Douglas County Farmland Preservation Plan Steering Committee (3rd Meeting)

Tuesday, March 22, 2016
12:30 PM -2:30 PM

Amnicon Town Hall
8985 US-2, South Range, WI 54874
Town Hall Phone: (715) 364-2316

Contact for the meeting: Amy Eliot (218) 349-1865

Handouts will be provided at the meeting

Agenda Items:

1. Approve March 1, 2016 minutes
2. Brief review of where we left off at last meeting
3. Review revised Prime Farmland Maps if completed – Discuss any conflicts, recommendations and next steps.
4. Review Amy's report on any plans that contain objectives that might impact farmlands.
5. Continue "flip chart" method of identifying trends that may impact farmland.
6. Begin to identify, describe and document the following information (this info is needed to fulfill the list of requirements of the FPP revision)
    a. Agricultural uses and key ag specialties (include maps)
    b. Key ag resources, including available land, soil, and water resources
    c. Key infrastructure for ag (Processing, storage, transportation, supply)
    d. Significant ag trends (production, enterprises, land conversion)
    e. Anticipated changes (nature, scope, location, focus, processing, supply and distribution)
    f. Key land use issues related to preserving ag and plans to address them
    g. Actions the county will take to preserve farmland and promote ag
    h. Policies, goals, strategies to increase housing density outside farmland preservation areas
7. Other matters related to the planning process
8. Future agenda items and meeting date, time and location

FARMLAND PRESERVATION PLAN COMMITTEE
MARCH 1, 2016 – 12:30 P.M.
AMNICON TOWN HALL
8985 US-2, SOUTH RANGE, WISCONSIN

Meeting called to order by Chair Dave Dumke at 12:35pm.

Present – Jane Anklam, Dave Dumke, Amy Eliot, Charlie Glazman, Gary Haughn, Nathan Johnstad, Debbie King, Mark Liebaert, Larry Luostari, Christine Ostern, Steve Rannenberg, Jim Streveler, Jon TePoel, Terry White. Absent – Sue O'Halloran, Robert Wicklund.

Motion by Terry White, second by Mark Liebaert, to approve the minutes from the February 9, 2016 meeting. Motion passed with Jim Streveler abstaining.

Motion by Mark Liebaert, second by Debbie King, to add Gary Kane to the Farmland Preservation Plan Committee. Motion passed.

Review background information about farmland preservation planning and plan revision process. Actions and decisions from last meeting reviewed. No additional discussion.

Prime farmland and zoning maps viewed and discussed. County Comprehensive Land-Use Plan and towns future land-use maps discussed in relation to farmland preservation planning. Committee agreed in general to defer to towns future land-use in cases where there is a conflict between prime farmland definition and in-compatible future land-use. However, committee would like to see these conflicts on a map before information is sent to towns. Motion by Charlie Glazman, second by Jim Streveler to use criteria from County Comprehensive Land-Use Plan (p. 5-80) to define prime farmland. Motion carried. Committee agreed that next steps should involve sending this information and maps to the towns to compare to their future land-use maps and get public input. Committee agreed that current land-use and current zoning should be applied to the prime farmland maps and viewed at upcoming meeting.

Introduction of next topic and discussion about development trends that affect farmland preservation. Ideas from committee recorded on flip chart pages and posted around room. Amy will compile these ideas, send to committee members, and the committee will use this as a starting point at the next meeting.

Committee members should let Amy know what materials they want sent and in what format.

Next meeting: Tuesday, March 22, 2016, 12:30 pm, at the Amnicon Town Hall

Motion by Jim Streveler, second by Terry White to adjourn. Motion carried. Meeting adjourned at 2:30pm.

Submitted by,

Christine Ostern
County Conservationist

FARMLAND PRESERVATION PLAN COMMITTEE
MARCH 1, 2016 – 12:30 P.M.
AMNICON TOWN HALL
8985 US-2, SOUTH RANGE, WISCONSIN

Flip Chart Ideas and Next Steps:

Under the new Farmland Preservation Plan rules,

The County:

A. *Must clearly identify land areas that will be preserved for ag and ag-related uses and the rationale for including those areas. Appropriate rationale includes: Soils, topography, productivity, current ag use, proximity to incorporated areas, etc.*
B. *May include natural areas and open space in its Prime Farmland map.*
C. *May NOT include areas planned for non-ag development within 15 years of adoption of the Farmland Preservation Plan.*
D. *Farmland Preservation Plan must be consistent with the County Comp Plan.*

<u>Approved Criteria for Prime Farmland:</u>

1. Lands that are currently depicted as Prime Farmland (See Douglas County Comprehensive Land-Use Plan - Map 5.17 - Prime Farmland)
2. Lands that are currently being used for agriculture (See Douglas County Comprehensive Land-Use Plan - Map 8.3 - Existing Land Use)
3. Lands that are currently zoned as A1 (See Douglas County Comprehensive Land-Use Plan - current agricultural zoning map - Map 8.2 - Zoning)
4. Douglas County Comprehensive Land-Use Plan "Prime Farmland" definition (see p. 5-80)
5. Areas included on the Prime Farmland Map must also meet the following definition:
    - has an adequate and dependable water supply from precipitation or irrigation,
    - has a favorable temperature and growing season
    - has acceptable acidity or alkalinity
    - has few or no rocks
    - is permeable to air and water
    - is not excessively erodible
    - is not saturated with water for long periods of time
    - does not flood frequently or is protected from flooding

<u>Next Steps:</u>

1. Combine the above maps to identify a revised Prime Farmland Map.
2. Combine the revised Prime Farmland with the town Future Land Use maps to identify conflicts.
3. The steering committee will review the conflicts and make adjustments or recommendations as needed.
4. Town will be consulted about how to proceed when there is a conflict between prime farmland future land-use (ie., do they want to remove areas from the revised prime farmland map or do they want to change the future use).

Identify any plans, programs that could impact Prime Farmlands

1. Douglas County Comp Plan
2. Douglas County Land & Water Plan
3. 1980 Douglas County Farmland Preservation Plan
4. Douglas County Watershed/Mitigation Plan
5. WDNR Wildlife Management Plan
6. Brule River Forest Plan
7. Village Comp Plans
8. Farmers Union
9. Coop Plans (Burnett/Ashland)

Next Steps:

1. Review above plans and summarize potential impacts

Identify development trends that may affect farmland preservation

1. Population
    a. Increasing age
    b. Young people leaving/lack of younger people in the area
    c. Retirees returning to the area
2. Could there be ag opportunities from the new demographic?
3. CSA's
4. niche markets/increased cash flow
5. Twin Ports is a decent market
6. Organic is very viable
7. Food-shed concepts are increasing in popularity
8. Need for farm education and promotion of bio/ag/greenhouse
9. Farms in transition (fallow fields/aging farmers)
10. Organic Valley Dairy market needs are increasing (gone from 550 to 1600 farms with a goal of > 2000 farms in 10 years). Could we sign more farms now that several big farms are anchoring the industry in the area?
11. Breaking up of large parcels that provide an economy of scale for coops/other infrastructure.

Next steps:

1. Continue to identify development trends in the following areas that might impact farmlands: Population, Economic, Housing, Utilities, Energy, Transportation, Waste management, Municipal expansion, Environmental protection, Business growth, Community facilities and service.
2. Begin to identify, describe and document the following:
    a. Agricultural uses and key ag specialties (include maps)
    b. Key ag resources, including available land, soil, and water resources
    c. Key infrastructure for ag (Processing, storage, transportation, supply)

d. Significant ag trends (production, enterprises, land conversion)
e. Anticipated changes (nature, scope, location, focus, processing, supply and distribution)
f. Key land use issues related to preserving ag and plans to address them
g. Actions the county will take to preserve farmland and promote ag
h. Policies, goals, strategies to increase housing density outside farmland preservation areas

A Comprehensive Housing Needs Analysis for the City of Superior and Douglas County, Wisconsin

Prepared for:

City of Superior and Douglas County

Superior, Wisconsin

September 2015

Maxfield Research & Consulting

7575 Golden Valley Road
Suite 385
Minneapolis, MN 55427
612.338.0012

September 30, 2015

Mr. Jason Serck
Planning and Port Director
City of Superior
1316 N. 14th Street
Superior, WI 54880

Mr. Andrew Lisak
County Administrator
Douglas County
1316 N. 14th Street, Room 301
Superior, WI 54880

Dear Mr. Serck and Mr. Lisak:

Attached is the analysis titled, ***"A Comprehensive Housing Needs Analysis for the City of Superior and Douglas County, Wisconsin."*** This market analysis examines current housing market conditions and determines the market potential for developing different types of owned and rented housing through 2025 in the City and in the County.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City and Douglas County; a review of existing housing stock characteristics; an analysis of the for-sale housing market; an evaluation of rental market conditions in the City; and a senior housing supply analysis. Detailed recommendations are provided for the housing types identified needed in Superior to 2025. An assessment of other challenges associated with housing development in the City is also provided.

Please contact us if you have questions or require additional information.

Sincerely,

MAXFIELD RESEARCH INC.

Mary Bujold
President

Rob Wilder
Research Analyst

Attachment

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Overview

Maxfield Research and Consulting, LLC was engaged by the City of Superior and Douglas County to complete a Comprehensive Housing Needs Analysis for the City and the County. The Housing Needs Analysis provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households residing in the City/County.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City of Superior and Douglas County; a review of the existing housing stock; an analysis of the for-sale housing market; an evaluation of rental market conditions in the City/County; a senior housing analysis and, an assessment of housing affordability in Superior. Detailed recommendations are provided for the housing types identified as being needed in Superior and in the County to 2025. An assessment of other challenges associated with housing development is also provided.

Based on the demographic characteristics of Superior and Douglas County, there will be growing demand for a variety of housing products, including: rental housing targeting the young adult (25 to 34) age group as well as the empty nester population (55 to 74 age group); entry-level ownership housing for first-time home buyers (25 to 39); move-up housing for the 35 to 44 age group; and, senior housing.

In total, we find demand to support 1,939 housing units between 2015 and 2025 in Douglas County. Demand for the City of Superior to 2025 is projected to account for 934 of those units, favoring rental housing, with 644 rental units and 290 for-sale housing units needed.

Demand is strong for many types of housing in the area, but based on recent sale transactions, housing demand is highest for modestly-priced for-sale housing in the $100,000 to $150,000 range (35% of all sales). Move-up housing priced between $150,000 and $300,000 in Superior also appears to be in high demand.

Our survey of the competitive rental housing inventory identified that the vacancy rates for all types of general occupancy rental product are below market equilibrium (5.0% vacancy rate), indicating pent-up demand for rental housing in Superior. As of August 2015, the vacancy rate for market rate rental properties in Superior was 2.0% while the affordable/tax credit and deep-subsidy properties had vacancy rates of 0.0% and 0.0%, respectively. Because of the older age of Superior's existing rental housing inventory, the majority of properties do not provide the modern features and amenities that many of today's renters desire. Due to the lower vacancy rate in Superior and based on feedback provided by major employers and real estate professionals in the area, there is a need for new rental housing in the community. We estimate that Superior can accommodate approximately 300 new market rate rental housing units, 211 shallow-subsidy units, and 133 deep-subsidy units to 2025. Additional demand for housing as outlined would be spread throughout the remainder of Douglas County.

The following chart illustrates demand calculated by product type for Douglas County. Housing demand is comprised of several components, including projected household growth, pent-up demand (i.e. below equilibrium housing vacancy rates), and replacement needs (functionally or physically obsolete units).

SUMMARY OF HOUSING DEMAND
PRIMARY MARKET AREA
SEPTEMBER 2015

Type of Use	Total Demand in Douglas County 2015 - 2025	Demand in Superior 2015 - 2025	Demand in Remainder of County 2015 - 2025
General-Occupancy Rental			
Rental Units - Market Rate	500	300	200
Rental Units - Shallow Subsidy	389	211	178
Rental Units - Deep Subsidy	222	133	89
General-Occupancy For-Sale			
For-Sale Units - Single-family	580	203	377
For-Sale Units - Multifamily	248	87	161
Total General Occupancy Supportable	***1,939***	***934***	***1,005***

Source: Maxfield Research and Consulting, LLC

Demographic Analysis

- The primary draw area (Market Area) for housing in Superior was defined based on traffic patterns, community and school district boundaries, and geographic and our general knowledge of the draw area. The Market Area includes 16 towns (Amnicon, Bennett, Brule, Cloverland, Dairyland, Gordon, Hawthorne, Highland, Lakeside, Maple, Oakland, Parkland, Solon Springs, Summit, Superior and Wascott) and 5 Villages (Lake Nebagamon, Oliver, Poplar, Solon Springs and Superior) and the City of Superior.

- As of 2010, the Primary Market Area contained 44,159 people and 18,555 households. Between 2000 and 2010, the population increased by 872 people (+2.0%) while the number of households expanded by 747 (+4.0%). The proportional increase in new households was high relative to the increase in population suggesting a trend toward decreasing household sizes in the PMA. In 2000, the average household size in the PMA was 2.43 persons per household. This number declined to 2.38 in 2010, a drop of 2.1%. The City of Superior's population decreased 0.5% from 2000 to 2010 (-124 people) against household growth of 0.5% (61). As of 2010, the average household size in Superior was 2.33, which is down 1.3% from 2000. This trend indicates an aging household base and also reflects a general shift in demographic factors that favor smaller households, such as a declining proportion of married couple households with children.

- In 2013, the median household income is estimated to be approximately $40,018 in Superior, compared to $45,418 in the PMA. This data suggests that Superior residents are not as affluent as residents in the remainder of the County and may have fewer resources to devote toward housing than residents elsewhere in the PMA. Household incomes are lower in Superior than the remainder of the County, as elderly and disabled households often need to live closer to services. Additionally, there is a substantially higher proportion of lower income households in Superior than the remainder of the PMA, particularly in the younger age cohorts, because there are more lower cost housing options in Superior.

- In Superior, 55.5% of all households owned their housing in 2013, resulting in a home ownership rate that is lower than the County (67.8% in 2013). Within the prime ownership years (35 to 64), nearly 67% of households in Superior owned in 2010, compared to 90% in the remainder of the PMA. This is because there are more rental options located in the City than in the County. The number of owner households in Superior decreased by 371 (-5.2%) between 2000 and 2010. The largest increases occurred in the 55 to 64 age group (+493 households for a 49% gain) and the 25 to 34 age group (+50 households for a 6% increase), while the 35 to 44 age group experienced a -35% contraction in owner households, losing 551 households.

- Shifting household types can drive demand for housing in a community. Married couple families with children typically generate demand for single-family detached ownership housing. Married couple families without children often desire multifamily housing options

for convenience reasons, however older couples in rural areas often hold onto their single-family homes until they need services. In 2010, family households comprised 56% of all households in Superior and 72% the remainder of the County. Between 2000 and 2010, the number of family households decreased in Superior, but increased in the remainder of the County. The proportions dropped from 58% in 2000 in Superior and 74% in the remainder, to 56% in Superior and 71% in the remainder.

Employment Trends

- The City of Superior's unemployment rate is historically lower than Douglas County. Both Superior and Douglas County have had higher unemployment rates historically than the State of Wisconsin, until 2009, when the State had an 8.6% unemployment rate, compared to 8.1% in Superior and 8.2% in Douglas County. As of 2014, Superior had a 5.1% unemployment rate, compared to 5.7% in Douglas County as a whole and 5.5% in the State of Wisconsin.

- Between June 2014 and June 2015, Superior's labor force decreased by -187 jobs while the number of employed residents decreased by -42 jobs, causing Superior's unemployment rate to drop -0.9% over the year to 5.2%. Similarly, Douglas County's unemployment rate fell 0.7% to 5.2% over the past year, a product of labor force contractions out-pacing employment contractions.

- Between 2010 and 2020, the Northwest Workforce Development Area is estimated to increase employment by 10.7%. Douglas County is the largest County in the 13 county workforce development area, which includes the counties of Ashland, Bayfield, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn.

- The Trade, Transportation and Utilities sector is the largest employment sector in Douglas County, providing 4,465 jobs in 2014 (29.3% of the total), followed by the Leisure and Hospitality sector with 2,040 jobs (13.4%). Healthcare & Social Assistance is the third largest employment sector with 1,808 employees (11.8%) and Education Services is a close fourth, with 1,674 employees (10.9%).

- At $733, the weighted average weekly wage across all industries in Douglas County is 13.3% lower than Wisconsin ($837). Wages increased over the year, rising 1.5% in Douglas County. Most sectors experienced slight increases, with Professional and Business Services increasing 18.2%, from $763 per week to $902 per week. Construction wages fell 15.0% for over the year, falling from $1,602 per week to $1,361 per week.

- A household earning the average weekly wage in Douglas County ($733) would be able to afford an apartment renting for approximately $880 per month to not exceed 30% of its monthly income on housing costs. Assuming that a potential home buyer has good credit

and makes a 10% down payment, a household earning the average weekly wage would be able to afford to purchase a home priced at approximately $186,000 or lower to not be cost-burdened (paying more than 30% of their income for housing).

- Roughly 40.6% of workers (5,176 workers) living in Superior also have jobs in Superior. The remaining 59.4% (7,571 workers) commute to other communities, most notably to Duluth (33.1%, or 4,213 workers), followed by Hermantown (2.0%, or 249 workers). Workers travelling into Superior come from Duluth in the highest proportion (15.0% or 2,052 workers) followed by Hermantown (1.8%, or 247 workers) and Cloquet (1.2%, or 166 workers.)

Housing Characteristics

- The dominant housing type in the Primary Market Area is the single-family detached home, representing 70.7% of all housing units in the County. The most common type of rental housing is a two-unit structure with 20.0% of all rental units in the county, followed by a 3- to 4-unit structure, which represent 14.7% of the county's rental stock. In the City of Superior, the most common rental housing unit is a duplex or twinhome (21.5% of all rental units) which is essentially tied with single family detached homes (21.4% of all rental units).

- In 2000 Superior had 985 single-family detached renter-occupied housing units, and 79 single-family attached renter-occupied housing units. By 2013, the City had 1,140 renter-occupied single-family detached homes and 163 renter-occupied single-family attached homes, increases of 15.7% and 106.3%, respectively.

For-Sale Market Analysis

- From 2005 through 2014, there were 2,150 residential sales in Superior, representing approximately 44% of all Douglas County sales. Homes in Superior have been selling at an average annual rate of 215 units per year since 2005. Within Superior, roughly 90% of all sales were for single-family homes between 2005 and 2014. The multifamily market in Superior consists mostly of duplexes and townhomes (89% of multifamily sales since 2005) with condominium sales making up the rest (11% of multifamily sales since 2005).

- As of 2014, the median sale price for single-family homes in Superior was $118,900, about 1% higher than the Douglas County median sale price of $117,500. Since 2005, the median sale price of single family homes has been on average 2.0% higher in the County as a whole than in the City of Superior.

- Townhome and multifamily sales comprise approximately 8% of the market in Superior. Between 2005 and year-end 2014, there have been 203 multifamily sales in the City of Superior. Duplexes and Townhomes represented about 89% of all multifamily sales during this pe-

riod, with condominiums comprising the remaining 9%. In 2014, the median sale price for a multifamily home was $117,500. Much like most of the single-family homes in Superior, the multifamily housing stock is older. In 2014, the median year built for multi-family home sales was 1919 the same as single family homes.

- There are 175 single-family homes listed for sale in Superior as of September 2015. The median asking price for single-family homes in the City is $122,000, which is 2.6% higher than the median price of closed sales in 2014.

- Building permits were issued for 2,472 residential units in Douglas County from 2000 through 2014, equating to approximately 162 units per year. Roughly 92% of these units were single-family while 4% were duplexes and 4% were multifamily structures.

- The City of Superior issued permits for 458 units from 2000 through 2014. Of the 458 permits issued, 367 (74% of all residential permits in the City of Superior) were for single family homes, 38 duplex/townhome units (9% of residential permits), and 72 permits for multifamily units (17% of the total).

- Demand was estimated at nearly 290 units of new for-sale housing in the City by 2025. The general consensus is that there is demand for many types of housing in the area, but based on recent sale transactions, housing demand appears to be highest for modestly-priced housing in the $100,000 to $150,000 range (35% of all sales). Move-up housing priced between $150,000 and $300,000 in Superior also appears to be in high demand.

- In total, we found demand for 203 single-family homes in the City between 2015 and 2025. Based on the age distribution of City households along with comments from Realtors and hiring trends at the major employers in the City, we recommend that that 56% of these homes be priced in the move-up range (110 units), 12% priced as executive homes (24 units), and 32% in the modest price range (62 units). We also found demand for 87 multifamily units. Because the multifamily target market will likely be first-time homebuyers or older householders looking to downsize, we recommend that multifamily housing be evenly split between the modest and move-up price ranges.

Rental Market Analysis

- Maxfield Research compiled detailed information for general occupancy apartment projects with eight or more units in Superior, including 19 market rate apartment properties, five shallow-subsidy, Low-Income Housing Tax Credit (LIHTC) program projects, and three deep-subsidy properties in June and August 2015. Data for these apartment projects was collected by contacting managers and owners at each of the properties. These properties represent a combined total of 867 units, including 396 market rate units, 382 shallow-subsidy units and 189 deep-subsidy units. The rents shown represent quoted rents and have not

been adjusted to reflect the inclusion or exclusion of utilities at this time. Table R-3 on the following pages summarizes information on these projects.

- Superior's rental housing market is aging, as the median year built for surveyed properties is 1971 and there has not been a new general occupancy project developed since 2000. Roughly 30% of the units were constructed in the 1970s, and 57% were constructed prior to 1970. Only 13% of surveyed units were built in the 1980s or more recently. Most of the newest developments are tax credit (shallow subsidy) or deep-subsidy projects.

- On average, units in the market rate general occupancy projects have 643 square feet, with efficiency units being the smallest (346 square feet). One-bedroom units have an average size of 593 square feet, while the two-bedroom units have an average of 716 square feet. The weighted average rental rate across all general occupancy properties is $608 per month with a range of $385 for an efficiency unit at Piedmont Apartments to a high of $900 for a two bedroom unit at the renovated Nelson Dewey Apartments.

- Two-bedroom units have the highest average rent of $665. One-bedroom units have an average rent of $561 per month, while the efficiency units have an average rent of $411 per month. On a per square-foot basis, one-bedroom units average $0.95, compared to $0.93 for two-bedroom units, and $1.19 for efficiency units. While each property manages utilities differently, heat, water, and sewer are included in the rent at most properties. The majority of the properties surveyed provide kitchen appliances and wall unit air conditioning. Townhome units typically have hook-ups for washers and dryers while most of the other properties offer a common laundry room. Detached garages are available at several of the rental properties for an additional charge.

- The vacancy rate for market rate general occupancy units was 2.0%, while shallow-subsidy general occupancy units had a vacancy rate of 0.0%, and deep-subsidy general occupancy rental units had a vacancy rate of 0.0%. For market rate properties, the equilibrium vacancy rate is considered to be 5.0%, and for shallow-subsidy and deep-subsidy the vacancy rate is considered to be 2.0%. All property types have vacancy rates that are considered below the equilibrium rate, which suggests pent up demand in the market place.

- The majority of the properties surveyed provide kitchen appliances and wall unit air conditioning, but relatively few offer an in-unit washer and dryer. Most of the properties provide a common laundry room. Off-street parking is available at most of the rental properties, although detached garages are available at some properties. It appears that modern features and amenities such as stainless steel appliances, granite countertops, in-unit washer/dryer, walk-in closets, fitness center, swimming pool, community room, and outdoor living options (fire pit, picnic area, etc.) are not available at the general occupancy rental properties in Superior.

- We find demand for a combined 644 new general occupancy rental units in Superior between 2015 and 2025. Based on a review of renter household incomes and income limits set by the Department of Housing and Urban Development (HUD), we estimate that approximately 20% of the total demand will be for deep-subsidy housing, 35% will be for shallow-subsidy housing, and 45% will be for market rate housing. In Superior, we find demand for 300 market rate units, 211 shallow subsidy units, and 133 deep subsidy units between 2015 and 2025. In the remainder of Douglas County, we find demand for 200 market rate rental units, 178 shallow-subsidy units, 89 deep-subsidy units between 2015 and 2025. The development of multifamily housing in the remainder of the County is likely to be challenging as there is limited infrastructure to support high density housing in the more rural areas. Programs such as USDA Rural Development can assist with funding rental housing targeted to low and moderate income households.

Senior Housing Market Analysis

- The greatest population growth is expected to occur among older adults in the Market Area. Aging of baby boomers led to an increase of 2,104 people (54%) in the 55 to 64 population between 2000 and 2010 in the County. As this group ages, all cohorts age 55 or older are expected to see increases over the next several years, particularly the 65 to 74 age group which is projected to grow 61% (2,637 people) in the PMA between 2010 and 2020.

- Maxfield Research identified twenty-one separate senior housing developments in the City of Superior. Combined, these projects contain a total of 832 senior housing units. Four of these projects with 121 units are shallow-subsidy, eleven projects with 530 units are deep subsidy, and the remaining six facilities with 181 units are market rate. There are a few service-enriched senior housing units located just outside of the City of Superior in single-family homes that have been expanded to accommodate more individuals in the residence in private bedrooms with common areas shared by all in the unit. We believe that there is demand for additional facilities of this type in more rural areas outside of Superior for elderly households.

- At the time of our survey, there were no vacant shallow-subsidy active adult (age 55+ restricted with no services) units, giving a vacancy rate of 0.0%. There were three vacant units among active adult deep-subsidy projects, giving a vacancy rate of 0.6%. There were 18 vacant units in market rate assisted living projects, giving a vacancy rate of 14.0%. Among memory care units, there were two vacancies, for a 3.8% vacancy rate.

- The equilibrium vacancy rate for deep-subsidy active adult housing is considered to be 2.0% which allows for normal turnover and an adequate supply of alternatives for prospective residents. In effect, the supply of available active adult housing in the Market Area appears to be insufficient to meet demand.

- Roughly 19% of the senior housing inventory consists of service-enhanced housing units, for a total of 181 units (0 congregate, 129 assisted living, and 52 memory care units). As of August 2015, there are 20 vacant service enhanced units. The vacancy rate for assisted living is 14.0%, which is nearly double the market equilibrium rate of 7.0%. There were two vacant memory care units, for a vacancy rate of 3.8%.

Purpose and Scope of Study

Maxfield Research and Consulting, LLC was engaged by the City of Superior and Douglas County to complete a Comprehensive Housing Needs Analysis for the City and the County. The Housing Needs Analysis provides recommendations on the amount and types of housing that should be developed in order to meet the needs of current and future households residing in the City/County.

The scope of this study includes: an analysis of the demographic and economic characteristics of the City and County; a review of existing housing stock characteristics; an analysis of the for-sale housing market; an evaluation of rental market conditions in the City; a senior housing inventory; and, an assessment of housing affordability in Superior. Detailed recommendations are provided for the housing types identified as being needed in Superior and in the remainder of Douglas County to 2025. An assessment of other challenges associated with housing development in the City/County is also provided.

Introduction

This section of the report examines factors related to the current and future demand for workforce housing in the City of Superior and Douglas County, Wisconsin. It includes an analysis of population and household growth trends and projections, projected age distribution, household income, household types, household tenure, employment growth trends and characteristics, age of housing stock, and housing characteristics for the City of Superior and Douglas County. A review of these characteristics provides insight into the demand for various types of housing in the Market Area.

Market Area Definition

The primary draw area (Market Area) for housing in Superior was defined based on traffic patterns, community and school district boundaries, and geographic and our general knowledge of the draw area. The Market Area includes all of Douglas County including 16 towns (Amnicon, Bennett, Brule, Cloverland, Dairyland, Gordon, Hawthorne, Highland, Lakeside, Maple, Oakland, Parkland, Solon Springs, Summit, Superior and Wascott) and five Villages (Lake Nebagamon, Oliver, Poplar, Solon Springs and Superior) and the City of Superior.

Douglas County

Population and Household Growth and Projections from 2000 to 2025

Tables A-1 presents population and household growth, respectively, of each city and towns from 2000 to 2010 and 2010 to 2025 by five-year increments. Data for 2000 and 2020 is from the U.S. Census. Data used in the 2015 estimates and 2020/2025 projections are from Northwest Regional Planning Commission and the State of Wisconsin Department of Administration's Demographic Services Center.

2000 to 2010 Population and Households

- Superior's population contracted by -124 people (-0.5%) between 2000 and 2010. Population growth was faster in the County during the 2000s, increasing by 872 people (2.0%) to 44,159 in 2000.

- All of the growth in the County can be attributed to growth in the remainder of the County. Approximately 66% of all population growth in the County occurred in Towns between 2000 and 2010, with the remaining 33% of growth occurring in Villages.

- In 2010, Douglas County represented approximately 16% of the Duluth MN-WI Metropolitan Statistical Area. This proportion was essentially unchanged from 2000 levels.

- Household growth trends are typically a more accurate indicator of housing needs than population growth since a household is, by definition, an occupied housing unit. However, additional demand can come from changing demographics of the population base, which results in demand for different housing products.

- The City of Superior added 61 households during the 2000s (an increase of 0.5%), increasing its household base to 11,670 households as of 2010. Douglas County Towns added 531 households and Villages added 155 households during the 2000s, increases of 10.7% and 12.5%, respectively. This is generally atypical of trends in other metropolitan areas where growth has been concentrated in the urban area.

- Household growth rates outpaced population growth in the County during the 2000s. The County's population increased 2.0% compared to a 4.0% increase in households between 2000 and 2010. This is the result of fewer people in each household, caused by demographic and social trends such as an increasing senior base, higher divorce rates and couples' decisions to have fewer children or no children at all.

