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**Lakes Area**

**Demographic Data Overview**

**Sources of Data**

The following pages contain demographic data obtained from a variety of local, state and national sources. The primary sources for this information are the Minnesota State Demographer's Office, the U.S. Census Bureau, and Claritas, Inc., a private data reporting service.

**Lakes Area Definition**

We have provided demographic data for the Lakes Area, which includes the Townships of Lake Sarah, Mason, Murray and Shetek.

For many demographic items we have also included information for all of Murray County.

## Population Estimates and Trends

<b>Table 1 Population Trends - 1980-2006</b>						
	1980 Population	1990 Population	% Change 1980-1990	2000 Population	% Change 1990-2000	2006 Population
Lakes Area	1,244	1,066	-14.3%	1,149	7.8%	1,126
Murray County	11,507	9,660	-16.1%	9,165	-5.1%	8,777

Source: U.S. Census Bureau; Minnesota State Demographer; Community Partners Research, Inc.

- ▶ Both the Minnesota State Demographer and the U.S. Census Bureau release annual population estimates. The most recent official estimates are for the year 2006. The State Demographer estimates that the Lakes Area's population on April 1, 2006 was 1,126 people. The Census Bureau estimate, effective July 1, 2006, was 1,111 people.
- ▶ Both of the available estimates show a population loss for the Lakes Area between 2000 and 2006. The Demographer's estimate shows a decline of 23 people, while the Census Bureau's shows a loss of 38 people.
- ▶ The two 2006 estimates for all of Murray County were nearly identical. According to both, the County population has declined since 2000. The Demographer's estimate was 8,777, a loss of 388 people, while the Census's estimate was 8,778, or a decline of 387 people.

## Population Projections

The following table presents population level projections using two different sources. The six-year growth trend is based on the rate of change between 2000 and 2006, using the 2000 Census and the 2006 estimate from the State Demographer, and projects this rate of change forward between 2006 and 2010, and between 2006 and 2015. The State Demographer’s Office has also prepared a 2015 projection.

<b>Table 2 Population Projections Through 2015</b>				
	2006 Population Estimate	2010 Projection from six-year growth trends	2015 Projection from six-year growth trends	2015 State Demographer
Lakes Area	1,126	1,111	1,092	1,194
Murray County	8,777	8,529	8,220	8,650

Source: Community Partners Research, Inc.; State Demographer

- ▶ Our population projections, calculated from the six-year growth rates for the Lakes Area, expect that its population will decrease slightly, with the expected loss of 15 people over the next four years and 34 people over the next nine years. On an average annual basis, this equates to a decline of four residents per year from 2006 to 2015.
  
- ▶ A projection from the State Demographer is also available. The starting point for this projection is 2000. During this 15-year time period the Demographer projects that the Lakes Area will gain 45 people, or three in an average year. However, this projection is inconsistent with recent trends as based on the 2006 estimate, the Area has already lost 23 residents since 2000.
  
- ▶ Our projection for all of Murray County expects a population decrease of 248 people over the next four years and a loss of 557 residents over the next nine years, or an average decrease of 62 people per year. When compared to the 2000 base data, the Demographer’s projection expects a decline of 515 residents over the 15-year time period, or an average loss of 34 people per year. However, the County has already lost 388 people since 2000.

## Projected Population by Age - 2010

The State Demographer's Office has issued population projections by age for each of the State's Counties. The following table identifies the County's population in each age range from the 2000 Census, and from the 2005 and 2010 Demographer's projections. The table also shows the projected change in population between 2005 and 2010 by age group from the projections.

<b>Table 3 Murray County Projected Persons by Age - 2000 - 2010</b>				
<b>Age</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>Change - 2005-2010</b>
0-19	2,478	2,160	1,970	-190/-8.8%
20-24	348	440	410	-30/-6.8%
25-34	846	770	880	110/14.3%
35-44	1,285	1,050	850	-200/-19.0%
45-54	1,279	1,410	1,350	-60/-4.3%
55-64	982	1,140	1,300	160/14.0%
65-74	948	880	900	20/2.3%
75-84	700	720	740	20/2.3%
85+	299	300	310	10/3.3%
<b>Total</b>	<b>9,165</b>	<b>8,870</b>	<b>8,710</b>	<b>-160/-1.8%</b>

Source: U.S. Census; Minnesota State Demographer; Community Partners Research, Inc.

- ▶ Projections issued by the State Demographer's Office expected a population decline in Murray County between 2000 and 2005 and between 2005 and 2010.
- ▶ The largest numeric change is expected among 35 to 44 year old adults. This range is expected to decline significantly over the remainder of the decade, losing 200 people between 2005 and 2010. There is also a projected decline of 190 people age 19 and younger.
- ▶ The largest numeric growth is expected among 55 to 64 year old adults. This range is expected to increase by 160 people through the remainder of the decade. This largely represents the age migration of the "baby boom" generation. There is also significant growth projected among adults, age 25 to 34 years old.
- ▶ All of the defined senior age ranges are expected to continue to grow.

## Household Estimates and Trends

<b>Table 4 Household Trends - 1980-2006</b>						
	1980 Households	1990 Households	% Change 1980-1990	2000 Households	% Change 1990-2000	2006 Estimate
Lakes Area	400	387	-3.3%	475	22.7%	507
Murray County	4,036	3,758	-6.9%	3,722	-1.0%	3,717

Source: U.S. Census Bureau; Minnesota State Demographer; Community Partners Research, Inc.

- ▶ The most recent official household estimate for the Lakes Area is from the Minnesota State Demographer's Office and is for April 1, 2006. This estimate placed the Area's household count at 507, which is a gain of 32 households since the 2000 Census.
- ▶ The Demographer's 2006 estimate for all of Murray County was 3,717 households, a decline of five total households from the 2000 Census.
- ▶ The U.S. Census Bureau only issues population estimates, so no household information is available from this source.

## Average Household Size

The following table provides U.S. Census Bureau information on average household size. The 2006 estimate is from the State Demographer's Office.

