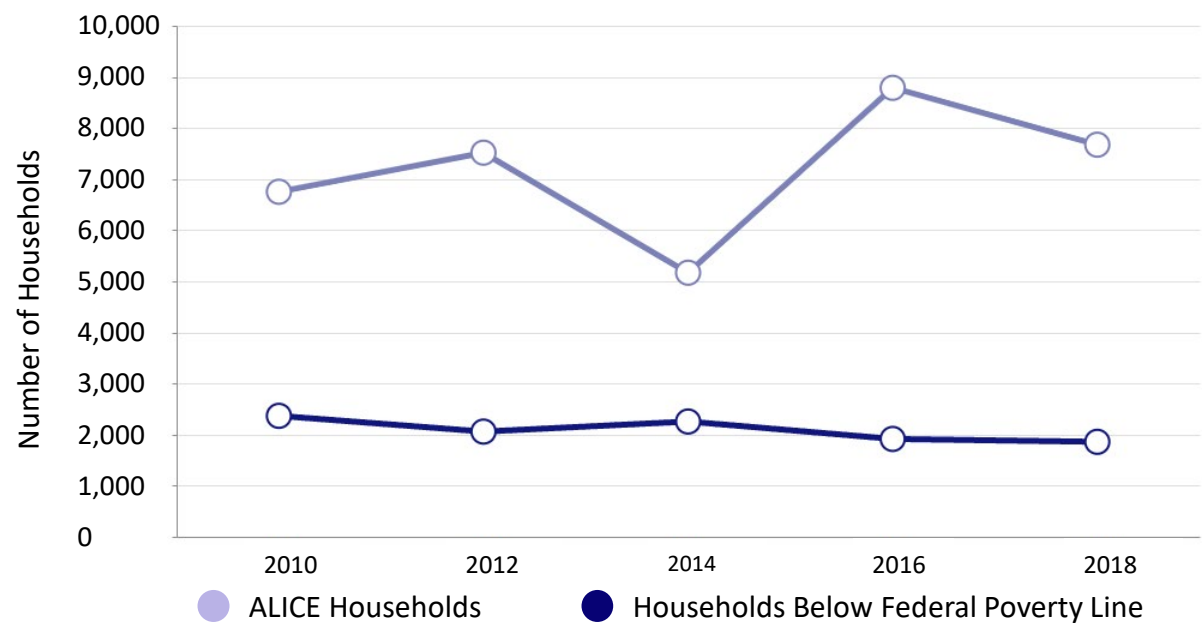
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## Housing for Special Populations

# ALICE Households

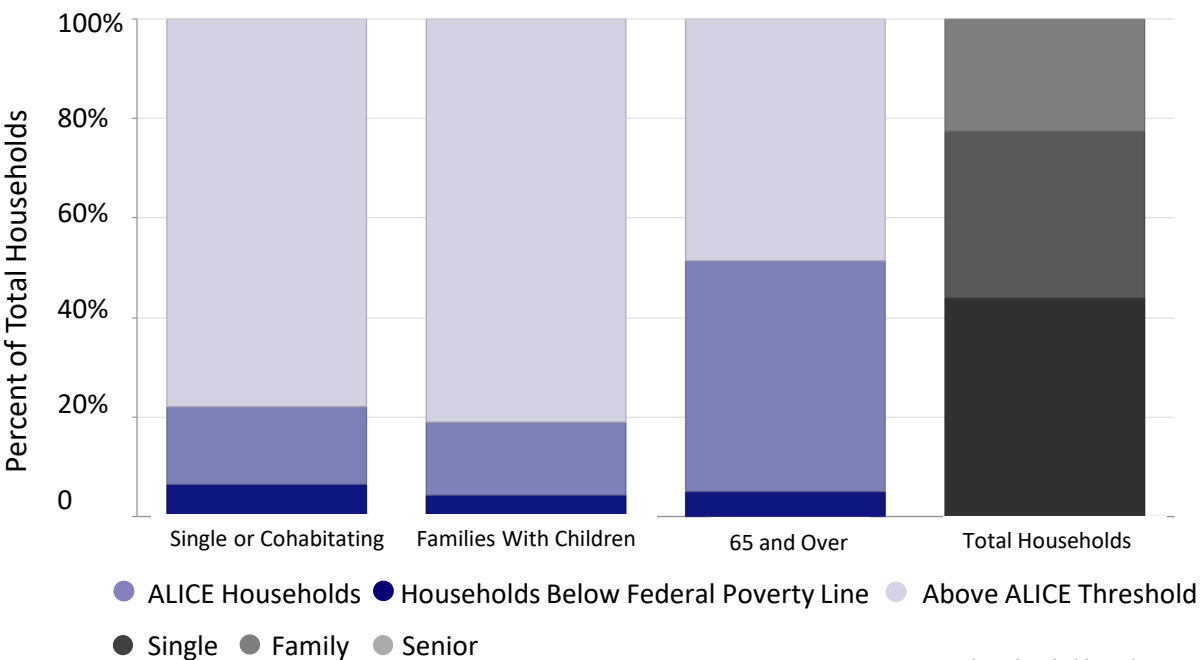
- ALICE is an acronym for Asset Limited, Income Constrained, Employed — households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county (the ALICE Threshold). While conditions have improved for some households, many continue to struggle, especially as wages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