TABLE A-1
POPULATION & HOUSEHOLD TRENDS
CITY OF SUPERIOR, DOUGLAS COUNTY & DULUTH/SUPERIOR MSA - MN-WI
2000 - 2025

	Census		Estimate	Forecasts		Change 2000 - 2010		Change 2010-2020	
	2000	2010	2015	2020	2025	No.	Pct.	No.	Pct.
Population									
Towns									
Amnicon	1,074	1,155	1,259	1,322	1,378	81	7.5%	167	13.3%
Bennett	622	597	734	772	806	-25	-4.0%	175	23.8%
Brule	591	656	693	727	758	65	11.0%	71	10.2%
Cloverland	247	210	243	241	239	-37	-15.0%	31	12.8%
Dairyland	186	184	172	167	162	-2	-1.1%	-17	-9.9%
Gordon	645	636	813	870	922	-9	-1.4%	234	28.8%
Hawthorne	1,045	1,136	1,152	1,188	1,218	91	8.7%	52	4.5%
Highland	245	311	327	354	380	66	26.9%	43	13.1%
Lakeside	609	693	673	695	713	84	13.8%	2	0.3%
Maple	649	744	683	694	702	95	14.6%	-50	-7.3%
Oakland	1,144	1,136	1,369	1,445	1,513	-8	-0.7%	309	22.6%
Parkland	1,240	1,220	1,178	1,157	1,130	-20	-1.6%	-63	-5.3%
Solon Springs	807	910	1,048	1,129	1,205	103	12.8%	219	20.9%
Summit	1,042	1,063	1,107	1,128	1,144	21	2.0%	65	5.9%
Superior	2,058	2,166	2,366	2,470	2,561	108	5.2%	304	12.8%
Wascott	714	763	935	1,009	1,079	49	6.9%	246	26.3%
Town Totals	**12,918**	**13,580**	**14,752**	**15,368**	**15,910**	**662**	**5.1%**	**1,788**	**12.1%**
Villages									
Lake Nebagamon	1,015	1,069	1,159	1,207	1,249	54	5.3%	138	11.9%
Oliver	358	399	486	529	570	41	11.5%	130	26.7%
Poplar	552	603	580	590	596	51	9.2%	-13	-2.2%
Solon Springs	576	600	583	585	585	24	4.2%	-15	-2.6%
Superior	500	664	587	617	643	164	32.8%	-47	-8.0%
Village Totals	**3,001**	**3,335**	**3,395**	**3,528**	**3,643**	**334**	**11.1%**	**193**	**5.7%**
Cities									
City of Superior	27,368	27,244	27,340	27,680	27,950	-124	-0.5%	436	1.6%
City Totals	**27,368**	**27,244**	**27,340**	**27,680**	**27,950**	**-124**	**-0.5%**	**436**	**1.6%**
Douglas County Total	**43,287**	**44,159**	**45,487**	**46,576**	**47,503**	**872**	**2.0%**	**2,417**	**5.5%**
Duluth/Superior MSA	*275,486*	*279,771*	*282,863*	*285,508*	*287,634*	*4,285*	*1.6%*	*5,737*	*2.1%*

TABLE A-1 (CONTINUED)
POPULATION & HOUSEHOLD TRENDS
CITY OF SUPERIOR, DOUGLAS COUNTY & DULUTH MSA - MN-WI
2000 - 2025

	Census		Estimate	Forecasts		Change 2000 - 2010		Change 2010-2020	
	2000	2010	2015	2020	2025	No.	Pct.	No.	Pct.
Households									
Towns									
Amnicon	364	433	451	478	503	69	19.0%	45	10.0%
Bennett	224	240	280	297	313	16	7.1%	57	20.4%
Brule	244	277	303	320	337	33	13.5%	43	14.2%
Cloverland	94	86	97	97	98	-8	-8.5%	11	11.3%
Dairyland	87	83	85	83	81	-4	-4.6%	0	0.0%
Gordon	298	309	397	429	458	11	3.7%	120	30.2%
Hawthorne	338	393	396	413	425	55	16.3%	20	5.1%
Highland	107	139	151	165	179	32	29.9%	26	17.2%
Lakeside	226	259	264	275	284	33	14.6%	16	6.1%
Maple	277	296	308	316	323	19	6.9%	20	6.5%
Oakland	425	464	538	573	605	39	9.2%	109	20.3%
Parkland	463	500	465	461	454	37	8.0%	-39	-8.4%
Solon Springs	334	380	458	499	537	46	13.8%	119	26.0%
Summit	418	438	469	483	495	20	4.8%	45	9.6%
Superior	764	852	929	979	1,024	88	11.5%	127	13.7%
Wascott	295	340	411	448	481	45	15.3%	108	26.3%
Town Totals	**4,958**	**5,489**	**6,002**	**6,316**	**6,597**	**531**	**10.7%**	**827**	**13.8%**
Villages									
Lake Nebagamon	428	446	517	543	567	18	4.2%	97	18.8%
Oliver	127	159	183	200	218	32	25.2%	41	22.4%
Poplar	209	229	232	238	243	20	9.6%	9	3.9%
Solon Springs	268	263	287	290	294	-5	-1.9%	27	9.4%
Superior	209	299	260	275	289	90	43.1%	-24	-9.2%
Village Totals	**1,241**	**1,396**	**1,479**	**1,546**	**1,611**	**155**	**12.5%**	**150**	**10.1%**
Cities									
City of Superior	11,609	11,670	12,075	12,359	12,553	61	0.5%	689	5.7%
City Totals	**11,609**	**11,670**	**12,075**	**12,359**	**12,553**	**61**	**0.5%**	**689**	**5.7%**
Douglas County Total	**17,808**	**18,555**	**19,556**	**20,221**	**20,761**	**747**	**4.0%**	**1,666**	**9.0%**
Duluth/Superior MSA	*112,491*	*116,876*	*118,341*	*119,568*	*120,349*	*4,385*	*3.9%*	*2,692*	*2.3%*

TABLE A-1 (CONTINUED)

POPULATION & HOUSEHOLD TRENDS

CITY OF SUPERIOR, DOUGLAS COUNTY & DULUTH MSA - MN-WI

2000 - 2025

	Census		Estimate	Forecasts	
	2000	2010	2015	2020	2025
Persons Per Household					
Towns					
Amnicon	2.95	2.67	2.79	2.77	2.74
Bennett	2.78	2.49	2.62	2.60	2.58
Brule	2.42	2.37	2.29	2.27	2.25
Cloverland	2.63	2.44	2.51	2.48	2.44
Dairyland	2.14	2.22	2.02	2.01	2.00
Gordon	2.16	2.06	2.05	2.03	2.01
Hawthorne	3.09	2.89	2.91	2.88	2.87
Highland	2.29	2.24	2.17	2.15	2.12
Lakeside	2.69	2.68	2.55	2.53	2.51
Maple	2.34	2.51	2.22	2.20	2.17
Oakland	2.69	2.45	2.54	2.52	2.50
Parkland	2.68	2.44	2.53	2.51	2.49
Solon Springs	2.42	2.39	2.29	2.26	2.24
Summit	2.49	2.43	2.36	2.34	2.31
Superior	2.69	2.54	2.55	2.52	2.50
Wascott	2.42	2.24	2.27	2.25	2.24
Town Totals	**2.61**	**2.47**	**2.46**	**2.43**	**2.41**
Villages					
Lake Nebagamon	2.37	2.40	2.24	2.22	2.20
Oliver	2.82	2.51	2.66	2.65	2.61
Poplar	2.64	2.63	2.50	2.48	2.45
Solon Springs	2.15	2.28	2.03	2.02	1.99
Superior	2.39	2.22	2.26	2.24	2.22
Village Totals	**2.42**	**2.39**	**2.30**	**2.28**	**2.26**
Cities					
City of Superior	2.36	2.33	2.26	2.24	2.23
City Totals	**2.36**	**2.33**	**2.26**	**2.24**	**2.23**
Douglas County Total	**2.43**	**2.38**	**2.33**	**2.30**	**2.29**
Duluth/Superior MSA	2.45	2.39	2.39	2.39	2.39

Sources: U.S. Census Bureau; Wisconsin Dept. of Admin.; NWRPC; ESRI; Maxfield Research and Consulting, LLC.

Population and Household Growth 2010 to 2025

- As of 2015, the City of Superior is estimated to have a population of 27,430 people living in 12,075 households, increases of 0.4% and 3.5%, respectively, since 2010. Douglas County is estimated to have grown at a faster pace than the City during this period, with its population increasing by 3.0% and households increasing 5.4%. More rapid household growth compared to population growth suggests shrinking household sizes, which dropped from 2.33 to 2.26 in the City of Superior and from 2.38 to 2.33 in Douglas County.

- We project that the City of Superior will grow during the next decade and will increase by 436 persons (+1.6%) and 689 households (+5.7%) between 2010 and 2020.

- Between 2010 and 2020, the population in towns is estimated to increase by 1,788 persons (12.1%). Town households are projected to increase by 827 households (+13.8%) between 2010 and 2020. Villages are projected to have slower growth, about 5.7%.

- Overall, the County population is projected to increase by 2,417 people between 2010 and 2020, for a total population 46,576 people. Household growth is projected to increase by 1,666 households (9.0%) by 2020.

- By 2025, the City of Superior is forecast to have a population of 29,750 people and 12,553 households. This represents 1.0% population growth and 1.6% household growth from 2020. Superior Village and Superior Town, both located south of the City of Superior, are expected to grow at more rapid rates during this period, with the village population increasing by 4.2%, and the Town population increasing by 3.7%. Household growth was higher in the Village and Town, increasing by 1.4% in the village and 3.7% in the Town of Superior.

- Lake Nebagamon is expected to remain the largest village in the County, with a forecast population of 1,207 and 543 households in 2020, increases of 4.1% and 5.0%, respectively, from 2015. Growth will be fueled by the attraction of natural amenities in the area.

Tenure by Household Income

Table A-2 shows household tenure by household income data for the City of Superior and Douglas County in 2013. Data is an estimate from the American Community Survey. Household tenure information is important to assess the propensity for owner-occupied or renter-occupied housing options based on household affordability. As stated earlier, the Department of Housing and Urban Development determines affordable housing as not exceeding 30% of the household's income. It is important to note that the higher the income, the lower percentage a household typically allocates to housing. Many lower income households, as well as many young and senior households, spend more than 30% of their income, while middle-aged households in their prime earning years typically allocate 20% to 25% of their income.

- As income increases, so does the rate of homeownership. This can be seen in Douglas County, where the homeownership rate steadily increases from 30.8% of households with incomes below $15,000 to over 99.2% of households with incomes above $150,000. In the City of Superior, this trend is even more pronounced with 17.6% of households with incomes less than $15,000 owned their housing, compared to 100% of households with incomes above $150,000.

- A portion of renter households that are referred to as lifestyle renters, or those who are financially able to own but choose to rent, have household incomes above $50,000 (about 36.4% of Douglas County's renters in 2013). Households with incomes below $15,000 are typically a market for deep-subsidy rental housing (about 69.2% of Douglas County renters in 2013).

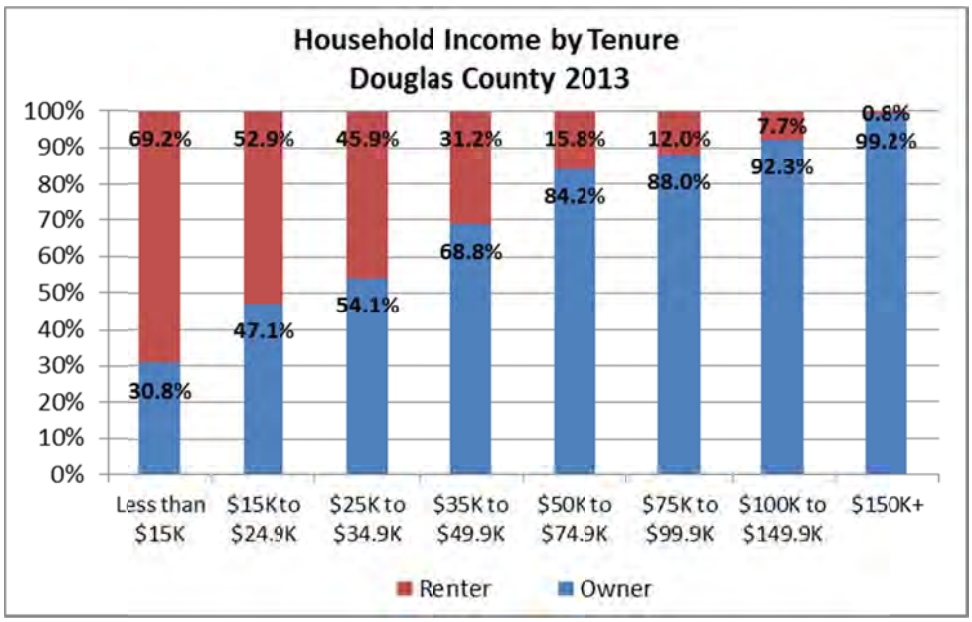


TABLE A-2
TENURE BY HOUSEHOLD INCOME
CITY OF SUPERIOR & DOUGLAS COUNTY
2013

	City of Superior				Remainder				Douglas County			
Income	Own	Pct.	Rent	Pct.	Own	Pct.	Rent	Pct.	Own	Pct.	Rent	Pct.
Less than $15,000	374	17.6%	1,750	82.4%	478	74.0%	168	26.0%	852	30.8%	1,918	69.2%
$15,000 to $24,999	544	35.7%	981	64.3%	440	77.7%	126	22.3%	984	47.1%	1,107	52.9%
$25,000 to $34,999	652	39.1%	1,015	60.9%	701	84.3%	131	15.7%	1,353	54.1%	1,146	45.9%
$35,000 to $49,999	1,062	56.5%	816	43.5%	955	90.8%	97	9.2%	2,017	68.8%	913	31.2%
$50,000 to $74,999	1,543	78.0%	435	22.0%	1,546	91.4%	145	8.6%	3,089	84.2%	580	15.8%
$75,000 to $99,999	1,012	82.4%	216	17.6%	993	94.5%	58	5.5%	2,005	88.0%	274	12.0%
$100,000 to $149,999	912	89%	111	10.9%	787	96%	31	3.8%	1,699	92.3%	142	7.7%
$150,000+	541	100.0%	0	0.0%	306	97.8%	7	2.2%	847	99.2%	7	0.8%
Total	**6,640**	**55.5%**	**5,324**	**44.5%**	**6,206**	**89.1%**	**763**	**10.9%**	**12,846**	**67.8%**	**6,087**	**32.2%**

Sources: American Community Survey, 2009-2013; Maxfield Research Inc.

Tenure by Household Size

Table A-3 shows the distribution of households by size and tenure in Douglas County in 2013. This data is useful in that it sheds insight into the number of units by unit type that may be most needed in Douglas County.

- Household size for renters tends to be smaller than for owners. This trend is a result of the typical market segments for rental housing, including households that are younger and are less likely to be married with children as well as older adults and seniors who choose to downsize from their single-family homes. In 2013, the average Douglas County renter household consisted of 1.91 people compared to the average owner household of 2.40 people.

- An estimated 73.6% of renter households in Douglas County in 2013 have either one or two people. One-person households are more likely to seek one-bedroom units and a portion of two-person households that are couples may also seek one-bedroom units. Two-person households that consist of a parent and child or roommate are more likely to seek two-bedroom units. Larger households often prefer units with multiple bedrooms.

TABLE A-3
TENURE BY HOUSEHOLD SIZE
PRIMARY MARKET AREA
2013

	City of Superior				Remainder				Douglas County			
Household Size	**Own**	**Pct.**	**Rent**	**Pct.**	**Own**	**Pct.**	**Rent**	**Pct.**	**Own**	**Pct.**	**Rent**	**Pct.**
1-person household	1,747	39.5%	2,677	60.5%	1,309	82.3%	282	17.7%	3,056	50.8%	2,959	49.2%
2-person household	2,375	62.0%	1,457	38.0%	2,833	92.6%	227	7.4%	5,208	75.6%	1,684	24.4%
3-person household	1,150	64.8%	624	35.2%	849	88.3%	113	11.7%	1,999	73.1%	737	26.9%
4-person household	917	70.2%	390	29.8%	785	87.6%	111	12.4%	1,702	77.3%	501	22.7%
5-person household	407	81.9%	90	18.1%	266	97.1%	8	2.9%	673	87.3%	98	12.7%
6-person household	20	24%	63	75.9%	109	85.8%	18	14.2%	129	61.4%	81	38.6%
7-or-more person household	24	51.1%	23	48.9%	55	93.2%	4	6.8%	79	74.5%	27	25.5%
Total	**6,640**	**55.5%**	**5,324**	**44.5%**	**6,206**	**89.1%**	**763**	**10.9%**	**12,846**	**67.8%**	**6,087**	**32.2%**
Median Household Size	***2.39***		***1.87***		***2.39***		***2.30***		***2.40***		***1.91***	

Sources: American Community Survey, 2009-2013; Maxfield Research Inc.

Median Income by Household Size

Table A-4 shows data on median income in the past 12 months by household size for the City of Superior and Douglas County. The data is an estimate from the American Community Survey. Median income by household size is important for determining the proportion of income-qualified households

- The overall median income for households in the City of Superior in 2013 was $40,018, which was less than the County's median income of $45,418. Douglas County incomes were overall slightly higher than the City of Superior, except in five-person households.

- In the City and the County, incomes increase with additional people in the household, peaking at five persons per household in both the City and the County at $80,582 and $77,266, respectively.

- One-person households had the lowest median incomes, at $22,972 in the City of Superior and $24,193 in Douglas County. Two-person median household incomes were almost double one-person household incomes, at $46,114 in the City and $51,317 in the County.

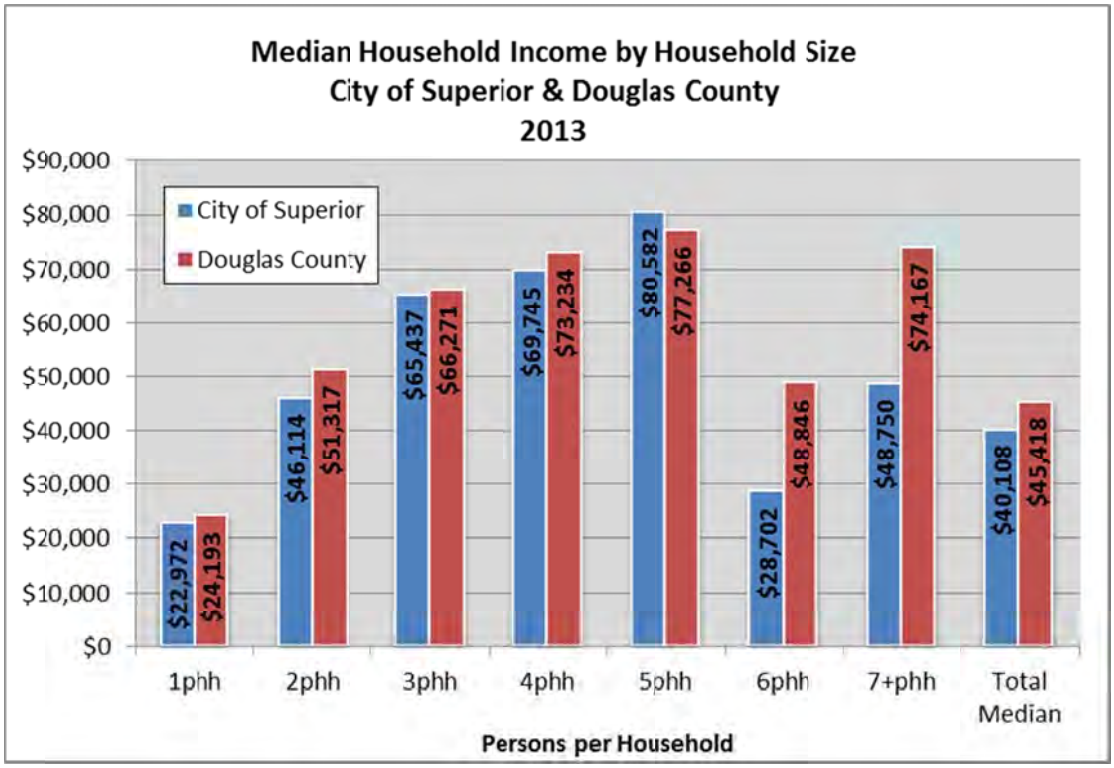


TABLE A-4
MEDIAN HOUSEHOLD INCOME BY HOUSEHOLD SIZE
CITY OF SUPERIOR & DOUGLAS COUNTY
2013

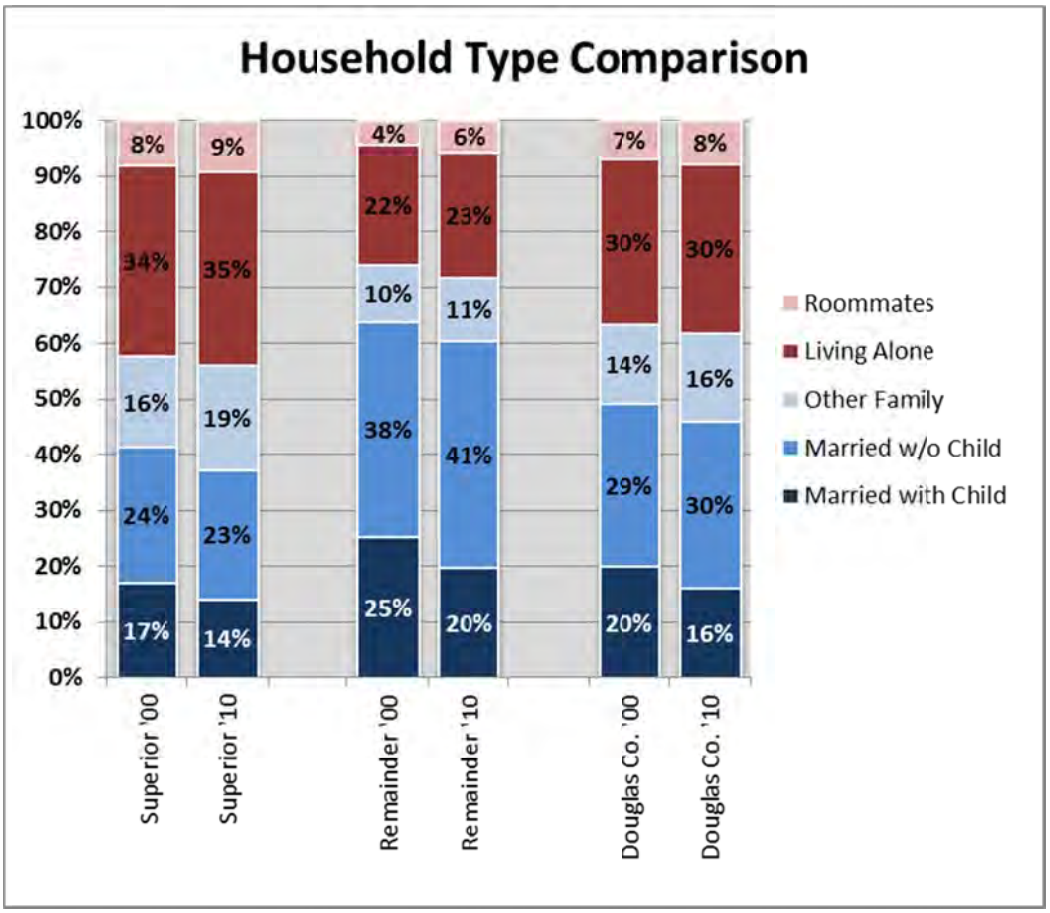
Household Size	City of Superior	Douglas County
1-person households	$22,972	$24,193
2-person households	$46,114	$51,317
3-person households	$65,437	$66,271
4-person households	$69,745	$73,234
5-person households	$80,582	$77,266
6-person households	$28,702	$48,846
7-or-more-person households	$48,750	$74,167
All Households	**$40,108**	**$45,418**

Sources: American Community Survey, 2009-2013; Maxfield Research, Inc.

Household Type

Table A-5 on the following page shows household type trends in the City of Superior and Douglas County as well as the remainder of the County in 2000 and 2010. The data is collected from the U.S. Census. The following are key points from Table A-5:

- In 2010, family households comprised 56.1% of all households in Superior, 71.7% the remainder of the County and 61.9% in the County as a whole. Between 2000 and 2010, the number of family households decreased in Superior, but increased in Douglas County. The proportions dropped from 57.7% in 2000 in Superior and 63.3% in the PMA to 56.1% in Superior, and 61.9% in the PMA. During this period the County experienced numerical growth in both family- and non-family households, with non-family households growing at a faster rate.



- In Superior, the number of married couple families with children declined by 341 households during the decade, representing a 17.2% decline, while the number of married couple families without children decreased by 109 (-3.9%). Other family households in Superior jumped 15.9% after increasing by 302 households. The County also experienced a -15.7% decline in the number of married couples with children (-557

households), while the number of married couples without children increased by 320 households (+6.2%). Other family households increased 17.4 % during the decade (+441 households). The remainder of the County has experienced trends similar to Superior, with married couple families with children declining by 216 households (-13.7%), while married couples without children increased by 429 households (18.0%), and other families increased by 139 households (22.1%).

- Married couple families with children typically generate demand for single-family detached ownership housing. Within the County, single-family detached housing demand is also likely being driven by other household types such as married couples without children and non-family households due to a limited supply of available multifamily housing options. Married couple families without children are generally made up of younger couples that have not had children (and may not have children) and older couples with adult children that have moved out of the home. These household types often desire multifamily housing options for convenience reasons, however older couples in rural areas often hold onto their single-family homes until they need services. Other family households, defined as a male or female householder with no spouse present (typically single-parent households), often require affordable housing. The nearly 19% increase in other family households in Superior suggests a growing need for affordable housing options in the City.

- Between 2000 and 2010, non-family households collectively increased by 209 in Superior (+4.2%). The remainder of the County experienced a 20.7% increase (+334 households) in nonfamily households, which means non family households in the County increased by 543 households (8.3%). An increase in the percentage of these household types indicates a shift in housing needs that favors rental development. However, households composed of unrelated roommates can also be unmarried couples that may choose to own and can often afford to own if they are double-income.

- The number of households identified as Living Alone increased 1.7% in Superior over the decade, while the number of households with roommates increased 14.9% (+140 households). Single-person households climbed 16.0% in the remainder of the County leading to 11.9% growth in the County.

TABLE A-5
HOUSEHOLD TYPE
PRIMARY MARKET AREA
2000 & 2010

	Total HH's		Family Households						Non-Family Households			
			Married w/o Child		Married w/ Child		Other *		Living Alone		Roommates	
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Number of Households												
City of Superior	11,609	11,670	2,810	2,701	1,981	1,640	1,905	2,207	3,971	4,040	942	1,082
Remainder	6,199	6,885	2,383	2,812	1,571	1,355	630	769	1,344	1,559	271	390
Douglas County	***17,808***	***18,555***	***5,193***	***5,513***	***3,552***	***2,995***	***2,535***	***2,976***	***5,315***	***5,599***	***1,213***	***1,472***
Percent of Total												
City of Superior	100%	100%	24.2%	23.1%	17.1%	14.1%	16.4%	18.9%	34.2%	34.6%	8.1%	9.3%
Remainder	100%	100%	38.4%	40.8%	25.3%	19.7%	10.2%	11.2%	21.7%	22.6%	4.4%	5.7%
Douglas County	***100%***	***100%***	***29.2%***	***29.7%***	***19.9%***	***16.1%***	***14.2%***	***16.0%***	***29.8%***	***30.2%***	***6.8%***	***7.9%***
Change												
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
City of Superior	61	0.5%	-109	-3.9%	-341	-17.2%	302	15.9%	69	1.7%	140	14.9%
Remainder	686	11.1%	429	18.0%	-216	-13.7%	139	22.1%	215	16.0%	119	43.9%
Douglas County	***747***	***4.2%***	***320***	***6.2%***	***-557***	***-15.7%***	***441***	***17.4%***	***284***	***5.3%***	***259***	***21.4%***

* Single-parent families, unmarried couples with children.

Sources: U.S. Census Bureau; Maxfield Research Inc.

Tenure by Units in Structure

Table A-6 displays data on Tenure by Units in Structure based on the 2000 Census and 2013 ACS. This information is useful to estimate the number of single-family rental conversions, which is when a homeowner decides to rent out a home that they own rather than live it themselves. The following are key points from Table A-6:

TABLE A-6
TENURE BY UNITS IN STRUCTURE
CITY OF SUPERIOR & DOUGLAS COUNTY
2000 & 2013

	City of Superior		Douglas County	
	2000	2013	2000	2013
Owner-occupied housing units:	7,177	6,640	12,730	12,846
1, detached	6,479	6,187	11,346	11,793
1, attached	61	48	98	86
2	159	100	167	117
3 or 4	29	9	31	9
5 to 9	0	0	0	0
10 to 19	0	0	2	0
20 to 49	0	0	0	0
50 or more	8	0	8	0
Mobile home	431	296	1,068	834
Boat, RV, van, etc.	10	0	10	7
Renter-occupied housing units:	4,437	5,324	4,437	6,087
1, detached	985	1,140	985	1,601
1, attached	79	163	79	178
2	773	1,142	773	1,219
3 or 4	727	858	727	895
5 to 9	678	681	678	698
10 to 19	449	542	449	592
20 to 49	258	334	258	340
50 or more	435	446	435	448
Mobile home	53	18	53	116
Boat, RV, van, etc.	0	0	0	0
Total	***11,614***	***11,964***	***17,808***	***18,933***

Sources:U.S. Census; American Community Survey, 2009-2013; Maxfield Research and Consulting, LLC.

- In 2000, Superior had 985 single-family detached renter-occupied housing units, and 79 single-family attached renter-occupied housing units. By 2013, the City had 1,140 renter-occupied single-family detached homes and 163 renter-occupied single-family attached homes, increases of 15.7% and 106.3%, respectively.

Student Enrollment

University of Wisconsin-Superior

Table A-7 shows data on enrollment trends at UW-Superior from 2005 to 2014 for Fall Semesters. The table shows the headcount enrollment separated by undergraduate and graduate students and separated by full time vs. part time status. Undergraduate enrollment peaked in 2011 with 2,655 undergraduates, and graduate student enrollment peaked in 2006, with 298 graduate students enrolled. Undergraduate enrollment has remained relatively steady during this period, with the lowest enrollment occurring in 2008, with 2,440 undergrads. Average undergraduate enrollment is approximately 2,550 students, from 2005 to 2014. In 2014, 1,927 undergraduate students were full time students, and 528 were part time. The number of graduate students has been trending steadily downward during this period. Both full time and part time graduate student enrollments have declined to less than half of thier 2006 high.

According to the University of Wisconsin-Superior, there are 996 beds on campus.

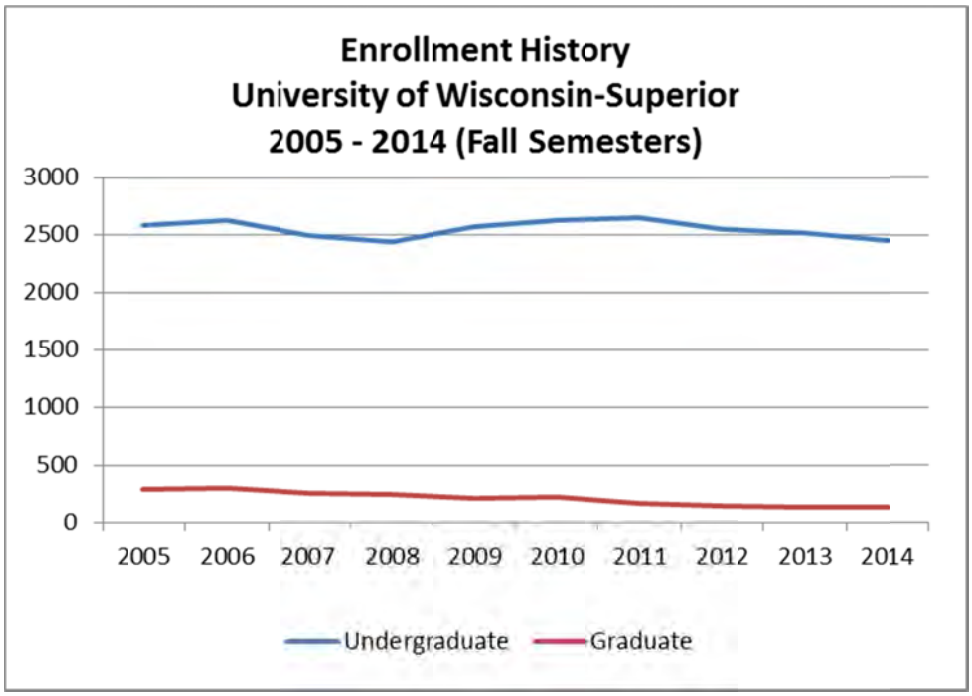


TABLE A-7
FULL TIME/PART TIME ENROLLMENT
UNIVERSITY OF WISCONSIN-SUPERIOR
2005 - 2014 (FALL SEMESTERS)

	Undergraduate		Graduate/Professional	
Fall Term	Full Time	Part Time	Full Time	Part Time
2005	2,131	456	109	180
2006	2,089	537	77	221
2007	2,043	454	60	196
2008	1,959	481	76	173
2009	2,083	493	77	141
2010	2,125	506	72	153
2011	2,105	550	70	100
2012	2,024	526	59	91
2013	2,017	505	51	83
2014	1,927	528	55	79

Sources: University of Wisconsin System, Maxfield Research and Consulting, LLC.

Summary of Demographic Trends

The following points summarize key demographic trends that will impact demand for housing in Superior and Douglas County.

- As of 2010, the Primary Market Area contained 44,159 people and 18,555 households. Between 2000 and 2010, the population increased by 872 people (+2.0%) while the number of households expanded by 747 (+4.0%). The number of proportion of new households was high relative to the proportion of new people suggesting a trend toward decreasing household sizes in the County. In 2000, the average household size in the County was 2.43 persons per household. This number declined to 2.38 in 2010, a drop of 2.1%. The City of Superior's population decreased 0.5% from 2000 to 2010 (-124 people) against household growth of 0.5% (61). As of 2010, the average household size in Superior was 2.33, which is down 1.3% from 2000. This trend indicates an aging household base and also reflects a general shift in demographic factors that favor smaller households, such as a declining proportion of married couple households with children.

- In 2013, the median household income is estimated to be approximately $40,018 in Superior, compared to $45,418 in the County. This data suggests that Superior residents are not as affluent as residents in surrounding areas and may have fewer resources to devote toward housing than residents elsewhere in the County. Household incomes are lower in Su-

perior than the remainder of the PMA, as elderly and disabled households often prefer to live closer to services. Additionally, there is a substantially higher proportion of lower income households in Superior than the remainder of the PMA, particularly in the younger age cohorts, because there are more lower cost housing options in Superior.

