City of Alexandria HOUSING STUDY UPDATE

August 2023

An updated analysis of the overall housing needs of the Alexandria area

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List of Sections

Executive Summary

This 2023 Housing Study Update for the Alexandria area is a continuation of previous research projects, most recently completed in 2018. Due to the ongoing growth and housing expansion in the area, period updates have been needed to track the changing supply and demand.

This 2023 Update has largely followed the format and content of the prior studies, and is organized into sections as listed below. This Executive Summary also follows in the same format, and provides some of the highlights from each of the individual sections.

- Demographic Data
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Demographic Analysis Overview

- Consistent with past studies, the City of Alexandria has been the primary focus of this document and specific information has been provided. But the City has also been analyzed as part of a larger aggregated geography, referred to as Greater Alexandria. There are six additional jurisdictions that form Greater Alexandria: the City of Forada, and the Townships of Alexandria, Carlos, Hudson, Lake Mary and LaGrand.

- The 2023 Update was timed to include the release of more detailed 2020 Census tables in late May 2023. For many demographic and housing items, the 2020 Census is viewed as the most reliable benchmark.

- For post-Census estimates and projections, demographic reporting from Esri, Inc., has also been reviewed. While Esri does expect continued population and household growth for the Greater Alexandria area, in the opinion of Community Partners Research, Inc., the projections to 2028 are overly conservative. As a result, the analysts have generated alternate household projections which have been used to form housing unit recommendations presented in this document.

Demographic Highlights

- The City of Alexandria has continued its long history of population and household growth. The best available information shows that the City has accounted for the large majority of population and household growth for the Greater Alexandria area in recent years.

- Due to the impact of past annexation between Alexandria and bordering Townships, tracking actual growth within the City is difficult. However, the Greater Alexandria area achieved average annual growth of approximately 100 households and 250 people each year from 2010 to 2020. But this average is impacted by some slower growth years after 2010, and over the past few years the average annual growth in Greater Alexandria has probably been between 170 and 210 households per year.

- Estimated annual growth between 170 and 210 households per year is very consistent with identified change in the housing stock. Since 2020, the combined jurisdictions that form Greater Alexandria have had annual new construction activity of approximately 200 units in an average year. With limited vacant housing capacity, new unit creation and household growth have been directly connected.

- The anticipated age progression patterns identified in previous studies have continued to unfold, as the large "baby boom" generation moves through the aging cycle. As a desirable place to live, Greater Alexandria continues to attract and retain older adult households. Looking forward to 2028, the largest numeric increase in households is projected from households in the 75 and older age group. The age-based projections expect more than 54% of all households in Greater Alexandria to have a householder age 55 or older by the year 2028.

Growth Projection Highlights

- This Update has once again examined different projections for future growth within the Greater Alexandria area. Based on locally collected data, including housing starts and occupancy data, a realistic forecast over the next five years is that Greater Alexandria will add between 175 and 200 households in a typical year. Nearly all of the renter household growth is expected within the City as well as some of the owner-occupancy growth. As a result, Alexandria will capture most of the area's increase in households.

- For this household growth potential to actually be achieved, especially within the City of Alexandria, a commensurate level of new housing unit creation will be required. In 2023, rental vacancy rates remain low in all segments and upward price pressure for home purchase indicates that demand exceeds supply.

- This Update also contains new age-based forecasts to the year 2028. Community Partners Research, Inc., has modified base projections from Esri to better reflect the area's actual growth potential. These adjusted projections show the largest numeric increase in households by 2028 occurring in the 75 and older age range, followed by an increase in the 65 to 74 year old group. Overall, a large increase is expected in senior-headed households living in Greater Alexandria by 2028.

- The projections anticipate more limited growth in the number of younger adult households. However, the 20-year range between 35 and 54 years old is expected to increase by more than 300 households. It should be stated that the Alexandria area has demonstrated the past ability to grow faster than expected, and in the opinion of Community Partners Research, attracting an even larger number of younger adult households is possible if suitable housing options are available. The area has a strong local economy with significant job growth over time, making it a desirable place for younger adult households to live.

- The age-based projections expect no significant change in the number of households age 34 and younger through 2028. There is a large projected decrease in the 55 to 64 year old range, as the age cohort trailing behind the baby boom was not as large and will not fully replace the advancing generation.

Income and Housing Cost Highlights

- The primary source of information on income is the 2021 American Community Survey. Since the estimates are based on limited sampling, there is a margin of error that is applied to each estimate.

- There has been solid growth in the past for the median household income and the median family income in the City of Alexandria. However, the medians for the City still remain lower than the comparable County and Statewide medians. In 2021, the estimated median household income in Alexandria was $54,193 and the median family income was $78,738.

- Income distribution information by housing tenure continues to show a significant disparity between home owners and renters. Most of the area's lower income households were renters. The estimated median household income for Greater Alexandria renter households was nearly $40,000 in 2021. Nearly 28% of all renter households had an annual income below $25,000 and limited buying power for housing.

- The estimated median household income for home owners in Greater Alexandria was approximately $83,000, more than double the median for renters. Approximately 57% of all home owners in 2021 had an annual income of $75,000 or more.

- A "housing cost burden" is defined as applying 30% or more of income for housing. According to the 2021 American Community Survey, approximately 46% of all renter households in Alexandria had a housing cost burden, and most of these were applying substantially more than 30% of their income. These households were distributed in all age ranges, including seniors.

- Nearly 20% of all home owners in the City also reported a housing cost burden in 2021. These households typically had a more moderate income and had a mortgage on their home.

- The last section of this document contains comparative information with comparably-sized communities in western and northern Minnesota. For median income levels, Alexandria tends to rate well against the five communities used for comparison. Alexandria had the highest median income for renters, and the third highest median income for home owners. However, rental costs and ownership costs in Alexandria are also the highest among the comparison cities, so the above-average income levels are often negated by higher housing costs.

Existing Housing Inventory Highlights

- Since 2020, Alexandria has continued to see ongoing construction of new single family houses. So far this decade, the City has been averaging more than 40 single family housing starts per year, including both detached houses and attached units intended for owner-occupancy. For all jurisdictions in Greater Alexandria combined, the average annual single family production has been above 110 units per year, including the new units in Alexandria.

- Although no multifamily projects were permitted in 2022 in Alexandria, both 2020 and 2021 were strong years for rental housing development. Including partial-year 2023 activity, the City has been averaging approximately 75 rental units per year in the current decade, although some of these units will not be occupied until 2024. There are additional permits that may be issued later in 2023.

- Nearly all of the most recent projects have created conventional market rate rentals, with some designated for senior occupancy. A student-oriented housing project has also started construction in 2023.

- Only one of the rental projects permitted since 2020 has utilized TIF assistance and includes some income-restricted units. Central Lakes Apartments has eight TIF-assisted apartments.

- Specific details are not always available about each of the projects permitted in Alexandria since 2010, but using the known information, units can be segmented into the following housing types:

  - 555 units of conventional market rate housing
  - 72 units of market rate designated for senior occupancy
  - 96 TIF-assisted units in conventional market rate projects
  - 82 student-oriented housing units
  - 24 moderate rent tax credit units with income and rent restrictions
  - 199 independent/light services senior units including some TIF
  - 59 assisted living/enhanced assisted living including some TIF
  - 32 memory care units including some TIF
  - 15 supportive housing units

- Sale prices for existing homes, as tracked by City Assessor records, show an upward trend in the median values, especially in the past few years. The most recent sales records reviewed for this Update were for the 2022 sales year, and found a median price of $257,500. The median price for 2022 was up by $54,000 from 2020. It is probable that prices have increased further in 2023.

- The median sale prices for houses in the neighboring Townships are even higher. In each of the five townships that form Greater Alexandria the median sales prices were approximately $300,000 or higher in 2022. Lake shore sales would have some impact on the sales sample.

- A separate estimate of owner-occupancy home values exists in the American Community Survey, although it had an effective date of 2021. When compared to other communities, the median home value in Alexandria was substantially higher and more than $35,000 above the next closest comparison community (Marshall).

- The 2023 Update did not obtain a comprehensive list of residential lots that are listed for sale in the area, but it does not appear that any shortage exists for new home construction in 2023. Annual lot absorption has resulted in ongoing private sector subdivision development, bringing new lots into the local inventory in recent years.

Rental Housing Market Highlights

- The 2020 Census provided a new housing tenure benchmark for the City. Based on occupancy, 46% of the City's permanent resident households lived in rental housing with 54% owning their home.

- Including vacant or unoccupied units, the City's total rental housing inventory in 2020 contained nearly 3,300 units. Based on construction activity after the Census, the probable rental inventory will contain just under 3,500 units by the end of 2023.

- The rental rate of 46% in Alexandria was very high by comparative standards, but if all of Greater Alexandria is included, the rental rate dropped to less than 30% and was generally similar to the Statewide average in 2020.

- As part of the research process for this Update, a telephone survey was conducted that attempted to contact the City's larger rental properties. The surveyed projects were analyzed based on the market segment that they served. Overall, information was collected from more than 57% of the estimated rental inventory in Alexandria in 2023.

- Despite the ongoing introduction of new units in recent years, the estimated vacancy rate in the market rate rental segment was still below 2%, consistent with the rental survey completed in 2018.

- There continues to be a wide variation in rates for market rate rental housing in Alexandria, with a mixture of new apartment buildings constructed in the past 10 years along with a large inventory of older units which are generally in a more modest range.

- At the time of the 2018 Housing Study we had commented that nearly all of the new rental projects constructed after 2010 had utilized TIF assistance and typically had 20% of the units designated for households at or below 50% of median income. However, only one project permitted since 2020, Central Lakes Apartments, has TIF-assisted units that are subject to the income limits.

- Alexandria has post-secondary student households distributed across the general rental market. A small number of projects are primarily oriented to student renters and these properties reported a very high rate of occupancy at the start of the fall 2022 term.

- The City's inventory of moderate rent tax credit housing has grown smaller since 2018, as Wiltoka Apartments has completed its affordable housing requirements and has converted to market rate housing. Despite multiple applications, the City's last tax credit award was for Deer Ridge Townhomes in 2012.

- In the moderate rent, income-based segment that utilized federal low income housing tax credits, good demand was evident, and the estimated vacancy rate was less than 1%, with waiting lists in existence.

- The inventory of very affordable federally subsidized rental housing has not changed since 2018. Alexandria has 290 units oriented to senior/disabled tenant occupancy and 126 units for general occupancy. One 24-unit general occupancy project that was identified as "at risk" in 2018 has been acquired and preserved by a regional nonprofit agency.

- Occupancy rates remain very high in the subsidized projects. The estimated vacancy rates were below 1% in both senior-oriented and general occupancy projects and waiting lists were common.

- The tenant-based HUD Housing Choice Voucher Program assists low income renter households but the waiting list has been closed in recent years due to its length. However, there were 41 more Vouchers in use in Alexandria 2023 than in 2018.

- According to the American Community Survey, the median gross rent in Alexandria was the second highest of the Cities used in the comparison, with only Bemidji having a higher rent level. However, Alexandria did have the highest median income level for renter households, which resulted in most renters paying less than 30% of income for housing.

- Information in the American Community Survey pointed to a large under supply of very affordable rental units in Alexandria, with a gross monthly rent below $500. The number of renter households within a comparable income range was more than double the supply of very affordable units.

- In the rent ranges of $900 or more, the overall supply of units was much smaller than the number of renters with moderate to higher incomes. Overall, the American Community Survey estimates showed that 37% of all renter households in Alexandria in 2021 had an annual income of $50,000 or more, but only 18% of all rental units were priced at $1,250 or more for gross rent. Since 2021 there have continued to be some additions to this higher price ranges in newly constructed projects.

Senior Housing with Services Market Highlights

- There has been no new construction of specialized senior housing in Alexandria since the 2018 Housing Study was completed. The overall inventory of options has changed very little, although there was a minor reduction of capacity as three smaller residential assisted living facilities have been closed since 2018. There may have been some other small changes in use of available units/beds but any changes have been limited.

- Utilization rates in 2023 remain high in most market segments. However, not all providers were willing to disclose information for this report and the high utilization rates are estimated based on participating facilities. Any negative occupancy impacts that may have been caused by the global health pandemic were no longer evident in 2023.

- Based on the age distribution patterns reported in the 2020 Census, there has been growth in the number of senior-headed households in the Greater Alexandria area since 2010. Most of the past growth occurred in the younger senior age range, between 65 and 74 years old.

- Projections looking forward to 2028 expect continued growth within senior age groups, with the greatest increase expected within the 75 to 84 year old age group over the next five years. Older senior citizens, age 75 and above, are more likely to access senior housing that provides supportive services.

Employment and Economic Trends Highlights

- The area's employment status remains strong, with growth in the number of jobs and a low rate of unemployment. There was a spike in the unemployment rate in 2020, presumably due to the pandemic, but by 2022 there were more employed people in Alexandria than pre-pandemic. The number of jobs in Alexandria that are covered by unemployment insurance had also nearly returned to pre-pandemic levels by 2022.

- The three primary employment sectors in Alexandria are Education and Health Services, Trade/Transportation/Utilities and Manufacturing. Nearly 69% of the identified employment in the City was in these three broad industry sectors.

- The average weekly wage in 2022 was $1,084. At full-time employment this would be an annual wage of approximately $56,400.

- Most of the area's employed work force is locally-based, with a large majority traveling less than 30 minutes for employment in Alexandria. A large majority of City residents were traveling less than 20 minutes for employment, including the people that both live and work in Alexandria.

Findings and Recommendations Summary

The Findings and Recommendations for the Update have primarily focused on rental and home ownership housing opportunities in the Alexandria area and follow the format of the previous housing study, completed in 2018.

Overview

The primary demand-generator used for the new housing development recommendations in this Update is the expected household growth between 2023 and 2028. For the Greater Alexandria area, average annual household growth of between 175 and 200 households per year has been used. Over a five-year period, this results in expected demand for at least 875 to 1,000 total housing units just to address the increased number of households.