St. Croix County ALICE and Poverty Households Change Over Time



Source: Alice Thresholds and ACS

St. Croix County Types of Households Struggling

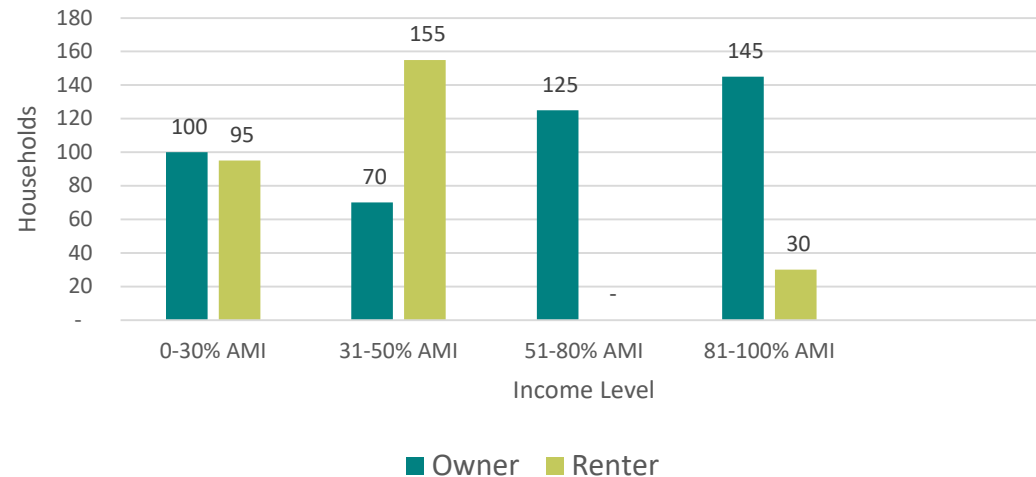


Source: Alice Thresholds and ACS

# Aging Populations

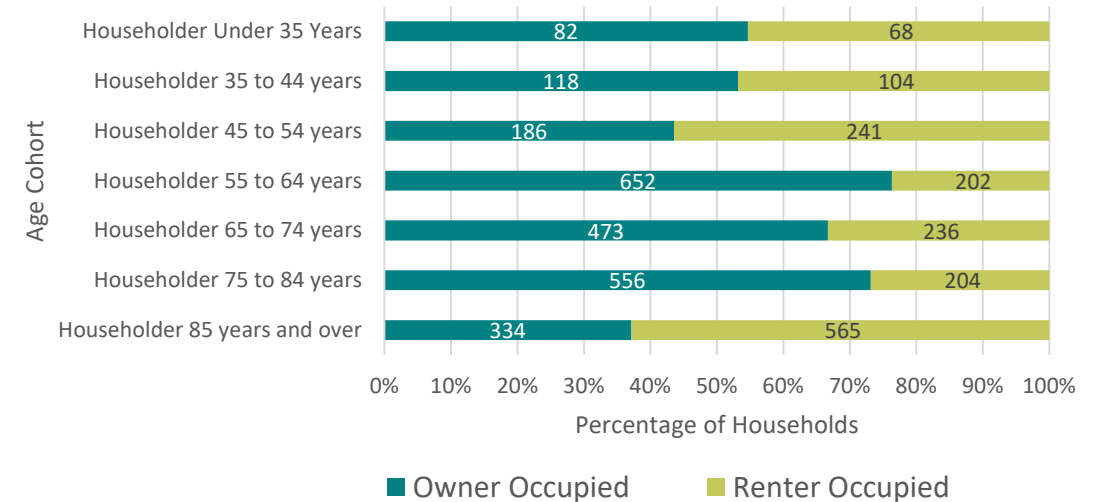
- Senior households are anticipated to have the largest percentage of growth through 2040.
- As seen in the lower right figure, the majority of seniors are homeowners. Some seniors will continue to live in their own home with virtually no services, while some will look to townhomes and apartments that offer the ability to “downsize”, specialized housing with limited services, and different types of assisted living facilities.
- Often senior households will pay up to 50% of their income for market rate senior housing and up to 90% for specialized living.
- Currently, the waitlist of the New Richmond Housing Authority for senior housing is at 100 seniors.