- In Superior, 55.5% of all households owned their housing in 2013, resulting in a home ownership rate that is lower than the County (67.8% in 2013). Within the prime ownership years (35 to 64), nearly 67% of households in Superior owned in 2010, compared to 90% in remainder of the County. The number of owner households in Superior decreased by 371 (-5.2%) between 2000 and 2010. The largest increases occurred in the 55 to 64 age group (+493 households for a 49% gain) and the 25 to 34 age group (+50 households for a 6% increase), while the 35 to 44 age group experienced a -35% contraction in owner households, losing 551 households.

- Shifting household types can drive demand for housing in a community. Married couple families with children typically generate demand for single-family detached ownership housing. Married couple families without children often desire multifamily housing options for convenience reasons, however older couples in rural areas often hold onto their single-family homes until they need services. In 2010, family households comprised 56% of all households in Superior, 72% the remainder of the County. Between 2000 and 2010, the number of family households decreased in Superior, but increased in the remainder of the County. The proportions of family households dropped from 58% in 2000 in Superior and 74% in the remainder to 56% in Superior and 71% in the remainder of the County.

Introduction

Employment characteristics are an important component in assessing housing needs in any given market area. These trends are important to consider since employment growth generally fuels household growth. Typically, households prefer to live near work for convenience, which is a primary factor in choosing a housing location. Many households commute greater distances to work provided their housing is affordable enough to offset the additional transportation costs. Often, in less densely-populated areas, people will choose to live further from their place of work because they prefer a rural lifestyle (i.e. they want to live on a wooded lot or be on a lake) or suitable housing may not be available in their employer's community.

Employment Projections

The Wisconsin Department of Workforce Development provides 10-year employment projections for regional workforce development areas (WDAs). Douglas County is located in the Northwest Workforce Development Area, a ten county area including the Counties of Ashland, Bayfield, Douglas, Iron, Price , Rusk, Sawyer, Taylor, and Washburn. As of 2013, Douglas County is estimated to represent about 24% of the WDA's total population and 18% of total households. Employment Projections are broken out by Industry. The following are key points from Table E-1:

- In 2010, the largest industry in the Northwest WDA was the Trade, Transportation, and Utilities sector (13,290 jobs) followed by the Natural Resources and Mining Sector (10,420 jobs), while jobs classified as Government were the third largest (8,711 jobs).

- By 2020, the largest industry in the Northwest WDA is projected to remain Trade, Transportation and Utilities (14,268 jobs), followed again by the Natural Resources and Mining sector (11,207 jobs). The Healthcare and Social Assistance industry is projected to have 9,330 jobs by 2020.

- The strongest percentage growth is projected to occur in the Construction industry (+23.3%), followed by Professional and Business Services (+22.8%) then the Leisure and Hospitality industry (20.5%).

- The largest overall growth is projected to occur in the Healthcare and Social Assistance Industry (+1,556 jobs), with the Leisure and Hospitality Sector in a close second (+1,548 jobs), and Trade, Transportation and Utilities projected to gain +996 jobs.

- Overall, total employment is projected to expand roughly 10.7% between 2010 and 2020, an increase of 7,387 jobs from 69,323 to 76,710 jobs in the Northwest WDA.

TABLE B-1
EMPLOYMENT PROJECTIONS
NORTHWEST WORKFORCE DEVELOPMENT AREA
2010 - 2020

Industry	Employment 2010	Projection 2020	Change 2010 - 2020 No.	Change 2010 - 2020 Pct.
Natural Resources Mining	10,420	11,207	787	7.6%
Construction	2,546	3,139	593	23.3%
Trade, Transportation and Utilities	13,290	14,286	996	7.5%
Information	626	655	29	4.6%
Financial Activities	2,010	2,270	260	12.9%
Professional and Business Services	3,578	4,394	816	22.8%
Education	5,842	6,196	354	6.1%
Healthcare and Social Assistance	7,774	9,330	1,556	20.0%
Leisure and Hospitality	7,557	9,105	1,548	20.5%
Government	8,711	8,721	10	0.1%
Other Services	2,832	3,147	315	11.1%
Self Employed	4,137	4,260	123	3.0%
Total	***69,323***	***76,710***	***7,387***	***10.7%***

Sources: Wisconsin Department of Workforce Development, Maxfield Research and Consulting, LLC.

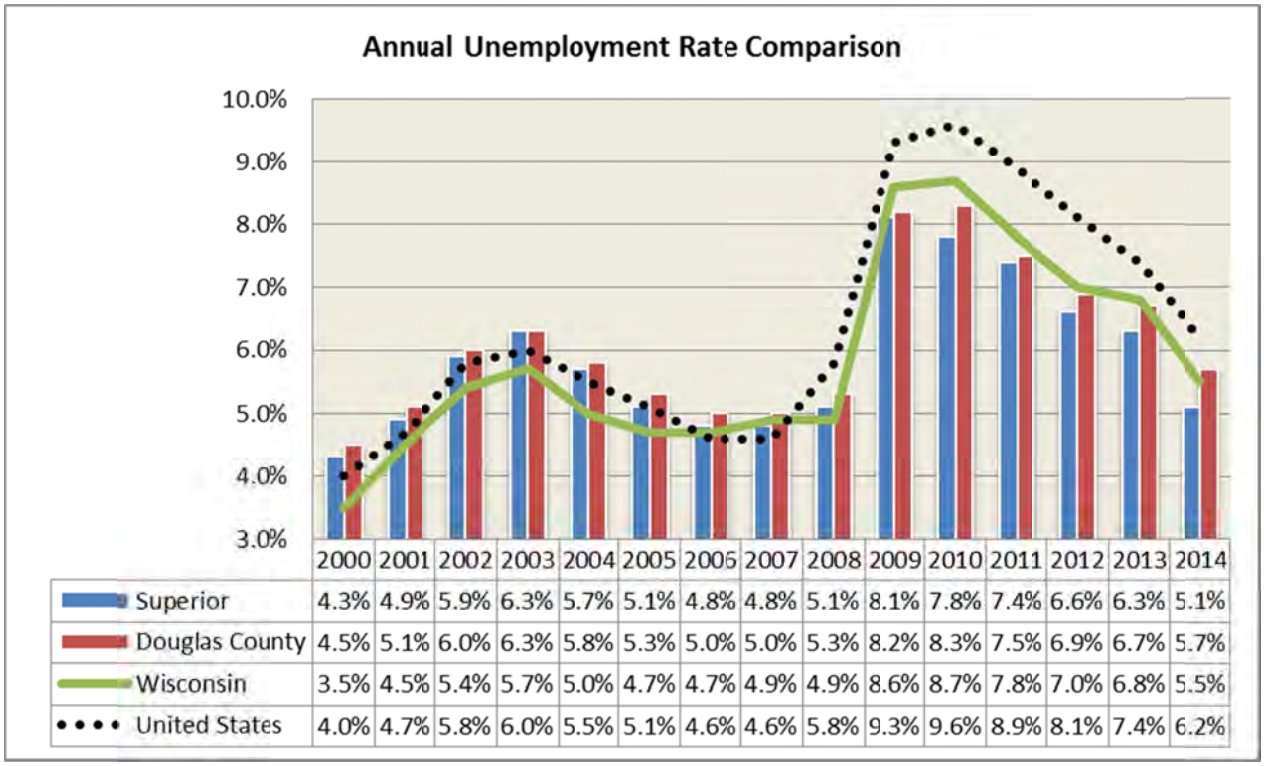
Resident Employment

Table B-2 shows information on the resident labor force and employment in Superior compared to Douglas County, Wisconsin, and the United States. The data is sourced from the Wisconsin Department of Workforce Development. Resident employment data reveals the work force and number of employed people living in the area.

Declining unemployment driven by job growth often stimulates demand for housing in a community, as households generally prefer to live near work for convenience. Many households, however, will commute greater distances to work if their housing is affordable enough to offset the additional transportation costs. In rural areas, other factors such as lifestyle choice and housing availability also impact this decision.

The following points summarize key employment trends that will impact the demand potential for housing in Superior, Wisconsin.

- The following chart illustrates how unemployment in Superior and Douglas County has improved at a pace similar to the State of Wisconsin and the United States since substantial job losses were incurred in 2008 and 2009.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Superior	4.3%	4.9%	5.9%	6.3%	5.7%	5.1%	4.8%	4.8%	5.1%	8.1%	7.8%	7.4%	6.6%	6.3%	5.1%
Douglas County	4.5%	5.1%	6.0%	6.3%	5.8%	5.3%	5.0%	5.0%	5.3%	8.2%	8.3%	7.5%	6.9%	6.7%	5.7%
Wisconsin	3.5%	4.5%	5.4%	5.7%	5.0%	4.7%	4.7%	4.9%	4.9%	8.6%	8.7%	7.8%	7.0%	6.8%	5.5%
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%

- The City of Superior's unemployment rate is historically lower than Douglas County, although the gap has widened slightly since 2009. From 2009 through 2013, both Superior and Douglas County had unemployment rates lower than the State as a whole, and as of year-end 2014, Douglas County had a slightly higher unemployment rate than the State, at 5.7%.

- Between June 2014 and June 2015, Superior's labor force decreased by -187 workers while the number of employed residents decreased by 42, causing Superior's unemployment rate to drop -0.9% over the year to 5.1%. Similarly, Douglas County's unemployment rate fell by -0.7% to 5.2% over the past year, a product of employment growth out-pacing labor force growth. The Wisconsin labor force declined as employment increased, resulting in a -0.8% drop in the unemployment rate to 4.9%. By comparison, the national unemployment rate dropped -0.8% during this period as well.

TABLE B-2
LOCAL AREA UNEMPLOYMENT STATISTICS
CITY OF SUPERIOR, DOUGLAS COUNTY & WISCONSIN

	June 2014			June 2015		
	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment
City of Superior	15,266	14,338	6.1%	15,079	14,296	5.2%
Douglas County	24,000	22,584	5.9%	23,749	22,517	5.2%
Wisconsin	3,132,009	2,954,096	5.7%	3,117,979	2,966,324	4.9%
United States	156,997,000	147,104,000	6.3%	158,283,000	149,645,000	5.5%

Note: Data not seasonally adjusted.

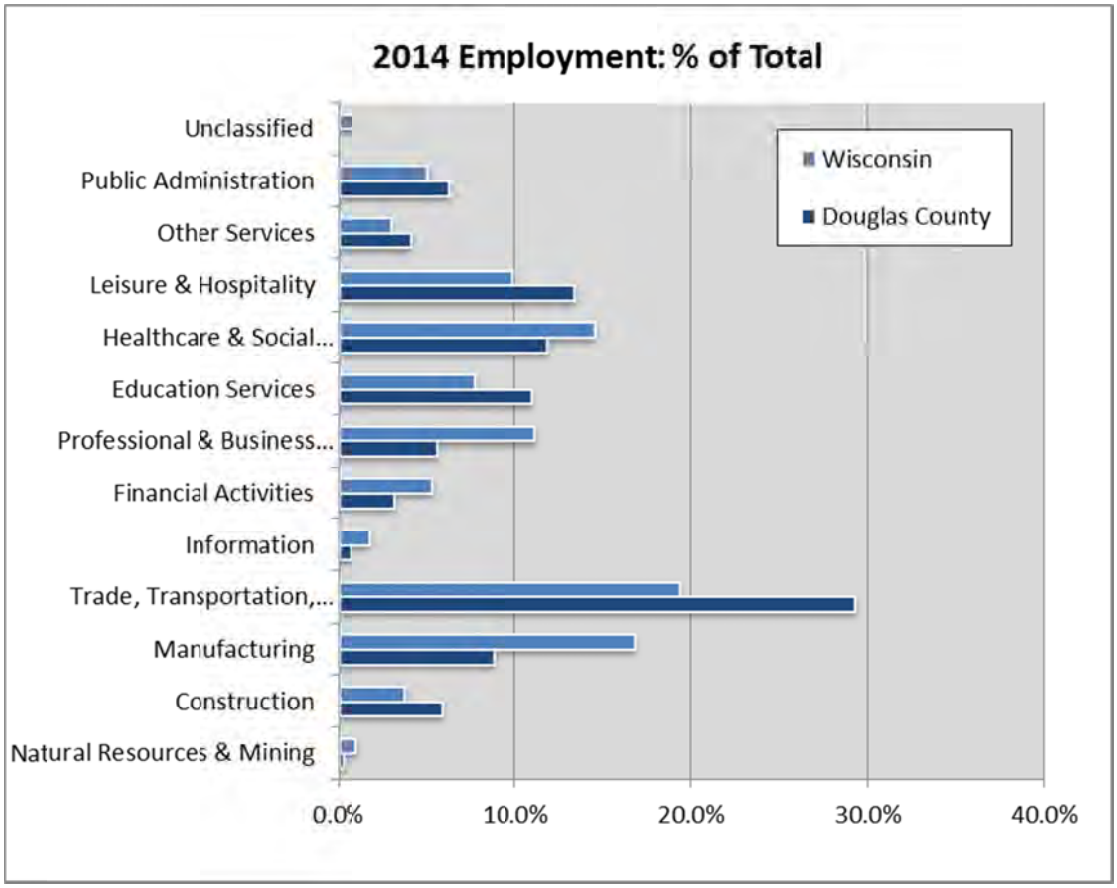
Sources: Worknet, Wisconsin Department of Workforce Development; Maxfield Research & Consulting, LLC

Industry Employment and Wage Data

Table B-3 displays information on the employment and wage situation in Douglas County compared to the State of Wisconsin. The Quarterly Census of Employment and Wages (QCEW) data is sourced from the Wisconsin Department of Workforce Development for June 2014 and June 2015, the most recent annual data available. All establishments covered under the Unemployment Insurance (UI) Program are required to report wage and employment statistics quarterly to Wisconsin Department of Workforce Development. Federal government establishments are also covered by the QCEW program.

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

- The Trade, Transportation and Utilities sector is the largest employment sector in Douglas County, providing 4,465 jobs in 2014 (29.3% of the total), followed by the Leisure and Hospitality sector with 2,040 jobs (13.4%). Healthcare & Social Assistance is the third largest employment sector with 1,808 employees (11.8%) and Education Services is a close fourth, with 1,674 employees (10.9%).



- In Douglas County, covered employment decreased -0.9% between 2013 and 2014, with the Professional and Business Services sector losing 146 jobs (-14.7%), and the Leisure and Hospitality Sector losing 89 jobs over the year, a decrease of 4.2%. These decreases were moderately tempered by slight increases in other sectors, the largest of which being a 1.9% increase (89 jobs) in the Trade, Transportation and Utilities sector.

- The number of business establishments in Douglas County declined modestly, losing thirty businesses over the year (-2.8%). Most sectors experienced slight declines in business establishments, however, no sector lost more than 10% of its establishments, and the two sectors that declined 10% only lost one firm each (Natural Resources and Mining, Information services). There were no sectors that gained establishments in Douglas County during this period.

- At $733, the weighted average weekly wage across all industries in Douglas County is 13.3% lower than Wisconsin ($837). Wages increased over the year, rising 1.5% in Douglas County. Most sectors experienced slight increases, with the Professional and Business Services increasing 18.2%, from $763 per week to $902 per week. Construction wages fell -15.0% over the year, falling from $1,602 per week to $1,361 per week.

- A household earning the average weekly wage in Douglas County ($733) would be able to afford an apartment renting for approximately $880 per month to not exceed 30% of its monthly income on housing costs. Assuming that a potential home buyer has good credit and makes a 10% down payment, a household earning the average weekly wage would be able to afford to purchase a home priced at approximately $186,000 or lower to not be cost-burdened (paying more than 30% of their income for housing).

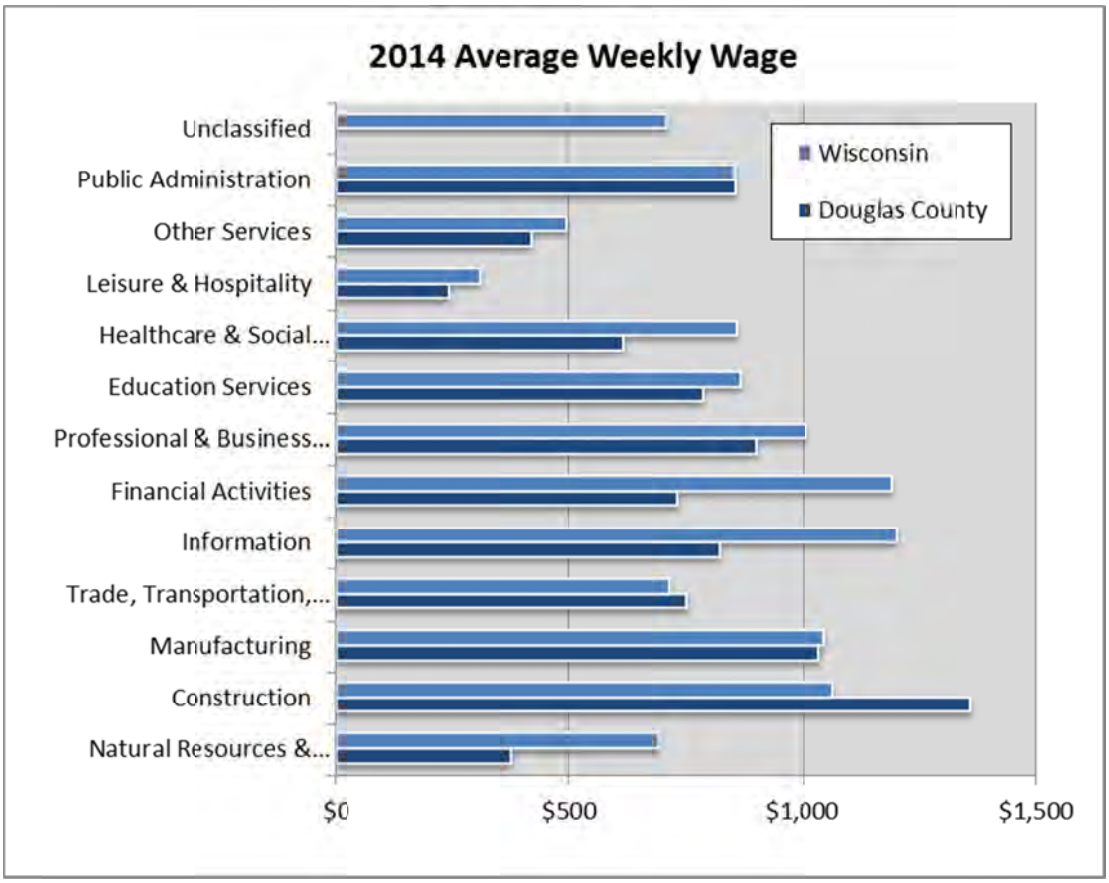


TABLE B-3
QUARTERLY CENSUS OF EMPLOYMENT AND WAGES
DOUGLAS COUNTY & WISCONSIN
2012, 2013 and 2014

Industry	2012			2013			2014			Change 2012 - 2014			
	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Establish-ments	Employ-ment	Weekly Wage	Employment #	Employment %	Wage #	Wage %
DOUGLAS COUNTY													
Natural Resources & Mining	10	31	$366	10	30	$375	9	31	$378	1	3.3%	$3	0.8%
Construction	116	874	$1,220	114	916	$1,602	110	892	$1,361	-24	-2.6%	-$241	-15.0%
Manufacturing	48	1,300	$1,072	50	1,318	$1,005	50	1,342	$1,036	24	1.8%	$31	3.1%
Trade, Transportation, Utilities	241	4,328	$767	240	4,379	$747	236	4,464	$754	85	1.9%	$7	0.9%
Information	8	92	$793	10	91	$850	9	98	$824	7	7.7%	-$26	-3.1%
Financial Activities	78	473	$772	79	494	$690	72	483	$735	-11	-2.2%	$45	6.5%
Professional & Business Services	116	1,225	$670	121	996	$763	121	850	$902	-146	-14.7%	$139	18.2%
Education Services	21	1,661	$778	22	1,674	$774	22	1,667	$788	-7	-0.4%	$14	1.8%
Heathcare & Social Assistance	92	1,818	$588	97	1,808	$592	100	1,808	$617	0	0.0%	$25	4.2%
Leisure & Hospitality	183	2,122	$235	180	2,129	$230	168	2,040	$243	-89	-4.2%	$13	5.7%
Other Services	100	660	$380	97	642	$393	94	631	$421	-11	-1.7%	$28	7.1%
Public Administration	41	927	$828	41	917	$836	40	954	$857	37	4.0%	$21	2.5%
Unclassified	0	0	$0	0	0	$0	0	0	$0	0	0.0%	$0	0.0%
WISCONSIN													
Natural Resources & Mining	2,558	26,784	$636	2,593	27,656	$655	2,584	28,712	$695	1,056	3.8%	$40	6.1%
Construction	14,334	95,180	$994	14,091	100,051	$1,027	13,436	104,685	$1,064	4,634	4.6%	$37	3.6%
Manufacturing	9,455	453,959	$1,008	9,417	455,576	$1,021	9,258	460,794	$1,045	5,218	1.1%	$24	2.4%
Trade, Transportation, Utilities	34,924	523,746	$691	36,375	528,540	$703	35,295	532,908	$718	4,368	0.8%	$15	2.1%
Information	2,082	48,290	$1,077	2,086	48,899	$1,122	2,022	49,538	$1,202	639	1.3%	$80	7.1%
Financial Activities	12,658	150,167	$1,125	12,663	149,229	$1,149	12,382	145,876	$1,190	-3,353	-2.2%	$41	3.6%
Professional & Business Services	22,025	290,994	$951	22,404	298,745	$975	21,546	306,292	$1,007	7,547	2.5%	$32	3.3%
Education Services	3,296	212,240	$841	3,306	212,931	$851	3,277	212,604	$869	-327	-0.2%	$18	2.1%
Heathcare & Social Assistance	14,796	389,010	$843	17,401	395,268	$857	19,474	399,447	$859	4,179	1.1%	$2	0.2%
Leisure & Hospitality	16,164	266,230	$293	16,033	270,302	$299	15,650	271,629	$309	1,327	0.5%	$10	3.3%
Other Services	18,023	87,957	$454	16,778	85,322	$474	15,435	83,850	$497	-1,472	-1.7%	$23	4.9%
Public Administration	3,784	139,463	$812	3,726	137,457	$834	3,712	138,739	$855	1,282	0.9%	$21	2.5%
Unclassified	6,718	9,244	$915	6,029	10,322	$735	11,220	21,115	$712	10,793	104.6%	-$23	-3.1%

Sources: Worknet, Wisconsin Department of Workforce Development; Maxfield Research and Consulting, LLC.

Commuting Patterns of Area Workers

Proximity to employment is often a primary consideration when choosing where to live, particularly for younger and lower income households since transportation costs often account for a greater proportion of their budgets. For the purpose of this analysis, we reviewed commuting patterns in the City of Superior. Table B-4 highlights the commuting patterns of workers in Superior based on data from the U.S. Census Bureau Local Employment Dynamics data for 2013, the most recent data available.

- As the table illustrates, 40.5% of workers in Superior also reside in Superior, while 61.2% of Superior's workers reside outside the City. Of those commuting from outside of the City, one-third or 33.3% commute from Duluth.

- Approximately 75.0% of workers in Superior reside within ten miles of their place of employment while 18.7% travel greater than 50 miles. Roughly 5.1% of workers in the City travel 10 to 24 miles for employment and only 1.3% commute a distance ranging from 25 to 50 miles.

- Nearly 38% of Superior workers also live in Superior and 15% of Superior residents commute to Duluth.

- About 58% of Superior's residents travel less than ten miles to their place of employment, while 18.0% have a commute distance of more than 50 miles. Much smaller portions commute intermediate distances, 6.2% commute between 25 and 50 miles to get to work and 17.4% travel from 10 to 24 miles.

TABLE B-4
COMMUTING PATTERNS
CITY OF SUPERIOR
2013

Home Destination			Work Destination		
Place of Residence	**Count**	**Share**	**Place of Employment**	**Count**	**Share**
Superior city, WI	4,729	37.9%	Superior city, WI	4,729	40.5%
Duluth city, MN	1,933	15.0%	Duluth city, MN	3,886	33.3%
Hermantown city, MN	235	1.8%	Hermantown city, MN	233	2.0%
Cloquet city, MN	158	1.2%	Eau Claire city, WI	147	1.3%
Superior village, WI	127	1.0%	Cloquet city, MN	128	1.1%
Lake Nebagamon village, WI	126	1.0%	Madison city, WI	93	0.8%
Ashland city, WI	99	0.7%	Marshfield city, WI	92	0.8%
Proctor city, MN	82	0.6%	Ashland city, WI	77	0.7%
Oliver village, WI	72	0.6%	Rice Lake city, WI	55	0.5%
Poplar village, WI	66	0.5%	Wausau city, WI	52	0.4%
All Other Locations	7,627	39.7%	All Other Locations	2,178	18.7%
Distance Traveled			Distance Traveled		
Total Primary Jobs	12,774	100.0%	Total Primary Jobs	11,670	100.0%
Less than 10 miles	7,463	58.4%	Less than 10 miles	8,748	75.0%
10 to 24 miles	2,226	17.4%	10 to 24 miles	594	5.1%
25 to 50 miles	789	6.2%	25 to 50 miles	146	1.3%
Greater than 50 miles	2,296	18.0%	Greater than 50 miles	2,182	18.7%

Home Destination: Where workers live who are employed in the selection area
Work Destination: Where workers are employed who live in the selection area

Sources: U.S. Census Bureau Local Employment Dynamics, Maxfield Research & Consulting, LLC

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

- As the table shows, Superior can be considered an importer of workers as a significantly higher number of nonresidents commute into the City for work. Roughly workers come into Superior for work (inflow) while 6,941 leave (outflow) and 4,729 both live and work in Superior. As of 2013, Superior experienced net job inflow of 1,104 workers.

- The highest proportion of workers coming into Superior is aged 30 to 54 (55.2%, or 4,444 workers), earning more than $3,333 per month (44.9%, or 3,613 workers), and employed in the "All Other Services" industry category (69.2%, or 5,238 workers), which includes Education and Health Services. With 12,770 workers commuting to Superior and many coming from over 50 miles, there appears to be an opportunity to provide housing options for a portion of these workers.

TABLE B-5
COMMUTTING INFLOW/OUTFLOW CHARACTERISTICS
CITY OF SUPERIOR
2013

	Outflow		Inflow		Interior Flow	
City Total	**6,941**	**100.0%**	**8,045**	**100.0%**	**4,729**	**100.0%**
By Age						
Workers Age 29 or younger	1,781	25.7%	1,662	20.7%	1,172	24.8%
Workers Age 30 to 54	3,746	54.0%	4,444	55.2%	2,466	52.1%
Workers Age 55 or older	1,414	20.4%	1,939	24.1%	1,091	23.1%
By Monthly Wage						
Workers Earning $1,250 per month or less	1,538	22.2%	1,797	22.3%	1,635	34.6%
Workers Earning $1,251 to $3,333 per month	3,003	43.3%	2,635	32.8%	1,767	37.4%
Workers Earning More than $3,333 per month	2,400	34.6%	3,613	44.9%	1,327	28.1%
By Industry						
Workers in the "Goods Producing" Industry Class	791	11.4%	1,571	19.5%	583	12.3%
Workers in the "Trade, Transportation, and Utilities" Industry Class	1,397	20.1%	2,501	31.1%	1,078	22.8%
Workers in the "All Other Services" Industry Class	4,753	68.5%	3,973	49.4%	3,068	64.9%

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

Major Employers

The following list provides a summary of the major employers in the City of Superior. This data is sourced from the City of Superior.

TABLE E-6
MAJOR EMPLOYERS
CITY OF SUPERIOR
2015

Company	Function	No. of Employees
Superior School District	Educational Services	742
Halvor Lines	Transportation and Warehousing	455
University of Wisconsin-Superior	Educational Services	450
Walmart Supercenter	Retail Trade	442
Essentia Health	Health Care and Social Assistance	382
Burlington Northern Santa Fe Railway	Transportation and Warehousing	380
Catholic Charities Bureau	Health Care and Social Assistance	369
Douglas County	Public Administration	311
Jeff Foster Trucking	Transportation and Warehousing	296
Enbridge Energy Partners	Transportation and Warehousing	295
AMSOIL	Manufacturing	277
City of Superior	Public Administration	260
Calumet Superior	Manufacturing	180
Timberline Express	Transportation and Warehousing	176
Exodus Machines	Manufacturing	145
Charter NEX Films	Manufacturing	140
Genesis Attachments LLC	Manufacturing	125
National Bank of Commerce	Finance and Insurance	117
Financial Recovery Services	Administrative, Support, Waste Management and Remediation Services	110
Midwest Energy Resources	Administrative, Support, Waste Management and Remediation Services	92
Superior Water, Light and Power	Utilities	90
Superior Publishing Corporation	Information	88
Kestrel Aircraft	Manufacturing	66
Union Pacific Railway	Transportation and Warehousing	60
Barko Hydraulics	Manufacturing	50
Graymont Wisconsin	Manufacturing	47
CustomerLink	Information	41
St. Luke's	Health Care and Social Assistance	37

Sources: City of Superior; Maxfield Research & Consulting, LLC

- The Superior School District is the largest employer in the City with 742 employees, followed by Halvor Lines with 455 employees (recent merger) and University of Wisconsin-Superior with 450 employees. Walmart Supercenter is a close fourth, with 442 employees.

- The list of major employers represents several industry sectors. The highest employment counts in Superior are in the Transportation and Warehousing sector, followed by Educational Services and Manufacturing.

- Based on data from the Quarterly Census of Employment and Wages, the Trade, Transportation and Utilities sector had the most establishments. The Retail Trade sector typically employs many workers, but a high proportion is often part-time workers earning minimum wage and are not offered benefits. An individual earning minimum wage and working part-time would usually not be able to afford market rate housing and would need some type of assisted housing.

Employer Survey

Maxfield Research surveyed representatives of several large employers in Superior. The questions covered topics such as recent trends in job growth, average wages and salaries, hiring, relocation and housing considerations. The following points summarize the findings of this survey process.

- Several employers typically hire people from outside of the Superior area for specific areas of background and experience. Attracting employees to Superior from outside of the area can be challenging.

- Positions span a diverse array of skill and wage levels. Production workers are more likely to need affordable housing, which is difficult to find in Superior. Highly skilled workers have difficulty finding housing at the higher end of the range and upscale rental housing, townhomes and apartments, are also difficult to find.

- Those interviewed indicated a short supply of “move-up” housing for relocated professional workers in the $175,000 to $250,000 range.

- A lack of newer mid-level priced housing and a lack of modern rental units may also limit the ability of employers to attract their desired candidates to Superior.

- Employers stated that full-time employees and the majority of part time employees were able to afford their own homes in Superior.

Introduction

Maxfield Research analyzed the for-sale housing market in the City of Superior and Douglas County as a whole by collecting data on home sales, the supply of residential lots in the area, and conducting interviews with area real estate professionals. Demand calculations for general occupancy for-sale housing in the City/County between 2015 and 2025 are also provided.