<b>Table 5 Average Number of Persons Per Household 1980-2006</b>				
	1980 Census	1990 Census	2000 Census	2006 Estimate
Lakes Area	3.11	2.75	2.42	2.22
Murray County	2.81	2.53	2.42	2.31

Source: U.S. Census; MN State Demographer

- ▶ Household formation has been occurring at a different rate than population change in recent decades due to a steady decrease in average household size for most jurisdictions. This has been due to household composition changes, such as more single parent families, more senior households due to longer life spans, etc.
- ▶ The Lakes Area has seen a decrease in the average household size over the last 26 years. The State Demographer's estimate of 2.22 persons per household in 2006 is significantly lower than the 3.11 persons per household reported in the 1980 Census.
- ▶ The average household size for Murray County has also decreased over the last 26 years.

**Household Projections**

The following table presents household projections using two different methods. The six-year growth trend is based on the rate of change between 2000 and 2006. The State Demographer’s Office has issued household projections for the year 2015 at the County level only. The State Demographer’s 2015 projection for the Lakes Area has been extrapolated by Community Partners Research using population projections from the State Demographer’s Office. In making these calculations, we have assumed that there will be only minor changes in average household size and in the size of group quarters populations.

<b>Table 6 Household Projections Through 2015</b>				
	2006 Household Estimate	2010 Projection from six-year trends	2015 Projection from six-year trends	2015 Projection from State Demographer Data
Lakes Area	507	530	558	563
Murray County	3,717	3,714	3,710	3,700

Source: State Demographer; Community Partners Research, Inc.

- ▶ Our projections for household growth in the Lakes Area shows the expected gain of 23 households over the next four years and 51 households over the next nine years, or between five and six in an average year.
- ▶ Although the State Demographer has not issued household projections for the Lakes Area, we have converted their population projection into a household count, using assumptions on future household size. This calculation shows the projected addition of approximately 88 households between 2000 and 2015, or six in an average year.
- ▶ Our projection for all of Murray County shows the probable loss of three households over the next four years and seven households over the next nine years. The State Demographer’s Office did issue household projections at the County level. Their projection for Murray County is 3,700 total households. When compared to the 2000 Census total, the Demographer’s projection expects a decrease of 22 households County-wide during the 15-year span.



## Projected Households by Age - 2005 to 2015

The Minnesota State Demographer's Office has issued population projections by age for each of Minnesota's Counties. The following table uses the Murray County data to project households by age for the years 2005, 2010 and 2015. These calculations have been prepared by Community Partners Research, Inc., and assume that household formation in the future will be relatively consistent with past trends by age group. While these projections have been calculated by Community Partners Research, they have been reconciled with overall household projections from the State Demographer through 2015.

<b>Table 7 Murray County Projected Households by Age - 2005 to 2015</b>					
<b>Age</b>	<b>2000 Census</b>	<b>2005 Estimate</b>	<b>2010 Projection</b>	<b>2015 Projection</b>	<b>Change 2005-2015</b>
15-24	142	146	131	113	-33
25-34	419	384	433	456	72
35-44	667	549	438	406	-143
45-54	690	765	725	603	-162
55-64	545	636	717	789	153
65-74	577	539	544	626	87
75-84	497	515	522	499	-16
85+	185	187	190	208	21
<b>Total</b>	<b>3,722</b>	<b>3,721</b>	<b>3,700</b>	<b>3,700</b>	<b>-21</b>

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Projections based on households by age of householder show distinct trends. These projections reflect both the movement of existing residents through the aging cycle and also the probable age distribution of households that move into or out of the area. Regionally and Statewide, many of these same age progression patterns exist, so the movement of households between Counties would tend to reflect these same patterns.
- ▶ The strongest household growth is projected in the age range between 55 and 64 years old through the 10-year projection period. Relatively strong growth is also projected among older adult households, age 65 to 74 years old and younger adults, age 25 to 34 years old. While growth is projected for younger households in the 25 to 34 year old age group, overall there is a projected decrease in the total number of younger adult households under age 55. All of the net household growth for the County is projected to occur from households age 55 and older.
- ▶ Almost no change is projected among older senior households, age 75 and older. Within

the older senior groups, there should be some minor increase among seniors age 85 and older, but minor losses among senior households in the 75 to 84 year old range.

## Household Characteristics

The following table presents data on household characteristics from the 2000 Census. Data has been presented as percentages of the total households to allow for comparative analysis between the Lakes Area, Murray County, and the State of Minnesota.

Table 8 Households by Type - 2000								
	Married Couple Family		Male Householder No Wife Present		Female Householder No Husband Present		Non-Family Household	
	With Related Children	W/O Related Children	With Related Children	W/O Related Children	With Related Children	W/O Related Children	1 Person Household	Non-Family Household
Lakes Area	22.1%	53.3%	1.0%	0.4%	1.7%	0.8%	17.1%	3.6%
Murray County	24.8%	37.7%	1.9%	0.9%	3.1%	1.5%	27.1%	3.0%
Minnesota	25.8%	28.0%	2.1%	1.4%	6.3%	2.6%	26.9%	6.9%

Source: 2000 Census; Community Partners Research, Inc.

- ▶ The Lakes Area had a significantly above-average percentage of married couples without children, when compared to the State of Minnesota. The City also had below-average percentages of female householders with and without children and one person households in 2000.
- ▶ For the entire County, there was an above-average percentage of married couples without children, when compared to Minnesota.

## Tenure by Age

The following table identifies home ownership or renter status by age of householder in the year 2000. Information is provided for the Lakes Area and for Murray County.

<b>Table 9 Household Tenure by Age - 2000</b>				
Age of Householder	Lakes Area		Murray County	
	Owners	Renters	Owners	Renters
15 - 24	3/30.0%	7/70.0%	61/43.0%	81/57.0%
25 - 34	34/65.4%	18/34.6%	302/72.1%	117/27.9%
35 - 44	64/88.9%	8/11.1%	566/84.9%	101/15.1%
45 - 54	95/89.6%	11/10.4%	624/90.4%	66/9.6%
55 - 64	118/96.7%	4/3.3%	502/92.1%	43/7.9%
65 - 74	78/98.7%	1/1.3%	534/92.5%	43/7.5%
75-84	31/100%	0/0%	421/84.7%	76/15.3%
85+	2/66.7%	1/33.3%	125/67.6%	60/32.4%

Source: U.S. Census; Community Partners Research, Inc.

- ▶ Household tenure by age patterns in the Lakes Area show a preference for home ownership in most of the defined age ranges. Only one age group, households age 24 and younger, rented their housing at a rate above 50%.
- ▶ Home ownership rates were 88.9% or higher among each of the age ranges 25 to 84 years old.
- ▶ Tenure patterns in the County also showed a strong preference for home ownership in most of the age ranges.