**City of New Richmond Senior Household Income**



Source: HUD CHAS

**City of New Richmond Household by Age and Tenure**

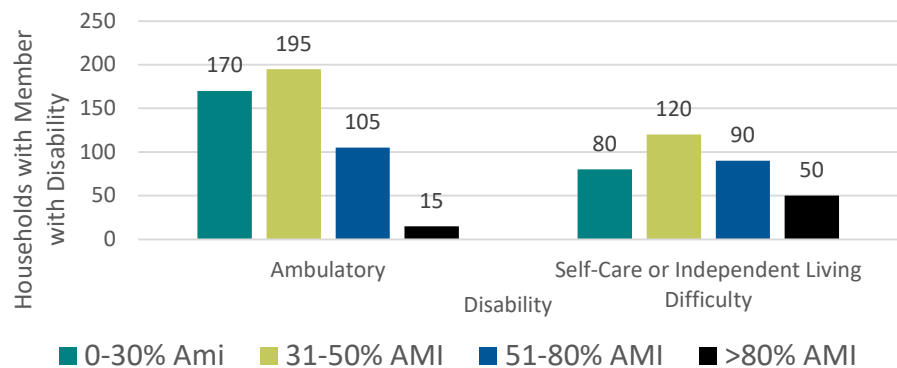


Source: US Census Bureau ACS

# Disabled Populations and Accessibility

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

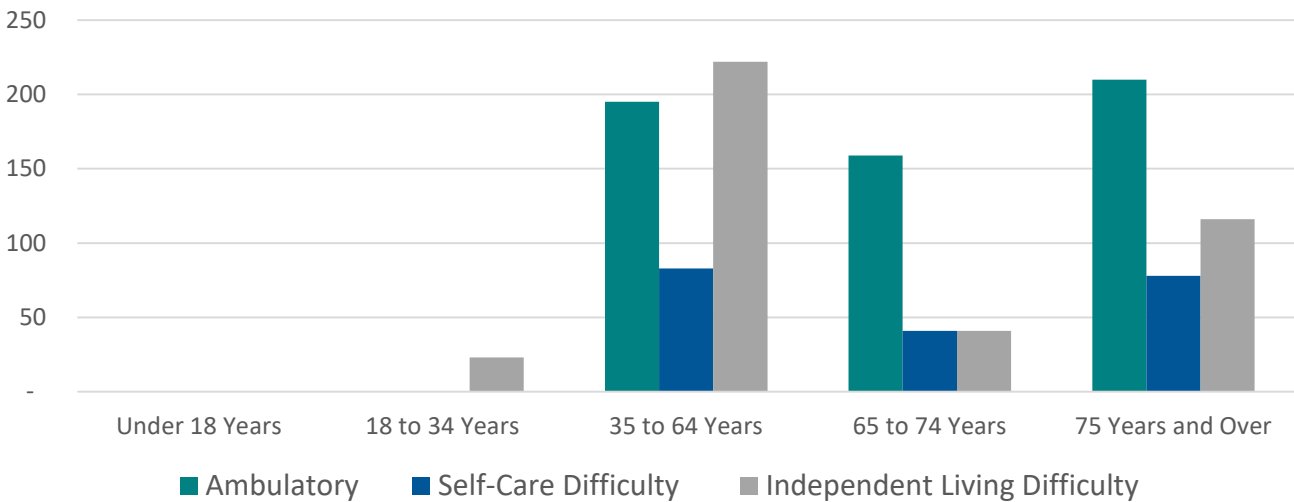
City of New Richmond Households with a Member with a Disability by Income and Type



Source: HUD CHAS

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

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



Source: HUD CHAS



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## Other Forces Impacting the Market

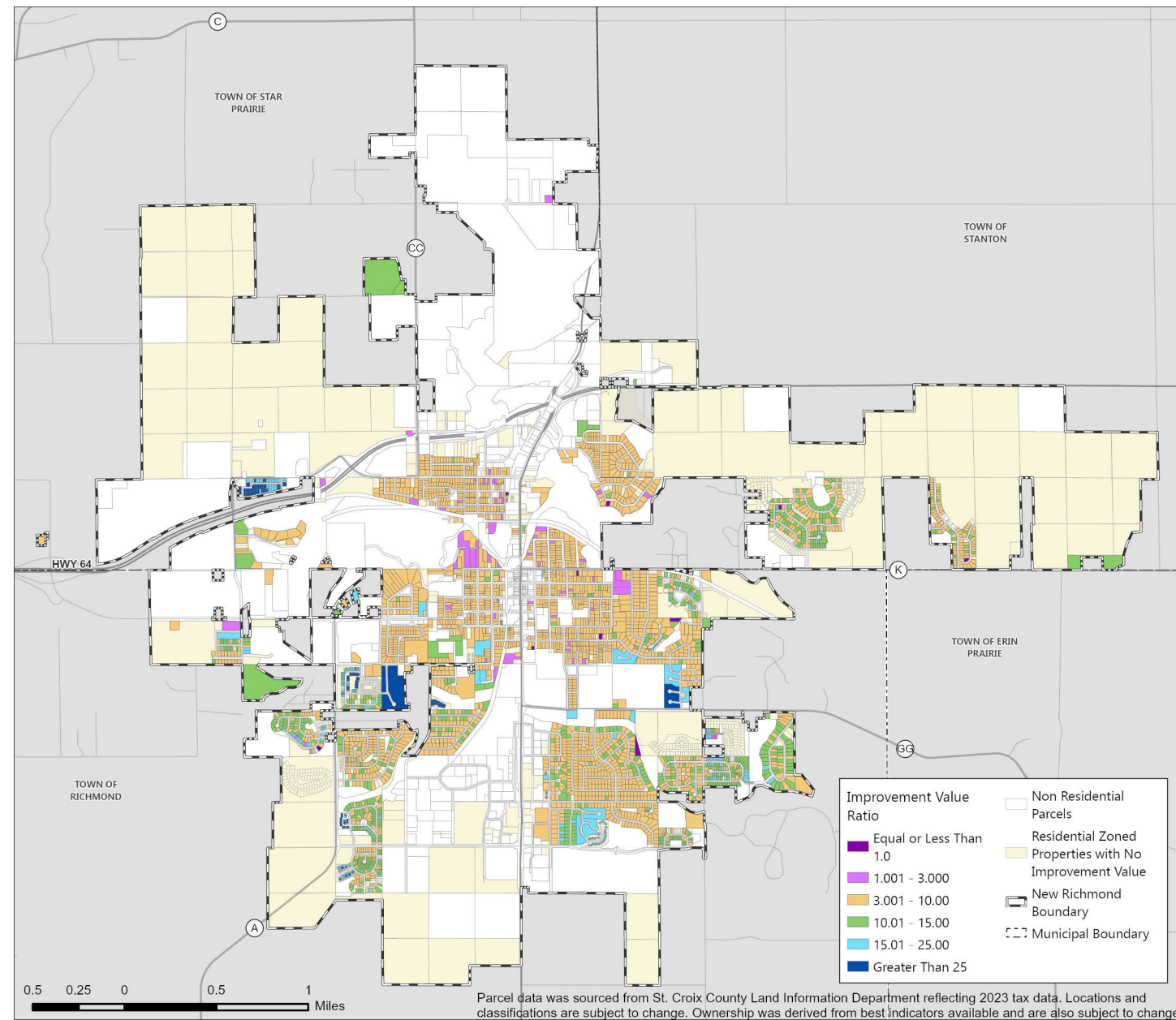
# Taxes

- New Richmond's mill rate is higher than some neighboring townships but slightly less than surrounding cities and villages.
- It is generally expected that the City would have higher tax rates than towns because they maintain more infrastructure and offer more services per capita.
- New residential growth expands the City's tax base and spreads costs between more households.
- Interviews with local housing experts noted that property taxes are lower in New Richmond (Wisconsin) than they are in Minnesota. Anecdotally, it is likely that lower property taxes are something drawing people into the City from the Twin Cities.