Home Sales

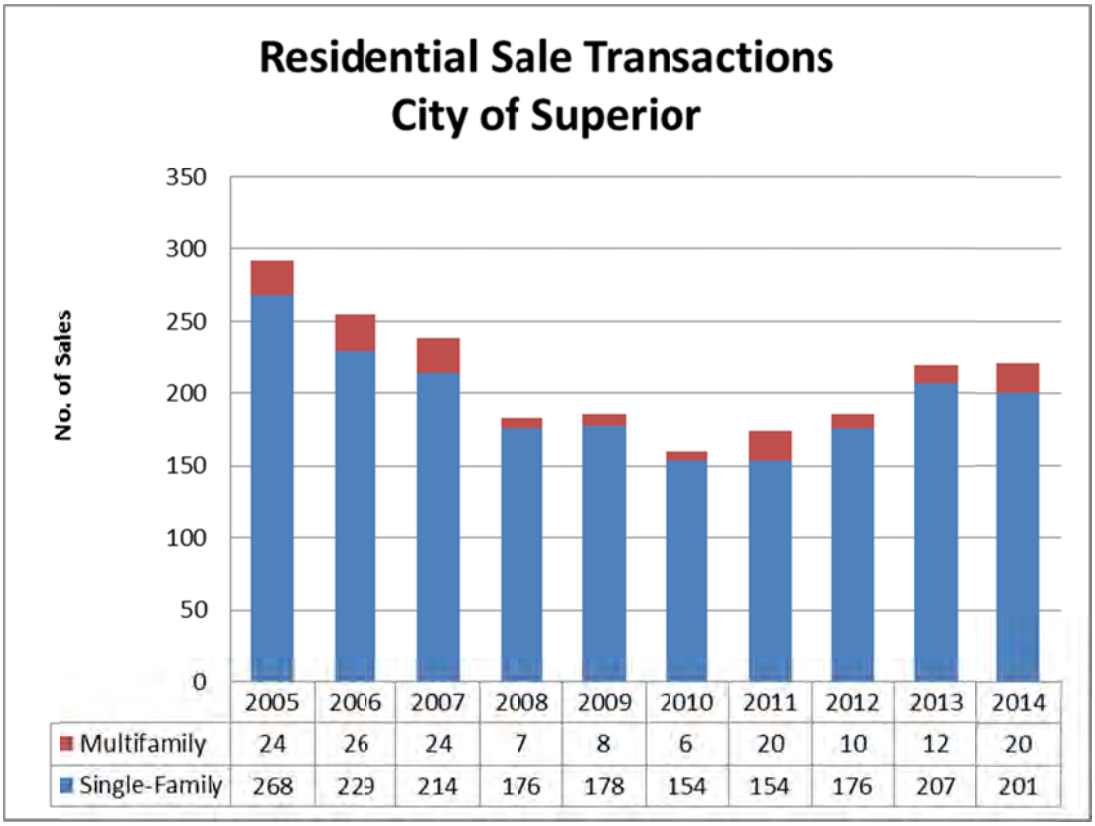
Tables FS-1 through FS-3 on the following pages provide information on sales of single-family homes and multifamily units (including townhomes, twinhomes, and condominiums) in the City of Superior and Douglas County from 2005 through March 2015. Table FS-3 shows the price distribution of these sales. The data was obtained from the City of Superior Assessor and Wisconsin Association of Realtors. The following points summarize key findings:

- From 2005 through year-end 2014, there were 2,150 residential sales in Superior, representing approximately 44% of all Douglas County sales. Homes in Superior have been selling at an average annual rate of 215 units per year since 2005. Within Superior, roughly 90% of all sales were for single-family homes between 2005 and 2014. The multifamily market in Superior consists mostly of duplexes and townhomes (89% of multifamily sales since 2005) and condominium sales making up the rest (11% of multifamily sales since 2005).

- Residential sales activity in the City was highest in 2005, with 297 total sales. Sales activity reached a low in 2010, with 163 sales, but has made gains in every year since, with 227 sales in 2014. Douglas County had a similar experience to Superior, with the highest activity in 2005, with 664 total sales. Sales activity in the County slumped in 2011, with 408 total sales. There were 480 sales in the County in 2014.

- As of 2014, the median sale price for single-family homes in Superior was $118,900, about 1% higher than the Douglas County median sale price of $117,500. On average, Superior's median single-family home price has been 2% lower than the County median price since 2005.

- The low median sale price for single-family homes in the past decade was in 2005 in Superior, with a median sale price of $96,533, and in 2011 in Douglas County, with a low median sale price of $102,950. Home sale prices in the City have risen steadily since 2009, faltering slightly in 2013 but recovering by 2014. The median sale price in the City of Superior has risen from $107,675 in 2010 to $118,900 in 2014, an increase of 10.4%. Similarly in Douglas County, the median sale price has risen from $107,000 in 2010 to $117,500 in 2014, an increase of 9.8%.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Multifamily	24	26	24	7	8	6	20	10	12	20
Single-Family	268	229	214	176	178	154	154	176	207	201

- Townhome and multifamily sales comprise approximately 8% of the market in Superior. Between 2005 and year-end 2014, there have been 203 multifamily sales in the City of Superior. Duplexes and townhomes represented about 89% of all multifamily sales during this period, with condominiums comprising the remaining 9%. In 2014, the median sale price for a multi-family home was $117,500. Much like most of the single-family homes in Superior, the multi-family housing stock is older. In 2014, the median year built for multi-family home sales was 1919, the same as single-family homes.

- Since 2010, multifamily home sales activity has increased, although the number of sales varies significantly from year to year. In 2010, there were six multifamily sales in the City of Superior with a median sale price of $133,500. The median year built of these properties was 1950. In 2014, overall activity had increased by 233.3% since 2010, with 20 sales for the year. The median sale price for these properties was $117,500, a decrease of 12.0% since 2010.

TABLE FS-1
RESIDENTIAL SALES ACTIVITY
2005 - 2015
CITY OF SUPERIOR

	Year	No. of Sales	Average Sale Price	Median Sale Price	Median Year Built
	Single-Family				
	March 2015 YTD	3	$74,000	$67,000	1900
	2014	201	$127,788	$118,900	1935
	2013	207	$125,900	$109,500	1934
	2012	176	$121,430	$116,500	1935
	2011	154	$124,350	$115,750	1950
	2010	154	$118,471	$107,675	1933
	2009	178	$119,499	$107,500	1932
	2008	176	$118,395	$112,500	1926
	2007	214	$127,955	$111,500	1921
	2006	229	$114,482	$105,000	1917
	2005	268	$112,611	$96,533	1919
Change	***No.***	***47***	***$9,317***	***$11,225***	
2010 - 2014	***Pct.***	***30.5%***	***7.9%***	***10.4%***	

	Year	No. of Sales	Average Sale Price	Median Sale Price	Median Year Built
	Multifamily				
	March 2015 YTD	1	$350,000	$350,000	1999
	2014	20	$215,125	$117,500	1919
	2013	12	$111,858	$105,750	1915
	2012	10	$93,775	$79,000	1907
	2011	20	$105,005	$105,000	1967
	2010	6	$126,500	$133,500	1950
	2009	8	$126,550	$81,450	1904
	2008	7	$152,857	$115,000	1975
	2007	24	$111,004	$115,400	1913
	2006	26	$135,238	$120,500	1898
	2005	24	$129,921	$100,000	1901
Change	***No.***	***14***	***$88,625***	***-$16,000***	
2010 - 2014	***Pct.***	***233.3%***	***70.1%***	***-12.0%***	

Sources: City of Superior Assessor; Maxfield Research and Consulting, LLC.

FS-2
RESIDENTIAL SALES ACTIVITY
DOUGLAS COUNTY
2005 - 2014

Year	No. of Sales	Median Sale Price
2014	480	$117,500
2013	469	$107,200
2012	426	$112,500
2011	408	$102,950
2010	439	$107,000
2009	439	$104,000
2008	484	$115,000
2007	509	$121,500
2006	555	$119,000
2005	664	$118,950

Sources: WIAR; Maxfield Research and Consulting, LLC.

FS-3
RESIDENTIAL SALES ACTIVITY - PRICE DISTRIBUTION
CITY OF SUPERIOR
2012 - 2014

	2012		2013		2014		Total	
	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total	Closed Sales	% of Total
Single-Family								
Under $50,000	7	4.0%	9	4.3%	11	5.5%	27	4.6%
$50,000 to $99,999	56	31.8%	73	35.3%	60	29.9%	189	32.4%
$100,000 to $149,999	73	41.5%	74	35.7%	70	34.8%	217	37.2%
$150,000 to $199,999	26	14.8%	29	14.0%	39	19.4%	94	16.1%
$200,000 to $299,999	12	6.8%	14	6.8%	16	8.0%	42	7.2%
$300,000 to $399,999	1	0.6%	7	3.4%	2	1.0%	10	1.7%
$400,000+	1	0.6%	1	0.5%	3	1.5%	5	0.9%
Multi-Family								
Under $50,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$50,000 to $99,999	7	70.0%	6	50.0%	8	40.0%	21	50.0%
$100,000 to $149,999	2	20.0%	4	33.3%	4	20.0%	10	23.8%
$150,000 to $199,999	1	10.0%	0	0.0%	1	5.0%	2	4.8%
$200,000 to $299,999	0	0.0%	2	16.7%	1	5.0%	3	7.1%
$300,000 to $399,999	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$400,000+	0	0.0%	0	0.0%	6	30.0%	6	14.3%

Sources: City of Superior Assessor; Maxfield Research and Consulting, LLC.

Active Listings

Table FS-4 presents a summary of single-family detached and multifamily homes currently listed for sale in Superior. Multifamily includes condominiums, townhouses, twinhomes, and patio homes. Active listings data were compiled from various Realtor websites using the Superior Area Association of Realtors Multiple Listing Service.

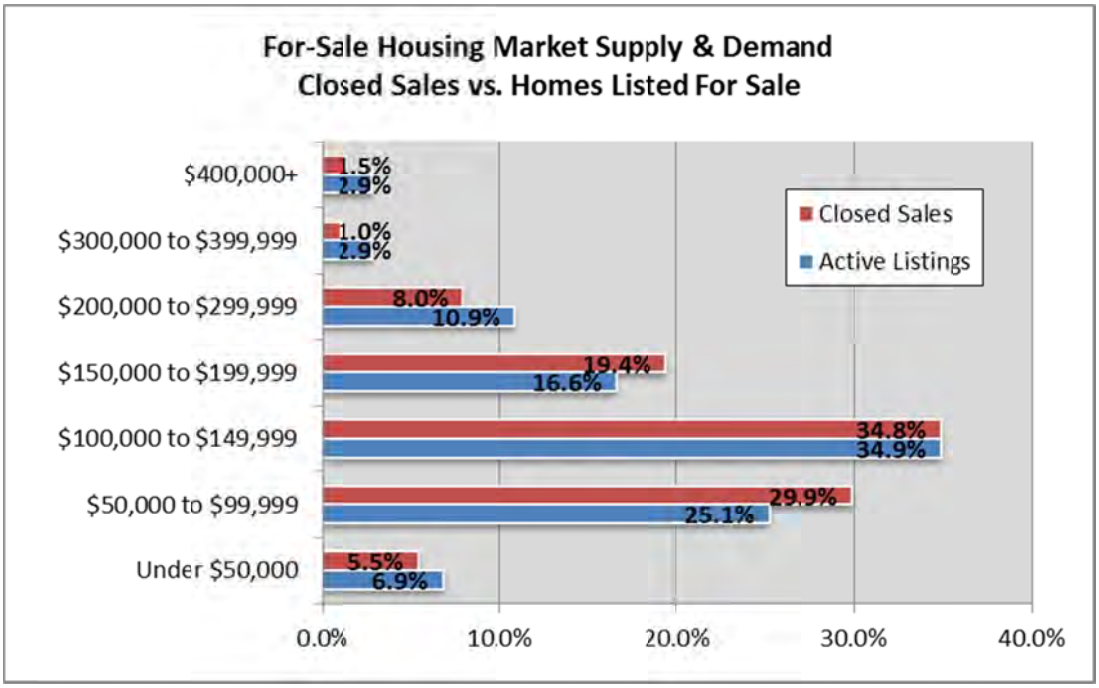
- There are 175 single-family homes listed for sale in Superior as of September 2015. The median asking price for single-family homes in the City is $122,000, which is 2.6% higher than the median price of closed sales in 2014.
- The average size of homes listed for sale is 1,711 square feet which equates to a median price per square foot of $71.31.
- Approximately 4.8% of the listed homes were built in the year 2000 or later while 7.2% were built in the 1990s, 4.2% were built in the 1980s, 8.4% in the 1970s, 5.4% in the 1960s, 7.8% in the 1950s, and 6.0% in the 1940s. Approximately 56% of all listed homes were built prior to 1940 and may be in need of some improvements.
- There is a fairly direct relationship between the pricing, age, and size of homes in Superior. Older homes tend to be smaller and have a lower asking price per square foot than newer homes. Single-family homes with asking prices under $50,000 and between $50,000 and $99,999 are the smallest with sizes of 1,390 sq. ft. and 1,265 sq. ft., respectively. Homes in this price range also had the oldest median year built, 1894 and 1904, respectively. Single-family homes with asking prices at $400,000 or higher are, by far, the largest with sizes ranging from 2,738 square feet to as large as 6,600 square feet (average size of 4,555 square feet).
- Approximately 60% of all single-family listings fell within the $50,000 to $99,999 and $100,000 to $149,999 price ranges. Homes listed in the $50,000 to $99,999 price range had an average size of 1,265 sq. ft. and a median price of $81,500, leading to a price per sq. ft. of $64.43. Homes listed within the $100,000 to $149,999 price range had an average size of 1,482 and a median price of $119,900, leading to a price per sq. ft. of $80.91.

TABLE FS-4
CURRENT RESIDENTIAL LISTINGS
CITY OF SUPERIOR
SEPTEMBER 2015

	Listings	% of Total	Median Year Built	Average Size	Median Price	Price Per Sq. Ft.
Single Family						
Under $50,000	12	6.9%	1893	1,390	$44,150	$31.76
$50,000 to $99,999	44	25.1%	1904	1,265	$81,500	$64.43
$100,000 to $149,999	61	34.9%	1927	1,482	$119,900	$80.91
$150,000 to $199,999	29	16.6%	1962	1,848	$169,900	$91.95
$200,000 to $299,999	19	10.9%	1984	2,349	$235,000	$100.05
$300,000 to $399,999	5	2.9%	1987	2,886	$370,000	$128.19
$400,000+	5	2.9%	1989	4,555	$565,000	$124.03
Total	**175**	**100.0%**	**1926**	**1,711**	**$122,000**	**$71.31**
	Listings	**% of Total**	**Median Year Built**	**Average Size**	**Median Price**	**No. of Units Range**
Multi-Family						
Under $50,000	0	0.0%	-	-	-	-
$50,000 to $99,999	3	17.6%	1900	1,800	$69,900	2
$100,000 to $149,999	5	29.4%	1898	-	$114,000	2 to 4
$150,000 to $199,999	5	29.4%	1914	-	$169,900	2 to 3
$200,000 to $299,999	2	11.8%	1959	1,400	$269,450	2 to 8
$300,000 to $399,999	0	0.0%	-	-	-	-
$400,000+	2	11.8%	1965	-	$620,000	4 to 10
Total	**17**	**100.0%**	**1906**	**1,600**	**$142,450**	**2 to 10**

Sources: SAAR, Maxfield Research and Consulting, LLC.

- As illustrated in the following graph, lower-priced homes ($100,000 or less) represented 34.4% of all sale transactions in 2014, while they currently account for 32.0% of all listed homes. Homes sales in the $100,000 to $149,999 price range represented 34.8% of sales and 34.9% of homes listed. Homes that sold for over $300,000 represented 2.5% of sales in the city, and currently comprise 5.8% of active listings.



Residential Lot Prices

Maxfield Research identified eleven potential development sites, and three actively marketing subdivisions. Overall, there is a lack of developable land in the City of Superior. The City has sought to remedy this by selling off some potential sites in an effort to encourage development. Pricing for all residential sites varies depending on size, location and features. According to the City of Superior, a useful guideline is that a 75'x120' lot (9,000 square feet or 0.20 acres) is about $18,000. Subdivisions without names are referred to by their number according to Table R-7 on the following page, and are shown on the map on the following page.

- Grandview Patio Homes, located off of Billings Lane in Superior, is a 45-lot subdivision that has lots available for patio homes multifamily and single family homes built by Rapid River Development, LLC. Single-family lot prices range from $14,900 for a 0.35 acre lot to $24,900 for a 0.23 acre lot. According to the sales agent, some lots have higher premiums than others.

- Site 6 is comprised of six single-family lots priced at $18,000 to $24,000. The lots are 0.2 to 0.3 acres, and the developer is the City of Superior. The City must approve the construction plans prior to the offer becoming binding.

- Site 7 is owned by Ron Gustafson, and consists of 30 single-family lots priced at $50,000. The lots are approximately 0.30 acres.

- Remaining lots on Site 1, Beacon Knoll Estates, are owned by J Kimmes Construction. Beacon Knoll Estates opened in the 1990s and is not currently marketing remaining lots. Lot

prices range from $56,000 to $85,000 and on average are 0.75 acres. Finished homes prices range from $250,000 to $300,000.

New Construction Pricing

Maxfield Research identified one new-construction actively marketing single-family subdivision. Grandview Patio Homes and Grandview Estates in the Billings Park neighborhood offer both patio homes and single-family detached homes built by Rapid River Development, LLC. According to the developers and city officials, new construction homes typically range in price from $150,000 to $300,000, with many homes priced between $180,000 and $200,000.

- Listed prices for model patio homes range from $189,900 for a 1,292 square-foot home with three bedrooms and two full bathrooms, to $254,900 for a 1,604 square-foot home with three bedrooms and two full bathrooms. These price points lead to a price per square foot ranging from $147 to $158. Patio homes are priced as a package deal including the lot price.

- There is a large price gap between new construction housing in Superior at this price point and homes currently on the market. The average price per square foot of a home currently listed was $71.31, less than half of the price per square foot for a new construction home. For homes listed in the $200,000 to $299,999 price range, the average price per square foot was $100.05.

Residential Lot Supply

Table FS-5 identifies residential lots in Superior. Information in the table corresponds to the map on the following page, and details the number of available lots at the site and the developer. This information was provided by the City of Superior. Maxfield Research reviewed residential lot sales and new construction sales data to determine changes in the supply of available lots.

TABLE FS-5
RESIDENTIAL LOT SUPPLY
CITY OF SUPERIOR
2015

Single-Family Lots

Site No.	No. of Lots Available	Developer
1	10	J Kimmes Construction
2	20	Rapids River Development, LLC
4	8	n/a
5	5	Barkers Island Development Corp.
6	6	City of Superior-Redevelopment Auth.
7	30	Ron Gustafson
11	40	J Kimmes Construction
Total	***7 sites***	***119 Lots***

Multi-Family Sites

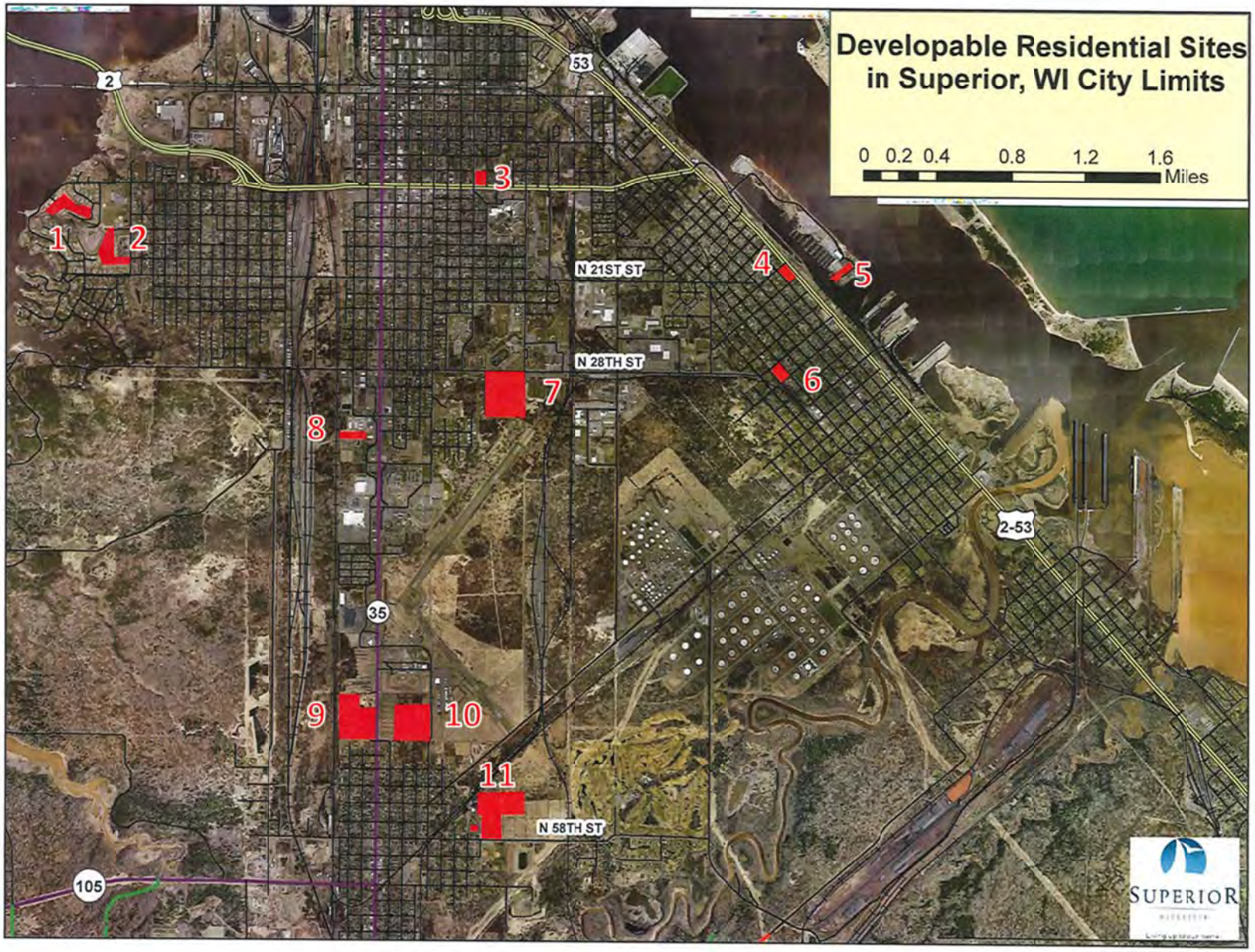
Site No.	No. of Units Anticipated	Developer
3*	n/a	n/a
8	20	RNT Development, LLC
9	50	n/a
10	50	Gerrard Corporation
Total	***4 Sites***	***120 units***

Notes: Number of residential sites are estimates and vary depending on zoning district, lot size, single-family sites, duplex, or multi-family sites.

*Site 3 will likely be a mixed-use development site, and as such the number of lots/units is unknown.

Sources: City of Superior, Maxfield Research and Consulting, LLC.

The map on the following page shows developable residential sites within the City of Superior.


Developable Residential Sites
in Superior, WI City Limits
0 0.2 0.4 0.8 1.2 1.6
Miles
1
2
3
4
5
6
7
8
9
10
11
N 21ST ST
N 28TH ST
N 58TH ST
2
53
35
105
2-53
SUPERIOR

Residential Construction Trends 2000 to Present

Maxfield Research obtained data on the number of building permits issued for new housing units from 2000 through 2014 from the U.S. Census Building Permits Survey (BPS), the Douglas County Planning and Zoning Administrator and the City of Superior Assessor. All of the Villages in Douglas County were contacted, but none were able to confirm their building permit totals. The purpose of the BPS is to provide national, state, and local statistics on the new privately-owned housing units authorized by building or zoning permits in the United States. Statistics from the BPS are based on reports submitted by local permit officials and the survey covers all "permit-issuing places" which are jurisdictions that issue building or zoning permits. Areas for which no authorization is required to construct new housing units are not included in the survey.

Table FS-6 displays the number of units permitted for single-family homes, duplexes, and multi-family structures (includes structures with three or four units, and structures with five or more units) from 2000 through 2014, which is the most recent full-year data available. Multifamily housing includes for-sale and rental units, and is defined as residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities. Single-family housing is defined as fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses. For attached units, each unit must be separated from the adjacent unit by a ground-to-roof wall and they must not share systems or utilities to be classified as single-family.

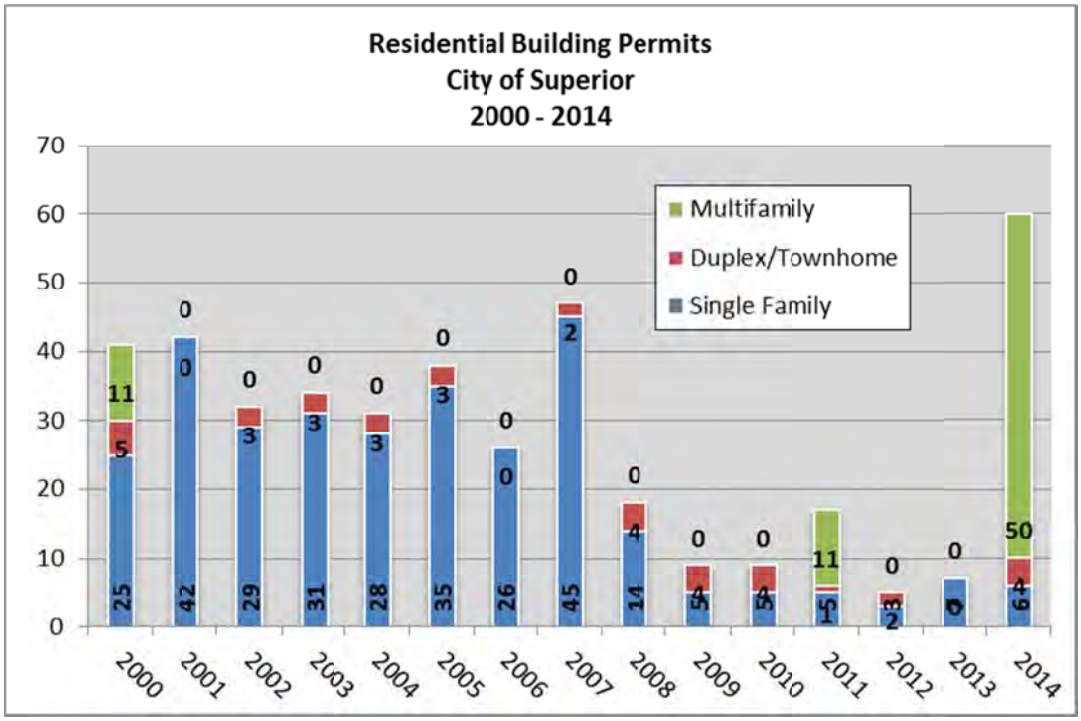
- Building permits were issued for 2,472 residential units in Douglas County from 2000 through 2014, equating to approximately 162 units per year. Roughly 92% of these units were single-family while 4% were duplexes and 4% were multifamily structures.

- The City of Superior issued permits for the 458 units from 2000 through 2014. Of the 458 permits issued, 367 (74% of all residential permits in the City of Superior) were for single family units, 38 duplex/townhome units (9% of residential permits), and 72 permits for multifamily units (17% of the total).

- As illustrated in the following graph, 2004 was the most active year for residential permitting activity in Douglas County, with a total of 285 units permitted, followed by 2003 (252 units). Residential construction activity slowed substantially in 2005, as 204 units were permitted throughout the County, while the slowest year was 2012, with only 72 units permitted.

- The City of Superior has had similar trends to the County as a whole, although due to Grand Central Plaza's construction in 2014, it was the most active year since 2000, with 60 units permitted.

- Among the Towns in Douglas County, activity peaked in 2003 with 207 units permitted, and activity declined through the end of the 2010s, where it has averaged about 57 units per year since 2010. On average, about one third of the units permitted in towns have been seasonal homes.



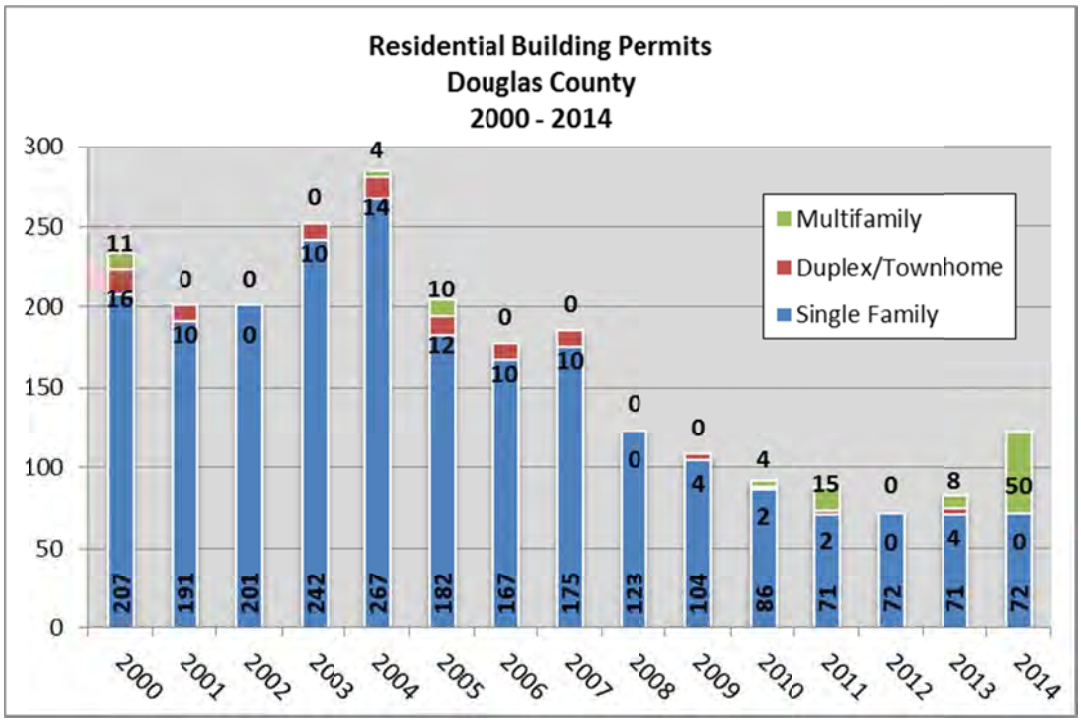


TABLE FS-6
RESIDENTIAL BUILDING PERMITS BY UNITS PERMITTED
DOUGLAS COUNTY
2000 through 2014

	Towns	Superior			Douglas County			
Year	Single Family	Single Family	Duplex/Townhome	Multifamily	Single Family	Duplex/Townhome	Multifamily	Construction Cost
2014	58	6	4	50	72	0	50	$10,214,065
2013	50	7	0	0	71	4	8	$13,537,263
2012	56	3	2	0	72	0	0	$8,750,223
2011	54	5	1	11	71	2	15	$11,335,396
2010	67	5	4	0	86	2	4	$11,129,109
2009	67	5	4	0	104	4	0	$12,382,569
2008	72	14	4	0	123	0	0	$17,674,202
2007	93	45	2	0	175	10	0	$24,918,334
2006	132	26	0	0	167	10	0	$21,687,779
2005	154	35	3	0	182	12	10	$22,396,883
2004	125	28	3	0	267	14	4	$29,985,441
2003	201	31	3	0	242	10	0	$24,171,024
2002	187	29	3	0	201	0	0	$16,552,051
2001	167	42	0	0	191	10	0	$16,679,309
2000	150	25	5	11	207	16	11	$19,102,126
Total 2000 - 2014	***1633***	***306***	***38***	***72***	***2231***	***94***	***102***	***$260,515,774***

Notes: Maxifeld Research reached out to all of the Village Assessor's in Douglas County, and none could confirm building permit totals.

Sources: U.S. Census Bureau, Douglas County Assessor, City of Superior Assessor, Maxfield Research & Consulting, LLC.

Real Estate Agent/Builder Interviews

In an attempt to gain additional insight into trends in the for-sale residential market in Superior, Maxfield Research solicited input from real estate agents, developers, and builders active in the area. Topics addressed included issues such as the general condition of Superior's housing stock, the types of homes being sought by buyers, and whether the existing supply of available housing in Superior satisfies current buyer demand. The following points summarize the findings from this process.

- There is demand for a variety of housing types, ranging from affordable entry-level homes to higher-priced executive housing. Entry-level housing was described as being anything below $75,000, while move-up housing is generally in the $120,000 to $150,000 range.

- As of September 2015, homes in Superior were on the market for a median 37 days, and average of 76 days. The average number of days on market in the County was longer, at 133 days.

- Demand for newer homes is high, but there is a shortage of residential lots in the market. Lots that are available can be difficult to develop because of state DNR regulations. Many homebuyers feel that new construction homes are too expensive.

- There is also a perception that owning a home in Duluth is less expensive than in Superior because of lower property taxes. Maxfield Research investigated this claim, and while it is true that property taxes are lower in Duluth, other factors likely have a larger impact on the decision of where to purchase a home.

- Baby boomers are interested in downsizing their homes, but there are not many options available to them in Superior. A portion of baby boomers are also snowbirds, and would be attracted to lower maintenance living options in the City. Millennials prefer to purchase newer homes, which are not readily available in Superior.

- During the recession, many single-family homes were purchased by investors, and converted into rentals. There have been instances of landlords failing to maintain rental properties, to the detriment of tenants.

- According to interviews with local builders, new construction homes were mostly being built by current residents of Superior, in addition to new residents from out of state.

For-Sale Housing Market Demand Analysis

Table FS-7 presents demand calculations for general occupancy for-sale housing in Superior between 2015 and 2025. This analysis identifies potential demand for general occupancy for-sale housing that is generated from both new households and turnover households. The following points summarize our findings.