Other demand-generators will also contribute to the need for housing. For rental units this will include some overproduction to address the low rate of vacancy that has existed in recent years. For ownership housing, some higher level of production will be needed to address demand for specific types of units, especially customized new construction and age-appropriate options.

In determining the housing tenure needed, this Update has allocated the demand potential into approximately 50% owner-occupancy units and 50% renter-occupancy. This allocation is for all of Greater Alexandria, but nearly all of the rental development would be expected in the City, while the owner-occupancy housing construction will be both inside the City limits and in the surrounding Townships.

Rental Housing

When all demand-generators are combined, the rental production recommendation for the five-year period from 2023 to 2028 would be at least 550 to 625 total units for the Greater Alexandria area. Some of the new construction needed to meet this goal is already in the development pipeline, or may be in the planning phase.

1. **Market Rate Rental: Promote Production of 325 to 355 Total Units Over Projection Period** - Alexandria has had ongoing construction of new, high quality rental housing in recent decades, which has been very successful in the marketplace. Looking forward over the next five years, between 325 and 355 additional units would be recommended to serve the conventional market rate segment. There is one project under construction in 2023 that will open late in 2024 and add approximately 72 senior-designated units. Three additional projects have been proposed that could add another 185 units, although some of these might not be available until 2025. Only one of the pending/proposed projects may include TIF-assisted units that are income/rent restricted.

2. **Observations on TIF Assistance for Market Rate Housing** - At the time of the 2018 Housing Study, most of the new rental projects had included some affordable rental units through the use of Tax Increment Financing (TIF) assistance. However, nearly all of the projects developed since 2019, with the exception of Central Lakes Apartments, have not used TIF. While conventional market rate housing will represent most of the future new construction activity, many area renter households will need more affordable housing, as the median income level for renter households was nearly $40,000 in 2021. An affordable rent threshold at the median income is $1,000, a level that is difficult to achieve in purely market rate units. TIF usage typically results in some units with lower rents that are more affordable for moderate income households. One possible way to increase the supply of TIF units is to consider extended TIF districts to maintain the affordable supply long-term.

3. **Senior-Designated Housing Continues to be Appropriate for Future Development** - The projections used in this Update expect that more than 54% of all households living in Greater Alexandria in 2028 will have a head of household age 55 or older. As much as 40% of the unit recommendation going forward could be senior-designated (age 55+). One project that is under construction in 2023 is senior-designated and two proposed future projects may also create units for senior occupancy.

4. **Moderate Rent Tax Credit Housing: Promote the Development of 60 to 70 Units over the Projection Period** - Since the 2018 Housing Study was completed, the inventory of moderate rent tax credit housing in Alexandria has grown smaller, as Wiltoka Apartments has completed its contractual obligations and no longer is subject to the tax credit rent and income limits. The last new tax credit project, Deer Ridge Townhomes, was constructed 10 years ago. More recent applications for tax credits have been submitted, but have not been funded due to the highly competitive award system. Going forward a goal of adding 60 to 70 moderate rent tax credit units is recommended. This would probably be accomplished by two awards over the 5-year projection period.

5. **Subsidized Rental Housing: Develop as Resources Allow with a Goal to Add 25 to 50 Units** - Subsidized housing is affordable for even very low income households, as the monthly rent will often be based on 30% of the renter household's income. The subsidized unit inventory in Alexandria has not changed since the 2018 Housing Study, although one "at risk" project in 2018 was preserved when it was acquired by a regional nonprofit agency. The last physical addition to the subsidized inventory occurred in the early 2000s. Constructing any subsidized units going forward will be extremely difficult due to a lack of resources, but setting a goal of adding up to 50 very affordable units would be encouraged. There has been some increase in the number of households receiving tenant-based rent assistance since 2018, primarily through HUD Voucher programs.

6. **Student-Oriented Housing: Monitor the Impact of the New 41-unit Project and the Future Demand for Student Housing** - Post-secondary students, primarily attending Alexandria Technical and Community College (ATC) form part of the demand for rental housing. A few projects, typically located close to the campus, are specifically oriented to students. In 2011, the College Foundation constructed Foundation Hall with capacity for 149 residents. In 2023, a second phase of construction is underway which will add an additional 150 beds. Many student households are also living in the general rental market and will be served by the new rental housing production that has been recommended in this Update. Student-specific housing should be monitored, including the impact of the newest project which will be available for the fall 2024 term.

Senior Housing With Services

7. **Light Services Senior Housing: Promote an Expansion of 52 or More Units by 2028** - Since the 2018 Housing Study was completed there has been no new construction of specialized senior housing in Alexandria. However, some change in use has occurred, as some lighter services units have since been licensed for assisted living use. Between 2023 and 2028, the total population of senior citizens, age 65 and older, is expected to increase, with especially strong growth in the age ranges 75 years old and older. To maintain the current capture rates being achieved within the lighter services housing segment, an expansion of 52 units or more would be needed by 2028 in Douglas County. The City of Alexandria would be the best location for the large majority of these future units. One existing provider may be planning a new development phase of lighter services housing in 2024.

8. **Assisted Living: Promote an Expansion of 50 or More Units by the Year 2028** - Despite some changes in use, the overall supply of assisted living in Alexandria has not changed significantly from the inventory that existed in 2018. No new construction projects have proceeded since 2015. In the recent past, there had been a greater increase in the number of younger senior citizens, but by 2028, the number of households age 75 and older should show stronger growth. Maintaining the current capture rate being achieved within the assisted living segment would require approximately 50 or more units by 2028 in Douglas County, with Alexandria the preferred location for most of these units.

9. **Memory Care Housing: Promote an Expansion of 24 or More Rooms/Beds by the Year 2028** - Memory care housing represents a very specialized segment of the senior market. There have been no new construction projects adding memory care housing since the 2018 Housing Study, although some changes in use have occurred among existing providers. Going forward to the year 2028, an expansion of 24 or more units/beds would be recommended to maintain the same basic capture rate within this housing segment. It should be noted that in 2023, one of the current providers in Alexandria has intentionally vacant beds due to staffing issues. Memory care housing offers a high level of care and is staff intensive.

Home Ownership

The demand calculations used for this Update indicate the need for as many as 110 to 120 owner-occupancy housing units annually over the five-year projection period. This unit recommendation is based primarily on serving permanent resident households, although additional construction may occur of seasonal/recreational properties.

10. Continue to Offer Affordable Home Ownership Programs - Offering affordable home ownership options in Alexandria continues to be an issue. Much of this is due to escalating home values, which continue to be higher than in comparable communities. By 2022, the median sale price in Alexandria had reached $257,500, and up by $54,000 from the median price in 2020. New construction prices would generally be substantially higher. The Alexandria HRA has been active in the past in offering home ownership assistance programs in the City and in 2019 a Local Housing Trust Fund was created that primarily offers home ownership assistance gap funding. With rapidly rising costs for both existing and new homes, continued ownership assistance efforts are encouraged.

11. Promote the Construction of 8 to 10 Very Affordable Homes Per Year - There has been some annual production of very affordable new houses in Alexandria, primarily through the Alexandria HRA and Habitat for Humanity. These have often served low and moderate income households that would not have been otherwise able to purchase a new home. Recent Habitat houses have had a fair market value of approximately $260,000, well below the price for typical new construction. Going forward, a goal of producing 8 to 10 very affordable homes per year would help to address demand from marginal home buyers. In 2023, Habitat for Humanity received PUD approval for a 25 acre affordable subdivision that will allow for ongoing construction of very affordable homes.

12. Promote the Construction of 12 to 16 Entry-level Homes Annually New construction of affordable single family homes in the Alexandria area has been limited in recent years, due in part to increased costs for materials and labor. With projected growth in the 35 to 44 year old age group, some increased demand should exist for entry-level homes, generally defined as less than $375,000. When combined with the previous recommendation for very affordable ownership, this would place approximately 18% to 22% of future new construction in the more affordable market segments.

13. **Mid-Priced and Higher-Priced Housing Should Continue to Represent Most of the New Construction Activity** - The analysis of projected demographic trends continues to indicate that the strongest demand should be for trade-up housing, especially units that are age-appropriate for empty nesters and young seniors. Consistent with the 2018 Study, we would continue to expect that 80% or more of the single family construction will be in the moderate to higher price ranges, generally defined as $375,000 or more. The projected level of annual construction would include some attached single family units, such as twin homes and town houses.

14. **Attached Single Family Housing Should Continue to Gain Market Share** - The age-based projections show strong overall household growth between 2023 and 2028, primarily within the 65 and older age ranges. The projections indicate that more than 54% of all households living in Greater Alexandria in 2028 will be age 55 and older. The near-senior and senior citizen age groups have historically had very high rates of owner-occupancy and represent a primary target market for attached single family housing that offers no maintenance or low maintenance living. The demand calculations used for this Update expect that approximately 20% to 25% of the future demand for owner-occupancy housing construction can be met through attached single family housing, such as twin homes and town house units.

15. **Monitor the Overall Residential Lot Supply** - Although no comprehensive inventory of available residential lots was obtained during the research process in 2023, area developers have continued to create new residential areas and the overall supply of lots is not viewed as a limitation to future housing construction. While the overall lot inventory should be monitored, the research completed for this Update continues to indicate that lot/land availability will not be a limiting factor.

Alexandria in Comparison Highlights

The last section in this document uses standardized data from the American Community Survey to compare Alexandria with a group of similar-sized communities. The cities selected for direct comparison include Bemidji, Brainerd, Fergus Falls, Marshall and Willmar. Multiple demographic, income and housing cost data comparisons have been made, and some of these are highlighted below:

- **Median Household Income** - Alexandria had the highest median income of the six communities at $54,193. The median for home owners was $75,657, ranking third highest among the six comparison communities, while the median for renters was $38,167, the highest among the comparison cities.

- **Median Owner-Occupied Home Value** - Alexandria had the highest median home value of the comparison communities, at $199,000 according to the American Community Survey. The median value in Alexandria was more than $35,000 higher than in Marshall, the second highest of the comparison cities. At the time of the 2018 Housing Study, Alexandria's median was more than $16,000 higher than the median value in Marshall, as the value difference has more than doubled since that time.

- **Median Gross Rent** - Alexandria had the second highest median gross rent of the comparison cities, trailing Bemidji. The estimated median gross rent in Alexandria in 2021 was $782 per month.

- **Ownership Housing Costs** - Using median income and housing cost data, an estimate can be made of the percentage of household income that is required for ownership costs. This includes households both with and without a mortgage. Alexandria had the second highest percentage of income required for ownership, at 17.2% of median income. Alexandria did have a substantially higher median home value, but the median household income for home owners was also relatively high, so the percentage needed for ownership was still in an affordable range.

- **Renter Housing Costs** - Alexandria was near the middle of the comparison communities for the highest percentage of income needed for rental housing, at 28.9% of median income. Although the City's median gross rent was higher than most of the other cities, the median income for renter households was the highest, allowing a renter household at the median income level to avoid a housing cost burden.

Introduction

Overview

Community Partners Research, Inc., was hired by the Alexandria Housing and Redevelopment Authority to update a 2018 study of housing market conditions in Alexandria. The time of this Update in 2023 coincides with the release of detailed demographic and housing tables from the 2020 Census.

Methodology

A variety of resources were utilized to obtain information for the Housing Study Update. Community Partners Research, Inc., collected and analyzed data from March to July 2023. Data sources included:

- U.S. Census Bureau
- Minnesota State Demographer
- Esri, Inc., a private data reporting service
- Records and data from the City
- Records and data maintained by Douglas County
- Data from the MN Dept. of Employment and Economic Development
- Data provided by the Multiple Listing Service
- Interviews with elected officials and staff from the cities
- Interviews with community leaders
- Interviews with people familiar with the area's housing conditions
- Area housing agencies
- Rental property owner surveys

Limitations

This Housing Study represents an analysis performed with the data available at the time of the research. Any findings are based upon current programs and the best available information on future trends and projections. Significant changes in the area's economy, employment growth, Federal or State tax policy or other related factors could change the findings and conclusions contained in this Study.

This study was prepared by:
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Demographic Data

Sources of Data

A variety of data sources have been reviewed for this Update. In May 2023, some of the detailed demographic and housing tables were released from the 2020 U.S. Census. The release of this information had been delayed by the global health pandemic.

The global pandemic had not only impacted the Census release schedule, but it also affected the data collection in 2020. As a result, there are some questions about the accuracy of 2020 Census data, but in the opinion of the analysts it still represents the best demographic information available.

In addition to the decennial census, the Census Bureau also produces annual demographic estimates and annual detailed reports through the American Community Survey. The most recent estimates from the American Community Survey are for 2021, based on surveys collected over a five-year period from 2017 to 2021. However, these estimates were made completely independent from the 2020 Census, and in some cases may deviate from the Census totals.

An additional data provider, Esri, Inc., has also been used for the Update. Esri is a private company that produces demographic data reports that are often used by financial institutions including the Minnesota Housing Finance Agency. Esri's current-year estimates are effective for 2023, with projections extending to 2028. Esri did incorporate the 2020 Census counts into basic demographic estimates, such as total population and household levels.

Market Area Designations

Consistent with past studies, the analysts have also examined an aggregated area referred to as "Greater Alexandria". Greater Alexandria includes the Cities of Alexandria and Forada, and the Townships of Alexandria, Carlos, Hudson, Lake Mary and LaGrand. Each of the Townships shares a common border with the City of Alexandria, and the City has extraterritorial planning jurisdiction for a portion of these Townships. Forada is a small city located just south of the Alexandria city limits.

For some demographic analyses, information has also been provided for all of Douglas County.

Population Trends Analysis

The following table tracks population change over time, using the decennial censuses data back to the year 1990.