Municipality	2023 Mill Rate	Taxes on \$352,250 Home	Difference vs New Richmond
City of New Richmond	0.01498	\$5,277	-
Village of Somerset	0.01826	\$6,432	\$1,155
Town of Richmond	0.01314	\$4,629	(\$648)
Town of Star Prairie	0.01628	\$5,735	\$458
Town of Erin Prairie	0.01450	\$5,108	(\$169)
City of Hudson	0.01692	\$5,960	\$683
City of River Falls	0.01698	\$5,981	\$705
City of Rice Lake	0.01753	\$6,175	\$898

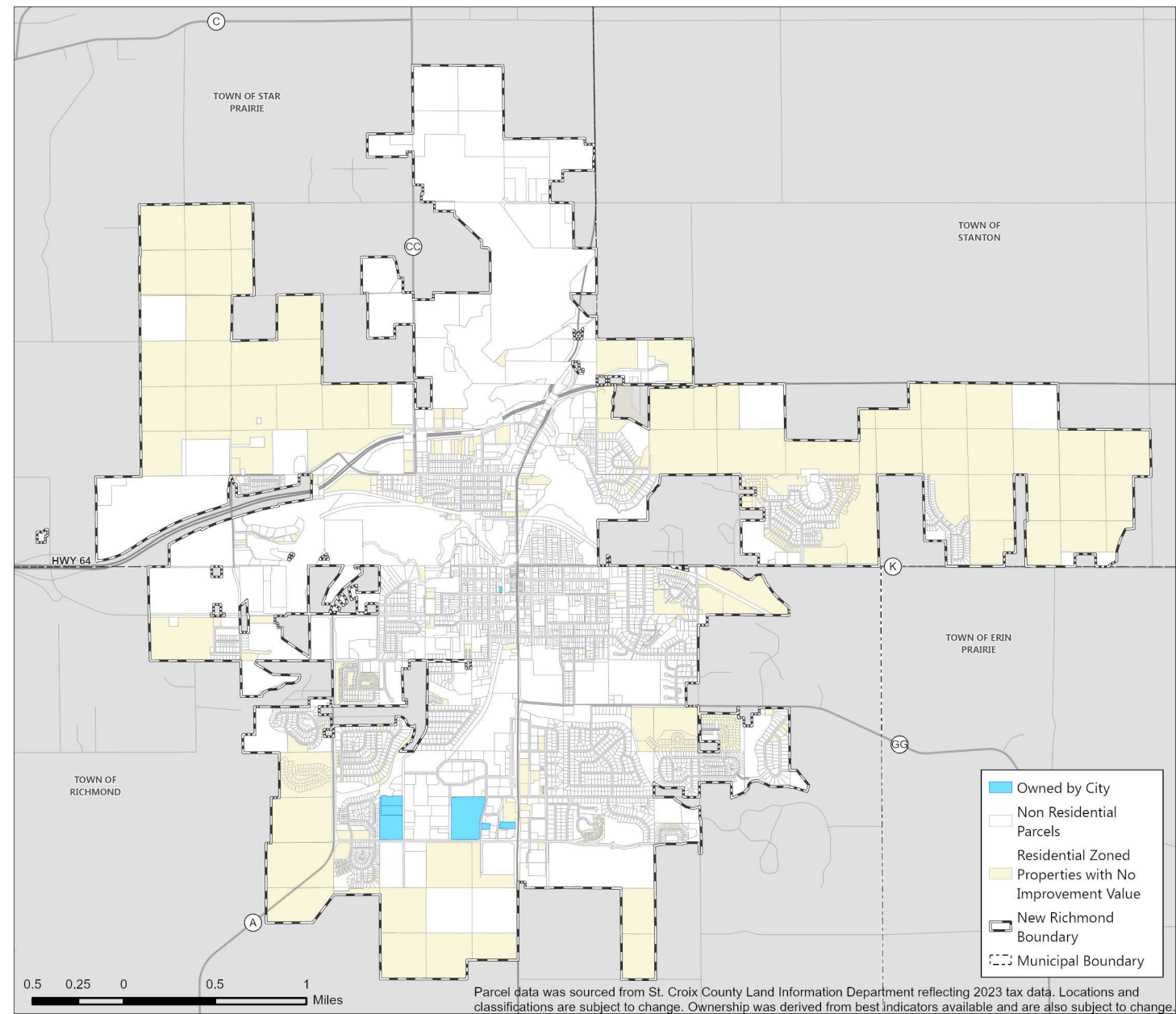
# Improvement Value Ratio

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



# Supply of Available Lots

- Aside from redevelopment there are opportunities for additional housing on vacant lots within city limits.
- Vacant residential parcels are represented in brown on the map to the right.
- Most of the available residential acreage is in large areas that could be subdivided (2,500 acres total). This acreage includes some land that may not be buildable due to wetlands, floodplain, size, shape, etc. Recent annexation has significantly increased the amount of available land for residential development.
- There are currently 578 buildable lots within the City.