- According to our projections, the County is expected to grow by 1,205 households between 2015 and 2025. Because the 65 and older cohort is typically not a target market for new general occupancy for-sale housing, we limit demand from household growth to only those households under the age of 65. In the County, roughly 12% of the projected household growth will occur among households age 64 and younger which results in projected demand for two general occupancy for-sale units from household growth. Based on household tenure data from the US Census, we expect that 67% of the demand will be for owner-occupied housing units, equating to a potential of 99 owner households from household growth.

- As of 2015, there are approximately 10,061 owner households under the age of 65 in the County. Based on household turnover data from the 2013 American Community Survey, we estimate that 56% of these under-65 owner households will experience turnover between 2015 and 2025. This estimate results in anticipated turnover of approximately 5,634 existing households by 2025.

- We then estimate the percent of existing owner households turning over that would prefer to purchase new housing. In Superior, roughly 2.0% of all home sales were for new construction since 2005. In the United States, approximately 8% of all home sales were for new homes in recent years while nearly 5% of Midwest sales were for new homes. Considering the age of Superior's housing stock along with recent sale trends in the Market Area, and understanding that new construction activity slowed significantly due to the Great Recession, we estimate that 10% of the households turning over in the City will desire new housing. This estimate results in demand from existing households for 563 new owned units in the County between 2015 and 2025.

- Total demand from household growth and existing household turnover between 2015 and 2025 equates to 663 new for-sale housing units in the County. An additional proportion is added for households that would move into ownership housing in the County who currently reside outside the area.

- Due, in large part, to the employment opportunities along with other community amenities, Superior will draw a portion of potential home buyers from areas outside the County. We estimate that 20% of the demand potential for general occupancy ownership housing in Superior would be derived from outside the area, increasing total demand to 828 units.

- Based on our population and household growth projections, and the lack of developable land in the City, we estimate that the City of Superior will capture 35% of the County's demand for new for-sale housing between 2015 and 2025, equating to demand for 290 units between 2015 and 2025. Based on building permit trends, new construction sales data, and our household growth projections by age group in the County, we estimate that 70% of the householders seeking new housing will desire single-family housing, while the remaining 30% will seek multifamily units. We anticipate that there will be demand for approximately 203 general occupancy single-family homes and 87 multifamily units in Superior between 2015 and 2025.

TABLE FS-7
GENERAL OCCUPANCY FOR-SALE HOUSING DEMAND
PRIMARY MARKET AREA
2015 to 2025

DEMAND FROM PROJECTED HOUSEHOLD GROWTH			
Projected HH growth under age 65 2015 to 2025[1]		148	
(times) Propensity to Own[2]	x	67%	
(equals) Number of potential owner households from HH growth	=	**99**	
DEMAND FROM EXISTING OWNER HOUSEHOLDS			
Number of owner households (age 64 and younger) in the PMA, 2015	=	10,061	
(times) Estimated % of owner turnover (age 64 and younger, 2015 to 2025)[3]	x	56%	
(equals) Total existing households projected to turnover between 2015 and 2025	=	5,634	
(times) Estimated % desiring new owner housing	x	10%	
(equals) Demand from existing households	=	563	
Total Demand From Household Growth and Existing Households, 2015 to 2025	**=**	**663**	
(times) Ownership demand generated from outside PMA	+	20%	
(equals) Total demand potential for ownership housing in the PMA	**=**	**828**	
% of PMA Demand Capturable in the City of Superior	x	35%	
Demand from Household Growth and Existing Households in Superior	**=**	**290**	
		Single Family	**Multi-family**
(times) Percent desiring for-sale single family (SF) vs. multifamily (MF)[4]	x	70%	30%
(equals) Total demand potential for new for-sale housing in Superior	**=**	**203**	**87**
(equals) Demand potential for new for-sale housing in Rem. Of Cty. (85%/15%)	**=**	**457**	**81**

[1] Estimated household growth based per ESRI and Maxfield Research Inc.
[2] Pct. Owner households under age 65 in 2010.
[3] Based on household turnover and mobility data (2013 American Community Survey, Five Year Estimates).
[4] Based on new construction sales data, building permit data, and growth projections by age group.
[*] Multifamily demand includes demand for townhomes, twinhomes, and condominium units.

Source: Maxfield Research and Consulting, LLC.

Introduction

The following section of the report analyzes current market conditions for general occupancy rental housing in the City of Superior and in the PMA. Topics covered include rental housing data from the American Community Survey, detailed information on individual rental developments in Superior and a calculation of rental housing demand.

Overview of Rental Market Conditions

Maxfield Research utilized data from the American Community Survey (ACS) to summarize rental market conditions in Superior and the surrounding Market Area. The ACS is an ongoing survey conducted by the United States Census Bureau that provides data every year rather than every ten years as presented by the Decennial Census. We use this data because these figures are no longer available from the Decennial Census.

Table R-1 shows estimated rental vacancy rates and gross rental rates by community from the 2009-2013 ACS (the most recent data available) compared to estimates from the 2008-2012 ACS, the 2007-2011 ACS, and the 2006-2010 ACS. Data from the ACS represents five-year averages. This vacancy estimate is typically higher than what is found through Maxfield's field surveys due to the inclusion of other types of rental situations.

Based on the ACS definition, a housing unit is considered vacant if no one is living in it at the time of the survey. Also, units occupied at the time of survey entirely by persons who are staying two months or less and who have a more permanent residence elsewhere are considered to be temporarily occupied and are classified as vacant. Vacant units are excluded from the housing inventory if they are open to the elements (roof, walls, windows, and/or doors no longer protect the interior), if they have been condemned, or if they are to be demolished. Gross rent is defined as the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, wood, etc.) if these are paid by the renter.

- In 2013, it was estimated that the rental vacancy rate in Superior was 5.0%, equivalent to Douglas County as a whole, which had an estimated vacancy of 5.0%. Superior's vacancy rate was lower than the State of Wisconsin (5.5%).

- Compared to the 2012 ACS, the estimated rental vacancy in Superior increased 1.4% from 3.6% while Douglas County's vacancy rate increased by 1.2%. The State of Wisconsin rate declined 0.1% from 5.6%.

- Median gross rent in Superior jumped 2.1%, from $654 as of the 2012 ACS to $668 in the 2013 ACS, after experiencing a 6.2% increase since the 2011 ACS. Similarly, Douglas County experienced a 1.8% increase in the median gross rent to $672, while the median gross rent in Wisconsin climbed 1.3%.

TABLE R-1
RENTAL HOUSING VACANCY ESTIMATES
PRIMARY MARKET AREA
2010 - 2013

	2013		2012		2011		2010	
	Vacancy	Rent	Vacancy	Rent	Vacancy	Rent	Vacancy	Rent
City of Superior	5.0%	$668	3.6%	$654	4.1%	$616	7.0%	$594
Douglas County	5.0%	$672	3.8%	$660	4.1%	$625	6.3%	$605
Wisconsin	5.5%	$759	5.6%	$749	6.0%	$735	6.5%	$713

Note: Rent equals median gross rent

Sources: American Community Survey; Maxfield Research & Consulting, LLC.

Table R-2 on the following page presents a breakdown of median gross rent and monthly gross rent ranges by number of bedrooms in renter-occupied housing units from the 2013 ACS in Superior and Douglas County in comparison to the State of Wisconsin.

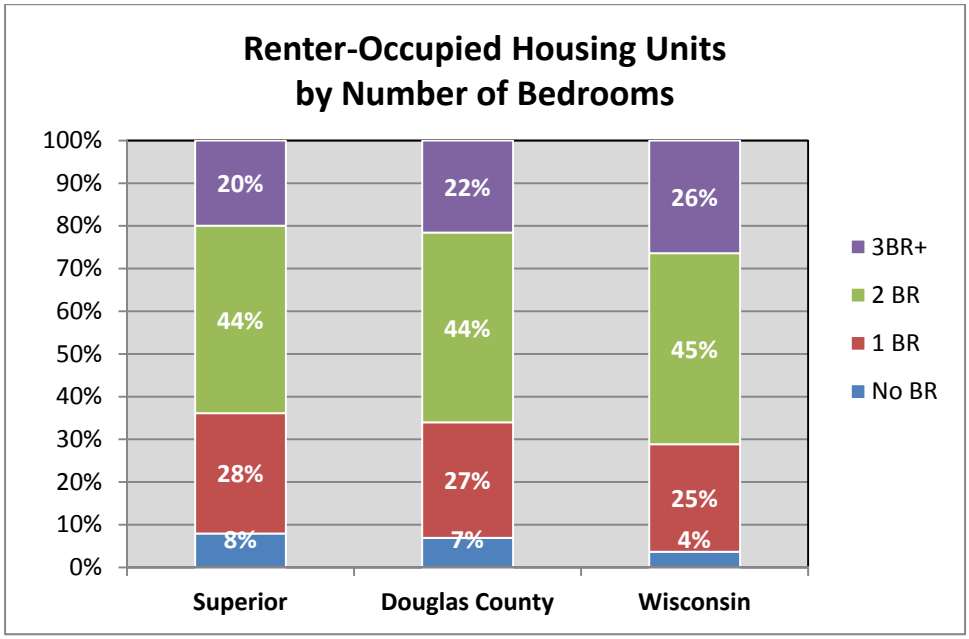
- Superior has relatively affordable rents when compared to Wisconsin. The median gross rent in the City was $668 as of the 2013 ACS, roughly 12% lower than the median rent of $759 in the State. Similarly, the median gross rent in Douglas County ($672) is slightly higher than the City median, although there are relatively few renter-occupied housing units (763) in the remainder of the County, but proportionally more single-family homes that are rented. For comparison, the 2013 median gross rent for the City of Duluth was $696.

TABLE R-2
BEDROOMS BY GROSS RENT, RENTER-OCCUPIED HOUSING UNITS
PRIMARY MARKET AREA
2013

	Superior		Douglas County		Wisconsin	
	No.	Pct.	No.	Pct.	No.	Pct.
Median Rent:	**$668**		**$672**		**$759**	
Total:	**5,324**	**100.0%**	**6,087**	**100.0%**	**729,486**	**100.0%**
No bedroom:	**423**	7.9%	**423**	6.9%	26,769	3.7%
With cash rent:	423	100.0%	423	100.0%	26,373	98.5%
Less than $200	19	0.4%	19	4.5%	456	1.7%
$200 to $299	7	0.1%	7	1.7%	1,565	5.8%
$300 to $499	124	2.3%	124	29.3%	7,272	27.2%
$500 to $749	262	4.9%	262	61.9%	11,204	41.9%
$750 to $999	11	0.2%	11	2.6%	3,290	12.3%
$1,000 or more	0	0.0%	0	0.0%	2,586	9.7%
No cash rent	0	0.0%	0	0.0%	396	1.5%
1 bedroom:	**1,500**	**28.2%**	**1,647**	**27.1%**	**183,776**	**25.2%**
With cash rent:	1,491	99.4%	1,616	98.1%	181,609	98.8%
Less than $200	32	2.1%	39	2.4%	4,353	2.4%
$200 to $299	303	20.2%	306	18.6%	17,203	9.4%
$300 to $499	314	20.9%	350	21.3%	35,272	19.2%
$500 to $749	644	42.9%	703	42.7%	78,821	42.9%
$750 to $999	198	13.2%	205	12.4%	31,388	17.1%
$1,000 or more	0	0.0%	13	0.8%	14,572	7.9%
No cash rent	9	0.6%	31	1.9%	2,167	1.2%
2 bedrooms:	**2,339**	**43.9%**	**2,705**	**44.4%**	**326,513**	**44.8%**
With cash rent:	2,281	97.5%	2,580	95.4%	317,092	97.1%
Less than $200	20	0.9%	24	0.9%	2,823	0.9%
$200 to $299	123	5.3%	130	4.8%	4,545	1.4%
$300 to $499	240	10.3%	267	9.9%	17,889	5.5%
$500 to $749	996	42.6%	1,143	42.3%	114,181	35.0%
$750 to $999	667	28.5%	738	27.3%	121,817	37.3%
$1,000 or more	235	10.0%	278	10.3%	55,837	17.1%
No cash rent	58	2.5%	125	4.6%	9,421	2.9%
3 or more bedrooms:	**1,062**	**19.9%**	**1,312**	**21.6%**	**192,428**	**26.4%**
With cash rent:	923	86.9%	1,119	85.3%	173,162	90.0%
Less than $200	0	0.0%	7	0.5%	846	0.4%
$200 to $299	28	2.6%	28	2.1%	1,834	1.0%
$300 to $499	5	0.5%	15	1.1%	9,479	4.9%
$500 to $749	131	12.3%	159	12.1%	31,852	16.6%
$750 to $999	244	23.0%	278	21.2%	53,062	27.6%
$1,000 or more	515	48.5%	632	48.2%	76,089	39.5%
No cash rent	139	13.1%	193	14.7%	19,266	10.0%

Sources: American Community Survey, Maxfield Research & Consulting, LLC.

- Two-bedroom units are the most common rental unit type in Superior, representing 43.9% of all occupied rental units in the City compared to 44.8% in Wisconsin. Similarly, 44.8% of the rental units in Douglas County are two-bedroom units. One-bedroom units are the second most common in Superior and Douglas County, while 3 or more bedroom units were second most common in the State of Wisconsin. Units with three or more bedrooms comprise 19.9% of the renter-occupied housing units in Superior, 21.6% of the units in Douglas County and 26.4% in the State of Wisconsin.



- The ACS shows 423 efficiency units (zero bedrooms) in Superior; all of the efficiency units in Douglas County are located in the City. Efficiency units comprise approximately 8% of all rental units in the City. By comparison, 4% of all renter-occupied units in the State have no bedroom.

- Roughly 4% of the renter-occupied units in Superior were reported as having no cash rent. These units may be owned by friends or relatives who live elsewhere and who allow occupancy at no charge. Rent-free houses or apartment units may be provided to compensate caretakers, ministers, tenant farmers, or others.

- Monthly gross rents in Superior range from less than $200 to over $1,000 with over 38% renting for between $500 and $749 per month. Approximately 21% have gross monthly rents between $750 and $999 and 13% have rents between $300 and $499. Over 14% rent for $1,000 or more per month, while 9% have monthly rents in the $200 to $299 range, and 1% have cash rents less than $200 per month.

- Approximately 43% of the two-bedroom units in Superior have gross monthly rents between $500 and $749 while 29% have rents between $749 and $999. Nearly 43% of the one-bedroom units in Superior rent for between $300 and $499 per month. Approximately 13% have gross monthly rents between $749 and $999 while 20% have rents between $200 and $299.

- Over 48% of the units with three or more bedrooms in Superior rent for $1,000 or more per month, while 23% rent for $750 to $999 or more per month. Three-bedroom units also have the largest portion of units with no cash rent in both the City and Douglas County, accounting for about 13% of units in the City and about 15% in the County.

General Occupancy Rental Projects

Maxfield Research Inc. compiled detailed information for general occupancy apartment projects with eight or more units in Superior, including 19 market rate apartment properties, five shallow-subsidy, Low-Income Housing Tax Credit projects, and three deep-subsidy properties in June and August 2015. Data for these apartment projects was collected by contacting managers and owners at each of the properties.

These properties represent a combined total of 867 units, including 396 market rate units, 382 shallow-subsidy units and 189 deep-subsidy units. The rents shown represent quoted rents and have not been adjusted to reflect the inclusion or exclusion of utilities at this time. Table R-3 on the following pages summarizes information on these projects.

- Superior's rental housing market is aging, as the median year built for surveyed properties is 1971 and there has not been a new general occupancy project developed since 2000. Roughly 30% of the units were constructed in the 1970s while 27% were built in the 1950s, and 28% were constructed prior to 1970. Most of the newest developments are tax credit (shallow subsidy) or deep-subsidy projects.

TABLE R-3
SELECTED MARKET RATE GENERAL OCCUPANCY RENTAL DEVELOPMENTS
SUPERIOR PRIMARY MARKET AREA
AUGUST 2015

Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Rent Per Sq Ft.	Amenities/Comments
--	1929	24	1BR	383 - 386	$525 - $550	$1.36 - $1.37	Consists of two, two-and-a-half-story brick buildings with a shared surface parking lot and off-street garages. No additional amenities.
2102 Ogden Ave		1					
Superior		4.2%					
--	1972	24	2BR	706 - 947	$600	$0.63 - $0.85	Apartment community consisting of three buildings adjacent to one another with off-street parking. No additional amenities. Three 8-unit buildings.
2818-2822 John Avenue		1					
Superior		4.2%					
Lawnview Apts.	1970	32	1BR	600 - 720	$580	$0.81 - $0.97	Consists of two, two-story brick and vinyl sided buildings with off-street parking lot. Tenants are a mix of couples, elderly, and middle-aged singles.
2821 John Avenue		1	2BR	750 - 850	$700	$0.82 - $0.93	
Superior		3.1%					
--	1970	16	1BR	700	$570 - $640	$0.81 - $0.91	Rent includes all utilities except electric. Off street parking and storage unit included in rent. Updated units have granite countertops and stainless steel kitchens. Tenant profile is working people and seniors.
2820 Ogden Ave		0	2BR	750 - 850	$690 - $730	$0.86 - $0.92	
Superior		0.0%					
--	1977	16	1BR	302 - 494	$410	$1.36	Two-story brick building. Off-street surface parking. No additional amenities.
1116 Hughitt Avenue		0	2BR	438 - 673	$500	$1.14	
Superior		0.0%					
--	1979	11	1BR	438 - 673	$450	$0.67 - $1.03	Two-story brick building. Off-street surface parking. No additional amenities.
2209 Tower Avenue		0					
Superior		0.0%					
Nottingham Apts.	1918	30	EFF	548 - 637	$460 - $475	$0.75 - $0.84	Four-story brick building with ground floor commercial space on Tower Avenue. Community laundry, no elevator. No off-street parking available.
1719 N. 19th Avenue		1	1BR	661 - 992	$645	$0.98	
Superior		3.3%	2BR	930 - 1,104	$675	$0.73	
Chateau Tower North	1970s	12	1BR	455 - 458	$500	$1.10	Two-story brick and vinyl siding building with off-street surface parking adjacent to the building. No additional amenities.
2336 Tower Avenue		0	2BR	595 - 687	$600	$1.01	
Superior		0.0%					
Chateau Tower South	1970s	12	1BR	477	$500	$1.05	Two-story brick and vinyl siding building with off-street surface parking fronting Tower Avenue. No additional amenities.
1719 N. 28th St.		0	2BR	608 - 633	$600	$0.95 - $0.99	
Superior		0.0%					

TABLE R-3 (Continued)
SELECTED MARKET RATE GENERAL OCCUPANCY RENTAL DEVELOPMENTS
SUPERIOR PRIMARY MARKET AREA
AUGUST 2015

Project Name	Year Built	Total Units	Unit Mix	Unit Size	Monthly Rent	Rent Per Sq Ft.	Amenities/Comments
Midtowne Apts.	1990	22	2BR	495 - 670	$700 - $800	$1.19 - $1.41	Consists of two, three-story brick buildings with 11 units each. Features off-street and garage parking. Patios and decks on units, no elevator.
1527-1607 N. 34th St.	2000	0					
Superior		0.0%					
--	1963	11	1BR	495 - 670	$450 - $600	$0.90 - $0.91	Two-story brick building. Off-street surface parking. No additional amenities.
1926 East 2nd St.		1	2BR	640 - 787	$600	$0.94 - $0.00	
Superior		9.1%					
--	1950s	8	2BR	N/A	$670 - $680	n/a	Landlord pays heat, sewer, water. Tenant pays electric. Tenant profile is middle-aged to elderly. Common area laundry.
1802, 1804 N 23rd St		0					
Superior		0.0%					
--	1977	8	2BR	640 - 787	$600	$0.94	Two-story brick building. Off-street surface parking. No additional amenities.
1918 N. 21st St.		0					
Superior		0.0%					
Tower House	1978	16	1BR	477	$550	$1.15	Two-story brick building. Off-street surface parking available in the rear of the building. No amenities.
2402-2408 Tower Ave.		0	2BR	608 - 633	$650	$1.03 - $1.07	
Superior		0.0%					
Piedmont Apartments	1976	64	Eff	225	$385	$1.71	Two-story brick building. Laundry Facilities, no pets allowed, Off Street Parking, Community Picnic Area. Month to Month leases.
35 N 28th St		0	2BR	675 - 700	$585 - $680	$0.87 - $0.97	
Superior		0.0%					
Billings View Apartments	1974	24	1BR	740	$680	$0.92	3-story brick building. Dishwasher, laundry facilities, air conditioning, patio/balcony. Water, trash removal, sewer, cable included.
4007 N 21st St		0	2BR	900 - 975	$800 - $850	$0.82 - $0.89	
Superior		0.0%					
Nelson Dewey Apartments	1925/2003	18	EFF	550	$450	$0.82	Redeveloped Nelson Dewey school building. In unit washer/dryer, dishwasher, high ceilings. Tenant pays heat, hot water, and electric.
611 24th Ave E		2	1BR	1,000	$650	$0.65	
Superior		11.1%	2BR	1,050 - 1,100	$800 - $900	$0.76 - $0.82	
Market Rate		348					
Vacant Units		7					
Vacancy Rate		**2.0%**					

Source: Maxfield Research and Consulting, LLC

TABLE R-4
SUBSIDIZED GENERAL OCCUPANCY RENTAL PROPERTIES
SUPERIOR PRIMARY MARKET AREA
AUGUST 2015

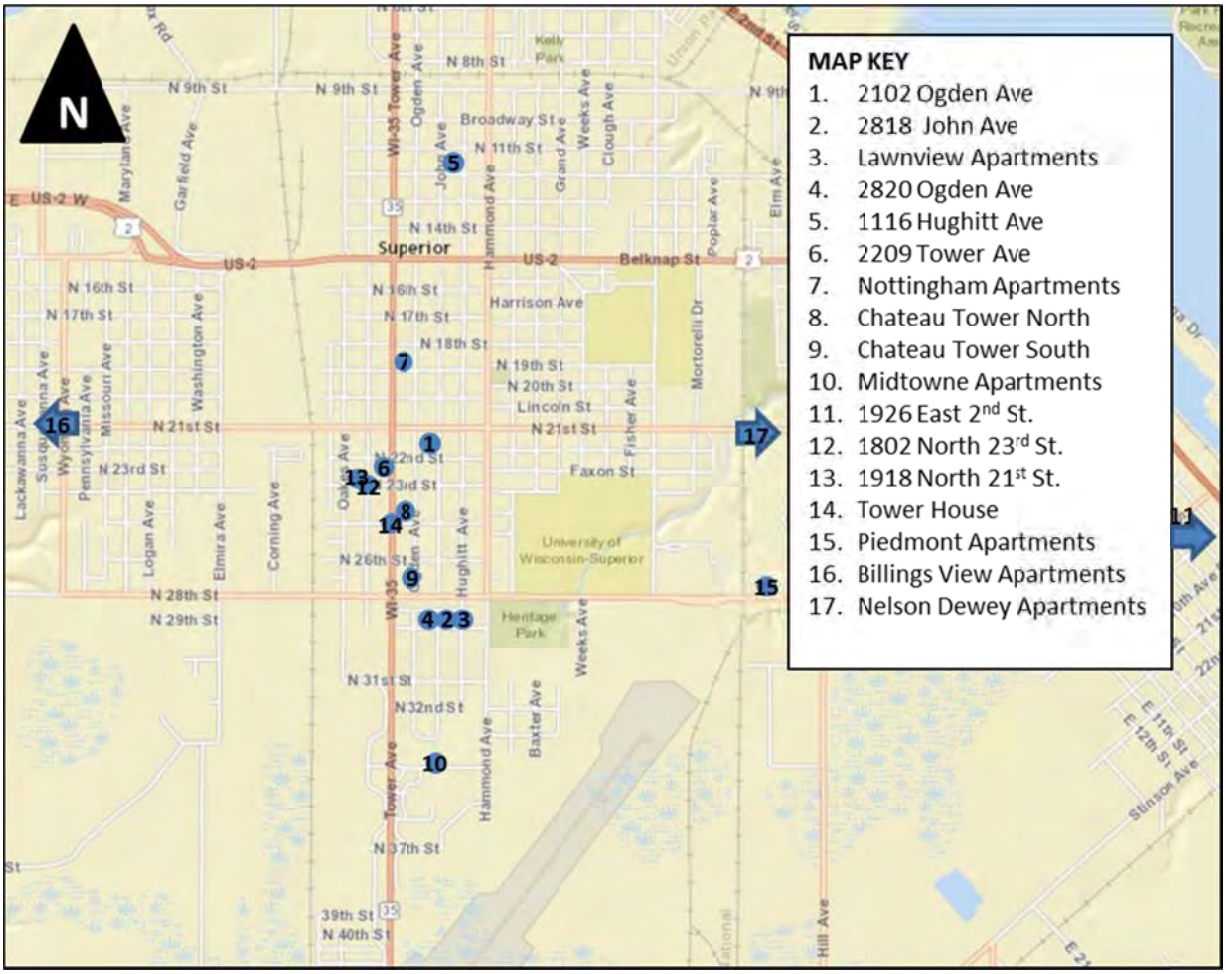
Project Name	Year Built	Total Units Vacancies	Unit Mix	Monthly Rent	Amenities/Comments
Bayview	1952	64	1BR	$406	Owned by Superior Housing Authority. Family Development.
N 14th and Cypress Ave		0	2BR	$513	Private Entrances, Front lawn, detached storage sheds,
Superior		0.0%	3BR	$637	washer/dryer hook-ups, close to UW-Superior, front or rear
			4BR	$817	patios, lawn care provided.
Park Place	1941	151	1BR	$406	Owned by Superior Housing Authority. Family Development.
N 8th and Hammond Ave		0	2BR	$513	Private Entrances, Front lawn, washer/dryer hook-ups,
Superior		0.0%	3BR	$637	detached storage sheds, nearby Kelly Park, front or rear patios,
			4BR	$817	lawn care provided.
Catlin Court	1952	136	1BR	$406	Owned by Superior Housing Authority. Family Development.
N 5th and Catlin Ave		0	2BR	$513	Private Entrances, Front lawn, detached storage sheds,
Superior		0.0%	3BR	$637	washer/dryer hook-ups, kitchen appliances front or rear
			4BR	$817	patios, lawn care provided.
Rosewood Phase II	2012	11	1BR	$516	Consists of one 11-unit building. Attached garages in 10 of 11.
N 6th and Clough		0	2BR	$651	On site laundry. Washer/Dryer hookups.
Superior		0.0%	3BR	$766	
Rosewood	1994	20	1BR	$440 - $525	Consists of two-10 unit buildings. Attached garages, high
602 Weeks Ave		0	2BR	$520	efficiency forced air furnaces, attached playground. Lawn care
Superior		0.0%	3BR	$670	and snow removal provided. Range and refridgerator. On-site
					laundry.
Northeraire Apartments	1995/	48	1BR	$570	Free Heat, dishwasher/disposal, private entrances, patios,
1605 Oakes Ave	1997	0	2BR	$590 - $645	balconies, walk in closets, garages available.
Superior		0.0%	3BR	$715 - $745	
Shallow Subsidy Units		***430***			
Shallow Subsidy Vacancies		***0***	***0.0%***		

TABLE R-4 (CONTINUED)
SUBSIDIZED GENERAL OCCUPANCY RENTAL PROPERTIES
SUPERIOR PRIMARY MARKET AREA
AUGUST 2015

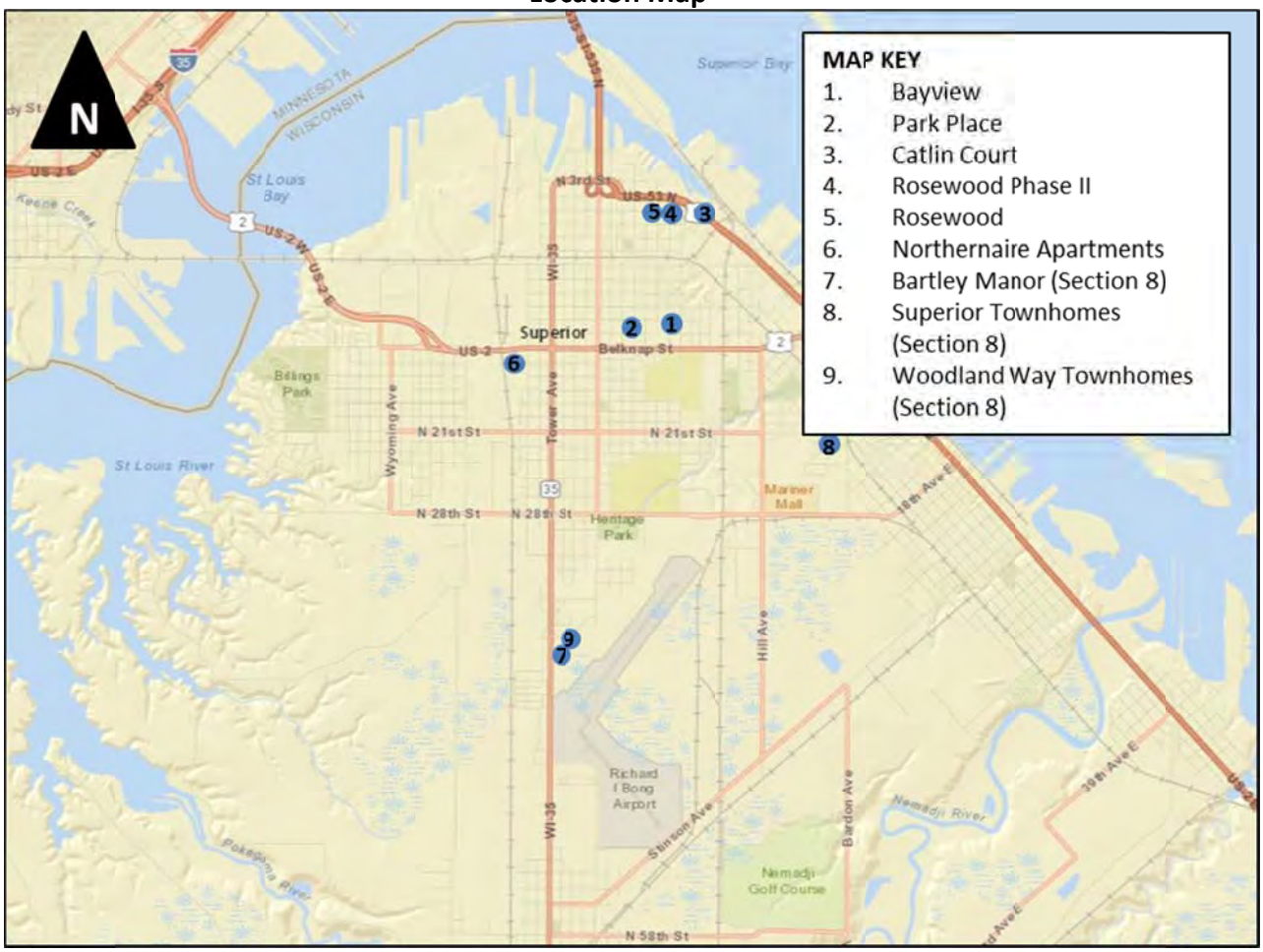
Project Name	Year Built	Total Units Vacancies	Unit Mix	Monthly Rent	Amenities/Comments
Bartley Manor 3920 Tower Ave *Superior*	N/A	69 0 0.0%	2BR 3BR	30% of Income	Section 8. 2BR units are apartments, 3BR units are townhomes Adjacent to Woodland Way. Amenities include appliances, laundry hookups, play area. On bus line.
Superior Townhomes A Aspen Court *Superior*	N/A	80 0 0.0%	2BR 3BR 4BR	30% of Income	Section 8 Property. Renter pays 30% of income.
Woodland Way TH's 3806 Tower Ave Superior	N/A	40 0 0.0%	2BR 3BR	30% of Income	Section 8. Adjacent to Bartley Manor. Amenities include appliances, laundry hookups, full basements, play area. On bus line.
Deep Subsidy Units ***Deep Subsidy Vacancies***		***189*** ***0***	 ***0.0%***		
Total Units ***Total Vacancies***		***619*** ***0***	 ***0.0%***		

Sources: Maxfield Research & Consulting, LLC.