## Lakes Area Income Data - 2000 to 2007

Claritas, Inc., a private data reporting service, has generated household income estimates for the year 2007. These estimates are for the Lakes Area. Information from 2000 is provided for comparison. The Claritas estimates are based on a different total household estimate for the Area. In 2006, the Minnesota State Demographer estimated that the Lakes Area had 507 households compared to the 2007 estimate of 560 households from Claritas.

Household Income	Number of Households 2000	Number of Households 2007 Estimate	Change
\$0 - \$14,999	44	37	-7
\$15,000 - \$24,999	43	47	4
\$25,000 - \$34,999	84	41	-43
\$35,000 - \$49,999	124	141	17
\$50,000 - \$74,999	87	139	52
\$75,000 - \$99,999	30	63	33
\$100,000 - \$149,999	45	59	14
\$150,000+	13	33	20
<b>Total</b>	<b>470</b>	<b>560</b>	<b>90</b>

Source: Claritas, Inc.; Community Partners Research, Inc.

- ▶ According to income estimates for 2007, household incomes have generally improved in the Lakes Area. Claritas believes that the number of households with annual incomes of \$35,000 or more has increased over the last seven years, while the number of households with incomes less than \$35,000 has decreased.
- ▶ According to Claritas, the median household income for the Lakes Area in 2007 is \$52,589, compared to \$42,740 in 2000, an increase of approximately 23%. The 2007 median household income for all of Murray County is \$42,932.
- ▶ A commonly used standard for affordable housing is that a household can apply 30% of gross income for housing expenses. The Area's median household income in 2007 translates into \$1,315 per month based on 30% of income. The 2000 median household income translated into \$1,062 per month.
- ▶ Although the number of lower income households has been declining, there are still 37 households in 2007 with an annual income below \$15,000. These households can only afford \$375 per month or less for housing costs, without experiencing a cost burden.

## Murray County Income Data - 2000 to 2007

Claritas, Inc., a private data reporting service, has generated household income estimates for the year 2007. These estimates are for all of Murray County. Information from 2000 is provided for comparison. The Claritas estimates are based on a different total household estimate for the County. In 2006, the Minnesota State Demographer estimated that Murray County had 3,717 households compared to the 2007 estimate of 3,619 households from Claritas.

Table 11 Murray County Estimated Household Income - 2007			
Household Income	Number of Households 2000	Number of Households 2007 Estimate	Change
\$0 - \$14,999	591	444	-147
\$15,000 - \$24,999	667	487	-180
\$25,000 - \$34,999	602	475	-127
\$35,000 - \$49,999	854	763	-91
\$50,000 - \$74,999	696	860	164
\$75,000 - \$99,999	152	339	187
\$100,000 - \$149,999	111	172	61
\$150,000+	43	79	36
Total	3,716	3,619	-97

Source: Claritas, Inc.; Community Partners Research, Inc.

- ▶ According to income estimates for 2007, household incomes have generally improved in Murray County. Claritas believes that the number of households with annual incomes of \$50,000 or more has increased over the last seven years, while the number of households with incomes less than \$50,000 has decreased.
- ▶ According to Claritas, the median household income in 2007 is \$42,932, compared to \$34,959 in 2000, an increase of approximately 22.8%.
- ▶ A commonly used standard for affordable housing is that a household can apply 30% of gross income for housing expenses. The County's median household income in 2007 translates into \$1,073 per month based on 30% of income. The 2000 median household income translated into \$874 per month.
- ▶ Although the number of lower income households has been declining, there are still 444 households in 2007 with an annual income below \$15,000. These households can only afford \$375 per month or less for housing costs, without experiencing a cost burden.

## Existing Housing Inventory

Table 12 Occupied Housing Units by Year Built - (owner/renter)							
	1939 and Earlier	1940-1959	1960-1969	1970-1979	1980-1989	1990-2000*	2000-2007
Lakes Area	136/27	56/15	20/2	68/0	55/0	91/7	114/0

Source: 2000 Census; City Building Permits

\* The Census reported units constructed through March of 2000. Because of weather conditions, it is assumed that permits for housing that was occupied in March/April 2000 would have been issued in 1999.

- ▶ At the time of the 2000 Census, the age of the owner occupied housing stock in the Lakes Area was older than average. The Census identified approximately 32% of all owner occupied housing units as pre-1940 construction. This was above the State-wide average for pre-1940 housing of approximately 21%. The Area’s rental stock was also older than average, with approximately 82% of the rental housing units constructed prior to 1960, compared to 39% State-wide.

Table 13 Occupied Housing Units by Number of Units in Structure						
	Owner Occupied 2000	Renter Occupied 2000	Vacant Units 2000	Total Units 2000	New Units 2000-2007	Estimated Total 2007
1 Unit Detached	391	45	294	730	114	844
1 Unit Attached	8	0	0	8	0	8
2 Units	0	0	0	0	0	0
3-4 Units	0	2	0	2	0	2
5+ Units	0	0	0	0	0	0
Mobile Home	27	4	45	76	0	76
Total	426	51	339	816	114	930

Source: U.S. Census; Building Permits

- ▶ There have been approximately 114 homes constructed in the Lakes Area since 2000.
- ▶ The table above does not reflect demolition activity that may have occurred since 2000.

## Existing Home Sales

The following table examines houses in the Lakes Area that have been sold in 2005, 2006 and in 2007 from January through August. It is important to note that the number of houses that have sold is a relatively small percentage of the total housing stock and may not be an accurate indicator of overall home values. However, this sample does provide some insight into those units that are turning-over in the Lakes Area. It is also important to note that these sales are almost always existing homes, and rarely reflect the sales of newly constructed houses.

<b>Table 14 Median Value of Recent Residential Sales - 2005 - Aug. 2007</b>		
	Number of Good Sales	Median Sale Price
2005	27	\$184,800
2006	19	\$186,000
2007 - Jan. through Aug.	8	\$196,313

Source: Community Partners Research, Inc.; Murray County Assessor

- ▶ In 2005 there were 27 improved residential sales, in 2006 there were 19 improved residential sales and in 2007 from January through August there have been eight improved residential sales of single family houses in the Lakes Area that were considered to be “arms length” transactions, according to the County Assessor. Sales that are not “arms length” include, but are not limited to, sales between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market. Only the “arms length” transactions have been reviewed for this study.
- ▶ The median sales price for 2005 residential sales reviewed was \$184,800. The highest valued sale was for \$753,800 and the lowest valued sale was for \$62,000.
- ▶ The median sales price for 2006 residential sales was \$186,000. The highest valued sale was for \$413,400 and the lowest valued sale was for \$126,700.
- ▶ The median sales price for 2007 residential sales from January through August was \$196,313. The highest valued sale was for \$318,100 and the lowest valued sale was for \$91,500.