# Regulations

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

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

SP=Site Plan Application Required

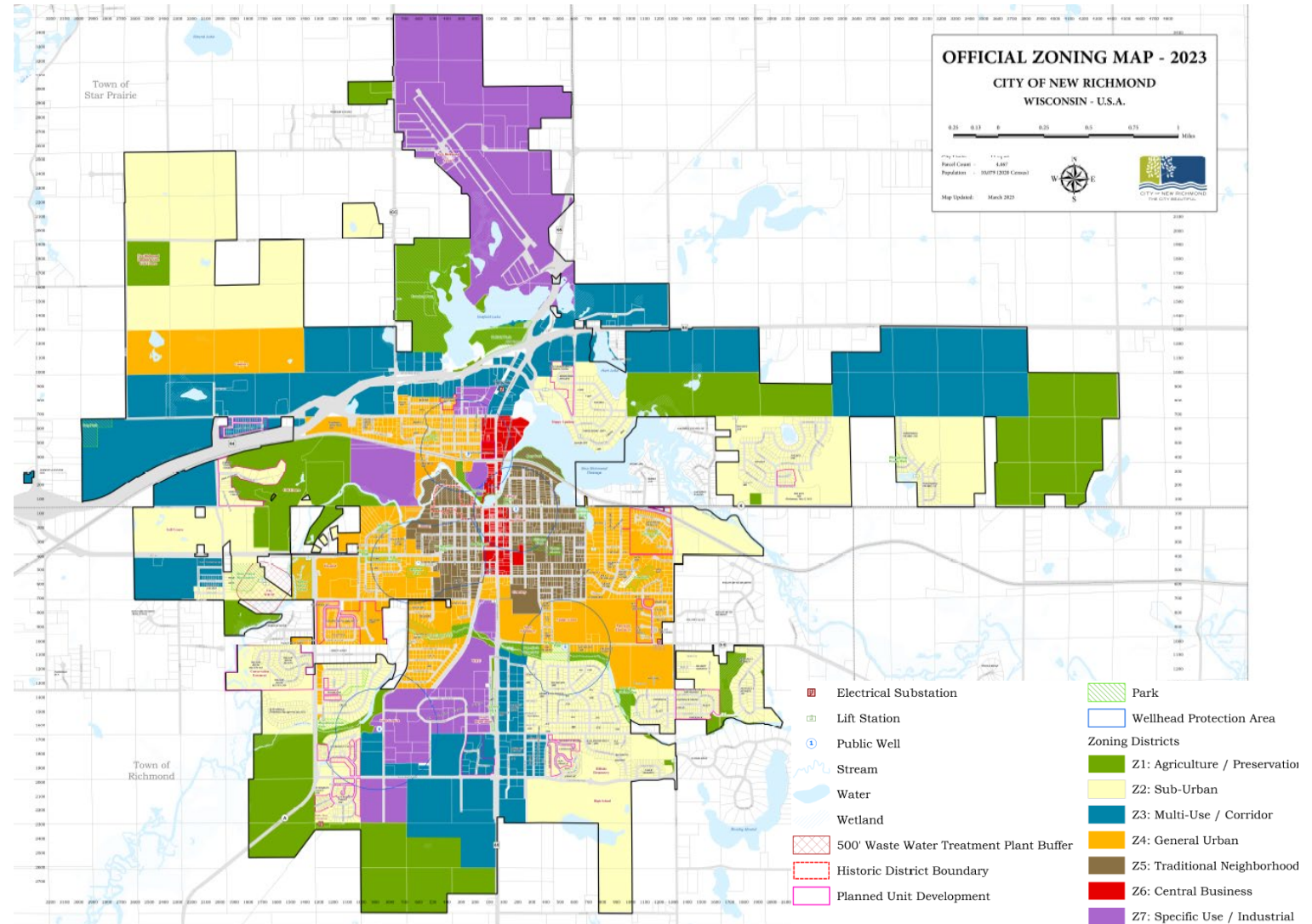
BP= Allowed through building permit process