Market Rate General-Occupancy Rental Housing
Location Map



Shallow-Subsidy & Deep-Subsidy Rental Housing Location Map



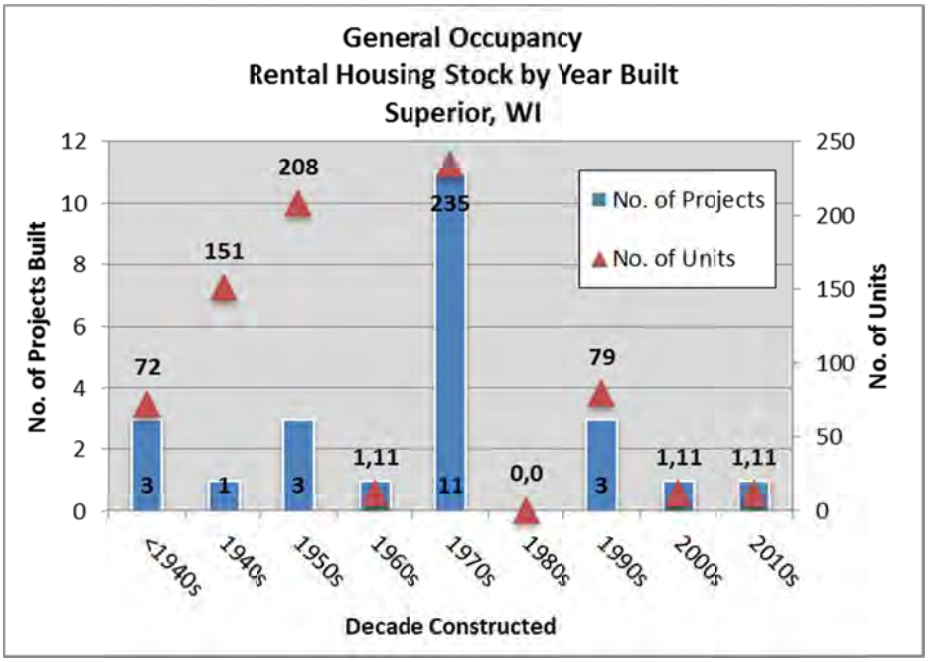


Table R-5 summarizes the average sizes and average rental rates among market rate general occupancy rental properties. Rental rates presented in the table are an average based on the number of units in each project. Therefore, developments with a larger number of units contribute more toward the average than those with fewer units.

TABLE R-5
MARKET RATE GENERAL OCCUPANCY SUMMARY
AUGUST 2015

			Average Monthly Rent		
		Average	Range	Avg.	Avg. Rent/
Unit Type	Unit Mix	Size	Low - High	Rent	Sq. Ft.
Efficiency	8.5%	346	$385 - $475	$411	$1.19
1BR	34.4%	593	$410 - $680	$561	$0.95
2BR	57.1%	716	$500 - $900	$665	$0.93
Total		**643**	**$385 - $900**	**$608**	**$0.95**

Source: Maxfield Research and Consulting, LLC.

- As depicted in Table R-5, there are unit mix of surveyed properties is about 7.4% efficiency units, 34.3% one bedroom units, 54.2% two-bedroom units, and 4.1% of units had three bedrooms. There were a total of 306 market rate units, five of which were vacant representing a 1.6% vacancy rate.

- On average, units in general occupancy projects are 643 square feet. Efficiency units are the smallest on average (346 square feet), and one-bedroom units have an average size of 593 square feet, while the two-bedroom units have an average of 716 square feet.

- The weighted average rental rate across all general occupancy properties is $608 per month with a range of $385 for an efficiency unit at Piedmont Apartments to a high of $900 for a two bedroom unit at the renovated Nelson Dewey Apartments.

- Two-bedroom units have the highest average rent of $665. One-bedroom units have an average rent of $561 per month, while the efficiency units have an average rent of $411 per month. On a per square-foot basis, one-bedroom units average $0.95, compared to $0.93 in two-bedroom units, and $1.19 in efficiency units.

- While each property manages utilities differently, heat, water, and sewer are included in the rent at most properties. The majority of the properties surveyed provide kitchen appliances and wall unit air conditioning. Townhome units typically have hook-ups for washers and dryers while most of the other properties offer a common laundry room. Detached garages are available at several of the rental properties for an additional charge.

Table R-6 summarizes shallow-subsidy and deep-subsidy general occupancy units in the City of Superior. All of the shallow subsidy projects surveyed were owned and managed by the Superior Housing Authority, which sets rents at fixed levels, determined by the number of bedrooms in the unit. One-bedroom units rent for $406 per month, two-bedroom units rent for $513 per month, three-bedroom units rent for $637 per month, and four-bedroom units rent for $817 per month. The following are key points from Table R-6:

- There are five shallow-subsidy properties with a total of 430 units, none of which are vacant. There are also three, deep-subsidy rental projects surveyed in Superior with a total of 189 units, none of which were vacant for a vacancy rate of 0.0%.

- The equilibrium vacancy rate for market rate and shallow-subsidy rental housing is considered to be 5.0% which allows for normal turnover and an adequate supply of alternatives for prospective renters. In effect, the supply of rental housing in Superior is well below the level adequate to meet demand. For deep-subsidy rental housing, the equilibrium vacancy rate is 2.0%. The overall vacancy rate for deep-subsidy rental housing in Superior is 0.0%. With a deep-subsidy vacancy rate of 0.0%, it appears as though there is insufficient supply for the current level of demand. Additionally, there are waiting lists at deep-subsidy properties over a year long, and even longer for highly desirable units with more bedrooms.

TABLE R-6
GENERAL OCCUPANCY SHALLOW SUBSIDY/DEEP SUBSIDY SUMMARY
CITY OF SUPERIOR
AUGUST 2015

Project	Total Units	Vacant
Shallow-Subsidy (Affordable)		
Bayview	64	0
Park Place	151	0
Catlin Court	136	0
Rosewood Phase II	11	0
Rosewood	20	0
Northernaire Apartments	48	0
Subtotal	***430***	***0***
Deep-Subsidy (Subsidized)		
Bartley Manor	69	0
Superior Townhomes	80	0
Woodland Way Townhomes	40	0
Subtotal	***189***	***0***

Note: Income-qualified residnets pay 30% of their income for rent at deep-subsidy properties and a fixed rent at affordable properties. Residents at deep-subsidy properties tend to have incomes lower than residents at affordable properties.

Sources: Maxfield Research and Consulting, LLC.

Rent and Income Limits

Table R-7 shows the maximum allowable incomes by household size to qualify for affordable housing and maximum gross rents that can be charged by bedroom size in Douglas County. These incomes are published and revised annually by the Department of Housing and Urban Development (HUD) and also published separately by the Wisconsin Housing and Economic Development Agency (WHEDA) based on the date the project was placed into service. Fair market rent is the amount needed to pay gross monthly rent at modest rental housing in a given area. This table is used as a basis for determining the payment standard amount used to calculate the maximum monthly subsidy for families at financially assisted housing. The second part of the table shows the maximum rents by household size and Area Median Income based on the above stated income limits. The rents on Table R-7 are based on HUD's allocation that monthly rents should not exceed 30% of income. In addition, the table reflects maximum household size based on HUD guidelines of number of persons per unit. For each additional bedroom, the maximum household size increases by two persons.

TABLE R-7
INCOME LIMITS AND MAX. RENTS BY NO. OF BEDROOMS
DOUGLAS COUNTY
2015

Income Limits					
	Area Median Income				
HH Size	30%	40%	50%	60%	100%
1-Person	$13,410	$17,880	$22,350	$26,820	$75,096
2-Person	$15,330	$20,440	$25,550	$30,660	$85,848
3-Person	$17,250	$23,000	$28,750	$34,500	$96,600
4-Person	$19,140	$25,520	$31,900	$38,280	$107,184
5-Person	$20,700	$27,600	$34,500	$41,400	$115,920
6-Person	$22,230	$29,640	$37,050	$44,460	$124,488
7-Person	$23,760	$31,680	$39,600	$47,520	$133,056
Maximum Rent by Number of Bedrooms					
Bedroom Size	30%	40%	50%	60%	Fair Market Rent
Efficiency	$335	$447	$558	$670	$478
One-Bedroom	$359	$479	$598	$718	$574
Two-Bedroom	$431	$575	$718	$862	$755
Three-Bedroom	$498	$664	$830	$996	$984
Four-Bedroom	$555	$741	$926	$1,111	$1,096
Five-Bedroom	$613	$817	$1,021	$1,226	

Sources: HUD, Maxfield Research and Consulting, LLC.

The following are photographs of select market rate general occupancy rental properties in Superior.

2818-2822 John Avenue

1116 Hughitt Avenue

Chateau Tower North

Chateau Tower South

1926 East 2nd St.

Nottingham Apartments

The following are photographs of select shallow-subsidy and deep-subsidy general occupancy rental properties in Superior.

Superior Townhomes (Deep-Subsidy)

Catlin Court (Shallow-Subsidy)

Bartley Manor (Deep Subsidy)

Northernaire (Shallow-Subsidy)

Pending Rental Developments

Maxfield Research interviewed City staff in Superior and the communities comprising the PMA to identify any new rental developments that are proposed, planned, or under construction in the Market Area. As of August 2015, there is one pending project totaling 24 units in the City of Superior.

- Cottages of Superior is a 24-unit cottage-style development on the 4800 block of Hammond Avenue. The proposed development would have a mix of one-, two-, and three-bedroom general occupancy units. Amenities include private entrances, attached garages, and radiant heated floors. The Gerrard Companies has received $220,000 in tax credits from the Wisconsin Housing and Economic Development Agency.

General-Occupancy Rental Housing Demand Analysis

Table R-8 presents a calculation of general-occupancy rental housing demand in the City of Superior and in the remainder of Douglas County. This analysis identifies potential demand for rental housing that is generated from both new households and turnover households. A portion of the demand will be drawn from existing households in Superior and remainder of Douglas County that want to upgrade their housing situations.

First, we calculate potential demand from new household growth based on the propensity of households to rent their housing. For the purpose of this analysis, we focus on households between the ages of 18 and 64 that will account for the vast majority of general-occupancy rental demand. Next, we calculate the percentage of household growth that will likely rent their housing based on 2010 Census data by age group. In 2010, roughly 33% of households under the age of 65 rented.

The second part of the analysis calculates demand from existing households, or turnover demand. Younger households tend to be highly mobile, relative to older households. Mobility rates were calculated for the renter population based on 2009-2013 American Community Survey data and were applied to the existing renter household base. Finally, we estimate the percentage of the existing renter households that will seek new rental housing by age cohort resulting in demand for 889 units by 2025.

We estimate that 20% of the total demand for new rental housing units in Superior will come from people currently living outside of the area. As a result, we find demand for 1,111 renter households based on household growth and turnover of existing households between 2015 and 2025. Due to factors such as the geographic distribution of the renter population in the PMA along with the location of services (entertainment, shopping, education, etc.) in the PMA, we anticipate that Superior can capture 60% of the excess demand potential in the PMA. Based on this capture rate, we find demand for 667 new general occupancy rental units in the Superior between 2015 and 2025. The remaining demand would be for units located in the remainder of Douglas County.

Based on a review of renter household incomes and income limits set by HUD, we estimate that approximately 20% of the total demand will be for deep-subsidy housing, 35% will be for shallow-subsidy housing, and 45% will be for market rate housing. Next we subtract housing projects that are under construction or pending at this time at 95% occupancy (equilibrium), since these projects will satisfy some of the demand for new general occupancy rental housing. There is one pending shallow-subsidy rental housing project in Superior proposed to contain 24 shallow-subsidy units.

In total, we find demand for 133 deep-subsidy units, 211 shallow-subsidy units, and 300 market rate rental units in Superior between 2015 and 2025. In the remainder of the County, demand was calculated for 89 deep-subsidy units, 178 shallow-subsidy units and 200 market rate rental units between 2015 and 2025. We note that depending on the rent levels and income-

restrictions, there may be some modest overlap in demand between deep-subsidy units and shallow subsidy units.

TABLE R-8
DEMAND FOR GENERAL OCCUPANCY RENTAL HOUSING
PRIMARY MARKET AREA
2015 to 2025

Demand From Household Growth				
Projected HH growth under age 65 in the PMA 2015 to 2025		148		
(times) Proportion Estimated to Be Renting Their Housing[1]	x	33%		
(equals) Projected Demand for Rental Housing Units	=	**49**		
Demand From Existing Households				
Number of renter households in the PMA, 2015[2]	=	8,186		
(times) Estimated % of renter turnover between 2015 & 2025[3]	x	86%		
(equals) Existing Renter Households Projected to Turnover, 2015 to 2025	=	7,002		
(times) Estimated % Desiring New Rental Housing	x	12%		
(equals) Demand From Existing Households	=	**840**		
Total Demand From Household Growth and Existing Households		**889**		
(plus) Rental demand from outside Market Area	+	20%		
(equals) Total Demand for Rental Housing in the PMA	=	**1,111**		
(times) percent of PMA Demand Capturable in Superior	x	60%		
(equals) Total Demand for Rental Housing in Superior	=	**667**		
		Deep-Subsidy	**Shallow-Subsidy**	**Market Rate**
(times) Percent of rental demand by product type[4]	x	20%	35%	45%
(equals) Total demand for new general occupancy rental housing units	=	**133**	**233**	**300**
(minus) Units under construction or approved*	-	0	23	0
(equals) Excess demand for new gen. occ. rental housing in Superior	=	**133**	**211**	**300**
(equals) Excess demand for new gen. occ. rental housing in Rem. Of Cty.	=	**89**	**178**	**200**

[1] Pct. of household growth under age 65 plus 15% of households age 65 and older.

[2] Renter households age 64 and younger plus 15% of renter households age 65 and older.

[3] Based on household turnover and mobility data (2013 American Community Survey, Five Year Estimates).

[4] Based on the combination of current rental product, income limits, and household incomes of area renters (non-senior households).

*Pending competitive units at 95% occupancy.

Source: Maxfield Research and Consulting, LLC.

Rental Licensing

The City of Superior is discussing ways to improve the City's housing stock and in particular, the City's rental housing stock. One of the suggestions is a rental licensing program. Many cities have implemented rental licensing programs in recent years with a goal of improving the quality of the housing in their communities and to provide for the safety and security of residents. This section discusses the reasons behind rental licensing and presents information from a case study that was completed for the City of Milwaukee, WI early in the 2000s when they were considering expanding their rental complaint program to a more all-inclusive rental licensing program with stricter requirements. In the Milwaukee case study, 15 communities were surveyed regarding their rental licensing programs, including type of program, administrative costs, legal issues, size of rental stock, etc. This section identifies findings from the case study and presents information on criteria to consider in undertaking a rental licensing program.

Rental Licensing – Motivation

Many communities require rental units to be licensed. Depending on the specific situation some communities may offer an exemption to the rental licensing agreement. Below are some cases where a rental license may not be required by a municipality:

- The goal and intent of licensing rental units is specifically to ensure that general life safety issues are addressed;
- That the dwelling unit is maintained and that its occupants are provided a secure and safe place in which to reside
- That the dwelling unit is not subject to overcrowding and/or substandard living conditions.

An analysis conducted by the City of Milwaukee regarding rental licensing recommended that the City not undertake a rental licensing program for the following reasons:

- It has very uncertain benefits
- Can create negative effects on housing markets and the availability of affordable housing

The study concluded that "either a "universal" or "targeted" licensing program would be met with substantial opposition and that the policy would be expensive to implement and would cause more problems for Milwaukee's rental markets than it would solve."

The study analyzed the rental licensing requirements and policies for 15 cities across the US including:

Allentown, PA
Asheville, NC
Boulder, CO
Brookhaven, NY
Cedar Rapids, IA
Elgin, IL
Farmer's Branch, TX
Waukegan, IL
Kansas City, KS
Lawrence, KS
Minneapolis, MN
Morganton, NC
Peoria, IL
Philadelphia, PA
Salisbury, MD

Eight of the 15 cities do not charge the property owner a fee to register their property while the remaining typically charge a nominal fee if the property is registered under a business license. Inspections of the units are required under all but three communities, one of which was in the process of developing a rental unit licensing program or RUL. Most cities had a goal of inspecting all units over a period of three to five years, depending on the size of the community.

The analysis found that in general, citizen groups are the most vocal in support of rental unit licensing. These groups usually approve of the program because of the potential positive impacts on public safety, improved housing quality, lowering of crime rates and improved neighborhood aesthetics. Some communities also mentioned that a portion of individual landlords became supporters of the program because it forced delinquent landlords to take action to improve their properties, increasing the attractiveness of nearby rental units.

In general, however, small property owners and apartment associations that represent large property owners are adamantly opposed to rental licensing. Licensing requires these owners to pay fees and to make repairs as necessary, increasing the cost of doing business. Property owners were concerned about the ability of the City to revoke a rental license arbitrarily. Some rental property owners and managers expressed the opinion that licensing gives the city too much control over their properties. Some tenant groups opposed licensing, believing that it could result in low-income tenants being forced out of their housing.

In 2001, Allentown, PA City Council and city administration took action in light of strong citizen support and a deteriorating housing stock. Initially, in deference to landlords and apartment associations, the City Council initially passed a relatively weak version of rental licensing with low fees and weak inspection requirements. Community groups supporting a much stronger licensing program eventually petitioned for stricter requirements and had their version placed on the ballot in a local election. This initiative was successful and created Allentown's current rental licensing program.

Inspection Fees

Inspection fees vary widely as did inspection cycles. Four methods of imposing fees were observed as a part of the case study. They included charging for a business license, no fee, yearly per unit fee, and a variable per unit fee.

Using a business license fee, a city can collect substantial revenue without linked inspections. Cities that are charging a business license fee typically require an inspection only when the property changes ownership. Again, some cities do not charge any fee. Morganton, NC pays for inspections out of city resources while Asheville, NC does not charge a fee, but requires the landlord to have a licensed third-party inspector ensure code compliance. The property owner must pay for the third-party inspector. Other cities charge a per unit fee or a variable per unit fee based on the number of units in the building.

Most of the cities surveyed have between 10,000 and 20,000 licensed units. Lawrence, KS had the fewest with 4,500 and Minneapolis had the highest at 68,000. Milwaukee has about 125,000 rental units. Lawrence, KS had two employees dedicated to RUL while Elgin, IL had 16. Staff sizes and responsibilities varied substantially among the cities. More frequent inspections requires a higher number of staff. All of the programs except those in Elgin, IL and Cedar Rapids, IA exempt owner-occupied housing from inspections. In Cedar Rapids, Iowa, there is no owner-occupied property exemption, and the entire building can be inspected.

Factors Considered in Inspections

Some cities focus on severe violations, such as malfunctioning or absent smoke detectors, poor refuse handling, unsafe electrical outlets, faulty plumbing and other general safety items. Cities that structure their programs to address the deterioration of housing stock tend to be stricter than those that are intended to address a single issue. RUL staff at the various cities indicated that the key to program success is flexibility and the ability to deal with landlords on a case-by-case basis. Licensing program staff discretion is necessary to increase efficiency in the inspection program.

Penalties for Non-Compliance

Many cities charge for reinspection fees upon identification of violations and some cities use an escalating fee system for multiple reinspections. Other penalties include license revocation and higher penalties for operating without a rental license. Most staff prefer to avoid using the threat of monetary or legal penalties to promote compliance. Generally, rental unit licensing programs are flexible and rely on case by case relationship building to ensure public safety and aesthetics are enhanced. Licensing administrators repeatedly emphasized the importance of building trust with the landlords and remaining flexible.

Applicability

Minneapolis and Lawrence use focus rental unit licensing programs. Lawrence uses rental licensing designed to regulate rental units in residential zoned neighborhoods. The program is specifically designed to ensure that college students do not overrun residential areas. Minneapolis uses a "triggering" process to determine which buildings to inspect. The triggering process is designed to focus efforts on areas and buildings that require the most attention, thereby maximizing the impacts of licensing with a minimum of resources. The remaining communities implement the program universally. The preference for a universal implementation process is that it is less arbitrary in nature.

Program Effectiveness

No comprehensive data however is available to confirm or refute the effectiveness of rental unit licensing programs. Nearly all administrators of such programs said that violations decreased significantly following the first cycle of inspections. Survey respondents also cited that the housing stock improved and vacancy rates fell, but these factors were difficult to isolate from greater housing market trends.

Other Observations

Additional observations were also made regarding rental licensing programs. These include:

- Cooperation with other branches of city government is very important. Licensing staff work well with police and fire departments and this coordination is vital to the success of the programs.

- It is imperative to educate landlords about their obligations and how licensing operates. Most of the cities with programs make great efforts to contact landlords prior to inspections and explain how the licensing process works. Many cities implemented a focused landlord training program.

- A rental unit licensing program will not be effective without fostering trust between staff and landlords.

- Flexibility to address landlords on a case-by-case basis is very important. Rules are important, but the program must be flexible enough to adapt to different circumstances.

- Landlords complain about how owner-occupied housing is not as strictly regulated as they are. Landlords feel unfairly targeted, though licensing administrators general feel that owner-occupied housing is in better condition than many rental units.

- Most rental unit licensing programs do not cover their costs with inspection fees.

Some Alternatives to Consider

No Change to Current Policies

This would keep the current policy in place with limited to no inspections and no licensing. This carries a risk of continued deterioration of the housing stock and the de facto creation of affordable housing through lack of maintenance and upkeep.

Complaint-Driven Policy

Inspections may be made upon complaints by the tenant or adjacent neighbors. This may be effective in identifying landlords whose buildings consistently exhibit deficiencies or life safety problems. Tenants may be reluctant to complain about the condition of their units for fear of retribution from the landlord. Low-income tenants that reside in low-rent buildings are often there because they require more affordable housing and they may have other barriers to finding suitable housing such as felonies, misdemeanors, poor credit history, no credit history or evictions. This should not however, be an excuse by the landlord to provide housing that is substandard or unsafe merely because it is more affordable.

Universal Rental Licensing Program

Under this program, all rental units in the community would be subject to licensing and inspections. This type of program builds off of a rental recording system where all rental units are identified and documented. A rental recording system is the logistical backbone of a universal licensing program and enables identification of rental property owners. The rental recording system must be updated regularly to ensure accurate contact information that is vital for a successful program because it would be used to direct systematic inspection efforts.

All landlords, with the exception of owner-occupied duplexes would be subject to a license fee charged by the city. The fee could be set at a level where fee revenues cover the program costs of inspections and administration. A single per unit annual fee makes the most administrative sense and simplifies the fee assessment process. The fee could act as a business license fee and used to pay for the biennial inspection. For multi-unit properties, a percentage of the total units in the building could be inspected. The greatest effort would be expended on inspecting single-unit properties that tend to have the most problems and less effort on inspecting multi-unit properties that are well-maintained.

Inspections would focus on identifying maintenance problems that present the biggest risk to the safety and health of the occupant and livability of the unit. If, during an inspection, a severe violation is found, the unit would be placed under a strict reinspection regime until the violation is fixed. If the violation is not severe, the owner would self-certify that when the repairs are complete, subject to reinspection on a random basis. For second and additional reinspections, the landlord would be charged additional fees to cover costs.

Substantial fees must also be charged for landlords that would operate without a license to deter those that would try to evade licensing. An escalating structure of punitive penalties for unlicensed rental units would be necessary, as would the continuing threat of legal proceedings.

A complaint system should be implemented to deal with code compliance issues between inspection cycles and to help identify properties that are not yet in the rental licensing system.

In addition to setting up a structure for inspections and feel collection, administration should educate property owners about the program. Training should focus on important code violations, landlord responsibilities and building a dialogue between landlords and administration.

Rental Unit Licensing with Targeted Inspections

Another alternative program could be to implement targeted inspections for rental units. All landlords would be subject to rental licensing but only targeted properties would be subject to inspections. Properties that are found to have maintenance and quality problems would be subject to inspections.

The targeted program would build off the rental recording system as a means to track properties and landlords. All landlords would be subject to a nominal annual fee for being licensed and in the system.

The complaint system would determine which properties would be most subject to inspections. At the time of implementation of a targeted program, the complaint system database would be used to determine all rental properties that have had a significant level of complaints in the past few years. After implementation, the complaint system would be used to determine which units enter into the targeted rental unit licensing program.

When a unit is inspected, the inspector would look for the specific complaint and do a thorough inspection of the unit for other code violations. Each type of code violation would be given a set point value related to the severity of the violation (for example, a serious plumbing or heating problem would receive more points than cosmetic problems.) If the unit were found to exceed a set number of points, it would enter the list of targeted units. For multi-unit buildings, if a predetermined number of units was found to exceed the point threshold, the entire building would go on the list, and a set percentage of all units would be inspected every year.

All units in the targeted system would be subject to annual inspections until they were under the set violation point threshold for a predetermine number of consecutive years. For multi-unit buildings, all inspected units would have to be under the threshold for a set number of consecutive years. During each inspection, the inspector would look for code violations and issue work orders for needed repairs. A reinspection would be completed a specified length of time afterward to ensure that repairs had been made. If not, reinspections would be conducted, to ensure code compliance. The landlord would be charged for each inspection conducted on each unit. The fee would be structured to cover program costs. In the case of a multi-unit

building, the landlord would be charged an inspection fee for the number of units inspected annually.

Policy Goals

Following are some policy goals related to reasons to implement a rental licensing program and the potential effectiveness of a RUL program against these policy goals.

Improved Quality of Rental Housing

The city is interested in protecting its residents and their quality of life, so a rental unit licensing program should be further analyzed to see what effects it has on housing quality in the city. Quality is a subjective assessment. Therefore, devising a qualitative metric to judge quality may be challenging.

Efficiency of Rental Markets

Governmental regulations have the potential to have a negative effect on market efficiencies. A regulation on rental housing markets could impact the level of rents (i.e. increase them), the quantity of rental units (reduction in number) and the willingness of landlords to invest in the rental housing stock of the City.

Availability of Affordable Housing

Having the availability of affordable housing is an important component of a well-balanced housing stock. Rental housing policy could impact the availability of affordable housing through changes in rents (demand side change) as well as changes in the availability of affordable rental units (supply side change).

Attractiveness of the City to Middle-Income Households

A healthy middle-income household base is important in maintaining an attractive community and a high quality of living. Supporting this type of household base requires an analysis of homeownership rates and the willingness of households to reside in the community. Furthermore, the effects of any rental inspection program on property values and the overall aesthetics of existing neighborhoods are also important factors.

Feasibility

The feasibility of program implementation is an important consideration. From a political perspective, support for and opposition to rental housing regulation could determine whether the program passes a city council vote. The cost of implementation and operation is a concern, especially in the current economic climate. A final feasibility issue relates to the possibility of legal challenges to a rental unit licensing program.

Rental Licensing – City of Milwaukee

Despite a recommendation to not pursue a rental inspection program, the City of Milwaukee implemented a targeted rental inspection program in two sectors of the City in January 2010 and added a third sector in January 2015. These sectors of the City are areas that had a much higher proportion of housing complaints recorded with the City and thus, were subject to more scrutiny regarding code compliance and enforcement.

A change in ownership triggers a rental inspection. In addition, a high level of complaints against a property also triggers an inspection. If there is an inspection and the property is code compliant, the certificate is issued for a period of four years. Non-compliant properties are issued a one-year certificate and a follow-up inspection is scheduled upon expiration of the certificate and to ensure that the property is code compliant and that the requested repairs and/or maintenance have been completed. Owner-occupied units are exempt from inspection, but rental units must be inspected.

The cost of the rental inspection fee is $86.19 per unit and is intended to cover the costs of inspections and administration of the program.

The following conditions affecting habitability, the existence of which the landlord knows or could know on the basis of reasonable inspection, whether or not notice has been received from code enforcement authorities include:

1. The dwelling unit lacks hot or cold running water.

2. Heating facilities serving the dwelling unit are not in safe operating condition, or are not capable of maintaining a temperature, in all living areas of the dwelling unit, of at least 67° F (19° C) during all seasons of the year in which the dwelling unit may be occupied. Temperatures in living areas shall be measured at the approximate center of the room, midway between floor and ceiling.

3. The dwelling unit is not served by electricity, or the electrical wiring, outlets, fixtures or other components of the electrical system are not in safe operating condition.

4. Any structural or other conditions in the dwelling unit or premises which constitute a substantial hazard to the health or safety of the tenant, or create an unreasonable risk of personal

injury as a result of any reasonably foreseeable use of the premises other than negligent use or abuse of the premises by the tenant.

5. The dwelling unit is not served by plumbing facilities in good operating condition.

6. The dwelling unit is not served by sewage disposal facilities in good operating condition.

Other Considerations from Other Rental Licensing Programs

We note that the City of Minneapolis' rental inspections program was challenged based on the 4th Amendment Right against illegal search and seizure. With the settlement of the lawsuit, the City of Minneapolis must now notify rental residents of pending inspections which required the City to alter the number of units inspected each year. The Department was charged with notifying residents rather than the landlord.

Another challenge that was posed to implementing the rental licensing and inspections program in the City of Milwaukee was the political difficulty of passing a rental licensing ordinance at the city council level. While the consultant believed that there would substantial opposition to increased inspections, the City passed a targeted section inspection program to address high complaint issues in three sectors of the City.

Administrative and financial burdens related to the rental licensing programs typically did not cover the cost of the programs in most of the cities that were identified for the assessment (15 cities). Kansas City, KS and Allentown, PA stated they are able to fund their programs fully. More analysis would be required to determine if other cities are able to cover the administrative and financial costs of the licensing and enforcement or if this requires additional financial resources on the part of the City. Milwaukee is restricted from charging more than what it costs to provide the service. Kansas City, KS however, is able to charge higher fees to generate revenue from the program.

Rental licensing can improve the condition of housing units that are rented in the community through regular inspections. However, other considerations must be weighed regarding the ultimate benefits to the community in implementing a rental licensing program or some type of improved building code enforcement and how that program would be structured. Concerns regarding the availability of affordable housing may be justified under a more intensified inspection process. Creating affordable housing through a lack of upkeep and maintenance is not considered to be a best practices policy.

Rental Market Summary

The following points summarize key rental trends that will impact demand for housing in Superior and Douglas County:

- Our competitive inventory identified that the vacancy rate (2.0%) for all types of general occupancy rental product is well-below market equilibrium (5.0% vacancy rate), suggesting that there is substantial pent-up demand for rental units in Superior. As of August 2015, there is a 0.0% vacancy rate in the shallow-subsidy and a 0.0% vacancy rate in deep-subsidy rental projects in Superior, while the market rate vacancy rate is 2.0%.

- Based on feedback provided by landlords in Superior as well as the real estate community, it appears that many renters are experiencing challenges finding affordable housing in the City of Superior. We believe that the development of new general occupancy rental housing is needed to increase the variety of housing in the community and provide housing opportunities for a market that currently has very few options.

- There continues to be more lifestyle renters in the market, those with busy professional lives and people who prefer to spend their free time in leisure pursuits rather than on the upkeep and maintenance of a home. Demand for new market rate rental housing is driven primarily by professional young to mid-age adults and empty nesters. These households tend to have higher incomes and desire rental housing with modern features and higher finish levels.

- The strongest sources of demand for rental housing in Superior will likely be professionals in their 30s and 40s who work in Superior or in nearby communities, who would desire newer rental housing stock with modern amenities. Shallow-subsidy rental housing will draw from a wide variety of population segments, including; low-wage workers, single-parent households, and low-income family households. Currently, there are 161 households on the Superior Housing Authority's waiting list for Housing Choice Vouchers.

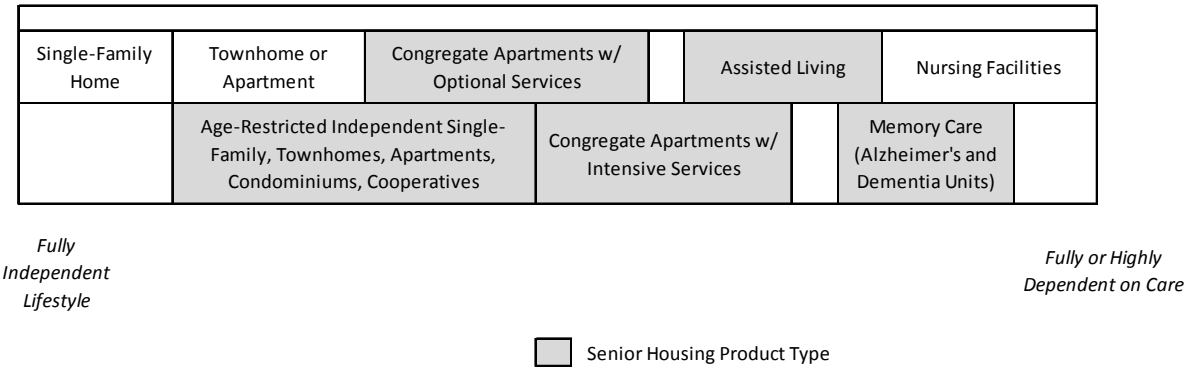
Introduction

This section provides an assessment of the market support for senior housing (active adult, congregate, assisted living and memory care) in Superior, Wisconsin. An overview of the demographic and economic characteristics of the senior population in the County is presented along with an inventory of existing and pending senior housing developments in the County. Demand for senior housing is calculated based on demographic, economic and competitive factors that would impact demand for additional senior housing units in the City.