## Countywide Home Sales - Historical Data

The Minnesota Demographer’s Office has compiled County-level data on median home sales prices since 1984 to analyze price trends for single family houses. This data is only available at the County level. The median sales price has been obtained from sales ratio reports submitted by the County Assessor’s Office to the Minnesota Department of Revenue. It is important to note that houses sold in a given year may not be a statistically valid sample of all home values in the County. However, this annual sample does provide insight into home values over a number of years and information on those units that are turning-over in the County.

<b>Table 15 Median Value of Residential Sales - 1984/85 to 2002/2003</b>								
	Median Sale Price						Percent Change 1990- 2000	Percent Change 2001- 2003
	1984- 1985	1989- 1990	1995- 1996	1999- 2000	2000- 2001	2002- 2003		
Murray Co.	\$33,500	\$23,750	\$35,750	\$44,000	\$45,500	\$54,500	85.3%	19.8%
Minnesota	\$64,000	\$70,000	\$87,500	\$124,500	\$139,550	\$169,900	77.9%	21.7%

Source: Minnesota State Demographer; Community Partners Research, Inc.

- ▶ The median sales price in Murray County has been increasing over the 18-year time period reviewed. During this time, the median home sales price has increased by nearly 63%.
- ▶ Although the County has experienced a substantial increase in home values, the County’s median sales price in 2003 was less than one-third of the median home sales price Statewide.
- ▶ Between 2001 and 2003, the median home sales price increased by \$9,000, or 19.8%. Statewide, the median sale price increased by \$30,350, or nearly 22% during this same time.
- ▶ Between the 1990 Census and the 2000 Census, the County’s median household income level increased by approximately 54%. During this same time, the median home sales price in the County increased by 85%.

## **Rental Housing**

### **U.S. Census Inventory**

According to the 2000 U.S. Census, there were 50 occupied rental housing units in the Lakes Area in April 2000. There were three vacant units, for a total rental housing inventory of 53 units in the Lakes Area in 2000.

At the time of the 1990 Census, the Lakes Area had 73 occupied rental units and three vacant units. There were three additional vacant units in the Area that were not identified as either rental or owner housing, but it would appear that the total rental unit inventory was 76 units in the Lakes Area in 1990. Between the 1990 Census and the 2000 Census, the Lakes Area's number of rental units decreased by 23. No rental units have been constructed in the Lakes Area since 2000.

### **Rental Housing Survey**

As part of this housing study, a telephone survey was conducted of multifamily rental buildings in Murray County. The survey focused on larger rental projects with four or more units. No multifamily projects with four or more units exist in the Lakes Area.

The Cities of Slayton and Fulda provide most of the rental opportunities for Murray County.

## **Findings on Growth Trends**

Growth patterns for the Lakes Area show inconsistent population and household trends. Our review of demographic trends dates to 1980. Between 1980 and 1990, the Area's population decreased substantially by 178 people and 13 households. During the 1990s, the Area's population increased by 83 people and 88 households.

Between 2000 and 2006, the State Demographer's Office estimates that the Lakes Area's population has decreased by 23 people, but the Area has gained 32 households.

All of Murray County has experienced population and household losses since 1980. From 1980 to 1990, Murray County lost 1,847 people and 278 households. Between 1990 and 2000, Murray County's population and household losses continued, but did slow down with the loss of 495 people and 36 households. From 2000 to 2006, Murray County's population has decreased by 388 people, however, the County's household count has only decreased by five.

In their County population estimates, the Census Bureau provides the components of population change. The Murray County population has decreased since 2000. The County has lost population through out migration and the number of deaths has exceeded births during that same period resulting in a decline in overall population. Although the population has decreased significantly, the County has lost only five households since 2000.

With an older than average population in both the Lakes Area and the County, it is doubtful that there will be substantial population gains based on a natural increase. For the population to substantially increase, it will require increased in migration from domestic or international locations.

## **Findings on Growth Projections**

As part of this Study, we have used household projections to the year 2015. These projections have either been calculated by Community Partners Research, Inc., or have been taken from other reliable sources, such as the State Demographer's Office.

The projections for the Lakes Area would expect significant gains in the number of households. Our projection shows the probable gain of 23 households by 2010 and a gain of 51 households by 2015.

It is important to note that all projections are calculated from past trends. As a result, the following projections for Murray County reflect the trends of population and household losses since the 1990s.

The available projections for all of Murray County show the probable loss of between 7 and 17 households per year through the year 2015. Based on our projections, which are calculated from past trends, the County's population is expected to decrease by 557 people by 2015, or an average annual loss of 62 people. The State Demographer estimated a loss of 34 people per year from 2000 to 2015, but this forecast may be overly optimistic as Murray County averaged a loss of 65 people annually from 2000 to 2006.

## Findings on Growth Projections by Age Group

We have used age-based population projections prepared by the State Demographer to generate household by age projections. These projections partly reflect growth from new households that will be formed, or that will move into the County. The projections also reflect the aging-in-place of the existing households during the decade. Projections by age can be very informative for calculating future housing demand, as strong preferences in tenure, style, price and features are evident within defined age ranges.

Our projections assume that within defined age groups, household formation and average household size will remain relatively consistent throughout the decade. On the page that follows, we have used these household by age projections to form projections on future demand by tenure.

The projections and changes by age range are for all of Murray County between the year 2005 and the year 2015. It is very important to note that these age-based projections represent an informed prediction of future growth. Actual market activity and economic growth could substantially alter these expectations.

The age-based projections for Murray County, as generated by Community Partners Research, Inc., are nearly identical to the projections from the Minnesota State Demographer.