Table 1 Population Trends - 1990 to 2020							
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020
Alexandria	7,838	8,820	12.5%	11,070	25.5%	14,335	29.5%
Greater Alex	18,455	21,428	16.1%	23,585	10.1%	26,071	10.5%
Douglas Co.	28,674	32,821	14.5%	36,009	9.7%	39,006	8.3%

Source: U.S. Census Bureau

2020 Data

- The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of people residing in each jurisdiction. The Census total had an effective date of April 1, 2020.

- In 2020, the population for the City of Alexandria was 14,335 people. When compared back to the 2010 Census, the City had added 3,265 permanent residents, for a population increase of 29.5%.

- The 2020 Census count continues a long pattern of strong growth for the community. However, it is known that part of the City's population increase over time has been due to annexation activity, as developed portions of adjoining townships have been brought into the city limits.

- The population change for the aggregated area defined as Greater Alexandria is not impacted by past annexation shifts between the various jurisdictions that include and surround the City of Alexandria. Between 2010 and 2020, the Greater Alexandria area added 2,486 permanent residents. When averaged over the 10-year time period, the Greater Alexandria area was growing by nearly 250 residents per year.

- If viewed over a longer time period, the growth of the Greater Alexandria area has been relatively consistent. If the 2020 population is compared back to the 1990 Census, the area has added an average of approximately 254 people per year over the past 30 years.

- The total resident population for Douglas County in 2020 was 39,006, up by 2,997 people from 2010. On an annual average basis, the County has been adding approximately 300 residents per year over the past decade.

- While the jurisdictions the form Greater Alexandria have represented most of the Countywide population growth over the last decade, some increase has also occurred in the remaining portions of the County. Approximately 83% of the County's population increase between 2010 and 2020 was attributable to the Greater Alexandria jurisdictions and 17% to the remainder of Douglas County.

Post-Census Estimates

- A post-Census population estimate for Alexandria is available from the MN State Demographer's Office. In 2022, the Demographer estimated the City's population at 15,263. When compared to the Census count of 14,335 residents in 2020, the City had continued to grow rapidly, adding 928 people between 2020 and 2022.

- In 2022, the Demographer estimated the population level for Greater Alexandria at 27,315. When compared to the Census count of 26,071 residents in 2020, the area had been growing rapidly, adding 1,244 people between 2020 and 2021.

- An estimate for 2023 was obtained from Esri for the Greater Alexandria area. It showed 26,701 people, up by 630 residents from 2020. Although Esri does show growth for the Greater Alexandria area, the average annual increase is lower than indicated by other sources.

- No estimate for Alexandria was obtained from Esri due to the difficulties of a national data provider in accurately tracking annexation activity.

- Esri estimated that Douglas County had 39,932 residents in 2023, up from 39,006 in 2020. If accurate, the County added nearly 300 people in the remaining County jurisdictions outside of Greater Alexandria.

Population Characteristics

- The 2020 Census listed nearly 92% of the residents of Alexandria as White for race. More than 4% of the population identified that they were Two or More races. Fewer than 3.5% of the City's residents identified their ethnicity as Hispanic/Latino in the 2020 Census.

Group Quarters Population Data

The decennial Census counts some permanent residents as living in "group quarters" housing rather than in independent households. There are many types of group quarters housing, but the most common are nursing homes, correctional facilities, college housing/dormitories, and residential group homes. The following tables track the changes in this population subset over the past decades in Alexandria.

Table 2 Group Quarters Populations in Alexandria: 1980 to 2020					
	1980 Census	1990 Census	2000 Census	2010 Census	2020 Census
Alexandria	392	263	475	366	661

Source: U.S. Census

- According to the 2020 Census, Alexandria had 661 people residing in some type of group quarters housing. This was up substantially from 366 people in 2010.

By comparing the classifications in 2010 and 2020, some insights can be gained into the growth of group quarters residents.

Table 3 Group Quarters Populations by Type: 2010 to 2020			
	2010 Census	2020 Census	Change
Nursing Homes	222	422	+200
Correctional facilities	59	38	-21
College Housing	0	63	+63
Other Institutional	4	7	+3
Other Noninstitutional	81	131	+50
Total	366	661	+295

Source: U.S. Census

- The largest increase in group quarters residents was in nursing homes in Alexandria. Presumably, this total would include some people living in other types of specialized senior housing, such as memory care and possibly assisted living units. Past Censuses did not appear to count these types of facilities as group quarters, but may have in 2020.

- Alexandria also had an increase due to student housing. Presumably this would represent Foundation Hall which was constructed near the campus. If this is the building counted as student housing, it did have significantly greater potential capacity for students, with more than 140 beds. However, the Covid pandemic in 2020 could have resulted in many students having moved from the building when the Census was conducted. It is also possible that some students were counted at a different residence, such as their permanent home when not in school.

- Alexandria also had a large increase in people living in some type of noninstitutional facility, which could include residential group homes.

Population by Age Trends: 2010 to 2020

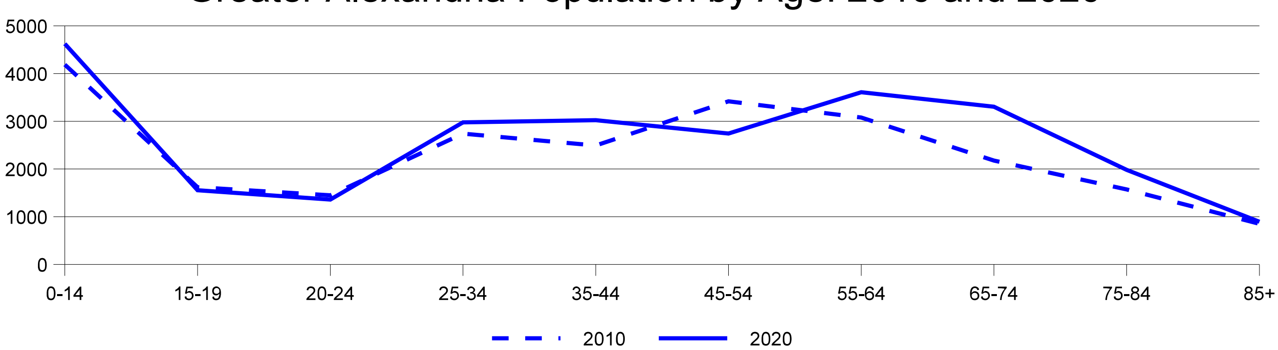
The following table compares population by age changes in Greater Alexandria between 2010 and 2020, using the decennial census data. Due to annexation activity in Alexandria, the Greater Alexandria area has been examined as a more informative review of changing age patterns.

Table 4 Greater Alexandria Population by Age - 2010 to 2020

Age	2010	2020	Change
0-14	4,188	4,623	+435
15-19	1,618	1,555	-63
20-24	1,450	1,359	-91
25-34	2,740	2,977	+237
35-44	2,493	3,022	+529
45-54	3,419	2,744	-675
55-64	3,079	3,610	+531
65-74	2,176	3,305	+1,129
75-84	1,571	1,981	+410
85+	851	895	+44
Total	23,585	26,071	+2,486

Source: U.S. Census

Greater Alexandria Population by Age: 2010 and 2020



- Between 2010 and 2020, the combined jurisdictions that form Greater Alexandria added 2,486 permanent residents. With strong overall population growth, most of the defined age ranges experienced an increased number of people during this time.

- The largest increase of any age range occurred within the senior citizen group, age 65 to 74. This 10-year range added 1,129 people. This would largely reflect the advancement of the large “baby boom” generation through the aging cycle.

- All of the age ranges 55 and older increased in size between 2010 and 2020, although growth among people age 85 and older was very limited. If all of the ranges age 55 and older are combined, the Greater Alexandria area added 2,114 people.

- Greater Alexandria also added a large number of children, age 14 and younger between 2010 and 2020. There was also strong growth in the 25 to 44 year old age ranges, as more adults in the prime child-rearing age groups was reflected in the increase of younger children.

- The 2020 Census indicated that the number of older children and young adults between 15 and 24 years old decreased in size. The older end of this range may include traditional post-secondary student ages.

- The largest estimated population loss occurred in the 45 to 54 year old range. This largely reflected the age cohort trailing immediately behind the advancing baby boomers. The trailing age cohort was not as large and did fully replace the advancing age groups.

- If all of the adult age groups between 20 and 54 years old are aggregated, there was no increase in the population in Greater Alexandria, as growth within some ranges was negated by losses in others.

Population Projections

The following table presents population projections generated by Esri, and span the five-year period from 2023 to 2028. No specific projection was obtained for the City of Alexandria, as previous annexations have made the calculation of future change difficult to predict. Esri's estimates and projections for the aggregated Greater Alexandria area are more reliable, since they are not impacted by annexation between jurisdictions.

Table 5 Population Projections Through 2028

	2020 Census	2023 Estimate	2028 Projection	Change
Greater Alexandria	26,071	26,701	27,288	587 / 2.2%
Douglas County	39,006	39,932	40,694	762 / 1.9%

Source: Census Bureau; Esri

- Esri's projection for Greater Alexandria expects the area to add nearly 600 permanent residents between 2023 and 2028. On an average annual basis, this would equal approximately 117 people per year. In the opinion of the analysts, this represents a very conservative forecast. Between 2010 and 2020 the combined jurisdictions that form Greater Alexandria added an average of approximately 250 people per year.

- The projection for all of Douglas County expects 762 people to be added over the 5-year time period. When Greater Alexandria is removed, the remainder of the County is projected to add 175 residents by 2028, or an average of 35 people per tear. For comparison, the County jurisdictions outside of Greater Alexandria added between 40 and 50 people per year between 2010 and 2020.

- Although the analysts have reviewed the projections available from Esri, in the recommendations that follow later in this document, a higher level of projected population and household growth has been used, as Esri has an overly conservative view of the area's growth potential.

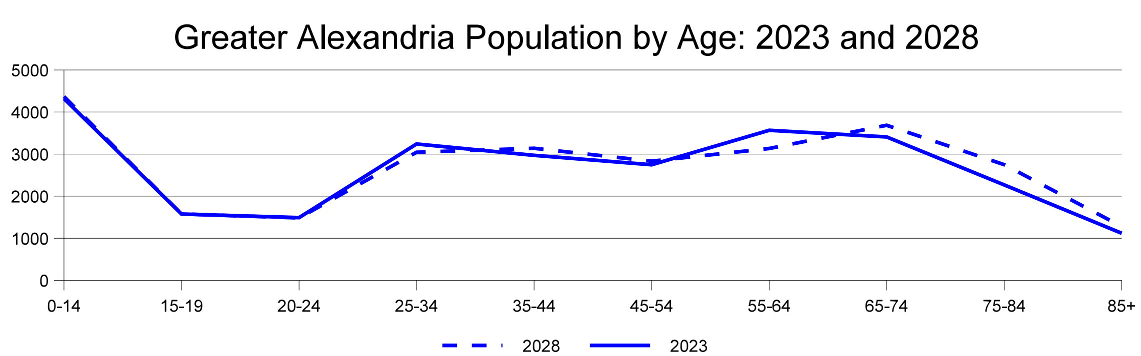
Projected Population by Age

Esri provides projection data within defined age groups, which can be used to anticipate future changes in the area's demographic composition. The following table is for the entire Greater Alexandria area.

It is important to state that Esri has a very conservative projection of the area's growth potential through 2028. It is probable that the total population for the Greater Alexandria area will be at least 2% or more above the Esri forecast for 2028.

Table 6 Greater Alexandria Projected Population by Age: 2023 to 2028			
Age Range	2023 Estimate	2028 Projection	Change
0-14	4,319	4,368	+49
15-19	1,576	1,578	+2
20-24	1,490	1,482	-8
25-34	3,239	3,043	-196
35-44	2,970	3,138	+168
45-54	2,746	2,832	+86
55-64	3,567	3,133	-434
65-74	3,409	3,686	+277
75-84	2,268	2,750	+482
85+	1,117	1,278	+161
Total	26,701	27,288	+587

Source: Esri



- Esri's projections expect the Greater Alexandria area to add nearly 600 permanent residents by 2028. However, this forecast is very conservative, and the combined jurisdictions are likely to add at least 800 more people than Esri is projecting. As a result, the changes within defined age ranges are also conservative but do provide an indication of the general trends that should be evident in the area's changing age patterns over the next five years.

- Esri is projecting that the largest numeric increases will occur within the senior citizen age groups, especially in the 75 to 84 and 65 to 74 year old ranges. In total, even these conservative projections show the area adding 920 people age 65 and older.

- These projections expect Greater Alexandria to add approximately 50 children and young adults, age 19 and younger by 2028. However, almost no change is expected in the 20 to 24 year old age group, that would include many of the post-secondary students living in the area.

- Esri is projecting a decrease of young adults in the 25 to 34 year old age group, but growth in the 35 to 44 year old range. As a result, only a minor net decrease would be expected in the 20-year range between 25 and 44 years old.

- The largest projected decrease is expected in the near-senior age range between 55 and 64 years old. Despite some limited growth in the 45 to 54 year old age group, the Greater Alexandria area is projected to have fewer residents in the 20-year range between 45 and 64 years old.

Household Trends Analysis

The following table tracks household change over time, using the decennial census data back to the year 1990.

Table 7 Household Trends - 1990 to 2020							
	1990 Census	2000 Census	% Change 1990-2000	2010 Census	% Change 2000-2010	2020 Census	% Change 2010-2020
Alexandria	3,527	4,047	14.7%	5,298	30.9%	6,566	23.9%
Greater Alex	7,227	8,760	21.2%	10,155	15.9%	11,157	9.9%
Douglas County	10,988	13,276	20.8%	15,289	15.2%	16,557	8.3%

Source: U.S. Census

2020 Data

- The release of population totals from the 2020 U.S. Census has established a new benchmark for the number of occupied housing units living permanently in each jurisdiction. The Census total had an effective date of April 1, 2020.