C= Conditional Use Permit Required



# Zoning

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

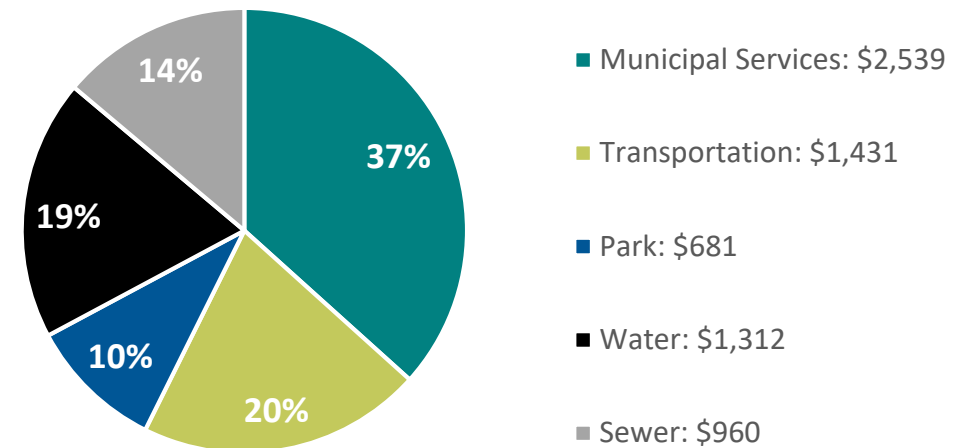




# Impact Fees

- Communities charge impact fees when approving new developments to pay for infrastructure that must be built to accommodate new development.
- As of July 1, 2023, New Richmond charges an impact fee of \$6,611 per dwelling unit for single family development. A breakdown of these fees is shown to the right.
- In 2021, one interviewee noted that the City's impact fees were high, especially compared to the City of Eau Claire, and City of Rice Lake which do not charge impact fees. Other nearby communities charge the following impact fees as of June, 2024:
  - City of River Falls - \$7,217 average per dwelling unit
  - City of Hudson - \$5,628 per dwelling unit
  - Village of Roberts - \$5,050 per dwelling unit
  - Village of Baldwin - \$3,400 per dwelling unit
  - Village of Somerset - \$1,940 per dwelling unit
- The City underwent an impact fee study in 2022 and has since increased fees from the 2021 level (\$4,400 per dwelling unit). To encourage increased development of affordable housing, the City should consider reducing impact fees for affordable housing options.

**New Richmond Impact Fee (\$6,611) Breakdown**



Source for Impact Fees – City/Village Website

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# Livability

- **Good Schools:** New Richmond's School District is attractive to potential residents. The District is expecting continued growth due to households leaving the Twin Cities.
- **Proximity to Twin Cities:** Households moving from the Twin Cities to New Richmond come because of the quality of life offered while still being able to easily drive to the Twin Cities.
- **Opportunity for Recreation:** The City has a robust park and recreation system with 31 parks (developed and undeveloped) and 17.1 miles of paved trails. There are a total of 345 acres of active and passive park land in New Richmond.
- **Access to Broadband:** Recent improvements have grown the number of internet providers to four within the City which all provide high speed internet access. Reliable internet is a critical factor for drawing people and businesses to the community. The City should continue to prioritize high speed internet access.
- **Safety:** Interviewees mentioned the City is perceived as safe, which is a draw to potential residents.



*New Richmond High School*

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## Housing Gaps and Opportunities

# Owner Occupied Housing Units Needed-Conservative

- The conservative household growth estimate uses DOA's projected growth rate for the City through 2030 (19%) plus an additional 50% increase due to additional unanticipated housing demand created by the bridge.
- Based on 2021 projections, unit need calculation was re-evaluated with ownership housing construction in 2022 and 2023. **Revised 2030 projections indicate need for 280 units or 210 SF-Detached and 70 SF-Attached units.**
- The 280 owner-occupied units that are projected to be needed in the local housing market over the next 6 years should be in the following sale ranges (2024 dollars):
  - 62 units priced \$55,000\*-\$243,000
  - 30 units priced \$220,000-\$304,000
  - 141 units priced \$284,000-\$440,000
  - 47 units priced greater than \$440,000

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

New Construction Ownership Housing Demand to 2030 - Conservative			
Demand from New Households Within the City			
Owner Household Growth		768 additional households	
Percent Owner Households under 65		46%	
DOA Estimate Plus Demand Due to Bridge (50%)		176 additional households	
Plus Additional 2% Vacancy		11 ownership units	
Demand Generated for New Construction		540 ownership units (54/year)	
Demand from Existing Homeowners			
Current Owner Households (those under 65)		1,715 households	
Annual Turnover		13%	
Households Anticipated to Move		223	
Desire New Construction		13%	
New Construction Demand		29 ownership units (3/year)	
Minus 2021 Permits		136	
2021 Report Projection for New Construction Ownership Units = 433 units			
Minus 2022/2023 Permits		153 (97 SF-Detached, 56 SF-Attached)	
Demand for Detached vs. Attached Units			
Demand for SF-Detached	75%	Demand for SF-Attached	25%
Total SF-Detached Need	228 units (38/year)	Total SF-Attached Need	52 units (9/year)
Total Unit Need 2024-2030 = 280 units (47/year)			

# Owner Occupied Housing Units Needed-High

- This high estimate assumes a 50% growth rate in households between now and 2030. This growth rate assumes the construction rate the City has experienced since the opening of the bridge will continue.
- Strong growth in construction has remained consistent since 2017, though this trend should be monitored for changes in market dynamics and community demographics. **Revised 2030 projections indicate need for 709 units or 532 SF-Detached and 177 SF-Attached units.**
- The 709 owner-occupied units that are projected to be needed in the local housing market over the next 6 years should be in the following sale ranges (2024 dollars):
  - 160 units priced \$55,000\*-\$243,000
  - 85 units priced \$220,000-\$304,000
  - 348 units priced \$284,000-\$440,000
  - 116 units priced greater than \$440,000

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

New Construction Ownership Housing Demand to 2030 - High			
Demand from New Households Within the City			
Owner Household Growth	2,068 additional households		
Percent Owner Households under 65	46%		
Plus Additional 2% Vacancy	19 ownership units		
Demand Generated for New Construction	969 ownership units (97/year)		
Demand from Existing Homeowners			
Current Owner Households (those under 65)	1,715 households		
Annual Turnover	13%		
Households Anticipated to Move	223		
Desire New Construction	13%		
New Construction Demand	29 ownership units (3/Year)		
Minus 2021 Permits	136		
2021 Report Projection for New Construction Ownership Units = 862 units			
Minus 2022/2023 Permits	153 (97 SF-Detached, 56 SF-Attached)		
Demand for Detached vs. Attached Units			
Demand for SF-Detached	75%	Demand for SF-Attached	25%
Total SF-Detached Need	532 units (89/year)	Total SF-Attached Need	177 units (30/year)
Total Unit Need = 709 units (119/year)			