<u>Age Range</u>	<u>Projected Change in Households 2005 to 2015</u>
24 and Younger	-33
25 to 34	+73
35 to 44	-142
45 to 54	-161
55 to 64	+156
65 to 74	+89
75 to 84	-15
85 and Older	+22

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## Findings on Housing Unit Demand and Tenure

Comparing the projected age-based household changes through the 10-year projection period with past tenure preferences results in a forecast of the tenure mix that will be needed for new housing unit demand between 2005 and 2015. Our calculations are based largely on the tenure preferences by age group that were evident in the 2000 Census, with some adjustment for a greater acceptance of certain housing types as people become more familiar with newer housing options.

Calculations for total future housing need are largely based on three demand generators, household growth, replacement of lost housing units, and pent-up, or existing demand for units that already exists but is not being served.

***Demand from Growth*** - The best available projections do not expect any growth generated demand for housing. Through the year 2015, it is probable that the County will see a small net loss of households. Our projections would expect no net change in demand for owner-occupancy housing units. There should be a minor decrease in demand for renter-occupancy housing over the ten-year projection period.

***Replacement of Lost Rental Units*** - It is often difficult to quantify the number of units that are lost from the housing stock on an annual basis. Unit losses may be caused by demolition activity, losses to fire or natural disasters, and to causes such as deterioration or obsolescence. It is also probable that some rental unit losses have also occurred due to conversion, as single family houses once used for renter occupancy have been sold and are now owner occupied housing. Comparing Census data from 1990 to 2000, it appears that the Lakes Area has lost 23 rental units in the 1990s.

***Replacement of Lost Owner Occupancy Units*** - While some owner occupied units may be lost, we generally believe that owner occupancy unit losses are limited. However, the individual Cities may have demolished some substandard homes in the recent past.

***Pent-Up Demand*** - The third primary demand-generator for new housing is caused by current, unmet demand from existing households, referred to as pent-up demand. Certain demographic segments of the market are growing, such as the number of households age 55 and older. As a result, housing options that are age-appropriate for “empty-nester” and senior households may be in short supply. Our estimates of pent-up demand will be addressed in the specific recommendations that follow.

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## Findings on Unit Demand by Type of Housing

**Findings:** Based on the household by age projections presented earlier, the changing age composition of the region's population through the remainder of the decade will have an impact on demand for housing. We have examined the projected changes by age group in Murray County in the descriptions that follow.

**Age 24 and Younger** - The projections used for this Study expect a small decrease in the number of younger households in the County through the year 2015. Past tenure patterns indicate that as many as 57% of these households will rent their housing. Households in this age range tend to have a median income that is well below the overall median. A small decrease in households in this age range should mean that rental demand from younger households will decrease, but only slightly, for the remainder of the decade.

**25 to 34 Years Old** - The projections show a relatively strong numeric increase in this age cohort, with an expected addition of 73 households in the County by 2015. Within this age range younger adult households often move from rental to ownership housing. The ownership rate among these households was approximately 72% in 2000, compared to a home ownership rate of only 43% for younger households, under age 25. The projected increase within this age range will generate additional demand for both first-time home buyer opportunities, and to a lesser extent for rental housing.

**35 to 44 Years Old** - This 10-year age cohort is expected to decrease in size through the year 2015. The projections show a probable loss of 142 households in the County between 2005 and 2015. It is important to note that this loss of households does not necessarily mean that these younger households are moving out of the area. This age group represents the "baby bust" generation that followed behind the "baby boomers". This age group represents a much smaller segment of the population than immediately older age ranges. As aging patterns progress, there are fewer of these households following behind the aging baby boomers. In the past, this age group has had a high rate of home ownership, at approximately 85%. Households within this range often represent both first-time buyers or households looking to trade-up in housing, selling their starter home for a more expensive house. Lowered demand from this age cohort will have some impact on overall demand for owner occupancy housing.

**45 to 54 Years Old** - By the end of this decade, this age cohort will represent the tail-end of the large, "baby boom" generation. However, our projections show a substantial decrease of 161 households in the County between 2005 and 2015. This age group historically has had a high rate of home ownership, at approximately 90% in 2000, and will often look for trade-up housing opportunities. Fewer households in this age range will limit demand for home ownership and trade-up housing.

**55 to 64 Years Old** - The leading edge of the baby boom generation will be in this age cohort by the end of the decade. The projections show an expected increase of 156 additional households in this 10-year age range in the County by the year 2015. This is the largest growth of any 10-year age cohort in the County. This age range has traditionally had a very high rate of home

ownership, at more than 92%. Attached housing construction, such as town houses or twin homes, is often well suited to the life-cycle preferences of this age group, as no maintenance/low maintenance housing has become a popular option for empty-nesters. Trade-up housing will also appeal to this age group, as they will generally have equity from the sale of their previous home, as well as higher incomes and asset accumulation.

**65 to 74 Years Old** - Strong growth is also expected within this age range by the year 2015, with the expected addition of approximately 89 households. Households in this younger senior range will typically begin moving to other life-cycle housing options as they age. However, younger seniors are still predominantly home owners. At the time of the 2000 Census, this age group had a home ownership rate of approximately 93%. Once again, ownership preferences for low maintenance housing, such as town house units, should grow, although this will primarily be from increased market share as these types of units gain greater acceptance within the marketplace.

**75 to 84 Years Old** - A modest household loss is expected to occur within this age range, with a projected decrease of 15 households in the County between 2005 and 2015. Losses within this age group will be more than offset by the gains among younger seniors and older seniors, resulting in a net gain from senior households County-wide. In the past, households within this 10-year age range have had a high rate of home ownership, at approximately 85%. In most cases, income levels for senior households have been improving, as people have done better retirement planning. As a result, households in this age range may have fewer cost limitations for housing choices than previous generations of seniors.

**85 Years and Older** - Only minor growth is expected in the number of older senior households, with the possible addition of 22 households in the County. Historic home ownership rates in this age group have been relatively low, at approximately 67% in 2000. Senior housing with services options in the area will help to address the needs of this population of older seniors.

These demographic trends will be incorporated into the recommendations that follow.



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## Strengths for Housing Development

The following Lakes Area strengths were identified through statistical data, local interviews, research and on-site review of the local housing stock.