- In 2020, the City of Alexandria had 6,566 permanent resident households. When compared back to the 2010 Census, the City had added 1,268 households, for an increase of nearly 24%.

- The 2020 Census count continues a long pattern of strong growth for the community. However, it is known that part of the City's household growth over time has been due to annexation activity, as existing housing units and households from adjoining townships have been brought into the city limits.

- The household change for the aggregated area defined as Greater Alexandria was not impacted by past annexation shifts between the various jurisdictions that include and surround the City of Alexandria. Between 2010 and 2020, the Greater Alexandria area added 1,002 permanent households. This total would not include seasonal/recreational residents that had a permanent home elsewhere. When averaged over the 10-year time period, the Greater Alexandria area was adding 100 households per year.

- If viewed over a longer time period, the growth of the Greater Alexandria area has actually been slowing over the decades. In the 1990s, the Greater Alexandria Area added an average of 153 households per year. From 2000 to 2010, this annual average dropped slightly to approximately 140 households per year. From 2010 to 2020 the area averaged 100 additional households annually.

- Douglas County had 16,557 households in 2020, up by 1,268 from 2010. The jurisdictions forming Greater Alexandria represented 79% of the net household growth for the County over the decade, with the remaining jurisdictions accounting for 21%.

Post-Census Estimates

- A post-Census estimate for Alexandria is available from the MN State Demographer's Office. In 2022, the Demographer estimated that the City had 6,924 permanent households. When compared to the Census count of 6,566 households in 2020, the City had continued to grow, adding 358 households between 2020 and 2022.

- In 2022, the Demographer estimated that Greater Alexandria had 11,581 households. When compared to the Census count of 11,157 in 2020, the area had added 424 households between 2020 and 2022.

- An estimate for 2023 was obtained from Esri for the Greater Alexandria area. It showed 11,508 households, up by 351 households from 2020. If accurate, Esri's estimated show the area adding an annual average of 117 households over the past three years. For comparison, Greater Alexandria averaged approximately 100 additional households annually between 2010 and 2020.

- No estimate for Alexandria was obtained from Esri due to the difficulties of a national data provider in accurately tracking annexation activity.

- Esri's 2023 estimate for all of Douglas County showed 17,033 households, up from 16,557 households in 2020. If accurate, the County added 125 households in the remaining County jurisdictions outside of Greater Alexandria.

Average Household Size

The following table provides decennial Census information on average household size dating back to 1990.

Table 8 Average Number of Persons Per Household 1990 to 2020				
	1990 Census	2000 Census	2010 Census	2020 Census
Alexandria	2.15	2.06	2.02	2.08
Greater Alexandria	2.49	2.39	2.28	2.27
Douglas County	2.56	2.42	2.32	2.31

Source: U.S. Census

- Household formation has typically been occurring at a different rate than population change in recent decades due to a steady decrease in average household size. This has been caused by household composition changes, such as more single person and single parent families, fewer children per family, and more senior households due to longer life spans.

- At the time of the 2020 Census, the average household in the City of Alexandria contained 2.08 persons. Although the City's average household size increased slightly between 2010 and 2020, the City's average was still very small by comparative standards.

- The average household size for the aggregated Greater Alexandria jurisdictions represents a better indicator of trends, as the impact of past annexation activity is not present. The average household size for Greater Alexandria was 2.27 persons in 2020, nearly unchanged from 2010. However, if compared to 1990, the area does have a long-term pattern of fewer people per household.

- The average household size for all of Douglas County, at 2.31 persons in 2020, had also changed very little over the past decade. While the County's average has also been decreasing gradually in recent decades, it did remain larger than the average for all of Greater Alexandria.

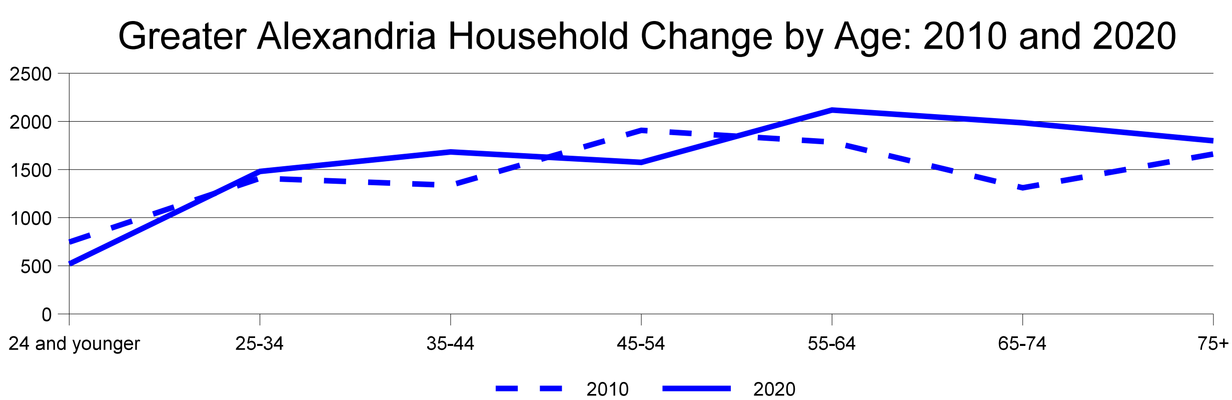
Household Age Trends: 2010 to 2020

The following table examines the area's changing age patterns using distribution of households by age of householder. The 2020 Census has been compared back to 2010 for the entire Greater Alexandria area.

Table 9 Greater Alexandria Households by Age - 2010 to 2020

Age Range	2010 Census	2020 Census	Change
24 and younger	746	518	-228
25-34	1,409	1,480	+71
35-44	1,337	1,683	+346
45-54	1,907	1,574	-333
55-64	1,785	2,118	+333
65-74	1,310	1,985	+675
75 and older	1,661	1,799	+138
Total	10,155	11,157	+1,002

Source: U.S. Census



- Between 2010 and 2020, the Greater Alexandria area added more than 1,000 total households. With strong overall growth, there was an increase in the number of households within most of the defined 10-year age ranges.

- Much of the estimated change occurred in the prime "baby boomer" age groups, with a net gain of more than 1,000 households in the 20-year range between 55 and 74 years old.

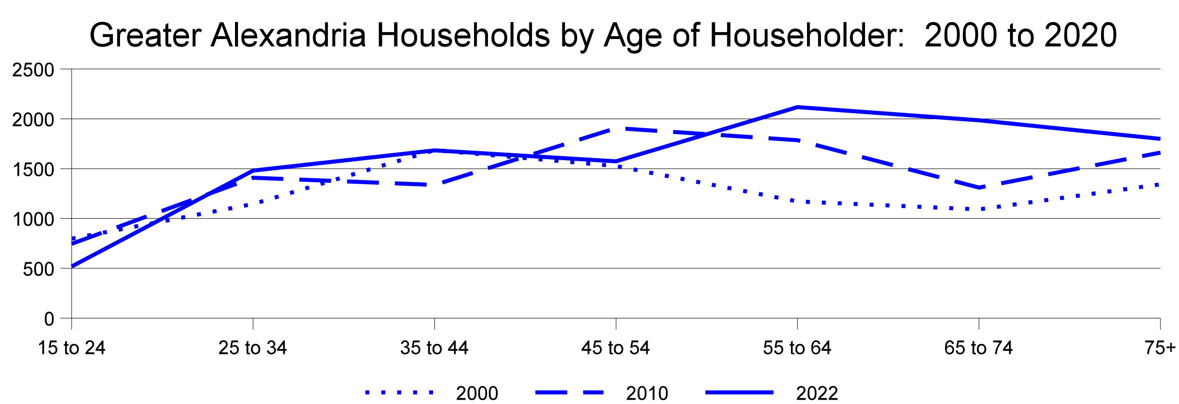
- There was especially strong growth from in households age 65 to 74 years old, with an increase of 675 households in this 10-year range.

- The number of households age 55 to 64 and age 75 and older also increased between 2010 and 2020. If combined, the Greater Alexandria area had an increase of 1,146 households age 55 and older.

- There was fairly strong growth in the number of younger households in the 35 to 44 year old range, with an increase of 346 households between 2010 and 2020. There was also some increase in the 25 to 34 year old range. This 20-year age group would partially represent the "millennial" generation moving through the aging cycle.

- Despite some growth from households in the 25 to 44 year old group, there were reductions in the other younger adult ranges. As a result, there was a net reduction of 144 households age 54 and younger in the Greater Alexandria area between 2010 and 2020.

- Using information from previous housing studies for Alexandria, it is possible to examine the longer-term patterns of household changes by age, dating back to the year 2000.



- Looking back to the year 2000, it is possible to track the "wave" progression as the baby boom households move through the aging cycle. Many of the baby boomers were in the 35 to 54 year old range in 2000, in the 45 to 64 year old range in 2010, and in the 55 to 74 year old range by 2022.

- Overall, there has been a large increase of households age 55 and older between 2000 and 2020.

Household Projections

The following table presents household projections from Esri, for the period between 2023 and 2028. Esri's base-year estimates for 2023 and projections for 2028 were produced after the release of 2020 Census data, and are generally consistent with the Census totals.

Once again, projections for Greater Alexandria have been presented due to the difficulty of making projections for the City of Alexandria because of past annexation activity.

Table 10 Household Projections to 2028

	2020 Census	2023 Estimate	2028 Projection	Change
Greater Alexandria	11,157	11,508	11,830	322 / 2.8%
Douglas County	16,557	17,033	17,484	451 / 2.6%

Source: Census Bureau; Esri

- Esri's projection for the Greater Alexandria area expects the addition of only 322 households over the 5-year time period, or an annual average of approximately 64 households per year. In the opinion of the analysts, this projection is very conservative as Greater Alexandria recorded average annual growth of 100 or more households per year between 2010 and 2020.

- The projection for all of Douglas County shows 451 households being added between 2023 and 2028, for an average of 90 households per year. This forecast would expect most of the County's household growth to be located within the jurisdictions that form Greater Alexandria. Once again, the analysts view this as a very conservative projection.

- Although the analysts have reviewed the projections available from Esri, in the recommendations that follow later in this document, a higher level of projected population and household growth has been used.

Projected Households by Age

Esri provides projection data within defined 10-year age groups, which can be used to anticipate future changes in the demographic composition. The following table is for the entire Greater Alexandria area.

Esri's 2023 estimates for household distribution by age do show some differences with the age patterns reported in the 2020 Census. However, there is also a three year difference in the effective dates of the data, and some variation would be due to changes over time. The numeric change between 2023 and 2028 should be viewed as a general demographic trend, rather than an exact prediction of household change.

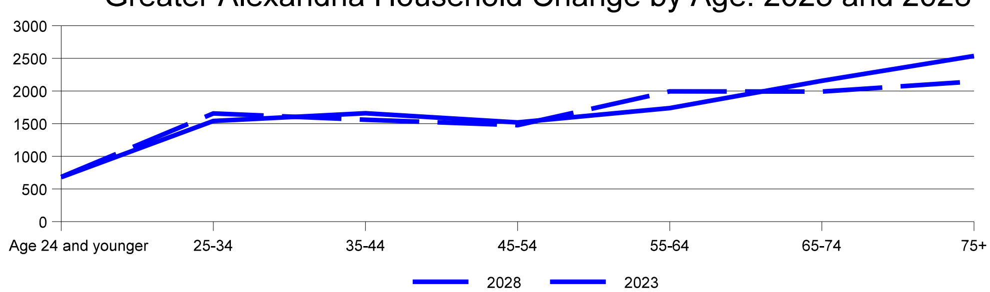
It is also important to state that Esri has a very conservative projection of the area's overall growth potential through 2028. It is probable that the total household count for the Greater Alexandria area will be approximately 5% to 7% higher than the Esri forecast for 2028.

Table 11 Greater Alexandria Projected Households by Age: 2023 to 2028

Age Range	2023 Estimate	2028 Projection	Change
24 and younger	684	680	-4
25-34	1,657	1,541	-116
35-44	1,560	1,659	+99
45-54	1,476	1,519	+43
55-64	1,994	1,738	-256
65-74	1,991	2,156	+165
75 and older	2,146	2,537	+391
Total	11,508	11,830	+322

Source: Esri

Greater Alexandria Household Change by Age: 2023 and 2028



- Esri's age-based projections expect the Greater Alexandria area to add only 322 households between 2023 and 2028. This forecast is low, and the area will probably add more than 500 total households during this time period. However, the trends indicated in the Esri data do offer insights into the probable aging patterns for Greater Alexandria.

- By 2028, the largest numeric change within any age range would be expected from older senior households, age 75 and older.

- The next largest growth is projected among younger senior households, age 65 to 74. By 2028, nearly all of the large baby boom generation will be age 65 or older and their impact will be evident in the age patterns for Greater Alexandria.

- Trailing behind the baby boomers was a smaller demographic cohort, and an expected decrease will occur among households age 55 to 64 years old. This age group will not fully replace the advancing age cohort resulting in fewer near-senior households by 2028.

- Esri's projections do show solid growth in the 35 to 44 year old range, as well as some growth in the 45 to 54 year old range. However, expected reductions from households age 34 and younger negate much of this growth. If all of the age ranges 54 and younger are combined, the Esri projections expect a net increase of fewer than 25 households. While this is viewed as a conservative forecast, it does point to limited projected growth in the number of younger adult households in the Greater Alexandria area.

Households by Type

The 2020 Census can be compared to statistics from 2010 to examine changes in household composition over the prior decade. The following table looks at household trends within the Greater Alexandria area.

Table 12 Greater Alexandria Household Composition - 2010 to 2020

	2010 Census	2020 Census	Change
Family Households			
Married couple with children under 18	1,818	1,906	+88
Married couple without children under 18	3,508	3,773	+265
Other families with children under 18	696	729	+33
Other families without children under 18	369	499	+130
Total Families	6,391	6,907	+516
Non-Family Households			
Single Person	3,024	3,572	+548
Two or more persons	740	678	-62
Total Non-Families	3,764	4,250	+486

Source: U.S. Census

- Between 2010 and 2020, the Greater Alexandria area experienced strong net growth in the number of both family and non-family households. As a result, most of the identified household types increased in size over the decade.