# Rental Units Needed-Conservative

- The conservative household growth estimate uses DOA's projected growth rate for the City through 2030 (19%) plus an additional 50% increase due to additional unanticipated housing demand created by the bridge.
- Larger than anticipated population growth in recent years coupled with nationwide shift towards multi-family development has caused rental unit construction to outpace the 2021 conservative projections. **Revised 2030 projections indicate need for 223 units.**
- **The 223 rental units that are projected to be needed in the local housing market over the next 6 years should be in the following price ranges (2024 dollars):**
  - 64 units priced \$400-\$700/month
  - 78 units priced \$700-\$1,100/month
  - 37 units priced \$1,100-\$1,700/month
  - 44 units priced \$1,400-\$2,700/month

New Construction Rental Housing Demand to 2030 - Conservative					
Demand from New Households Within the City					
Renter Household Growth		768 additional households			
Percent Renter Households under 65		33%			
DOA Estimate Plus Demand Due to Bridge (50%)		127 additional households			
Plus Additional 5% Vacancy		19 rental units			
Demand Generated for New Construction		399 rental units (40/year)			
Demand from Existing Renter Households					
Current Renter Households (those under 65)		1,207 households			
Annual Turnover		6%			
Households Anticipated to Move		72			
Desire New Construction		13%			
New Construction Demand		9 rental units (1/year)			
Minus 2021 Permits		108			
2021 Report Projection for New Construction Rental Units = 301 units					
Minus 2022/2023 Permits		78			
Demand for Rental Units at Various Price Points					
Affordable Units	64%	Mid-Level Units	17%	High Market Units	19%
Total Affordable Need	143 units (24/year)	Total Mid-Level Need	38 units (6/year)	Total High Market Neet	42 units (7/year)
Total Unit Need 2024-2030 = 223 units (37/year)					



# Rental Units Needed-High

- This high estimate assumes a 50% growth rate in households between now and 2030. This growth rate assumes the construction rate the City has experienced since the opening of the bridge will continue.
- Strong growth in construction has remained consistent since 2017, though this trend should be monitored for changes in market dynamics and community demographics, including the impact of high home prices on the ability to purchase a home. **Revised 2030 projections indicate need for 540 units.**
- **The 540 rental units that are projected to be needed in the local housing market over the next 6 years should be in the following price ranges (2023 dollars) :**
  - **154 units priced \$400-\$700/month**
  - **190 units priced \$700-\$1,100/month**
  - **90 units priced \$1,100-\$1,700/month**
  - **106 units priced \$1,400-\$2,700/month**

New Construction Rental Housing Demand to 2030 - High					
Demand from New Households Within the City					
Renter Household Growth		365 additional households			
Percent Renter Households under 65		33%			
Plus Additional 5% Vacancy		34 rental units			
Demand Generated for New Construction		286 rental units (29/year)			
Demand from Existing Renter Households					
Current Renter Households (those under 65)		1,207 households			
Annual Turnover		6%			
Households Anticipated to Move		72			
Desire New Construction		13%			
New Construction Demand		9 rental units (1/year)			
Minus 2021 Permits		108			
2021 Report Projection for New Construction Rental Units = 618 units					
Minus 2022/2023 Permits		78			
Demand for Rental Units at Various Price Points					
Affordable Units	64%	Mid-Level Units	17%	High Market Units	19%
Total Affordable Need	346 units (58/year)	Total Mid-Level Need	92 units (15/year)	Total High Market Neet	102 units (17/year)
Total Unit Need 2024-2030 = 540 units (90/year)					

# Senior Units Needed-Assisted Living

- The number of senior households is projected to increase by 35% in New Richmond by 2030. Planning for aging populations is essential to the success of the housing market in New Richmond.
- As seniors age some will need assistance with daily living (ADL) and need to move out of their current homes.
- **No new assisted living units were built in New Richmond since 2021. Projections for 2030 still indicate need for 41 additional assisted living units in the City.**

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

# Senior Units Needed-Independent Living

- The number of senior households is projected to increase by 35% in New Richmond by 2030. Planning for aging populations is essential to the success of the housing market in New Richmond.
- Some seniors will not need assistance with daily living but will still desire to move and look for housing dedicated to seniors.
- The Deerfield Senior Living Apartments added 24 market rate units. The Beebe Lofts 55+ Apartments added 50 subsidized units. Revised projections for 2030 indicate need for an additional 92 subsidized units. *This calculation does not include existing independent senior living units built prior to 2021 as that count is not available.***

Age Cohort of Household	Assumptions	2020 Households	2025 Households (projected)	2030 Households (projected)
65+	-	860	1,022	1,164
Assistance with Daily Living (ADL) NOT Required*				
65+	55%	473	562	640
% Renter Households**		25%		
Total Potential Market		118	141	160
% Subsidized**		89%		
Projected Demand - Subsidized***		105	125	142
Permitted Units 2021-2023				50
Projected Demand - Market Rate***		13	15	18
Permitted Units 2021-2023				24

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## Strategies for Implementation