- ▶ **The Lakes Area is located within commuting distance of Slayton, Fulda, Marshall, Pipestone and Worthington** - Although the Lakes Area does not have a large number of employment opportunities, the Area is located within commuting distance of Slayton, Fulda, Marshall, Pipestone and Worthington, all of which have employment, service, commercial and entertainment opportunities.
- ▶ **Sewer System** - A sewer system has been installed around Lake Shetek and the second phase of the project will install sewer around Lake Sarah.
- ▶ **Natural Amenities** - The Lakes Area is a lake, recreational and tourism area that serves the entire region.
- ▶ **High median household income** - The 2007 median household income for the Lakes Area is \$52,589 compared with the Murray County median household income of \$42,932. This higher household income provides housing opportunities including new construction and higher amenity homes.
- ▶ **High median home values** - The median home value of existing homes in the Lakes Area based on sales is \$196,313. A high median home value is an incentive for customized construction and the speculative building of higher priced homes.
- ▶ **Subdivision and lot development** - There are several subdivisions in the Lakes Area in various phases of development that provide lots for new home construction.
- ▶ **Active developers and builders** - The Lakes Area has developers and home builders willing to invest in lot development and home construction.
- ▶ **Projected growth** - The number of households in the Lakes Area is projected to increase through 2015.

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## Barriers or Limitations to Housing Activities

Our research identified the following barriers, or limitations, that hinder or prevent certain housing activities in the Lakes Area.

- ▶ **Competition with Slayton, Fulda, Marshall, Pipestone and Worthington-** The Lakes Area is within commuting distance of Slayton, Fulda, Marshall, Pipestone and Worthington, all of which have more employment, services and housing opportunities. The amenities and services the cities have to offer will remain the preference of many households.
- ▶ **Lack of support services** - The Lakes Area has only limited support for certain types of housing. Support services are simply not available for individuals and households that need them.
- ▶ **Employment Opportunities** - The Lakes Area does not have many employment opportunities.
- ▶ **Lack of a Commercial Business District** - The commercial/retail opportunities in the Lakes Area are very limited .

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## Recommendations, Strategies and Housing Market Opportunities

Based on the research contained in this study, and the housing strengths and barriers identified above, we believe that the following recommendations are realistic options for the Lakes Area. They are based on the following strategies.

- ▶ **Protect the Lakes Area's existing housing stock** - The existing housing stock is in excellent condition, however, there are some houses in the Lakes Area that need rehabilitation, thus, a concentrated effort is needed to preserve and upgrade the Area's housing stock.
- ▶ **Be realistic in expectations for housing development** - Residential growth has occurred in the recent past and is likely to occur in the future. The scale of activities proposed for the future should be compatible with the Lakes Area's potential for growth.
- ▶ **Develop a realistic action plan with goals and time lines** - The Lakes Area should prioritize its housing issues and establish goals and time lines to achieve success in addressing its housing needs.
- ▶ **Access all available resources for housing** - In addition to the local efforts, the Lakes Area has other resources to draw on including the Murray County EDA, the Southwest Minnesota Housing Partnership, the Western Community Action Agency, the Southwest Minnesota Opportunity Council, Inc., the Worthington HRA and the local Rural Development Office. These resources should be accessed as needed to assist with housing activities.
- ▶ **Promote new construction** - New construction provides housing opportunities, stimulates the economy and upgrades the housing stock. New construction provides the Lakes Area's households with housing options and assures a healthy housing stock.
- ▶ **Balance development and the environment** - The Lakes Area must balance future residential development with the need to protect the environment and protect the Area's natural amenities.

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## Rental Housing Recommendations

### 1. Insufficient Demand for Rental Housing Construction

**Findings:** The Lakes Area has primarily owner occupied homes. However, at the time of the 2000 Census, there were 53 housing units in the Lakes Area that were renter occupied, and all of these units were single family houses and small rental buildings. There are no larger multifamily rental housing projects in the Lakes Area.

The 53 renter households represented approximately 11% of all households in the Lakes Area at the time of the Census. This percentage of renter-occupancy housing was well below the rental tenure rate for all of Minnesota. However, the Lakes Area does not have the retail, service and employment opportunities that typically exist in an incorporated city, and as a result, has never attracted significant rental housing development.

We do not expect any future rental demand in the Lakes Area as future growth will be generated primarily from households seeking home ownership.

**Recommendation:** We do not recommend the construction of any new rental housing in the Lakes Area. The Cities of Slayton and Fulda provide most of the rental opportunities for Murray County.

### 2. Apply for Housing Choice Vouchers/Section 8 Existing Program allocations from HUD

**Findings:** The Housing Choice Voucher Program provides portable, tenant-based rent assistance to lower income renter households. The program requires participating households to contribute from 30% to 40% of their adjusted income for rent, with the rent subsidy payment making up the difference. Tenants may lease any suitable rental unit in the community, provided that it passes a Housing Quality Standards inspection, and has a reasonable gross rent when compared to prevailing rents in the community. Although the federal government provides almost no funding for subsidized housing construction, it has provided new Housing Choice Voucher allocations over the last two decades.

The Housing Choice Voucher Program is a popular form of subsidized housing. Because of the flexibility offered through the program, eligible households often prefer the portable rent assistance to other forms of subsidized housing that are project-based, and can only be accessed by living in a specific rental development.

The Housing Choice Voucher Program in Murray County is administered by the Worthington HRA. Currently, there are nine Murray County households utilizing the Voucher Program.

**Recommendation:** From a practical standpoint, the Housing Choice Voucher Program is the single best way that the Lakes Area can provide affordable housing. HUD does not make new

incremental assistance available every year, but when new allocations are authorized, we would encourage the Community and the County to work with the Worthington HRA, to continue to apply for additional vouchers. With the number of renter households paying more than 30% of their income for housing, there is an ongoing demand for vouchers.

Also, the Worthington HRA should be encouraged to publicize the Housing Choice Voucher Program in Murray County to assure that Murray County households are receiving their fair share of vouchers.

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## Home Ownership Recommendations

**Findings:** Expanding home ownership opportunities is one of the primary goals for most jurisdictions. High rates of home ownership promote stable communities and strengthen the local tax base.

The median sales price of owner-occupied homes in the Lakes Area is estimated to be \$196,313. With the high median sales price of the homes in the Lakes Area and the natural amenities of the Area, most of the housing will appeal to move up buyers.

Our analysis of Murray County demographic trends shows an increasing population of households in the traditionally strong home ownership age ranges between 55 and 74 years old. While most households in these age ranges already own their housing, this group represents a strong potential market for 'trade-up' housing. Increasingly, the older age ranges within this group look for lower maintenance housing options, such as twin homes or town house developments. They also look for high amenity homes such as lake homes.