- The largest increase of any household type occurred from people living alone, as the number of one person households increased by nearly 550 households.

- The second largest increase occurred among married couple families without children age 18 or younger. This group added 265 households in Greater Alexandria between 2010 and 2020.

- While there was some increase in families with children, the growth from these households was much less than from households without children. Empty-nester households would be consistent with the area's increase in senior-headed households.

Household Occupancy Tenure Information

Housing occupancy tenure information from the 2020 Census can be compared back to 2010 to track housing preference patterns over the prior decade. The first table examines the City of Alexandria while the second table is for Greater Alexandria.

Table 13 Alexandria Housing Tenure: 2010 to 2020					
Owners			Renters		
2010 Census	2020 Census	Change	2010 Census	2020 Census	Change
2,761	3,543	+782	2,537	3,023	+486

Source: U.S. Census

- Between 2010 and 2020, the City of Alexandria added 782 owner-occupancy households and 486 renter-occupancy households. While some of this was actual household growth within the City from new households, there were also existing households added via annexation of adjoining Township areas.

- In 2020, the home ownership rate in Alexandria was 54.0% compared to 52.1% in 2010.

Table 14 Greater Alexandria Housing Tenure: 2010 to 2020					
Owners			Renters		
2010 Census	2020 Census	Change	2010 Census	2020 Census	Change
7,218	7,818	+600	2,937	3,339	+402

Source: U.S. Census

- Housing occupancy tenure information for Greater Alexandria also shows a strong net increase in both owner and renter households. These changes would not have been impacted by annexation between jurisdictions.

- Over the last decade, the number of owners increased by 600 households, while the number of renters increased by 402 households.

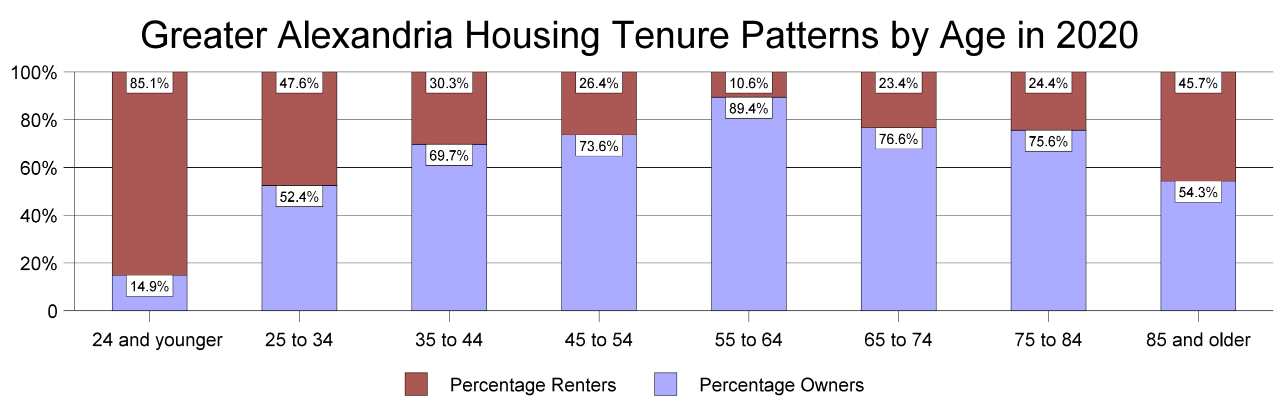
- The home ownership rate for Greater Alexandria was 70.1% in 2020, down slightly from 71.1% in 2010.

Tenure by Age of Householder

The 2020 Census provided details on the distribution of owner and renter households within defined age ranges. The following table examines the percentages of renters and owners in each age group for Greater Alexandria.

Table 15 Housing Occupancy Tenure by Age of Householder: 2020				
Age	Home Owners		Renters	
	Number	% in age range	Number	% in age range
24 and younger	77	14.9%	441	85.1%
25-34	776	52.4%	704	47.6%
35-44	1,173	69.7%	510	30.3%
45-54	1,159	73.6%	415	26.4%
55-64	1,724	89.4%	204	10.6%
65-74	1,665	76.6%	510	23.4%
75-84	949	75.6%	307	24.4%
85 and older	295	54.3%	248	45.7%
Total	7,818	70.1%	3,339	29.9%

Source: U.S. Census



- Household tenure by age patterns show a preference for home ownership in most of the defined age ranges. In Greater Alexandria only one group, households 24 and younger, predominantly rented their housing in 2020.

- Home ownership rates were approximately 70% or higher for each of the 10-year age groups between 35 to 84 years old.

- The home ownership rate was very high for households in the 55 to 64 year old age group. Fewer than 11% of all households in this age range lived in rental housing.

- Although the home ownership rates for most senior-headed households were high in 2020, the rate of ownership dropped significantly for older seniors age 85 and above. Within this age range the home ownership rate was at 54.3%, compared to 75.6% for seniors in the 75 to 84 year old age group. In recent decades there has been a large expansion of specialized senior housing options in Alexandria which have catered to the changing life-cycle needs of older seniors.

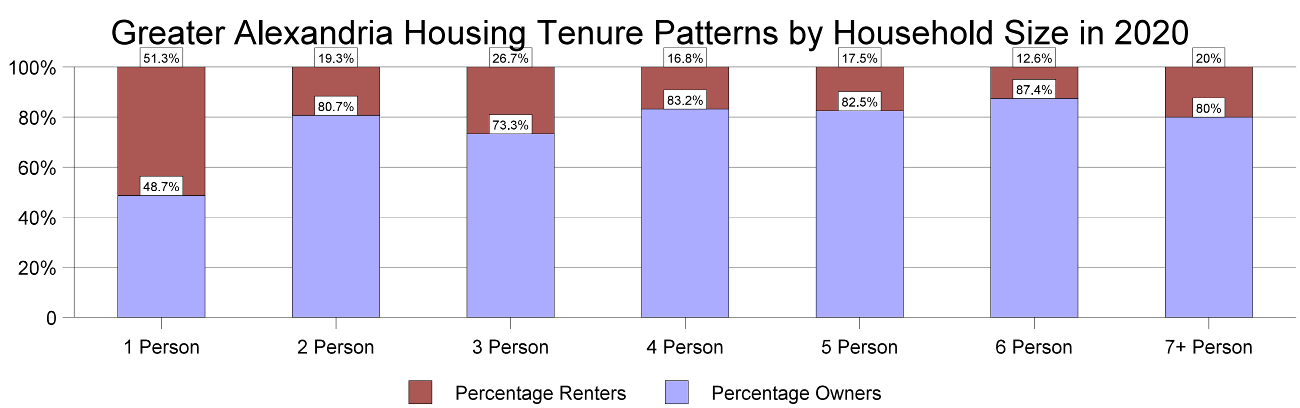
Tenure by Household Size

The 2020 Census also provided information on housing occupancy tenure by household size. This can be compared to the 2010 Census distribution to better understand trends for housing unit needs. The following tables provide information for renter and owner households in Greater Alexandria.

Table 16 Greater Alexandria Tenure by Household Size: 2010 to 2020

Household Size	Home Owners			Renters		
	2010	2020	Change	2010	2020	Change
1-Person	1,509	1,739	+230	1,515	1,833	+318
2-Person	3,223	3,497	+274	799	839	+40
3-Person	962	905	-57	334	330	-4
4-Person	935	1,001	+66	182	202	+20
5-Person	440	444	+4	73	94	+21
6-Person	112	160	+48	26	23	-3
7-Persons+	37	72	+35	8	18	+10
Total	7,218	7,818	+600	2,937	3,339	+402

Source: U.S. Census



- Over the last decade, most of the overall growth in households in Greater Alexandria was linked to an increase of one and two person households. The area added 862 households with two or fewer members, while adding only 140 households with three or more members. This would be consistent with some of the other demographic data provided earlier, including an aging population and a smaller average household size.

- Household size is often an indicator of housing occupancy preference. For one person households, the frequency of renter-occupancy was at 51.3% in 2020, while 48.7% of one person households were home owners.

- This pattern changed significantly for households with two or more members. The home ownership rate was above 73% for each set of households with two or more members.

Median Income Data

Income estimates are available at the city and county level through the Census Bureau's American Community Survey. The most recent estimates are for 2021.

Since the Greater Alexandria area represents an aggregated geography of individual jurisdictions, no median income estimates are available from the American Community Survey. However, it is possible to extrapolate an approximate median based on the household income distribution data. The medians for Greater Alexandria have been generated by the analysts.

Household income represents all independent households, including people living alone and unrelated individuals together in a housing unit. Families are two or more related individuals living in a household. Family incomes tend to be higher than the overall household median, as families have at least two household members, and potentially more income-earners, while many non-family households have only one household member.

Table 17 Median Income - 2010 to 2021

	2010 Median	2021 Median	% Change
Households			
Alexandria	$32,976	$54,193	64.3%
Greater Alexandria*	$46,007	$67,647	47.0%
Douglas County	$46,789	$69,069	47.6%
Minnesota	$57,243	$77,706	35.7%
Families			
Alexandria	$49,522	$78,738	59.0%
Greater Alexandria*	$62,908	$87,024	38.3%
Douglas County	$59,953	$84,773	41.4%
Minnesota	$71,307	$98,356	37.9%

Source: ACS; Community Partners Research, Inc.

- According to the American Community Survey, the median household income for the City of Alexandria was $54,193 in 2021. The City's median had been rising rapidly since 2010, up by more than 64%, but still remained well below the comparable medians for Greater Alexandria, Douglas County and the State of Minnesota.

- The median family income in Alexandria was higher, at $78,738 in 2021. This median had also been rising rapidly when compared to 2010, but was well below the comparable medians for the area, County and State.

- Income levels improved when the jurisdictions around Alexandria were added. The extrapolated median household income for the Greater Alexandria area was $67,647 in 2021. If 30% of income was applied to housing costs, a median income household could pay approximately $1,691 per month.

- The extrapolated median family income for the Greater Alexandria area was $87,024. At 30% of income, a family at the median level could apply $2,176 toward housing costs.

- Although households and families at the respective median income levels do have a significant amount available for monthly housing costs, it is important to note that a disparity exists between home owner households and renter households. Renters tend to have income levels that are well below the medians, while home owners typically have higher incomes. As a result, most existing renter households cannot apply these listed amounts to monthly housing costs.

Household Income Distribution by Tenure: 2021

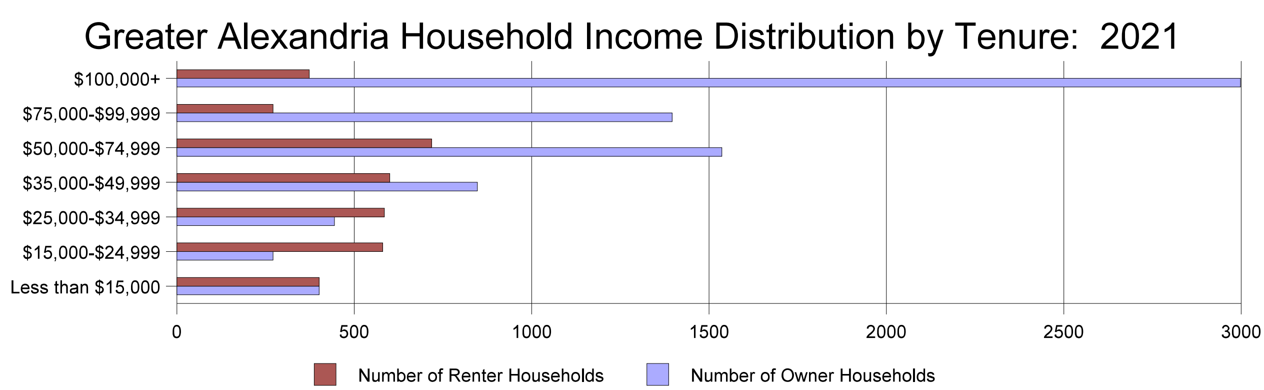
The American Community Survey contains household income distribution estimates. This information is available by ownership or renter status.

The 2021 American Community Survey estimates for the Greater Alexandria area appear to slightly over estimate the number of households, when compared to the 2020 Census, but the difference was probably less than 1.5%. While the home owner estimate for 2021 was relatively accurate, the American Community Survey appeared to have over estimated the number of renters. However, the relative distribution of households by income is the best available information on this topic.

Table 18 Greater Alexandria Income Distribution by Tenure: 2021

Household Income	Owner Households	Renter Households	Total Households
$0 - $14,999	401 / 5.1%	401 / 11.4%	802 / 7.0%
$15,000 - $24,999	271 / 3.4%	580 / 16.4%	▸851 / 7.5%
$25,000 - $34,999	444 / 5.6%	585 / 16.6%	1,029 / 9.0%
$35,000 - $49,999	847 / 10.7%	600 / 17.0%	1,447 / 12.7%
$50,000 - $74,999	1,536 / 19.5%	718 / 20.4%	2,254 / 19.7%
$75,000 - $99,999	1,396 / 17.7%	271 / 7.7%	1,667 / 14.6%
$100,000+	2,998 / 38.0%	373 / 10.6%	3,371 / 29.5%
Total	7,893	3,528	11,421

Source: American Community Survey



- Within the moderate to higher income ranges, there was a greater frequency for home ownership. Nearly 56% of all home owners in Greater Alexandria in 2021 had an annual income of $75,000 or more.

- Most renter households had more moderate or lower income levels. In 2021, more than 61% of all renter households in Greater Alexandria had an annual income below $50,000.

- Since the Greater Alexandria area is an assembled geography, the American Community Survey does not provide an estimated median income by housing tenure. However, an approximate median can be extrapolated from the distribution data.