# Priorities

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



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# Recommendations

## Capacity Building & Communication

### Form A Housing Committee (Recommended First Action Item)

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

### Improve Staff & Developer Communications & Processes

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

Naser Heights Twin Home Development in New Richmond





# Recommendations

## Initiatives

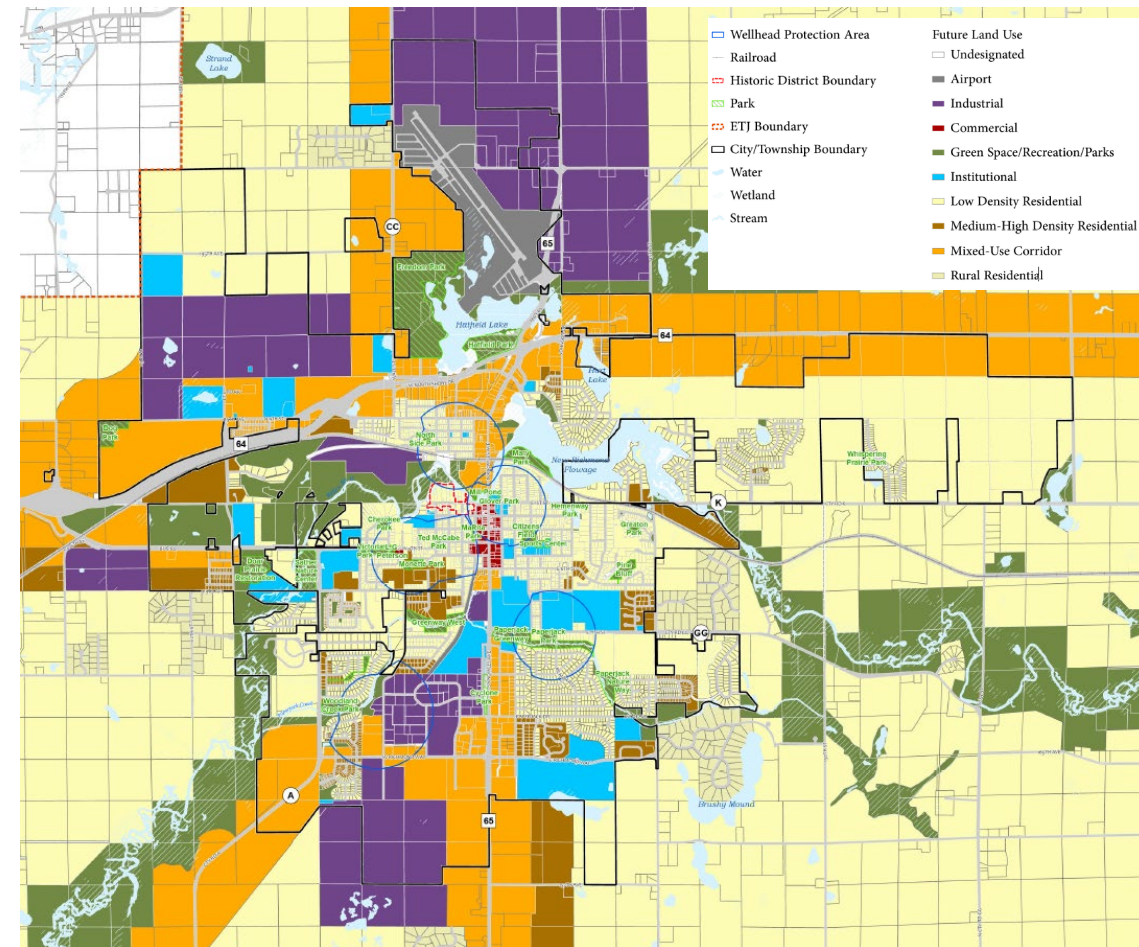
### City-Owned Properties

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

### Ensure a Supply of Available Lots

- Currently the City has 1,270 acres of land available for residential development (both platted and unplatted). Because growth is occurring rapidly, the City should annually assess whether sufficient land is available for new residences so as not to hinder development that might otherwise occur.
- The City should also continue to review its rate of household growth vs development for indications that growth may be slowing and the first several years after the bridge were installed were a unique phenomena.
- Continually review and update the Future Land Use Map in the City's Comprehensive Plan to help identify updated areas in the City's extraterritorial jurisdiction that are planned for future residential growth.

New Richmond Future Land Use Map (2023)





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# Recommendations

## Initiatives

### Assist in Development of Community Land Trust

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

### Prioritize Business Attraction

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

Downtown New Richmond



# Recommendations

## Initiatives

### Identify Areas Suitable for Mixed Unit Types

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

### Actively Seek Cottage Court-Style Development

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

Example Cottage Court





# Recommendations

## Initiatives

### Provide Housing Options for Aging Seniors

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

### Identify Areas Appropriate for “Luxury” Housing

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

Beebe Lofts Senior Living



# Recommendations

## Initiatives

### Add a Continuing Care Retirement Community

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

### Seek Out Development of Short Term Rentals

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

Example Continuing Care Retirement Community Concept



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# Recommendations

## Funding

### Creating Programs for the Affordable Housing Fund

- The newly established affordable housing fund has an approximate value of \$1.3 million. The fund was created from the 1-year extension of TIDs for purposes of affordable housing, allowed by state statute (66.1105(6)(g)). As the City looks to establish programs for the affordable housing fund, it should be kept in mind that programs can serve various affordability initiatives anywhere in the city. Programs can be used for matching funds, land purchase, new construction, rehabilitation, renovations for seniors, and down payment assistance. Additionally, the programs can be combined with general obligation bonds, sale of surplus land, general fund budgeting and private contributions. This funding should be leveraged to make developers more competitive when applying for Low Income Housing Tax Credits (LIHTC). The affordable housing fund could be sustained over time, at least in part, by offering loans rather than simply grants. A mix of 50% forgivable loan and 50% low-interest repayment within 5-15 years should be considered.

### Federal Low Income Housing Tax Credit (LIHTC)

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

### Wisconsin Low Income Housing Tax Credit (LIHTC)

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



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# Recommendations

## Funding

### Down Payment Assistance

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

### WHEDA 7/10 Flex Financing

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

### Waive Fees on Housing Rehab for Low-Income Owners

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

### Tax Increment Financing – Affordable Housing Incentives

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

### Federal Home Loan Bank Affordable Housing Program

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