Also, the number of households in the 25 to 34 age range is expected to increase in Murray County. Households in these age ranges are typically first-time home buyers. While some of these households already own their housing, those households that have not been able to achieve the goal of home ownership may need the assistance of special programs to help them purchase their first home and will be seeking affordable homes. Although the median sales price is high in the Lakes Area, approximately 10% of the homes in the Area are considered affordable.

To assist in promoting the goal of home ownership, the following activities are recommended:

### 3. Promote the sale of existing homes

**Findings:** The median sales price of homes in the Lakes Area is approximately \$196,313. Many of the homes in the Lakes Area are high amenity lake homes and are a major asset to Murray County.

These homes are a significant percentage of the County's tax base, have a positive impact on property values in the Area and in the County, promote new home construction, promote cabin conversions and stimulate household growth.

Higher home prices have also been a catalyst in installing a sewer system in the Lakes Area, which has had a positive impact on the environment and the water quality of the lakes.

**Recommendation:** At this time, the public sector's role in promoting home sales should be limited as the private sector and the market forces are effective. However, the Murray County EDA should monitor existing home sales and be prepared to assist if necessary.

**4. Utilize and promote all programs that assist with home ownership**

**Findings:** We believe that affordable home ownership is one of the issues facing Murray County. Home ownership is generally the preferred housing option for most households and most communities. As discussed previously, there is a minimal number of affordable homes in the Lakes Area. However, for the affordable homes that are available, there are a number of strategies and programs that can be used to promote home ownership in the Lakes Area. The Region's housing agencies and financial institutions can assist with this effort.

First time home buyer assistance, down payment assistance, low interest loans and home ownership training programs help to address affordable housing issues. With the Lakes Area's median home value at \$196,313, a small percentage of the existing housing stock is valued under purchase price limits for first-time home buyer assistance programs.

Home ownership counseling and training programs can also play a significant role in helping marginal buyers achieve home ownership. The Southwest Minnesota Housing Partnership has been offering the Home Stretch Home Buyer Training Program in the Region.

While these individual home ownership assistance programs may not generate a large volume of new ownership activity, the combination of below market mortgage money, home ownership training, credit counseling, and down payment assistance may be the mix of incentives that moves a potential home buyer into home ownership.

**Recommendation:** Housing agencies should utilize all available home ownership assistance programs to promote home ownership. The Lakes Area, in coordination with Murray County Cities should also explore the possibility of obtaining specific program set-asides from some of the home ownership programs offered through the Minnesota Housing Finance Agency. Specific set-asides will offer multiple advantages, including a dedicated pool of funds, the opportunity for higher participation limits for income and purchase price, and the flexibility for more local design and control. Mortgage programs should also be developed that include all households and not just first time home buyers to encourage trade-up housing activity.

Housing agencies should continue to develop programs that provide financial assistance for households to purchase a home and to assure the Lakes Area is receiving its share of resources that are available in the Region. Local financial institutions should also have a significant role in assisting households with purchasing a home.

Funding sources for home ownership programs include Rural Development, the Minnesota Housing Finance Agency, Fannie Mae, the Greater Minnesota Housing Fund and the Minnesota Small Cities Development Program.

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## New Housing Construction

**Findings:** The Lakes Area has experienced single family housing and twin home construction in recent years. Over the past three years, 54 single family homes have been constructed in the Lakes Area, which is an average of 18 new owner occupied housing units per year. Twenty-four of these homes were constructed on new lots and 30 new homes have replaced older homes or cabins on existing lots.

The attractiveness of the Area, the lakes and the Area's other natural amenities should result in the continued construction of new homes annually. However, attractive residential lot options must continue to be available for new home construction to increase over the next five years.

Household growth projections for Murray County indicate some demand for owner-occupied housing construction. Most of the growth that is anticipated over the next five years in Murray County will be among households in the age ranges between 55 and 74 years old. This age range is projected to increase by 245 households by 2015. Households in these age ranges tend to be predominantly home owners, and form a market for higher priced, trade-up housing and low maintenance housing such as town homes and twin homes. There is also growth projected in Murray County among younger households, in the 25 to 34 year old range. This age range is projected to increase by 73 households by 2015. Many of the households in these age ranges are first time home buyers.

Our projections expect the Lakes Area to add five to six new households per year and Murray County to add six households in an average year, through 2015. Although large-scale growth is not projected for the Lakes Area, a combination of modest annual growth, the changing age patterns of area households, the development of new lot options and the desire for lake lots among the Region's households should all contribute to increased construction of single family housing in the Lakes Area. Also, the new sewer system has promoted lot and subdivision development in the Lakes Area.

It is our opinion that if the Lakes Area, Murray County and developers are proactive, 20 to 25 homes can be constructed annually in the Lakes Area over the next five years. This projection is based on the availability of attractive residential lots for new construction. Our projection for single family housing starts includes homes built in new subdivisions, replacement homes on existing lots, and single family attached housing units, such as twin homes and town houses.

### 5. Lot Availability and Subdivision Development

**Findings:** As part of this Study, we attempted to identify the inventory of available residential lots for single family housing construction in the Lakes Area. There was no definitive list of lots available, but our most reliable estimates indicate that between 90 and 110 lots are available. This includes lots that are currently buildable as well as lots that are in the planning or development phase and can be available for new housing construction in a short time frame.



Currently, there are four subdivisions in the Lakes Area that are in various stages of development. These subdivisions include lake lots, lots with lake access and lake view lots. Lot prices range from \$35,000 to \$130,000. All of these lots have access to the new sewer system.

**Recommendation:** We use a standard that a 2 ½ year supply of lots should be available in the marketplace, based on annual lot usage. We are projecting that between 20 to 25 new housing units will be constructed per year. Of this total, we are estimating that 12 to 15 homes will be constructed annually on new lots and 10 to 13 homes will replace exiting homes and cabins. To meet the 2 ½ year supply, the Lakes Area should have 30 to 38 lots available. This could include lots that are currently buildable, as well as lots in the advanced planning stages that could be available in a short period of time.

Using this standard, the Lakes Area currently has a surplus of available lots. Based on our inventory, the Area has 90 to 110 lots available for new construction. Based on our estimate that 20 to 25 housing units will be constructed on new lots over the next five years, the Lakes Area has a four to six year supply of lots. Additionally, several developers have land available for future lot development. It should be noted that lake, lake access and lake view lots can attract households from a larger market area and our annual new home construction projection can be exceeded.