- For all renter households, the estimated median income level in 2021 was approximately $39,950 in Greater Alexandria.

- For all home owners, the estimated median income was approximately $83,014 in 2021 in Greater Alexandria.

Renter Housing Cost Burden

The American Community Survey includes information on housing costs for renter households. Generally, it is the goal of housing assistance programs to limit housing costs to no more than 30% of household income. This is especially true for lower income households, with limited amounts of income available for discretionary spending.

When more than 30% is applied, this is often referred to as a "housing cost burden". When 35% or mor of income is required, this may represent a "severe housing cost burden".

The following table examines the percentage of income required by renter households for monthly housing costs. Information is provided for renter households within different age ranges. Percentages are calculated for each column. This information is only for the City of Alexandria, which is the location for the large majority of area renter households.

Table 19 Alexandria Renter Household Cost Burden - 2020				
Percent of Income for Housing	Age 24 and Younger	Age 35 to 64	Age 65 and Older	Total
Less than 20%	255 / 31.4%	540 / 36.3%	60 / 6.6%	855 / 26.6%
20% to 29.9%	146 / 18.0%	355 / 23.8%	239 / 26.1%	740 / 23.0%
30% to 34.9%	159 / 19.6%	92 / 6.2%	218 / 23.8%	469 / 14.6%
35% or more	208 / 25.6%	399 / 26.8%	399 / 43.6%	1,006 / 31.3%
Not Computed	44 / 5.4%	103 / 6.9%	0 / 0%	147 / 4.6%
Total	812	1,489	916	3,217

Source: American Community Survey

- Using a standard at 30% of income, most renter households in Alexandria did not have a cost burden for rental housing in 2021. However, nearly 46% of all renters did need to apply 30% or more of their income to housing costs. Most of the cost burdened households were actually applying 35% or more of their income to housing.

- For senior citizen renters, more than 67% reported a cost burden. Most of these households were applying 35% or more of their income to housing.

- Alexandria does have a post-secondary student population. While student households are not specifically identified by enrollment status, there is information about renter households age 24 and younger. Among these younger adult households, more than 45% were paying 30% or more of their income for housing.

- Households in the age ranges between 25 and 64 years old had the lowest incidence of a cost burden, with 33% applying 30% or more of their income for rental housing.

- The American Community Survey includes an estimate of the median percentage of income that was applied to rental housing costs in 2021. For renter households in Alexandria, the estimated median was 28.9% of income.

Owner Housing Cost Burden

The American Community Survey also includes information on housing costs for home owners. The following table examines the percentage of income required by Alexandria owner households for monthly housing costs. Information is provided for owner households with and without a mortgage on their home. Percentages are calculated for each column.

Table 20 Alexandria Owner Household Cost Burden - 2021			
Percent of Income for Housing	Households with a Mortgage	Households without a Mortgage	Total
Less than 20%	1,083 / 49.4%	1,033 / 75.1%	2,116 / 59.3%
20% to 29.9%	539 / 24.6%	203 / 14.8%	742 / 20.8%
30% or more	572 / 26.1%	139 / 10.1%	711 / 19.9%
Not Computed	0 / 0%	0 / 0%	0 / 0%
Total	2,194	1,375	3,569

Source: American Community Survey

- Most owner-occupants, which would include both households with or without a mortgage, reported paying less than 30% of their income for housing. Mortgage lending practices generally attempt to keep monthly payments below this level of household income.

- Nearly 20% of all home owners reported that they paid more than 30% of their income for housing.

- As would be expected, the majority of cost-burden home owners had a mortgage on their home. However, approximately 10% of home owners without a mortgage also reported a cost burden. In these cases, it was generally a low annual income that has caused the cost burden, such as a retiree that owned their home but lived on a fixed income.

- The American Community Survey provides an estimate of the median percentage of income paid by home owners in Alexandria for housing. In 2021, the median required for home ownership was 17.2%.

Building Permit Trends

The following table identifies new housing units that have been issued a building permit since the year 2010. Information for 2023 is partial-year, and reflects activity through June.

The City of Alexandria has planning and building permit authority for an area that extends beyond the actual city limits, into adjoining portions of contiguous townships. In this document, three tables have been provided.

The first table shows units constructed within the city limits of Alexandria. The second shows permits that are outside the City but in the code enforcement area. The third table attempts to identify units that are within the Greater Alexandria jurisdictions, including any new units constructed outside the City's extraterritorial permitting jurisdiction.

City of Alexandria

The reports obtained from the City did not always differentiate different structure types. As a result, single family permits may include twin homes or town house units that were individually permitted for intended owner-occupancy. When details on attached units were provided, they have been identified in the table below.

Table 21 Alexandria Housing Construction Activity: 2010 to 2023*					
Year	Single Family Detached	Single Family Attached	Multifamily Rental	Specialized/ Senior Housing	TOTAL
2023*	31	0	0	41	72
2022	32	2	0	0	34
2021	36	6	153	0	195
2020	48	6	109	0	163
2019	40	4	70	0	114
2018	37	8	141	0	186
2017	29	3	12	0	44
2016	20	7	54	0	81
2015	34	12	18	116	180
2014	24	**	67	0	91
2013	31	**	24	37	92
2012	14	**	63	0	77
2011	25	**	0	41	66
2010	20	28***	36	152	236
TOTAL	421	62	747	387	1631

Source: City of Alexandria
* 2023 activity is through July 10
** City reports did not differentiate between attached and detached housing for these years
*** Cooperatively-owned housing units

- From 2010 through early July 2023, there were an estimated 1,631 total housing units that were permitted in Alexandria, based on building permit issuance. This total would include some housing that has been permitted but not yet constructed or available for occupancy in 2023.

Owner-occupancy Construction

- From 2010 through 2019, approximately 274 single family housing units were permitted in Alexandria, presumably intended for owner-occupants. These units should have completed construction and been counted in the 2020 Census, which was conducted in April 2020.

- From 2020 through early July 2023, an additional 161 single family houses were permitted in the City. It is doubtful that any of the 2020 permits would have been counted by the 2020 Census.

- Prior to 2015, attached single family housing, such as twin homes and town houses constructed for owner-occupancy, were listed in the single family permitting totals. Beginning in 2015, it has generally been possible to differentiate attached single family units from detached houses.

- There have also been some cooperatively-owned units and some freestanding units constructed in association-managed developments, which are sometimes referred to as "detached town homes", since they are on managed land parcels.

- Based on the available information, it would appear that the City added approximately 260 owner-occupancy housing units in single family detached and attached units, along with cooperatively owned housing, between 2010 and 2019. These units should have been included in the 2020 Census data collection process. Over this 10-year period, Alexandria averaged 26 owner-occupancy units per year.

- From 2020 through 2022, an additional 130 owner-occupancy units were added. Over the 3-year time period the City averaged approximately 43 owner-occupancy housing starts per year. Through less than seven months in 2023, 32 single family permits had been issued.

- It is possible that some of the single family construction in Alexandria is intended for seasonal/recreational use occupancy, rather than for permanent resident households, but the majority of units should be for residents.

Multifamily Renter-occupancy Construction

- A majority of the housing unit construction in Alexandria since 2010 has been in larger multifamily projects intended for renters. Including specialized care senior units and other types of very targeted special-use housing, there were approximately 761 rental units constructed between 2010 and 2019, which should have been counted in the 2020 Census.

- There were 70 additional units permitted in 2019, but that had not yet been constructed when the Census was conducted in April 2020. These 70 units, along with 262 additional units permitted from 2020 through 2022 have further expanded the post-Census rental inventory.

- Over the entire 13-year period spanning 2010 to 2022, the City averaged approximately 84 rental housing units per year of all types, including specialized housing options for seniors.

- In 2023, a permit had been issued for a student housing project, believed to contain 41 units with 15o bed capacity. More multifamily permits may be issued later in 2023.

Multifamily Rental Project Summary

The major multifamily projects permitted since 2010 include:

2023

- ***Foundation Hall 2*** - A second phase of student housing development with an estimated 41 units

2021

- ***Ridgeview Apartments*** - An 80-unit market rate project

- ***Alexandria Apartments*** - A 24-unit market rate project

- ***Westfield Apartments 3*** - Third phase creating 49 market rate units

2020

- ***The Rune*** - A mixed-use residential and commercial project to be developed in the downtown area with 72 market rate apartment units designated for senior occupancy

- ***Central Lakes*** - A 37-unit market rate apartment project including 8 TIF-assisted units

2019

- ***Westfield Apartments 1*** - First phase creating 35-unit market rate apartment units

- ***Westfield Apartments 2*** - Second phase creating 35-unit market rate apartment units

2018

- ***The Overlook*** - A 47-unit market rate apartment project with 10 TIF-assisted units

- ***Woodland Heights Apartments*** - A 94-unit market rate apartment project with 19 TIF-assisted units

2017

- ***7th Avenue Apartments*** - A 12-unit market rate apartment project

2016

- ***Rosewood Apartments*** - A 36-unit market rate project with 7 TIF-assisted units

- ***Lakewood Terrace 4th*** - An 18-unit market rate project with 4 TIF-assisted units

2015

- ***Grand Arbor Lakes Senior Apartments*** - An 89-unit senior market rate apartment project with 28 TIF-assisted units

- ***Grand Arbor Prairie South*** - A 16-unit senior assisted living facility

- ***Lakewood Terrace 3rd*** - An 18-unit market rate project with 4 TIF-assisted units

- ***Edgewater Vista Assisted Living*** - A 11-unit expansion at an assisted living facility

2014

- ***Granite Manor*** - A 67-unit market rate project with 14 TIF-assisted units

2013

- ***Deer Ridge Townhomes*** - A 24-unit income-restricted tax credit new construction project

- ***Arabella Manor Phase II*** - A 37-unit senior-designated housing project

2012

- ***Runestone Manor*** - A 63-unit market rate project with 13 TIF-assisted units

2011

- ***Foundation Hall*** - A 41-unit student-oriented housing project

2010

- ***Grand Arbor/Knute Nelson Senior Housing*** - A senior complex with 73 independent living apartments, 30 assisted living units, 17 enhanced assisted living units, and 17 memory care units including some that are TIF-assisted

- ***Washington Square*** - A 28-unit cooperatively-owned housing project included as attached single family in the table above

- ***Lakewood Terrace*** – Two 18-unit apartment buildings with 8 total TIF-assisted units

- ***Supportive Housing*** - A 15-unit supportive housing project

Multifamily Rental units by Market Segment

Specific details are not always available about each of the projects listed above, but using the known information, the 1,134 rental units permitted since 2010 can be segmented into the following housing types:

- 555 units of conventional market rate housing
- 72 units of conventional market rate designated for senior occupancy
- 96 TIF-assisted units in conventional market rate projects
- 82 student-oriented housing units
- 24 moderate rent tax credit units with income and rent restrictions
- 199 light services or independent senior units including some TIF-assisted
- 59 assisted living/enhanced assisted living including some TIF-assisted
- 32 memory care units including some TIF-assisted
- 15 supportive housing units

Alexandria Code Enforcement Area

The City of Alexandria has a two-mile extraterritorial jurisdiction for code enforcement and building permit issuance. This area includes portions of Hudson, Lake Mary and LaGrand Townships. Part of Alexandria Township was also in the code enforcement area in 2010 and 2011, but that Township now does its own permitting, which is reported later in this section.

The following table examines single family permitting only, since no multifamily construction has occurred outside of Alexandria. In both Alexandria and La Grand Township, some of the single family units are attached housing, such as twin homes or town houses.

Table 22 Single Family Housing Construction Activity - 2010 to 2022

Year	Alexandria	Alexandria Twp.	Hudson Twp.	Lake Mary Twp.	LaGrand Twp.	Total
2023*	0	0	0	0	0	0
2022	36	30	1	1	14	82
2021	42	-	0	2	13	57
2020	54	-	1	0	10	65
2019	44	-	1	2	14	61
2018	45	-	0	3	17	65
2017	32	-	2	4	17	55
2016	27	-	1	1	4	33
2015	46	-	0	0	12	58
2014	24	-	0	2	4	30
2013	31	-	0	0	9	40
2012	14	-	0	0	8	22
2011	25	1	0	1	8	35
2010	20	2	0	0	5	27
TOTAL	440	33	6	16	135	630

Source: City of Alexandria
*2023 activity is through June

- The inclusion of the extraterritorial permit areas allows for a better understanding the single family home construction that is occurring in and around the City.

- Over the 13-year time period spanning 2010 through 2022, there were 630 single family permits issued within the code enforcement area, or an annual average of between 48 and 49 houses per year.

- The actual annual totals have varied from year to year, but 2022 represented the highest single year for permitting activity with 82 single family units.

- Over the 5-year time period from 2018 through 2022, the annual average for unit permitting was 66 units per year.

- As evident in the table above, most of these homes are being built in Alexandria or LaGrand Township. In 2022, Alexandria Township was listed separately and added a substantial number of single family housing starts.

- Only a few houses are typically being built each year in the portions of Hudson and Lake Mary Townships that are permitted through the City.

- Although the houses are listed as single family, there are different structure styles represented. This includes attached units such as twin homes. There have also been some projects that create “detached town homes” that are freestanding units in an association-managed property. Some of these may be lake oriented, with a common lake access provided.

Greater Alexandria Construction

In addition to construction activity within Alexandria and their code enforcement area, there have been some additional houses built in the other jurisdictions that form the Greater Alexandria area. The following table examines single family construction only, as all of the multifamily activity has occurred within Alexandria. Single family units may include some attached housing, including twin homes or town houses.

In this table, the Alexandria total only represents the city and excludes the extraterritorial permits, which are then listed by Township. In 2017, Douglas County changed its reporting system and no information existed for January of that year, but the 2017 total does represent 11 months of activity.