Senior Housing Defined

Senior housing is a concept that generally refers to the integrated delivery of housing and services to seniors. However, as Figure 1 illustrates, senior housing embodies a wide variety of product types across the service-delivery spectrum. Products range from independent apartments and/or townhomes with virtually no services on one end, to highly specialized, service-intensive assisted living units or housing geared for people with dementia-related illnesses (termed "memory care") on the other end of the spectrum. In general, independent senior housing attracts people age 65 and over while assisted living typically attracts people age 80 and older who need assistance with activities of daily living (ADLs). For analytical purposes, Maxfield Research Inc. classifies market rate senior housing into five categories based on the level and type of services offered:

FIGURE 1
CONTINUUM OF HOUSING AND SERVICES FOR SENIORS



Source: Maxfield Research & Consulting, LLC

- Active Adult properties (independent living without services available) can have a rental or owner-occupied (condominium or cooperative) format and are similar to a general occupancy building, in that they offer virtually no services but have age-restrictions (typically 55 or 62 or older). Residents are generally age 70 or older if in an apartment-style building. Organized entertainment, activities and occasionally a transportation program represent the extent of services typically available at these properties. Because of the lack of services,

active adult properties generally do not command the rent premiums of more service-enriched senior housing.

- Congregate properties (or independent living with services available) offer support services such as meals and/or housekeeping, either on an optional basis or a limited amount included in the rents. These properties often dedicate a larger share of the overall building area to common areas, in part, because the units are smaller than in adult housing and in part to encourage socialization among residents. Congregate properties attract a slightly older target market than adult housing, typically seniors age 75 or older. Rents are also above those of the active adult buildings. Sponsorship by a nursing home, hospital or other health care organization is common.

- Assisted Living properties come in a variety of forms, but the target market for most is generally the same: very frail seniors, typically age 80 or older (but can be much younger, depending on their particular health situation), who are in need of extensive support services and personal care assistance. Absent an assisted living option, these seniors would otherwise need to move to a nursing facility. At a minimum, assisted living properties include two meals per day and weekly housekeeping in the monthly fee, with the availability of a third meal and personal care (either included in the monthly fee or for an additional cost). Assisted living properties also have either staff on duty 24 hours per day or at least 24-hour emergency response.

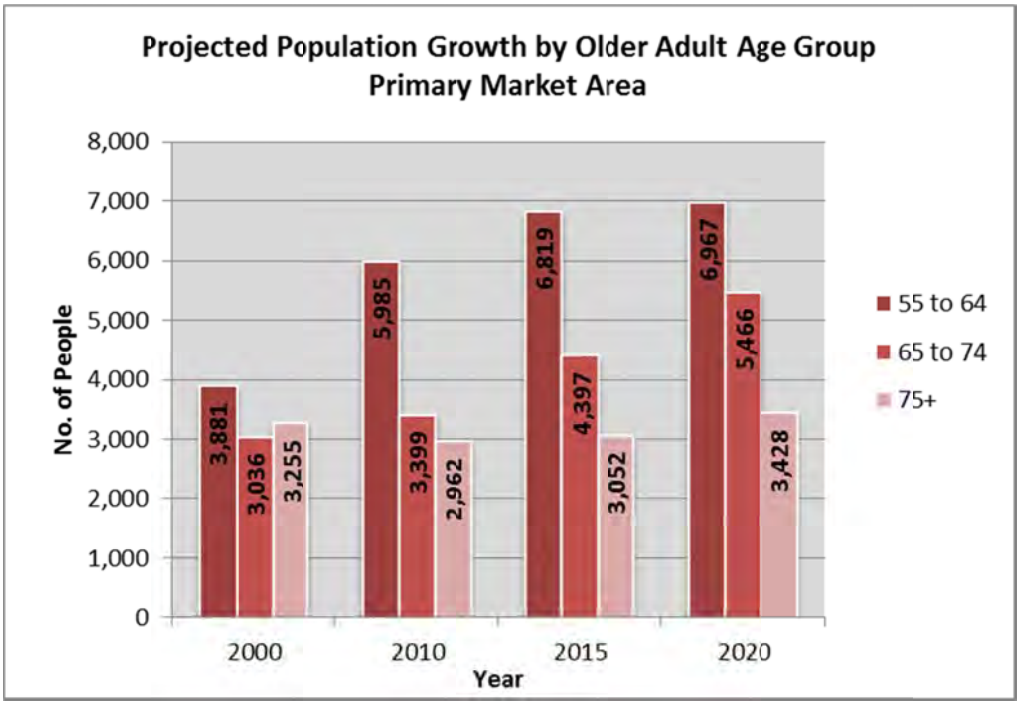
- Memory Care properties, designed specifically for persons suffering from Alzheimer's disease or other dementias, is one of the newest trends in senior housing. Properties consist mostly of suite-style or studio units or occasionally one-bedroom apartment-style units, and large amounts of communal areas for activities and programming. In addition, staff typically undergoes specialized training in the care of this population. Because of the greater amount of individualized personal care required by residents, staffing ratios are much higher than traditional assisted living and thus, the costs of care are also higher. Unlike conventional assisted living, however, which addresses housing needs almost exclusively for widows or widowers, a higher proportion of persons afflicted with Alzheimer's disease are in two-person households. That means the decision to move a spouse into a memory care facility involves the caregiver's concern of incurring the costs of health care at a special facility while continuing to maintain their home.

- Skilled Nursing Care, or long-term care facilities, provides a living arrangement that integrates shelter and food with medical, nursing, psychosocial and rehabilitation services for persons who require 24-hour nursing supervision. Residents in skilled nursing homes can be funded under Medicare, Medicaid, Veterans, HMOs and private insurance as well as use of private funds.

Older Adult (Age 55+) Population and Household Trends

The Demographic Analysis section of this study presents general demographic characteristics of the County's population. The following points summarize key findings from that section as they pertain to the older adult population in the Market Area.

- The greatest population growth is expected to occur among older adults in the County. Aging of baby boomers led to an increase of 2,104 people (54%) in the 55 to 64 population between 2000 and 2010 in the County. As this group ages, all cohorts age 55 or older are expected to see increases over the next several years, particularly the 65 to 74 age group which is projected to grow 61% (2,637 people) in the County between 2010 and 2020.



- The primary market for service-enhanced housing is senior households age 75 and older. While individuals in their 50s and 60s typically do not comprise the market base for service-enhanced senior housing, they often have elderly parents to whom they provide support when they decide to relocate to senior housing. Since elderly parents typically prefer to be near their adult caregivers, growth in the older adult age cohort (age 55 to 64) generally results in additional demand for senior housing products.

- The frailer the senior, the greater the proportion of their income they will typically spend on housing and services. Studies have shown that seniors are willing to pay increasing proportions of their incomes on housing with services, beginning with an income allocation of 40% to 50% for market rate adult senior housing with little or no services, increasing to 65% for congregate housing and to 80% to 90% or more for assisted living housing. The proceeds

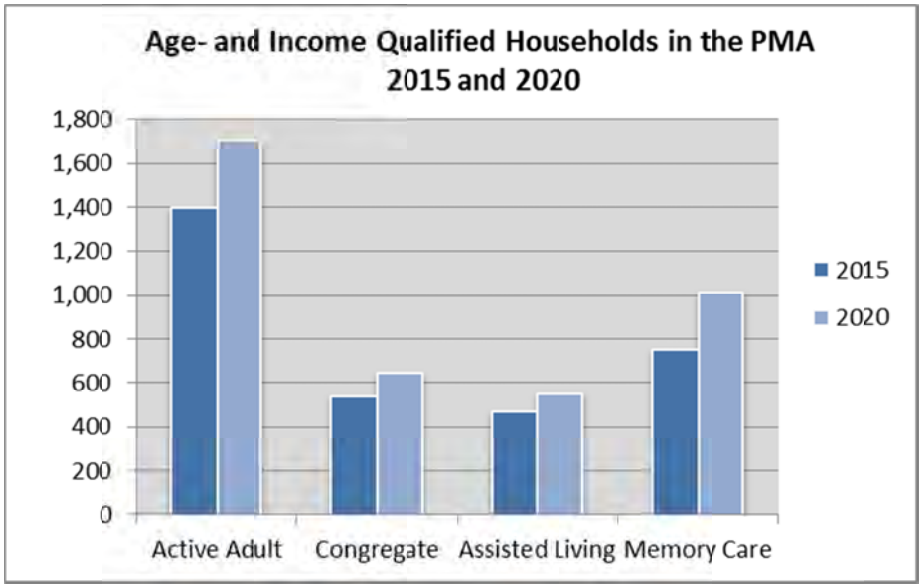
from the sales of their homes, as well as financial assistance from their adult children, are often used as supplemental income in order to afford senior housing alternatives.

- The key market for active adult/few services housing is comprised of senior households (age 65+), with incomes of $35,000 or more. In 2015, there are an estimated 2,355 age- and income-qualified households in the PMA that comprise the key market for active adult housing. Including all households with incomes of $40,000 and over (adjusted for inflation), the number of 65+ senior households projected to income-qualify for active adult/few services housing is expected to grow to 2,956 households in 2020 (26%).

- Congregate housing demand is driven by senior households (age 75+) with incomes of $35,000 or more. We estimate the number of age- and income-qualified households in the PMA as of 2015 to be 641 householders, increasing to 765 (19%) householders in 2020.

- The target market for assisted living housing is senior households age 75 and older with incomes of at least $40,000 (plus senior homeowners with lower incomes). There are about 551 older senior households (age 75+) in the PMA with incomes of at least $40,000. Including all households with incomes of $45,000 and over (adjusted for inflation), the number of older senior households projected to income-qualify for senior housing with services is expected to increase to 657 households in 2020 (19%).

- Memory care housing has a target market of senior households age 65 and older with memory impairment and incomes of at least $60,000. In 2015, we estimate that there are approximately 1,281 age 65+ households in the PMA with incomes of at least $60,000, accounting for 41% of all senior households. The number of income-qualified ($65,000 adjusted for inflation) households is projected to increase to 1,802 by 2020 (31%). We estimate that roughly 15% of the senior population has a memory impairment and would be a candidate for memory care housing.



- Since senior housing with services is need-driven, seniors with low incomes are still candidates for private pay housing, provided they have home equity or other financial assistance that they can utilize to pay for the costs. Very low-income seniors who are Medicaid-qualified also could live in assisted living or memory care facilities that accept Elderly Waivers. Due to the limited availability of facilities that accept Elderly Waivers, demand from low-income seniors is often substantial.

- Homeownership information lends insight into the number of households that may still have homes to sell and could potentially supplement their incomes from the sales of their homes to support monthly fees for alternative housing. The County maintains relatively high rates of homeownership in the older adult age cohorts. The homeownership rate in 2010 was 81% for age 55 to 64 households. The County homeownership rate decreases to 79% for age 65 to 74 households. Seniors typically begin to consider moving into senior housing alternatives or more convenient housing such as apartment buildings or twinhomes in their early to mid-70s. This movement pattern is demonstrated by the drop in homeownership between the 65 to 74 age cohort (79%) and the 75+ age cohort (69%).

- With a homeownership rate of 74% for all households over the age of 65, a large number of residents would be able to use the proceeds from the sales of their homes toward senior housing alternatives. The resale of single-family homes would allow additional senior households to qualify for market rate housing products, since equity from the home sale could be used as supplemental income for alternative housing. These considerations are factored into our demand calculations.

- In 2014, the median resale price of single-family homes in the City of Superior was $118,900. Based on the 2014 median sale price, a senior household could generate approximately $2,200 of additional income annually (about $186 per month), if they invested in an income-producing account (2.0% interest rate) after accounting for marketing costs and/or real estate commissions (6.0% of home sale price).

- Should a senior utilize the home proceeds dollar for dollar to support living in senior housing with services, the proceeds of this home would last about five years in congregate housing (monthly rent approximated at $2,000), about two and a half years in assisted living (monthly rent approximated at $3,500), or approximately one and a half years in memory care housing (monthly rent approximated at $4,500). Seniors in service-intensive housing typically have lengths of stays between two and three years indicating that a large portion of PMA seniors will likely draw on savings/investments to support their residence in private pay senior housing to privately pay for their housing and services.

Supply of Senior Housing in the Primary Market Area

Table R-9 provides information on the various senior housing products by service-level. Information in the table includes year built, number of units, unit sizes, vacancies, rents, and general comments about each project. The following section summarizes key points from our July and August 2015 survey of the supply of senior housing in the City of Superior.

- Maxfield Research identified twenty-two separate senior housing developments in the City of Superior. Combined, these projects contain a total of 847 senior housing units. Four of these projects with 121 units are shallow-subsidy, eleven projects with 530 units are deep subsidy, while the remaining seven developments with 196 units are market rate. At the time of our survey, there were two vacant market rate active adult units, giving a vacancy rate of 13.3%. There were no vacant shallow-subsidy active adult units, giving a vacancy rate of 0.0%. There were three vacant units among active adult deep-subsidy projects, giving a vacancy rate of 0.6%. There were 18 vacant units in market rate assisted living projects, giving a vacancy rate of 14.0%. Among memory care units, there were two vacancies, for a 3.8% vacancy rate.

- The four shallow subsidy projects are also, on average, the newest in the City, with Grand Central Plaza's 50 units opened in 2015. New York Apartments and Washington Apartment were 1890s construction and were redeveloped in 2007 and 2009, respectively. Shallow-subsidy units have rents that range from 30% to 60% of the resident's income, based on their income. Currently, there are no vacancies in these projects, and all of them have waiting lists.

- There are a total of 530 units of deep-subsidy housing that are restricted to households age 62 years or older or those that have physical or cognitive limitations. At the time of our survey, there were no available units, leading to a 0.6% vacancy rate. The equilibrium vacancy rate for deep-subsidy active adult housing is considered to be 2.0% which allows for normal turnover and an adequate supply of alternatives for prospective residents. In effect, the supply of available active adult housing in the County appears to be insufficient to meet demand.

- Roughly 19% of the senior housing inventory consists of service-enhanced housing units, for a total of 181 units (0 congregate, 129 assisted living, and 52 memory care units). As of August 2015, there are 5 vacant service-enhanced units (2.7% vacancy rate). The vacancy rate for assisted living is 14.7%, which is nearly double the market equilibrium rate of 7.0%.

- There are two facilities in Superior with Memory Care units, Lighthouse of Superior and Encompass Healthcare, with a combined 52 units. Currently there are two available units, leading to a 3.8% vacancy rate, which is below the equilibrium of 7.0%

SENIOR HOUSING ANALYSIS

TABLE S-1
UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON
COMPETITIVE SENIOR HOUSING DEVELOPMENTS
PRIMARY MARKET AREA
August 2015

Project Name/Location	Occp. Date	No. of Units	No. Vac.	Unit Mix/Sizes/Pricing No./Type	Size (Sq. Ft.)	Monthly Rent/Fee	Comments/ Notes
ACTIVE ADULT - MARKET RATE							
The St. Francis 1402 Tower Ave Superior, WI	1890/ 2007	15 13.3%	2	8 - 1BR 7 - 2BR	n/a n/a	n/a n/a	Garage included.
Sub-Total		**15**	**2**	**13.3%**			
ACTIVE ADULT - SHALLOW SUBSIDY							
New York Apartments 1402 Tower Ave Superior, WI	1890/ 2007	24 0.0%	0	20 - 1BR 4 - 2BR	800 1100	$550 $650	Appliances include range, refridgerator, microwave, dishwasher.
Washington Apartments 1521 Tower Ave Superior, WI	1891/ 2009	23 0.0%	0	18 - 1BR 5 - 2BR	1000 1050	$550 $650	Appliances include range, refridgerator, microwave, dishwasher.
Grand Central Plaza 1302 Weeks Ave Superior, WI	2015	50 0.0%	0	31 - 1BR 29 - 2BR	720 920	$325 - $660 $675 - $950	55+. Dishwasher, in-unit washer/dryer, air conditioning
Villa Rita 325 N. 28th Street Superior, WI	2002	24 0.0%	0	20 - 1BR 4 - 2BR	550 724	$575 $695	Avg. Age = 70 - 80
Sub-Total		**121**	**0**	**0.0%**			
ACTIVE ADULT - DEEP SUBSIDY							
Krieps Manor N 14th and John Ave *Superior*	1963	20 0.0%	0	20 - 1BR	N/A	30% of Income	Elderly
Idziorek Manor E 5th and 25th Ave *Superior*	1963	20 0.0%	0	20 - 1BR	N/A	30% of Income	Elderly
Howe Manor 57th and Banks *Superior*	1963	8 0.0%	0	8 - 1BR	N/A	30% of Income 30% of Income	Elderly
Johnson Manor N 21st and Lackawanna *Superior*	1963	12 0.0%	0	12 - 1BR	N/A	30% of Income	Elderly
Elmwood 1020 Weeks Ave *Superior*	N/A	12 0.0%	0	10 - 1BR 2 - 2BR	N/A	30% of Income	All utilities included. Elderly and disabled. Age 62+.
St. Mary's Hall 1100 Weeks Ave *Superior*	N/A	26 3.8%	1	25 - 1BR 1 - 2BR	N/A	30% of Income	All utilities included. Elderly and disabled. Age 62+.
Phoenix Villa Apartments 1001 Clough Ave *Superior*	N/A	81 2.5%	2	77 - 1BR 4 - 2BR	N/A	30% of Income	All utilities included. Elderly and disabled. Age 62+.

TABLE S-1 (CONTINUED)
UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON
COMPETITIVE SENIOR HOUSING DEVELOPMENTS
PRIMARY MARKET AREA
August 2015

Project Name/Location	Occp. Date	No. of Units	No. Vac.	Unit Mix/Sizes/Pricing No./Type	Size (Sq. Ft.)	Monthly Rent/Fee	Comments/ Notes
ACTIVE ADULT - DEEP SUBSIDY CONTINUED							
Regina Hill	N/A	67	0	67 - 1BR	400	30% of Income	Elderly Disabled
2415 East 5th St		0.0%					
Superior, WI							
Royalton Manor	N/A	109	0	109 - 1BR	400	30% of Income	Elderly
1901 New York Ave		0.0%					
Superior, WI							
Golden Apartments	N/A	84	0	80 - 1BR	400	30% of Income	Elderly
2315 Banks Ave		0.0%		4 - 2BR	500	30% of Income	
Superior, WI							
Lund Hill	N/A	91	0	91 - 1BR	400	30% of Income	Elderly Disabled
914 Tower Ave		0.0%					
Superior, Wi							
Sub-Total		**530**	**3**	**0.6%**			
CONGREGATE							
--	--	--	--	--	--	--	--
Sub-Total		**--**	**--**	**--**			
ASSISTED LIVING							
Lighthouse of Superior	2010	76	15	Studio	475	$3,200	Avg. Age = 88
1915 N. 34th St.		19.7%	*	1BR	550	$4,200	3 Couples
Superior, WI				2BR	800	$5,600	
Northern Residence	2002	7	1	7 - Prvt. Room	140	$3,800 - $4,500	Avg. Age = 75
6857 S. County Rd. E		14.3%					0 Couples
Hawthorne, WI							1 non-senior
Harmony House II	2004/	16	0	8 - shared	180	$4,260	Avg. Age = 80s
Harmony KC LLC	2006	0.0%		8 - 1BR	145	$4,500	2 Couples
7613/7615 John Ave.							
Superior, WI							
Stardusk House	2004	8	1	2 - shared	150	$4,197	Avg. Age = 85
7619 John Ave		12.5%		4 - 1BR	180	$4,441	No Couples
Superior, WI							

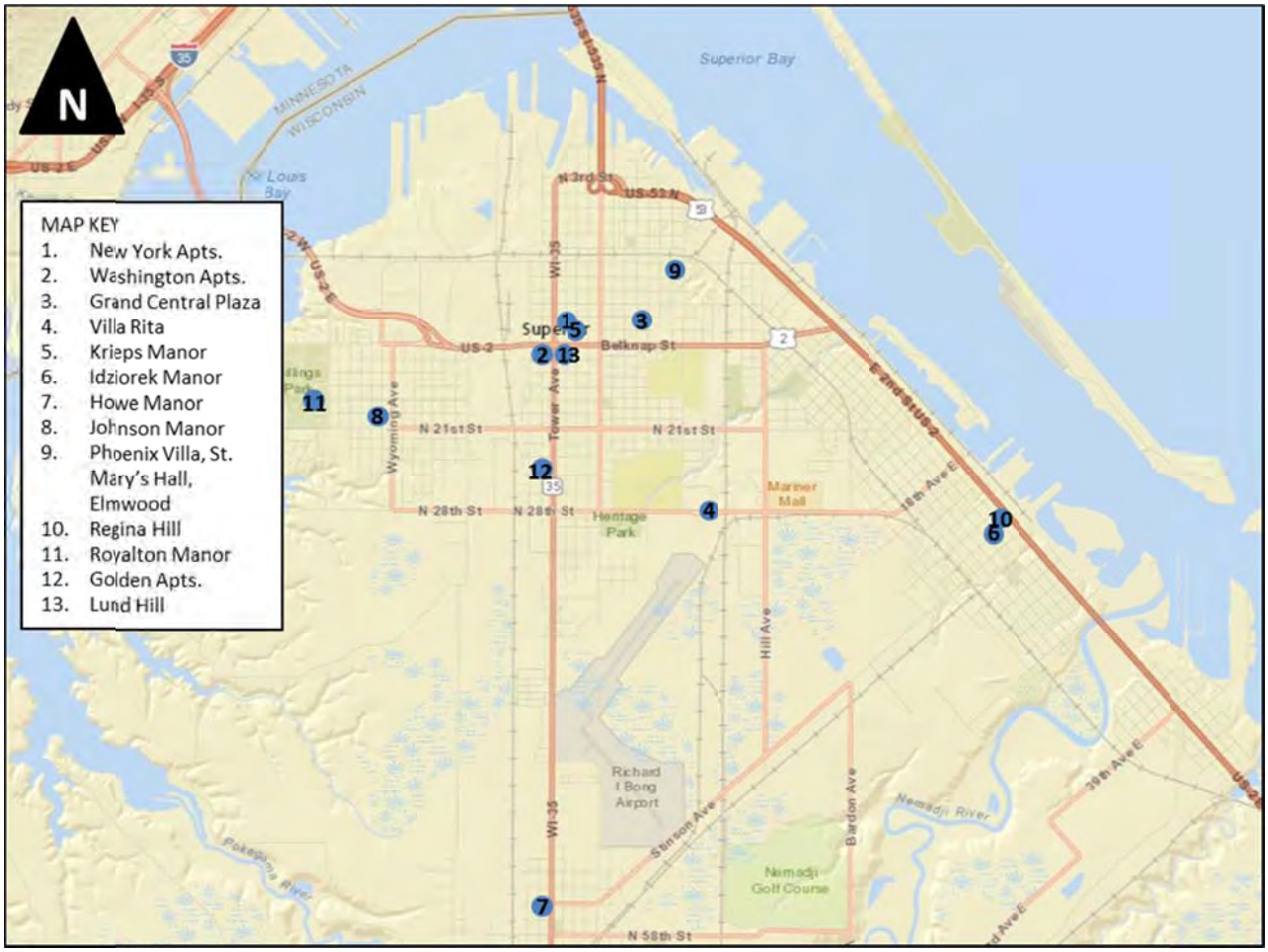
TABLE S-1 (CONTINUED)
UNIT MIX/SIZE/COST & OCCUPANCY COMPARISON
COMPETITIVE SENIOR HOUSING DEVELOPMENTS
PRIMARY MARKET AREA
August 2015

Project Name/Location	Occp. Date	No. of Units	No. Vac.	Unit Mix/Sizes/Pricing No./Type	Size (Sq. Ft.)	Monthly Rent/Fee	Comments/ Notes
ASSISTED LIVING - CONTINUED							
Cedar Ridge	2010	8	0	8 - EFF	300	$3,900 - $4,900	Avg. Age = 85
4519 E. Marquardt Road		0.0%					No Couples
Superior, WI							0 non-senior
Encompass Health Care	1997/	14	1	14 - EFF	350	$3,800	Avg. Age = 80
1500 N. 34th St.	2009	7.1%			525	$4,300	
Superior, WI							
Sub-Total		**129**	**18**	**14.0%**			
MEMORY CARE							
Lighthouse of Superior	2010	38	1	30 - Studio	400	$4,920	Avg. Age = 88
Tower Rd. & 34th St.				8 - Companion	400	$3,450	0 Couples
Superior, WI		2.6%					0 non-seniors
Encompass Health Care	1997/	14	1	14 - EFF	350	$3,800	Avg. Age = 80
1500 N. 34th St.	2009	7.1%			525	$4,300	
Superior, WI							
Sub-Total		**52**	**2**	**3.8%**			

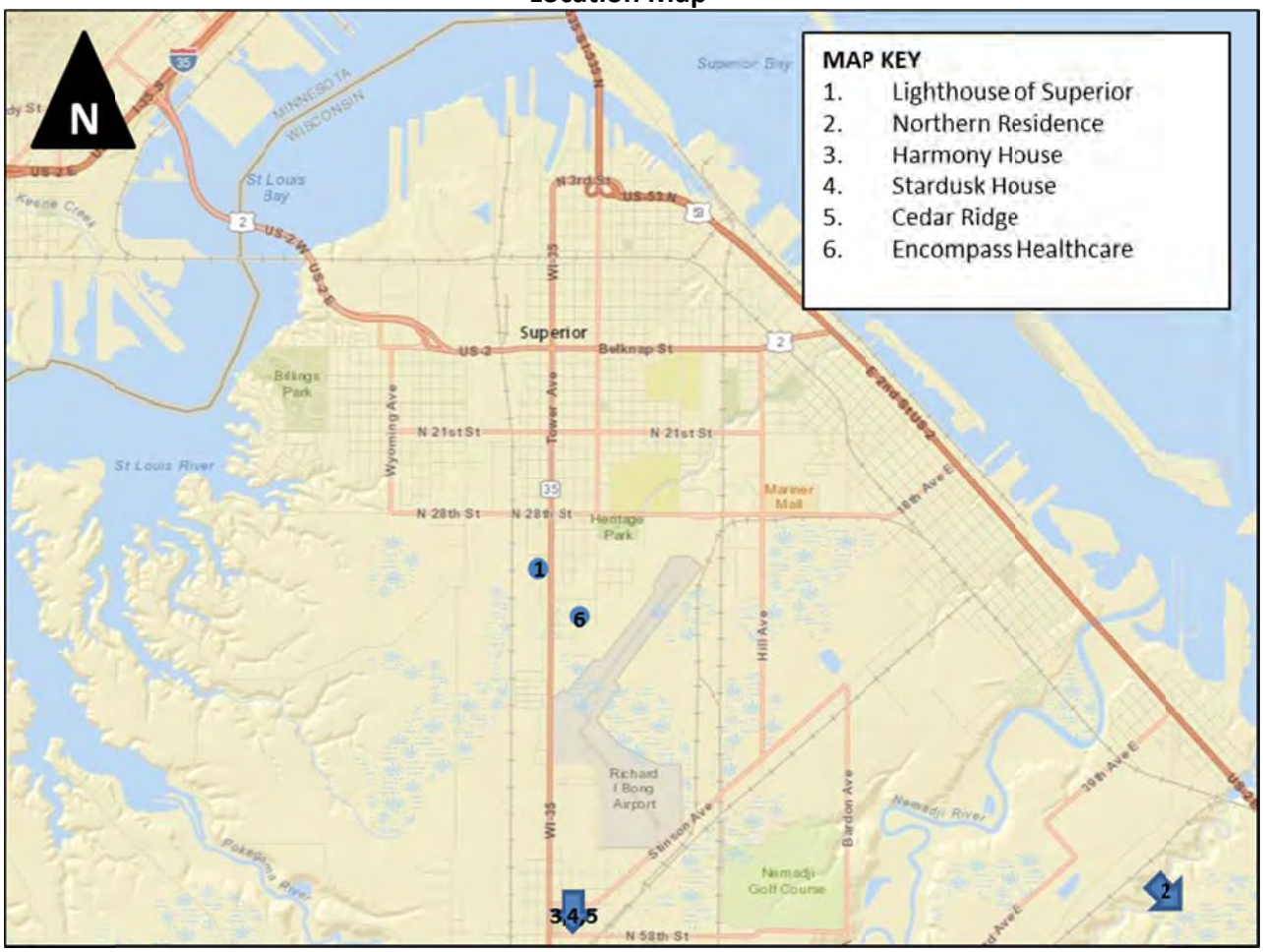
*Lighthouse of Superior recently completed an addition with 32 additional units in 2014.

Source: Maxfield Research and Consulting, LLC.

Superior Subsidized Senior Housing
Location Map



Service Intensive Senior Housing
Location Map



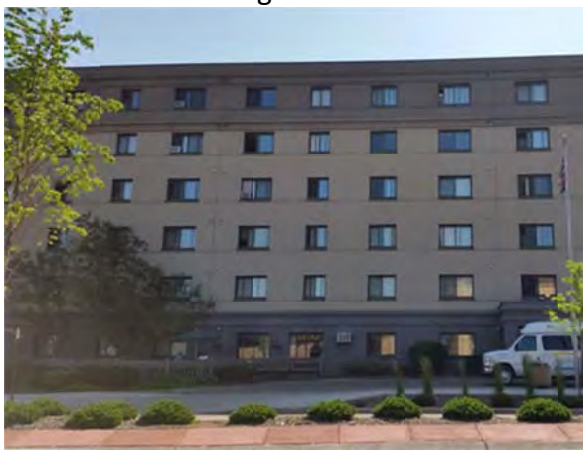
The following are photographs of select senior housing facilities in Superior:

New York Apartments

Lighthouse of Superior

Regina Hill

Phoenix Villa



C.L. Lund Hill

Royalton Manor

Shallow-Subsidy Active Adult Properties

These properties are restricted to households age 55 years or older or those younger than age 55 that have a physical or cognitive disability. There is often a mix of units at varying subsidy levels ranging from 30% of a renters income to 60% of a renter's income and a few units that are market rate. Maxfield Research surveyed four properties between July and August 2015.

- New York Apartments is a 24-unit active adult apartment building located at 1402 Tower Avenue. The building was originally constructed in the 1890s, and in 2007 was converted into senior apartments. Amenities include washer/dryer hookups, storage units, individual heat/air conditioning, controlled entrance and on-site management.

- Washington Apartments is a 23 unit active adult apartment building located at 1521 Tower Avenue. Similar to New York Apartments, the original building was constructed in the 1890s, and renovated into senior apartments in 2009. Amenities include washer/dryer hookups, microwave, dishwasher, storage units, on-site management, individual heat/air conditioning.

- Grand Central Plaza, located at 1302 Weeks Avenue is the newest rental property in Superior, with its 50-units opening in 2015. Grand Central Plaza, despite just opening, is at full capacity and has a waiting list. Units are furnished with full kitchen appliance package, and in-unit washers and dryers.

Deep-Subsidy Active Adult Properties

These properties are restricted to households age 62 years or older or those younger than age 62 that have a physical or cognitive disability. Many of these properties have a mix of households younger and older than age 62. Active Adult is a category of senior housing that is independent living with no meals or personal care included in the monthly rent.

- The Superior Housing Authority owns and manages four deep-subsidy senior buildings; Krieps Manor, Idziorek Manor, Howe Manor and Johnson Manor. Combined, these facilities have 60 age and income restricted units. All of the units are one-bedrooms units. At the time of our survey, there were no units available, resulting in a 0.0% vacancy rate. All utilities are included in rent.

- The Catholic Charities Bureau, associated with the Diocese of Superior, owns and manages Phoenix Villa Apartments, which is a three-building campus located at 1001 Clough Ave. The campus contains 119 units total, all of which are age- and income-restricted for residents either age 62+ or with physical or mental health disabilities. At the time of our survey, three units were available. Amenities include but are not limited to a community room, onsite laundry facilities, air conditioning, and secured access. All utilities are included in rent.