With the number of lots in the Lakes Area inventory, the current challenge for the Lakes Area, Murray County, developers, and builders is to increase the annual number of lots sold and housing units constructed.

The Lakes Area is one of the few areas in Murray County that has the potential to experience substantial residential growth over the next five years. An additional challenge is to promote this growth while continuing to protect the environment, the quality of the lakes and the quality of life in the Lakes Area.

## **6. Replacement of existing houses**

**Findings:** Over the past three years, 30 new homes have replaced existing homes and cabins in the Lakes Area, which is an average of 10 homes annually. It is assumed that most of these homes are located on lake lots. Additionally, although we were unable to obtain data on the number, seasonable non-homesteaded homes are being converted into permanent homesteaded homes. Thus, with replacements and conversions, the Lakes Area and Murray County are adding new homes and new permanent households without developing new lots.

**Recommendation:** Although it is difficult to project, we are estimating that 10 new homes will be constructed annually over the next five years that replace homes and cabins on existing lots.

The Lakes Area and Murray County's role is limited other than assuring that the County's zoning and building codes and regulations are being met.

**7. Promote townhouse and twin home housing development**

**Findings:** It is our opinion that the Lakes Area developers and builders should consider the development of twin homes and town homes. Many communities and lake areas have seen attached housing take an increasingly large share of new construction activity over the last decade.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes, thus, making homes available for families. It is estimated that the 55 to 74 age range in Murray County will increase by 245 households by the year 2015.

**Recommendation:** It is our projection that approximately 20% of the Lakes Area's new single family construction could be twin home/ town home construction over the next five years, which is approximately four to five units annually.

We recommend that for town home and twin home development to be successful, the following should be considered:

- ▶ Senior friendly home designs
- ▶ An Association that provides maintenance, lawn care, snow removal, etc.
- ▶ Cluster development of a significant number of homes which provides security
- ▶ Homes are at a price that is acceptable to the market
- ▶ Lake access is available

The public sector's role in any owner-occupancy attached housing development should be limited, as the private sector will meet this housing need if a demand exists. Murray County should assure that adequate land is available for development and that zoning allows for attached housing development.

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## Housing Rehabilitation

**Findings:** The Lakes Area has a strong asset in its existing housing stock. Existing units, both now and into the future, will represent the large majority of the housing opportunities. Existing units generally sell at a discount to their replacement value. Units that are not maintained and improved may slip into disrepair and be lost from the housing stock. Efforts and investment in housing rehabilitation activities will be critical to offering affordable housing opportunities.

Housing options for households will largely be met by the existing, more affordable housing stock. As this existing stock ages, more maintenance and repair is required. Without rehabilitation assistance, the housing stock will shrink, creating an even more difficult affordability situation.

The following specific recommendations are made to address the housing rehabilitation needs.

### 8. Promote rental housing rehabilitation programs

**Findings:** According to the 2000 U.S. Census Data, the Lakes Area has 53 rental units. The rental units in 2000 were all single family homes and small rental buildings. Several of these rental structures could benefit from rehabilitation.

It is often difficult for rental property owners to rehabilitate and maintain their rental properties while keeping the rents affordable for the tenants. The rehabilitation of older rental units can be one of the most effective ways to produce decent, safe and sanitary affordable housing.

**Recommendation:** Housing agencies should seek Small Cities Development Program (SCDP) grant funds that allow for program design flexibility and makes a rental rehabilitation program workable. The SCDP program provides funds for a rental rehabilitation program that is structured by the community.

Also, the Southwest Minnesota Housing Partnership administers the HOME Program in Murray County. The HOME Program provides funds for rental rehabilitation. However, to be cost effective several single family homes would need to be rehabilitated at part of a coordinated project. Possibly, single family homes in several cities could be part of a HOME rehabilitation project.

### 9. Promote owner-occupied housing rehabilitation efforts

**Findings:** Based on the median sales price of the Lakes Area, it is assumed that there is only a small percentage of homes in the Area that are substandard and occupied by low/moderate income households. However, without rehabilitation assistance, there is the potential that the small affordable housing stock that does exist in the Lakes Area will shrink.

The Minnesota Small Cities Development Program (SCDP) continues to be the major source of funding for housing rehabilitation. The Minnesota Housing Finance Agency also provides funding for housing rehabilitation. The Southwest Minnesota Opportunity Council, Inc. administers the housing rehabilitation programs for the Lakes Area, including the MHFA Home Improvement Program and the Fix-Up Fund. The Southwest Minnesota Opportunity Council, Inc. also administers the Weatherization Program.

**Recommendation:** Housing agencies should continue to apply for SCDP funds to rehabilitate homes. The SCDP Program currently has a maximum of \$600,000 for Single Purpose applications and \$1.4 million for Comprehensive applications that address several needs. It may be advantageous for the Lakes Area to apply for SCDP funds with other Murray County jurisdictions as multi-jurisdiction applications are a priority with the Department of Employment and Economic Development (DEED).

We also recommend that area housing agencies continue to seek other local, state and federal funds to assist in financing housing rehabilitation programs.

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## Other Recommendations

### 10. Create a Plan and develop coordination among housing agencies

**Findings:** The Lakes Area has access to the Murray County EDA, the Southwest Minnesota Housing Partnership, the Western Community Action Agency, the Southwest Minnesota Opportunity Council, Inc., the Worthington HRA and the local Rural Development Office. These agencies all have experience with housing and community development programs.

**Recommendation:** The Lakes Area is fortunate to have access to several agencies that can address housing needs. It is our recommendation that the Area work with the housing agencies to address the Lakes Area's housing needs. While there has traditionally been a degree of staff interaction between these agencies, it will be important that a coordinated approach be used to prioritize and assign responsibility to address housing programs.

It will also be important for the Lakes Area to look for opportunities to work cooperatively with Murray County Cities to address housing issues. With the number of small cities in the County, and limited staff capacity, cooperative efforts may be the only way to accomplish certain projects. Cooperative efforts will not only make housing projects more practical, but they will often be more cost-effective and competitive.

### 11. Comply with the Murray County Comprehensive Plan

**Findings:** The Update of the Murray County Comprehensive Plan provides recommendations on shoreland and second and third tier development in the Lakes Area.

The recommendations consider the environment, development potential, density issues, etc.

**Recommendation:** Future development in the Lakes Area should comply with the Murray County Comprehensive Plan's recommendations and guidelines.