Table 23 Single Family Housing Construction Activity - 2010 to 2022					
Jurisdiction	2010-2019	2020	2021	2022	Total
Alexandria	308	54	42	34	438
Forada	3	-	-	-	3
Alexandria Twp.	126	15	25	30	196
Carlos Twp.	160	15	13	23	211
Hudson Twp.	60	7	7	10	84
Lake Mary Twp.	88	6	8	9	111
LaGrand Twp.	134	10	15	16	175
TOTAL	879	107	110	122	1,218

Source: City and County Building Permits; Community Partners Research

- Housing construction in the Greater Alexandria area has continued to be strong. With more than 100 single family permits issued for each of the years since 2014. Over the entire 13-year time period from 2010 through 2022, the combined jurisdictions have averaged approximately 94 new single family housing starts per year.

- While it is assumed that most single family houses are constructed for owner-occupancy by permanent residents, the Alexandria area also has the potential for seasonal-use housing or unit replacement. This is especially true for properties that have lake access. As a result, the newly permitted units may not have resulted in an equal number of units added to the local housing inventory.

Residential Lot Availability - Alexandria Area

The research for this 2023 Update did not identify any comprehensive inventory of residential lots for new home construction in the Alexandria area. Consistent with past studies, we have attempted to obtain information from a variety of sources that have information on land development, lot sales or active real estate listings.

In past studies, a relatively large inventory of potential lots had been identified. This included land with access to infrastructure that would be suitable for residential development. Overall, lot and land availability has not been viewed as a limiting factor that could negatively impact future housing construction activity.

Sewer District Data

In 2014, the Alexandria Lakes Area Sewer District had been asked to help define the residential lot inventory. They had identified 1,075 tax parcels that were within 300 feet of sewer service and did not contain any current structure. However, there was no guarantee that these lots were listed for sale or that they were actually suitable for new home construction.

The Sewer District did not have similar data available in 2018 and no information was obtained in 2023.

Multiple Listing Service Data

The Multiple Listing Service (MLS) listings are available on the website Realtor.com. In early June 2023, there were approximately 100 parcels listed for less than $100,000 that appeared to be suitable for new home construction. These lots were both in and outside of the Alexandria City limits.

Many of the lots were identified within specific subdivisions, including Lake Mary Villas, Rockbury, Geneva Estates North and Lake Jessie Townhome Association.

City of Alexandria

Information was obtained from the City of Alexandria on recent residential subdivisions activity. The following list was provided, showing the subdivisions approved within the past several years, along with type and number of units:

Summer Meadows First Addition - 42 lot PUD approved in 2023 for a Habitat for Humanity development site

Stonemanor Second Addition - 2022 amendment to the PUD to change a portion of the project from apartments (258 units) to detached market rate town homes (50 units)

Rosewood Meadows Third Addition - Four detached, lot and block, single family homes approved in 2022

Burgen Snowbird - PUD approved in 2022 to amend plat for 29 units of detached, market rate town homes

Morning Birch Avenue - Three market rate detached town homes approved in 2021

Rosewood Meadows Second Addition - Four detached, lot and block, single family homes approved in 2021

Le Homme Dieu Shores - Shoreland PUD approved in 2020 for nine market rate detached town homes

Whispering Meadows - 2019 amended PUD to allow 18 market rate detached town homes

The following development areas were listed in a similar analysis completed as part of the 2018 Housing Study. Very limited information was obtained in 2023 to update the original text, and some of these may be fully developed.

LaJune Estates - Shore land PUD approved in 2018 – five units with two twin homes and one detached unit, as single-family townhomes

Green Pastures – PUD approved in 2018 – twenty-eight single family detached town homes and a 56-unit market rate apartment building - by 2023 only three town house units had been built and no construction has proceeded on the apartment building parcel

Washington Square Homes – PUD approved in 2018 – three twin homes with six total units

Geneva Shores – Shore land PUD approved in 2017 – twelve detached single family town house units

Lake Andrew Development – Shore land PUD approved in 2017 – sixty-six detached single family town house units - but this development is no longer active in 2023 and no units were ever constructed

Home Sales

Previous Studies completed for Alexandria have reviewed home sale information as an indicator of overall home values in the City. Each Study has reviewed a 12-month sales sample, using information from the City Assessor's Office.

Only information on "qualified" or "good" sales has been used. Good sales are considered to be "arms length" transactions, and exclude certain sales such as those between relatives, forced sales and foreclosures, and estate transfers that are not available on the open market.

The City reports primarily include the sales of existing homes. The information maintained by the Assessor is based on the comparison of taxable valuation to actual sales price. Since newly constructed houses do not have a prior value, they are not typically included in the sales sample.

The following table presents information on a 12-month sales period ending September 30, 2022. The 12-month time period used corresponds to the Assessor's sales ratio year for State reporting.

Later in this section, a historical median price has been presented dating back to the year 2002 using the annual sales ratio period.

Table 24 Median Value of 2022 Residential Sales - Alexandria

Property Type	Number of Sales	Median Price	Lowest Price	Highest Price
Non-Lake Shore	192	$252,500*	$80,000	$645,000
Lake Shore	8	$728,700*	$291,150	$1,760,000
Combined	200	$257,500*	$80,000	$1,760,000

Source: City Assessor; Community Partners Research, Inc.
*Median extrapolated from two closest sales

- For the 12-month sales period ending September 30, 2022, there were 200 "good" sales in Alexandria that were examined. The median sale price for all home sales was $257,500.

- The report identified lake shore home sales. In the table above, lake front properties have been reviewed separately. While only eight lake shore homes sold during this sales year, they generally sold at a much higher price than off-lake houses.

- There were 192 homes that were sold that were not located on a lake. The median price for these houses was $252,500.

- The lowest valued sale in Alexandria in 2022 was for $80,000. This was identified as a house built in 1946 that only contained only 544 square feet of living space. In this 12-month period, it was one of only two sales that occurred for less than $100,000.

- The highest valued sale for an off-lake property was for $645,000. This house was constructed in the year 2000 and had 2,850 square feet of living space.

- There were two recorded sales for more than $1,000,000 in 2022. Both of these were lake shore homes.

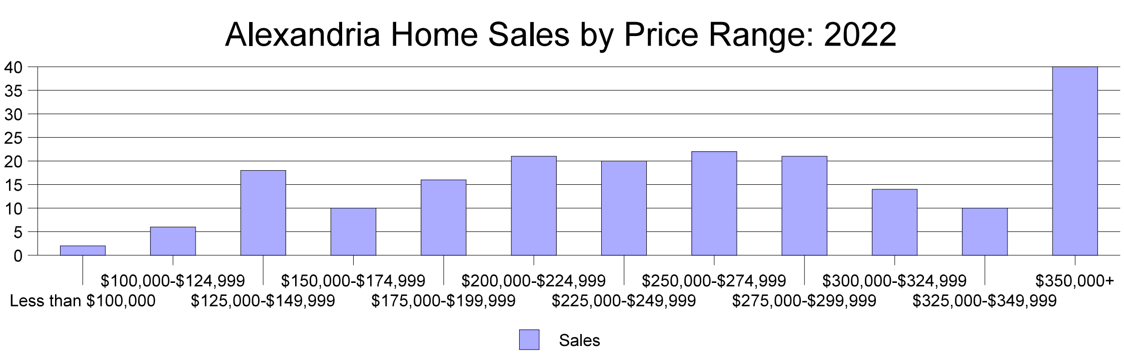
Home Sales by Price Range: 2022

Using all of the good sales in the 2022 sales ratio report, including lake shore properties, the following price distribution is present by defined price ranges.

Table 25 Alexandria Home Sales by Price Range: 2022 Sales Period		
Sale Price	Number	Percent
Less than $99,999	2	1.0%
$100,000 - $124,999	6	3.0%
$125,000 - $149,999	18	9.0%
$150,000 - $174,999	10	5.0%
$175,000 -$199,999	16	8.0%
$200,000 - $224,999	21	10.5%
$225,000 - $249,999	20	10.0%
$250,000 - $274,999	22	11.0%
$275,000 - $299,999	21	10.5%
$300,000 - $324,999	14	7.0%
$325,000 - $349,999	10	5.0%
$350,000 - $399,999	15	7.5%
$400,000+	25	12.5%
Total	200	100%

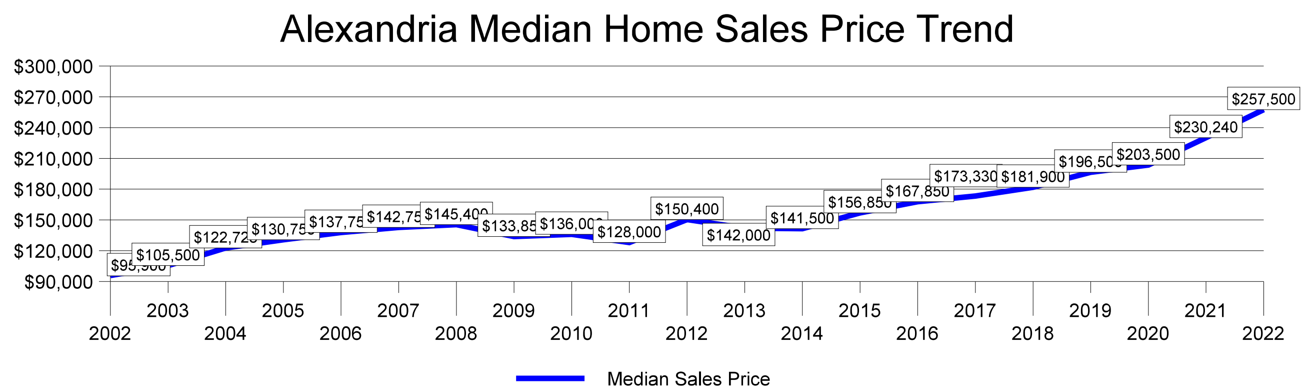
Source: City Assessor; Community Partners Research, Inc.

- Home sales activity in 2022 occurred in a wide range of prices. However, 69% of all sales were for $200,000 or more and only 4% of sales were priced below $100,000.



Historical Median Prices

The Alexandria City Assessor's Office maintains records on trends in home sales prices. This analysis looks at sales reporting periods extending back to 2002. This would represent all good sales annually, including lake homes.



- The long-term patterns for home sales in Alexandria show generally steady growth in the median home sale price. This is especially true after 2013, as the median price has increased from $142,000 to $257,500 over this 10-year time period.

- The national housing market crash and economic recession from approximately 2008 to 2011 was the only time when home prices retreated in Alexandria.

- In 2020, the median home sale price exceeded $200,000 for the first time, and has increased substantially since then, exceeding $250,000 by 2022.

Median Sales Prices in Adjoining Townships

The Greater Alexandria area designation used in this Study includes five Townships that surround the City. A 2017 sales ratio report was obtained from Douglas County for these Townships.

Table 26 Median Value of 2022 Residential Sales - Townships

Township	Number of Sales	Median Price	Lowest Price	Highest Price
Alexandria	41	$379,000	$104,611	$839,000
Carlos	23	$360,400	$135,000	$1,640,000
Hudson	6	$290,975*	$225,000	$384,900
LaGrand	66	$329,750*	$97,000	$1,375,000
Lake Mary	19	$345,000	$110,500	$748,000

Source: County Assessor; Community Partners Research, Inc.
*Median extrapolated from two nearest sales

- The Townships that surround Alexandria contain a number of higher-valued homes, including lake properties. However, in any given year, the number of good sales may be limited and the annual median for a single township may not be an accurate indicator of overall home values.

- LaGrand Township had the largest number of sales in 2022, with a median of $329,750 based on 66 transactions.

- Alexandria Township had 41 good sales, with a median of $379,000. This was the highest median sale price of the five townships in Greater Alexandria.

- The median in Carlos Township was $360,400, the second highest of the five Greater Alexandria townships, but this was based on only 23 good sales in 2022.

- The median in Lake Mary Township was $345,000 from 19 good sales.

- Hudson Township had only six good sales in 2022, with an extrapolated median of $345,000.

- As presented earlier, the median price for all home sales in Alexandria in 2022 was $257,500, lower than the medians for all five of the adjoining Townships.

Census Housing Data

The first housing counts released from the 2020 Census included information on occupancy and vacancy of housing units. The following table compares information from 2010 and 2020 to track changes over the decade as reported by the Census.

Table 27 Housing Units, Occupancy and Vacancy - 2020									
	Total Housing Units			Occupied Units			Vacant Units		
	2010	2020	Change	2010	2020	Change	2010	2020	Change
Alexandria	5,821	7,321	+1,500	5,298	6,566	+1,268	523	755	+232
Greater Alex	12,174	13,630	+1,456	10,155	11,157	+1,002	2,019	2,473	+454
Douglas Co.	19,905	21,769	+1,864	15,289	16,557	+1,268	4,616	5,212	+596

Source: U.S. Census

- According to the Census totals in 2010 and 2020, Alexandria added 1,500 housing units over the decade. This included 1,268 occupied units and 232 vacant units. Once again, this apparent growth in the housing stock is partially impacted by annexations.

- For the Greater Alexandria area, the growth in the total housing stock as tracked by the Census showed an increase of 1,456 housing units over the decade, with and increase of 1,002 occupied and 454 vacant units.

- Earlier in this section, information about residential permit issuance was provided. Based on available reports, the number of new units constructed within the Greater Alexandria jurisdictions was somewhat greater than the growth in the total housing unit stock as reported by the Census. This would partly be explained by older units that may have been removed from the inventory over the decade. It is also probable that some of the new housing that was built involved the removal of an existing home, as may occur on lake shore parcels.

- As reported, Douglas County had a large increase in the number of housing units Countywide between 2010 and 2020. While most of the net gain in housing was due to the jurisdictions that form Greater Alexandria, the remainder of the County also added housing units. In 2020, Douglas County had more than 5,200 vacant units. While exact details are not available on these vacancies, most would represent housing intended for seasonal/recreational use.

American Community Survey Age of Housing Data

The Census Bureau's American Community Survey includes information on various housing topics. As stated previously, the estimates for communities are based on limited sampling, which can result in a margin of error within the data being presented.