- Regina Hill, Royalton Manor, Golden Apartments, and Lund Hill are managed by Bachand Properties, and contain a combined 351 units. At the time of our survey, there were no vacant units and waiting lists at all properties. Amenities include laundry facilities and community spaces. Royalton Manor was recently renovated in 2008.

Service-Enhanced Facilities

- Lighthouse of Superior is a 114-unit assisted living and memory care facility located at 1915 North 34th Street. Built in 2010, Lighthouse of Superior is the largest service intensive senior housing facility surveyed. In 2014, they completed an additional 34 units and added multiple new amenities such as a bistro, beauty parlor and solon, massage therapy room, woodshop, and pool. Due to the additional units still being in the initial lease-up phase, we do not include them in vacancy rate calculations.

- Northern Residence, located at 6857 S. County Road E in Hawthorne, was built in 2002 and has seven assisted living beds.

- Harmony House II and Harmony KC, LLC are located at 7613 and 7615 John Avenue and was built in 2004 and 2006, respectively. Staff are on call 24 hours a day to assist residents.

- Stardusk House was built in 2004 and has 8 beds located at 7619 John Ave. Amenities include scheduled transportation to doctors, dentists, and local shopping areas, assistance with bathing, social, recreational, religious, and educational activities and outings, changing of bed linens, medication administration, three home cooked meals per day, and housekeeping and laundry services.

- Cedar Ridge assisted living was built in 2010 and has eight assisted living units located at 4519 Marquardt Road and 4527 Marquardt Road. Cedar Ridge offers a continuum of care so that residents may age in place, as well as other amenities including three home cooked meals per day, 24-hour on call staff, weekly housekeeping and laundry, a large room for family gatherings, as well as many social activities like bingo, bbq, crafts and cooking.

- Encompass Healthcare was built in 1997 with an addition in 2009 and has a total of 28 units assisted living and memory care located at 1500 North 34th Street. Encompass offers a continuum of care and carefully monitors residents needs and strives to create a comfortable, hospitable environment where residents can learn and grow.

Introduction

This section summarizes demand calculated for specific housing products and recommends development concepts to meet the housing needs forecast for Douglas County and the City of Superior. All recommendations are based on findings of the *Housing Needs Analysis*.

Demographic Profile and Housing Demand

The demographic profile of a community affects housing demand and the types of housing that are needed. The various housing life-cycle stages can generally be described as follows.

1. **Entry-level householders**
   - Often prefer to rent basic, inexpensive apartments and will often "double-up" with roommates in apartment setting. Usually singles or couples without children in their early 20's.

2. **First-time homebuyers and move-up renters**
   - Usually married or cohabitating couples in their mid-20's or 30's, some with children, but most are without children that prefer to purchase modestly-priced single-family homes or rent more upscale apartments.

3. **Move-up homebuyers**
   - Typically families with children where householders are in their late 30's to 40's and prefer to purchase newer, larger, and therefore more expensive single-family homes.

4. **Empty-nesters (persons whose children have grown and left home) and never-nesters (persons who never have children)**
   - Generally couples in their 50's or 60's that prefer owning but will consider renting their housing and some will move to alternative lower-maintenance housing products.

5. **Younger independent seniors**
   - Prefer owning but will consider renting their housing and will often move (at least part of the year) to retirement havens in the Sunbelt and desire to reduce their responsibilities for housing upkeep and maintenance. Generally in their late 60's or 70's.

6. **Older seniors**
   - May need to move out of their single-family home due to physical and/or health constraints or a desire to reduce their responsibilities for upkeep and maintenance. Generally single females (widows) in their mid-70's or older.

DEMOGRAPHICS & HOUSING DEMAND

Age Cohort	Student Housing	Rental Housing	1st-time Home Buyer	Move-up Home Buyer	2nd Home Buyer	Empty Nester/ Downsizer	Senior Housing
18-24	18 - 24	18-34	25-39	30-49	40-64	55-74	55+ & 65+
25-29							
30-34							
35-39							
40-44							
45-49							
50-54							
55-59							
60-64							
65-69		65-79					
70-74							
75-79							
80-84							
85+							

Source: Maxfield Research Inc.

TYPICAL HOUSING TYPE CHARACTERISTICS

	Housing Types	Target Market/ Demographic	Unit/Home Characteristics	Lot Sizes/ Units Per Acre
For-Sale Housing	Entry-level single-family	First-time buyers: Families, couples w/no children, some singles	1,200 to 2,200 sq. ft. 2-4 BR | 2 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Move-up single-family	Step-up buyers: Families, couples w/no children	2,000 sq. ft.+ 3-4 BR | 2-3 BA	80'+ wide lot 2.5-3.0 DU/Acre
	Executive single-family	Step-up buyers: Families, couples w/no children	2,500 sq. ft.+ 3-4 BR | 2-3 BA	100'+ wide lot 1.5-2.0 DU/Acre
	Small-lot single-family	First-time & move-down buyers: Families, couples w/no children, empty nesters, retirees	1,700 to 2,500 sq. ft. 3-4 BR | 2-3 BA	40' to 60' wide lot 5.0-8.0 DU/Acre
	Entry-level townhomes	First-time buyers: Singles, couples,	1,200 to 1,600 sq. ft. 2-3 BR | 1.5BA+	6.0-12.0 DU/Acre
	Move-up townhomes	First-time & step-up buyers: Singles, couples, some families, empty-nesters	1,400 to 2,000 sq. ft. 2-3 BR | 2BA+	6.0-8.0. DU/Acre
	Executive townhomes/twinhomes	Step-up buyers: Empty-nesters, retirees	2,000+ sq. ft. 3 BR+ | 2BA+	4.0-6.0 DU/Acre
	Detached Townhome	Step-up buyers: Empty-nesters, retirees, some families	2,000+ sq. ft. 3 BR+ | 2BA+	4.0-6.0 DU/Acre
	Condominums	First-time & step-up buyers: Singles, couples, empty-nesters, retirees	800 to 1,700 sq. ft. 1-2 BR | 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
Rental Housing	Apartment-style rental housing	Singles, couples, single-parents, some families, seniors	675 to 1,250 sq. ft. 1-3 BR | 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 75.0+ DU/Acre
	Townhome-style rental housing	Single-parents, families w/children, empty nesters	900 to 1,700 sq. ft. 2-4 BR | 2BA	8.0-12.0 DU/Acre
	Student rental housing	College students, mostly undergraduates	550 to 1,400 sq. ft. 1-4BR | 1-2 BA	Low-rise: 18.0-24.0 DU/Acre Mid-rise: 25.0+ DU/Acre Hi-rise: 50.0+ DU/Acre
Both	Senior housing	Retirees, Seniors	550 to 1,500 sq. ft. Suites - 2BR | 1-2 BA	Varies considerably based on senior product type

Source: Maxfield Research Inc.

Younger households that own their housing tend to own entry-level priced homes, which are often older. In addition, senior households tend to move to alternative housing at an older age. These conditions are a result of housing market dynamics, which typically provide more affordable single-family housing for young households and a scarcity of senior housing alternatives for older households.

The baby boom generation will have the biggest effect on the housing market in Superior as their life cycle continues. Baby boomers are currently ages 50 to 68, and as they age over this decade, they will increase the population in the age groups 55 to 74. Some of these baby boomers will prefer more expensive single-family homes, while others who become empty nesters may prefer to downsize or desire maintenance-free alternatives. With the baby busters following in the baby boomers' wake, the age group 45 to 54 will decline, somewhat decreasing the overall demand for move-up housing.

Housing Demand Summary

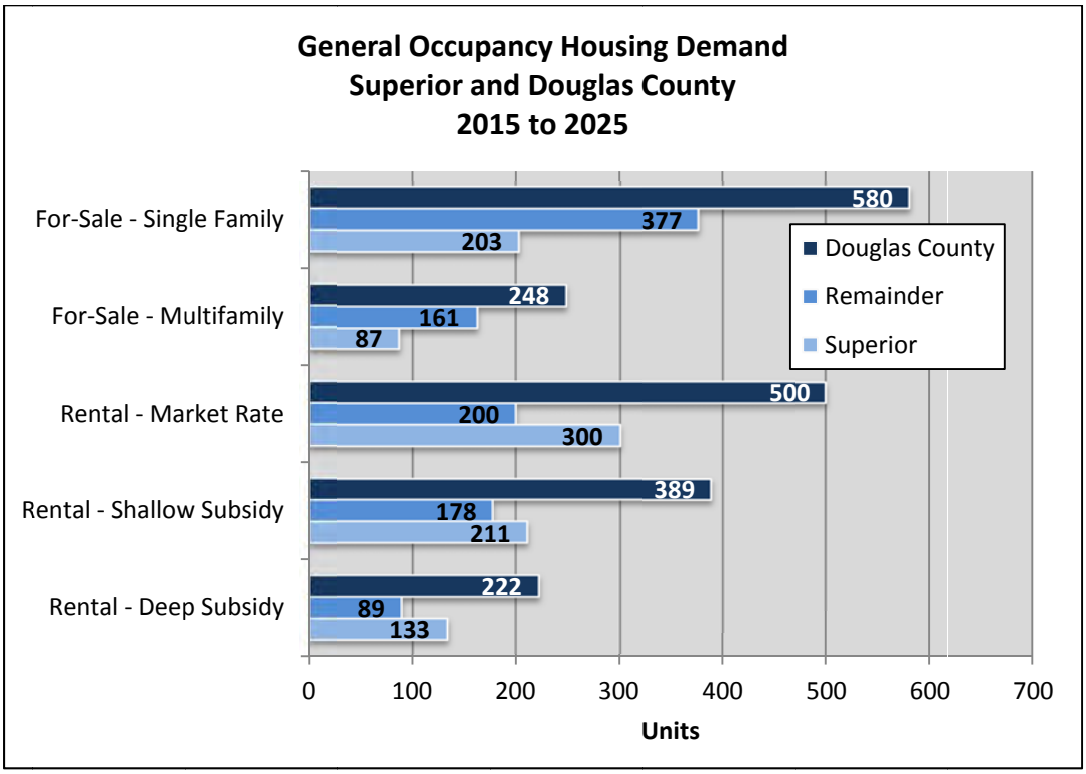
The following table and charts illustrate demand calculated by product type. Housing demand is comprised of several components, including projected household growth, pent-up demand (i.e. below equilibrium housing vacancy rates), and replacement needs (housing functionality or physically obsolete units). It is important to recognize that projected household growth is highly dependent on increased or decreased hiring by employers in the City, as well as the availability of suitable housing options in Superior, and in the County.

TABLE CR-1
SUMMARY OF HOUSING DEMAND
PRIMARY MARKET AREA
SEPTEMBER 2015

Type of Use	Total Demand in Douglas County 2015 - 2025	Demand in Superior 2015 - 2025	Demand in Remainder of County 2015 - 2025
General-Occupancy Rental			
Rental Units - Market Rate	500	300	200
Rental Units - Shallow Subsidy	389	211	178
Rental Units - Deep Subsidy	222	133	89
General-Occupancy For-Sale			
For-Sale Units - Single-family	580	203	377
For-Sale Units - Multifamily	248	87	161
Total General Occupancy Supportable	***1,939***	***934***	***1,005***

Source: Maxfield Research and Consulting, LLC

In total, we find demand to support 1,939 general occupancy housing units between 2015 and 2025 in the County. Demand is expected to favor rental housing (1,111 units) over for-sale housing (828 units). Demand in the City of Superior is estimated at 934 general occupancy units with 644 allocated to rental housing.



Based on the findings of the analysis and demand calculations, Table CR-2 provides a summary of the recommended development concepts by product type for the City of Superior/Douglas County. These proposed concepts are intended to act as a development guide to effectively meet the housing needs of existing and future households throughout the county.

- A total of 203 new single-family housing units over the forecast period equates to a growth rate of approximately 20 units per year. This pace of growth would be higher than the rate of single-family residential development activity that occurred in the City between 2010 and 2014 (5 units per year).

- The 87 new multifamily units equate to an annual average of roughly 9 units per year, lower than the average of 12 new units per year between 2000 and 2014. However, the building permit data includes rental and senior housing units while the multifamily demand presented in Table A-5 is for general occupancy for-sale housing only.

Recommendations

Based on the findings of the analysis and demand calculations, Tables CR-2 and CR-3 on the following pages provide a summary of recommended development concepts for for-sale and rental housing in Superior/Douglas County. These proposed concepts are intended to act as a development guide to meet the housing needs of existing and future households in the City/County.

For-Sale Housing

Based on information gathered on for-sale properties in the City along with feedback from local officials, major employers and area real estate professionals, we provide the following conclusions regarding the Superior for-sale housing market. Our recommendations include a breakdown of units by price range: Modest housing is defined as housing priced less than $150,000; move-up housing is priced between $150,000 and $300,000; and, executive housing is priced over $300,000.

- Demand was estimated at 290 units of new for-sale housing in the City by 2025. The general consensus is that there is demand for many types of housing in the area, but based on recent sale transactions, housing demand appears to be highest for Move-up housing priced between $150,000 and $300,000, followed by Modest housing under $150,000. Executive housing will comprise a smaller portion of demand through 2025.

- Multifamily housing can be an option for buyers looking for a starter home and households seeking to downsize or those that do not want the responsibilities of upkeep and maintenance. As such, we estimate that about 30% of the demand for new for-sale housing development in the City will be multifamily units, and we recommend that most for-sale multifamily units in the City be geared toward the entry-level market or for older households.

- While there is currently strong demand for modestly-priced homes, it is difficult to build new single-family detached housing in that price range (less than $150,000) without some type of assistance.

- In total, we found demand for 203 single-family homes in the City between 2015 and 2025. Based on the age distribution of City households along with comments from Realtors and hiring trends at the major employers in the City, we recommend that that 56% of these homes be priced in the move-up range (111 units), 12% priced as executive homes (24 units), and 32% in the modest price range (62 units).

- We also found demand for 87 multifamily units. Because the multifamily target market will likely be first-time homebuyers or older householders looking to downsize, we recommend that multifamily housing be evenly split between the modest and move-up price ranges.

- According to Table FS-6 in the For-Sale Market Analysis section, there are roughly 240 residential lots available for development in the City. On average, there have been five single-family home starts per year since 2010. Based on the average per year five single-family starts per year, the 120 undeveloped lots could take nearly 25 years to be developed. This assumption does not take into account the quality and marketability of specific lots. The industry standard for a balanced lot supply is three to five years. The number of single-family building permits issued in the City fell from an average of 28 single-family starts per year from 2000 to 2009 to an average of five per year from 2010 to 2014.

General Occupancy Rental Housing

Our competitive inventory identified that vacancy rates for market rate and shallow subsidy general occupancy rental products are below market equilibrium (5.0% vacancy rate), indicating that there is some pent-up demand for rental housing in Superior. Deep-subsidy rental housing was below the equilibrium rate of 2.0%, which suggests that there is a shortage of this housing. As of August 2015, the vacancy rate for market rate rental properties in Superior was 2.0% while the affordable/tax credit (shallow-subsidy) was 0.0% and subsidized (deep-subsidy) properties were at 0.0%.

Due to the lower positioning of much of the existing rental supply, a significant portion of the market rate units are priced at or below the guidelines for affordable housing, which indirectly satisfies some demand from households that income-qualify for financially assisted housing. However, today's renter base is seeking newer rental properties with additional and updated amenities that are not offered in older developments. Because of the generally older age of Superior's rental housing inventory, the majority of properties do not provide modern features and amenities. Because the vacancy rate is below equilibrium in Superior and in Douglas county, and based on interviews with landlords and employers it appears that there is a need for new rental housing in the community.

Based on our analysis, we estimate that Superior can accommodate approximately 300 new market rate rental housing units, 341 shallow-subsidy units, and 182 deep-subsidy units through 2025. Deep-subsidy projects are no longer being built as available funding is very limited. Rural Development, however, would typically have additional rental assistance to support very low-income households, in locations in the Villages outside of the City of Superior.

Table CR-2 provides a summary of the recommended mix of general occupancy rental housing including unit type, monthly rents, and development timing for City of Superior while CR-3 shows a summary for the remainder of Douglas County.

- Market Rate Rental– We estimate that there is demand for an additional 300 market rate apartment units in the City to 2025. The largest obstacle to developing additional housing in Superior is the lack of sites. According to the City, there are approximately four sites with a capacity of 120 multifamily units across four sites available for development. We recommend a 45 to 50 unit development with modern amenities such as stainless steel appliances and in-unit washers/dryers. Rents for new construction market rate apartments would be higher than rents in current market rate projects. We recommend a mix of one-, two-, and three-bedroom units. Initial rents would start at approximately $750 for one-bedroom units and $950 for two-bedroom units. Based on the acceptance of these units into the market place, further developments could be supported at a later date.

- Market Rate General Occupancy Rental Townhomes– In addition to the apartment project, we find that demand exists for some larger townhome units for families – including those who are new to the community and want to rent until they find a home for purchase. An additional 35 to 40 rental townhome units could be supported in Superior by 2025, provided sites for development are available. We recommend an initial first phase of development of 20 townhomes, and based on how these are received by the market, an additional 15 to 20 townhomes could possibly be supported at a later date. The initial project would have rents of approximately $1,000 for two-bedroom units to $1,250 for three-bedroom units. Units should feature contemporary amenities (i.e. in-unit washer/dryer, high ceilings, etc.), an attached two car garage, and the development should provide open/green space as well as a playground facility to attract families with children.

- Shallow-Subsidy General Occupancy Multifamily Housing– We estimate that demand exists for about 341 shallow-subsidy units to 2025. Shallow-subsidy housing attracts households that cannot afford market rate housing units but do not income-qualify for deep-subsidy housing. Shallow-subsidy projects attract a broad group of tenants based on the unit type. One-bedroom units target singles and couples, whereas two and three-bedroom units target families. Some retired seniors would also be attracted to an affordable concept. Although there is an older supply of market rate apartment units in Superior that indirectly serves as affordable housing, we recommend a shallow-subsidy concept that would target residents at 50% to 60% of AMI. Currently, one development is planned in the City. The Cottages of Superior, a 24-unit townhome development by Gerrard Corporation is expected to break ground in the summer of 2016. Cottages of Superior is planned to have a mix of two- and three-bedroom units with modern amenities, private entrances, and attached garages. The project has received $220,000 in tax credits from the Wisconsin Housing and Economic Development Agency.

- Deep-Subsidy Rental Housing–This housing receives financial assistance (i.e. operating subsidies, rent payments, etc.) from governmental agencies in order to make the rent afforda-

ble to low-to-moderate income households. Although we find demand for 182 deep-subsidy rental housing units through 2025, this housing is very difficult to develop financially. A new development targeting very low income households could be developed by incorporating a few units of this housing within other projects would have pent-up demand. But since this housing is challenging to develop today, an alternative to a multifamily structure is to acquire single-site housing structures to meet a portion of this demand, most likely through public housing.

We believe the addition of the rental developments suggested above will provide greater housing choices in the City and will continue to serve the needs of households that live and/or currently work in Superior. The development timeframe is flexible, and the best approach in the short run may be for phased development and observing how the market absorbs new rental product.

TABLE CR-2
RECOMMENDED HOUSING DEVELOPMENT
CITY OF SUPERIOR
2015 to 2025

	Purchase Price/ Monthly Rent Range[1]	No. of Units	Pct. of Total	Development Timing
Owner-Occupied Homes				
Single Family [2]				
Modest	<$150,000	60 - 64	32%	2015+
Move-up	$150,000 - $299,999	108 - 113	56%	2015+
Executive	$300,000+	22 - 26	12%	2015+
Total		**190 - 203**	**100%**	
Townhomes/Twinhomes [2]				
Modest	<$150,000	42 - 44	51%	2015+
Move-up	$150,000+	41 - 43	49%	2015+
Total		**83 - 87**	**100%**	
Total Owner-Occupied		**273 - 290**		
General Occupancy Rental Housing				
Market Rate Rental Housing				
Apartment-style	$750/1BR - $950/2BR	80 - 100	80%	2018+
Townhomes	$1,000/2BR - $1,250/3BR	20 - 25	20%	2018+
Total		**100 - 125**	**100%**	
Affordable Rental Housing				
Apartment-style	40% AMI - $479/1BR - $575/2BR[3]	75 - 85	52%	2015+
	50% AMI - $598/1BR - $710/2BR[3]			
Townhomes	40% AMI - $575/2BR - $664/3BR[3]	20 - 25	15%	2015+
	50% AMI - $718/2BR - $830/3BR[3]			
Subsidized	30% of Income[3]	45 - 55	33%	2015+
Total		**140 - 165**	**100%**	
Total Renter-Occupied		**240 - 290**		
Total - All Units		**513 - 580**		

[1] Pricing in 2015 dollars. Pricing can be adjusted to account for inflation.

[2] Recommendations include the absorption of some existing previously platted lots.

[3] Affordablity subject to income guidelines per Wisconsin Housing and Economic Development Authority. See Table R-7 for Douglas County Income limits.

Note - Recommended development does not coincide with total demand. Superior may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)

Source: Maxfield Research and Consulting, LLC.

TABLE CR-3
RECOMMENDED HOUSING DEVELOPMENT
REMAINDER OF DOUGLAS COUNTY
2015 to 2025

	Purchase Price/ Monthly Rent Range[1]	No. of Units	Pct. of Total	Development Timing
Owner-Occupied Homes				
Single Family [2]				
Modest	<$150,000	40 - 45	29%	2015-2020
Move-up	$150,000 - $299,999	70 - 81	52%	2015-2020
Executive	$300,000+	25 - 30	19%	2015-2020
Total		**135 - 156**	**100%**	
Townhomes/Twinhomes [2]				
Modest	<$175,000	12 - 18	46%	2018-2025
Move-up	$175,000+	15 - 20	54%	2018-2025
Total		**27 - 38**	**100%**	
Total Owner-Occupied		**162 - 194**		
General Occupancy Rental Housing				
Market Rate Rental Housing				
Apartment-style	$750/1BR - $950/2BR	48 - 60	77%	2020-2025
Townhomes	$1,000/2BR - $1,250/3BR	15 - 18	23%	2020-2025
Total		**63 - 78**	**100%**	
Affordable Rental Housing				
Apartment-style	40% AMI - $479/1BR - $575/2BR[3]	45 - 55	44%	2015-2020
	50% AMI - $598/1BR - $710/2BR[3]			
Townhomes	40% AMI - $575/2BR - $664/3BR[3]	20 - 25	20%	2015-2020
	50% AMI - $718/2BR - $830/3BR[3]			
Subsidized	30% of Income[3]	36 - 48	37%	2015-2020
Total		**101 - 128**	**100%**	
Total Renter-Occupied		**164 - 206**		
Total - All Units		**326 - 400**		

[1] Pricing in 2015 dollars. Pricing can be adjusted to account for inflation.

[2] Recommendations include the absorption of some existing previously platted lots.

[3] Affordablity subject to income guidelines per Wisconsin Housing and Economic Development Authority. See Table R-7 for Douglas County Income limits.

Note - Recommended development does not coincide with total demand. The remainder of Douglas Cty. may not be able to accommodate all recommended housing types based on a variety of factors (i.e. development constraints, land availability, etc.)

Source: Maxfield Research and Consulting, LLC.

Challenges and Opportunities

Table CR-2 identified and recommended housing types that would satisfy the housing needs in Superior to 2025. The following were identified as the greatest challenges and opportunities for developing the recommended housing types (in no particular order).

- **Affordability.** Approximately 22% of all owner households in Superior are considered to be cost burdened, while 45% of the existing renter households in the City are considered cost burdened. In the County, outside of Superior, 30% of renters are considered to be cost burdened, paying 35% or more of their income for rent. For owner households in the remainder of the County, the proportion is 26% of owner households with or without a mortgage pay 30% or more of their income for housing costs. Based on current home prices, over 93% of existing owner households in Superior could afford to purchase a single-family home sold at the median sale price ($118,900 in 2014). Roughly 64% of existing renter householders could afford to rent a one-bedroom unit at an existing market rate rental project; 39.2% could afford monthly rents at a new rental development.

  Because the cost to own a modestly-priced home is similar to the cost to rent a new market rate rental unit, some households may choose owning over renting in Superior. However, the purchasing affordability factor will decrease with continued price appreciation, and there is a growing segment of the population that is choosing rental housing over ownership housing. These households are referred to as "lifestyle renters", those with busy professional lives and people who prefer to spend their free time in leisure pursuits rather than on the upkeep and maintenance of a home. Additionally, for people who have significant barriers to access to entering the traditional rental market, such as felons or renters with bad credit, a private-partnership with the city or county and private landlords to provide oversight might be able to assist this harder to house population.

- **Residential Development Costs.** Developing land is generally considered to be a profitable segment of the housing industry, yet it is also risky if the lot inventory goes unsold. Due to raw land costs, entitlements, and the cost to develop infrastructure, developers will be cautious given achievable lot prices. Many subdivisions in Superior have taken several years to sell out and developers have carrying costs (property taxes, financing) on improved lots.

  The value of building lots is often benchmarked against the value of the completed retail housing package (sales price). Target ratios for builders show that the cost of sales should be held to 70% of the purchase price; 50% for construction hard costs and 20% for the land (raw land, improvements, financing costs, etc.) However, these ratios vary considerably based on builder, product, topography, lot type, etc. An improved single-family lot should generally cost from 15% to 25% of the projected retail price of the home.

Based on average lot costs of $18,000 to $50,000 in the active subdivisions in Superior, the retail price for a new single-family home would range from $90,000 to $250,000 based on a 20% lot-to-home ratio. However, Superior has an approximate 15% lot to home ratio, and new construction homes are more likely to be listed above $200,000. Approximately 90% of the homes sold in Superior since 2012 have been priced below $200,000 and 74% of the sales were priced less than $150,000, suggesting that there is strong demand for modestly-priced housing in the City. As such, a public-private partnership should be explored to help alleviate the carrying costs for developers, which could bring down lot costs and stimulate the production of more moderately-priced housing units. Lot costs could be lowered by offering land write downs for infrastructure improvements or other incentives.

- **Multifamily Development Costs.** It may be difficult to construct new multifamily product with amenities today's renter's desire given market rents and development costs. According to RS Means construction costs data, hard construction costs in Superior will likely average about $148 per square foot (gross), or upwards to $140,000 per unit to develop based on a 24-unit three-story concept. Soft costs associated with these types of projects will push costs higher. Development costs of this scale will likely require rents per square foot significantly higher than the existing product in Superior. Based on these costs, it will be difficult to develop stand-alone multifamily housing structures by the private sector based on achievable rents. As a result, a private-public partnership or other financing programs will likely be required to spur development and potentially reduce rent levels to bridge some of the gap between existing older product and new product.

- **Job Growth/Employment.** Low unemployment often generates demand for both existing home purchases and new-home purchases. Since 2008, Superior and Douglas County have maintained lower unemployment rates than the State and the rest of the United States. Superior's unemployment rate of 5.2% as of June 2015 was slightly above equilibrium (generally considered to be 5.0%) and lower than the United States (5.5%). Today's unemployment rate has come down from a high of 8.1% in 2009.

  From March 2014 to March 2015 employment in Superior remained the same. The Wisconsin Department of Workforce development projects that the Northwest Workforce Development Area, which includes Douglas County, will grow by 10.7% from 2010 to 2015. Douglas County comprises approximately 24% of the Northwest Development Area's population and 18% of its households. Additionally, it appears that Superior is an "importer" of workers, according to data from the U.S. Census. With over 18% workers commuting into Superior daily from over 50 miles, there appears to be an opportunity to provide housing options for a portion of these workers.

- **Land Supply.** Table D-8 inventoried undeveloped lots within the City. Based on our research there approximately 120 single-family platted lots available and multifamily lots capable of supporting another 120 units of multifamily housing. Based on this lot supply and the recent construction activity, there is an excess supply of platted lots in the community. However, if activity were to increase to an average of 10 single-family starts per year, the

current lot supply would be depleted within the decade. The lack of land in the City proper is driving some households out of the City to nearby villages and towns.

- **Housing Programs.** The Superior Housing Authority, Housing Development Corporation, and Catholic Community Services offer a number of programs to promote and preserve the existing "workforce" housing stock in Superior. Some of the key programs that are offered include:

  - The Home Ownership Opportunity Fund (HOOP) which offers down payment and closing cost assistance to LMI households. Housing funds must benefit low and moderate income persons, and homes must meet quality standards
  - Online homebuyer education programs, including mortgage counseling

Douglas County administers federal CDBG funds for a nine-county region in Northern and Northwest Wisconsin.

- Housing Rehabilitation – The nine-county region includes the Counties of Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer and Washburn Counties. CDBG funds provide financial assistance to benefit low and moderate income households for programs such as owner-occupied rehabilitation, homebuyer assistance and handicapped accessibility modifications to a dwelling unit. These programs exclude the City of Superior which has its own CDBG entitlement. The owner-occupied rehab program provides a 0 percent, deferred payment loan, secured by a mortgage in Douglas County's name until the unit ceases to be the owner's principal place of residence. Owners must qualify under low and moderate income guidelines.
- Homebuyer assistance provides assistance to eligible households that are renting and seeking assistance to purchase a home in the Region. The Program provides closing costs and up to 50% of the downpayment to eligible clients. Eligible closing costs include: loan origination fees, loan discount points, appraisal costs, credit report, title search, preparation charges, transfer fees and recording costs.

There are other programs that the City and County could consider to aid and improve the County's housing stock. The following is a sampling of potential programs that could be explored.

- Remodeling Advisor – Partner with local architects and/or builders to provide ideas and general cost estimates for property owners.
- Construction Management Services – Assist homeowners with local building codes, reviewing contractor bids, etc. Typically provided as a service by the building department.
- Historic Preservation – Encourage residents to preserve historic housing stock in neighborhoods with homes with character through restoring and preserving architectural and building characteristics. Typically funded with low interest rates on loans for preservation construction costs.
- Home-Building Trades Partnerships – Expand partnership between local Technical Colleges or High Schools that offer building trades programs. Affordability is gained through reduced labor costs provided by the school. New housing production serves as the "classroom" for future trades people to gain experience in the construction industry.

- Mobile Home Improvements – Offer low or no-interest loans to mobile home owners for rehabilitation. Establish income-guidelines based on family size and gross incomes.
- Foreclosure Home Improvement Program – Low-interest loans to buyers of foreclosed homes to assist home owners with needed home improvements while stabilizing owner-occupied properties. A portion of the loan could be forgivable if the occupant resides in home at least five years. Eligibility should be based on income-guidelines (typically 80% AMI or lower).
- Rent to Own - Income-eligible families rent for a specified length of time with the end-goal of buying a home. The HRA saves a portion of the monthly rent that will be allocated for a down payment on a future house.
- Rental Collaboration – Host meetings on a regular basis (quarterly, bi-annually, or annually) with rental property owners, property management companies, Realtors, etc. to discuss key issues and topics related to the rental housing industry in Superior.
- Rental Rehabilitation – Superior has a large supply of older renter-occupied housing units that could be enhanced through renovation, and many local rental owners may have difficulty investing in their rental properties if market demand and market rents remain in the affordable range. Grant funding such as the Small Cities Development Program HOME funds may be available. The HOME Program is funded through the U.S. Department of Housing and Urban Development (HUD) and is a primary source for funds for rental rehabilitation. The City uses CDBG funds to assist with housing rehabilitation in Superior.
- Home Fair – Provide residents with information and resources to promote improvements to the housing stock. Typically offered on a weekend in early spring where home owners can meet and ask questions of architects, landscapers, building contractors, lenders, building inspectors, etc.
- USDA Rural Development – Housing support is available through the "Housing and Community Assistance" program that is part of USDA Rural Development. The program is designed to improve housing options in rural communities (outside of the City of Superior) and operates a variety of programs including: homeownership assistance, housing rehabilitation and preservation, rental assistance, loan administration, energy efficiency, multifamily loans for the creation of affordable rental housing, etc.
- Wisconsin Housing and Economic Development Authority - WHEDA is a housing finance agency whose mission is to finance affordable housing for low- and moderate-income households across Wisconsin. The organization provides numerous products and services for both the single-family and multifamily housing sectors. The organizations mission is as follows: to stimulate the state's economy and improve quality of life for Wisconsin residents by providing affordable housing and business financing products.