Median Year of Construction - Owner-occupancy Housing

For owner-occupancy units an estimated median year of construction is provided. In Alexandria, the estimated median year of construction was 1982.

Nearly 27% of the owner-occupied houses in the City were constructed before 1960.

Median Year of Construction - Renter-occupancy Housing

For renter-occupancy units in Alexandria, the estimated median year of construction was also 1983.

According to this source, more than 46% of all rental units in the City were constructed before 1980.

American Community Survey Rental Data

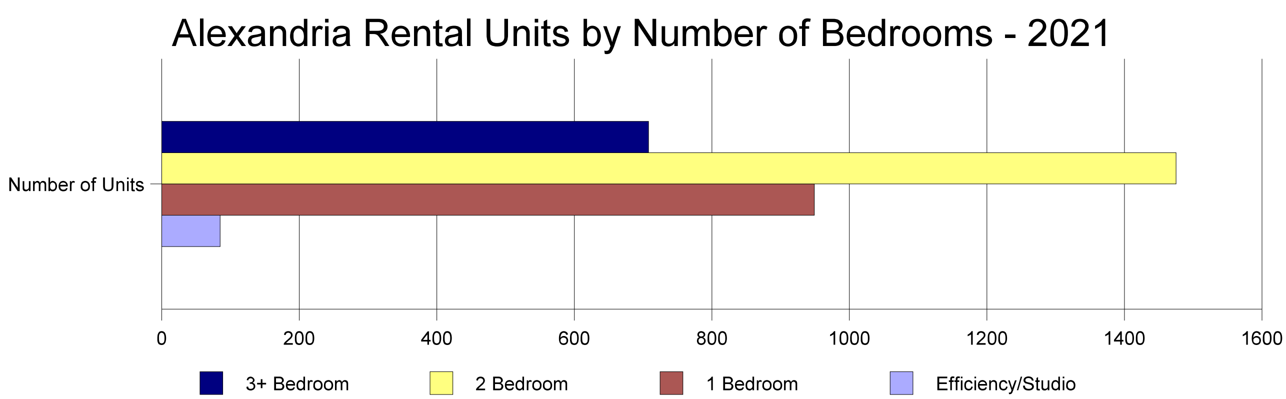
The American Community Survey provides information on rental units that exist in Alexandria. The most recent estimates have an effective date in 2021. The American Community survey estimates would represent all rental housing in the City. A later section in this Update provides locally collected information from a rental survey of larger multifamily properties.

Although rental units exist in the other jurisdictions that for Greater Alexandria, the large majority of the rental stock is within the City of Alexandria. The following tables are for the City's rental inventory.

Table 28 Alexandria Rental Distribution by Bedrooms and Rent - 2021

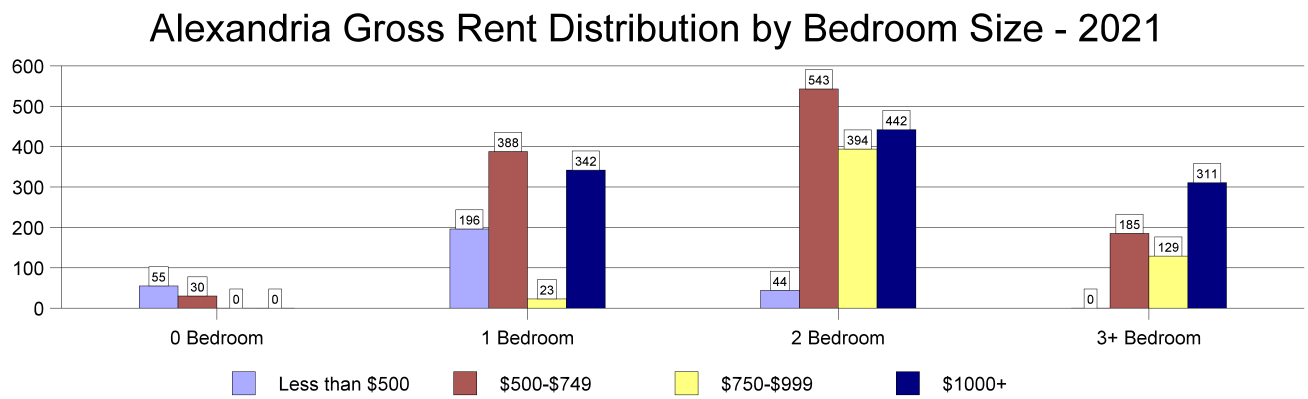
Unit Size	Rent less than $500	Rent $500 to $749	Rent $750 to $999	Rent $1,000+	No cash rent	Total Units
Efficiency/Studio	55	30	0	0	0	85
1 Bedroom	196	388	23	342	0	949
2 Bedroom	44	543	394	442	52	1,475
3+ Bedroom	0	185	129	311	83	708
Total	295	1,146	546	1,095	135	3,217

Source: American Community Survey



According to the 2021 ACS, the large majority of the rental options in Alexandria were in one-bedroom or two-bedroom units. Approximately 22% of the City's rental stock had three or more bedrooms, but fewer than 3% were in the form of efficiency/studio units. The ACS may undercount the number of efficiency/studio units in Alexandria.

One-bedroom units represented more than 29% of all rental housing, while two-bedroom units represented approximately 46% of all rental housing in Alexandria.



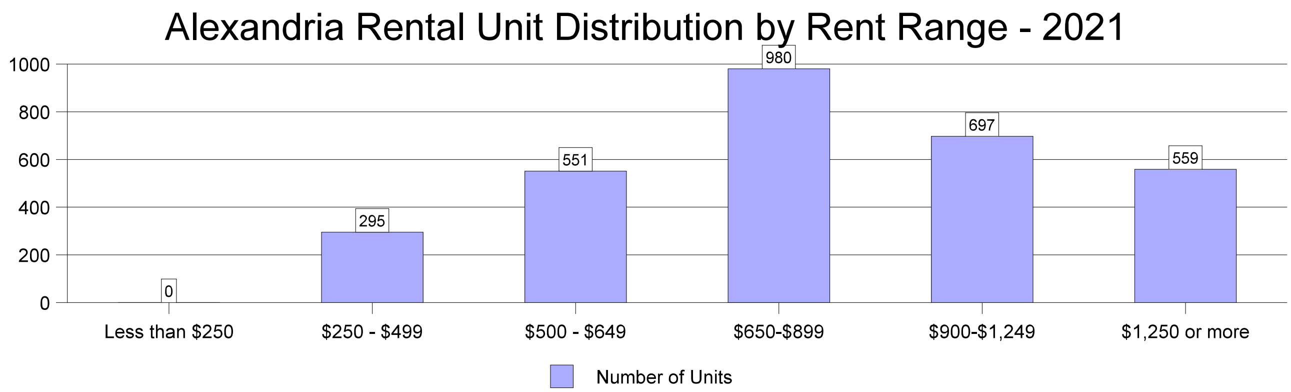
The American Community Survey also includes an estimate of the median gross rent, for all units and by bedroom size. Overall, the median gross rent level was $782 in 2021. Gross rent would include tenant-paid utilities.

- For efficiency/studio units, the estimated median gross rent was $449
- For one-bedrooms the median was $652
- For two-bedrooms the median was $794
- For three-bedrooms the median was $1,194

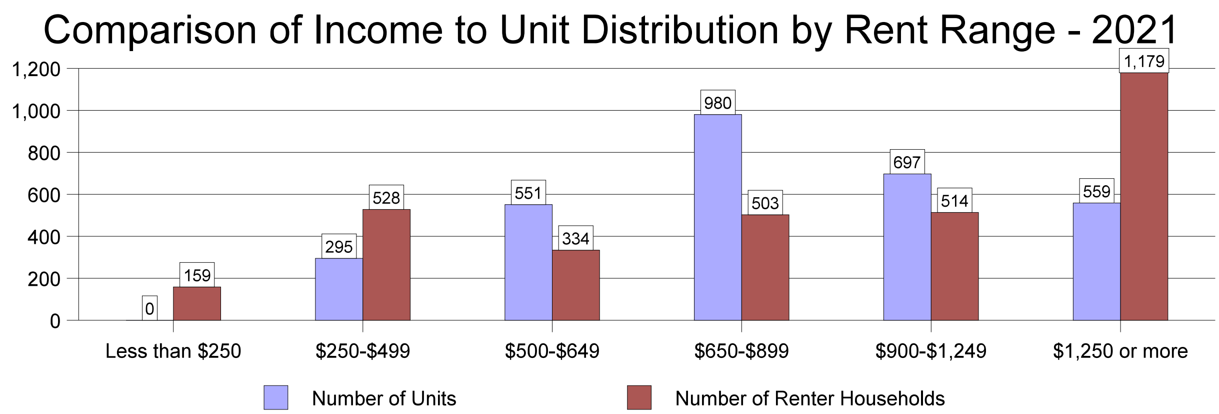
The information on gross monthly rent by the number of bedrooms in the rental unit used fairly broad ranges for reporting rents. The American Community Survey also presents information on gross rents within more defined ranges, but this information is not distributed by bedroom mix.

The rent distribution tables from the American Community Survey also do not differentiate between different segments of the market. Since all types of renter households could be surveyed, the rent distribution should include subsidized units, tax credit units, student units, and probably some specialized senior housing. However, the vast majority of units in Alexandria would represent conventional, market rate housing.

Using the overall distribution of gross monthly rents and renter households by income, presented earlier in this Study, it is possible to compare rents and income. The following chart displays the overall rent distribution within defined price ranges as estimated for all rental units in Alexandria.



Rental rate information can then be compared to the number of renter households that would need a unit within this same basic price range, using a standard that 30% of income can be applied to housing costs.



Comparing supply and demand, based on the price needed versus unit rent distribution, shows some distinct trends. First, there were many more low income households that needed a unit priced less than $500 than there were units available. There were more than twice as many households with an annual income below $20,000 than units that rented for less than $500 in 2021.

To address this demand, Alexandria would need nearly 400 additional units with a monthly gross rent below $500. The mismatch between very affordable units and renter households with an income below $20,000 would be mitigated somewhat by rent assistance Vouchers or other public assistance programs.

However, even with some assistance available, there were many lower income households with a housing cost burden, as detailed earlier in this section. Lower income renters are a group that generally cannot be served by any new construction programs, as very few new units have been created with a gross rent below $500.

The unit supply in the price range between $500 and $649 was relatively large, and was greater than the number of renter households with an annual income in the $20,000 to $26,000 range. Presumably, many of the households with an income below $20,000 that could not find a unit that was more affordable instead moved into units in this basic price range, even though it may have caused a significant rent burden.

The supply of units in the $650 to $899 price range was also large, and once again exceeded the number of renter households with an annual income between $26,000 and $36,000. Rental housing constructed in the 1990s and 2000s may still be priced below $900 per month. Lower income households that rented a more expensive unit, as well as higher income households that rented a less expensive unit would potentially have been within this moderate range.

In the rent range between $900 and $1,250, the overall supply of units was once again greater than the number of renter households with moderate incomes. Overall, the American Community Survey estimates showed that approximately 16% of all renter households in Alexandria in 2021 had an annual income between $36,000 and $50,000, but nearly 23% of all rental units were priced between $900 and $1,250. The City has had a significant level of new apartment unit construction in recent years, with many of the added units within this price range.

For moderate to higher income renter households, with an annual income of $50,000 or more, the supply of higher-priced units was relatively small. Overall, nearly 37% of all renters in the City can afford to pay $1,250 or more per month for gross rent, but only18% of all rental units were in this price range in 2021.

Rental Housing Data

Census Inventory

The release of new Census results shows that there were 3,023 renter-occupancy households in Alexandria in April 2020. There were also 272 housing units recorded as vacant or unoccupied that were identified as rental housing. In total, the City's rental housing inventory contained 3,295 units.

At the time of the 2010 Census, there were 2,537 occupied rental units, and at least 196 unoccupied/vacant rental units in Alexandria, for a total estimated rental inventory of 2,733 units.

Between 2010 and 2020, Alexandria added 562 rental units, based on a Census reconciliation. There was an increase of 486 occupied units during the decade, and 76 additional vacant/unoccupied units.

Rental Construction Between 2010 and 2020

Alexandria had ongoing construction of multifamily rental housing in the prior decade. Based on building permit reports, it is probable that the following projects were added after the 2010 Census and counted in the 2020 Census.

- Legacy Phase II - 55 units market rate/TIF
- Lakewood Terrace 1 and 2 - 36 units market rate/TIF
- Grand Arbor phase 1 - 73 independent living apartments and 47 assisted living units including TIF units
- Foundation Hall - 41 student housing units
- Runestone Apartments - 63 units market rate/TIF
- Deer Ridge Townhomes - 24 moderate rent income-restricted units
- Granite Manor - 67 units market rate/TIF
- Arabella Manor II - 37 senior-occupancy rental units
- Grand Arbor phase 2 - 93 independent living apartments and 16 assisted living units including TIF units
- Rosewood Apartments - 36 units market rate/TIF
- Lakewood Terrace 3 and 4 - 36 units market rate/TIF
- 7th Avenue Apartments - 12 market rate units
- The Overlook - 47 units market rate/TIF
- Woodland Heights - 94 units market rate/TIF

Additional projects were permitted in 2019 and 2020, but these would not have completed construction when the 2020 Census was conducted in April.

Based on the identified construction from 2010 through 2019, it is probable that approximately 760 rental housing units were added to the City between the 2010 and 2020 Census counts. This total also excludes some of the very specialized housing that would probably be better classified as “group quarters” units.

Based on the 2020 Census, the recorded increase in rental housing of 562 units between 2010 and 2020 was well below the probable new construction volume of 760 rental units. This would imply that nearly 200 older rental units were lost during the decade.

One possible explanation for the discrepancy in the unit counts is that some single family houses that were used for rentals in 2010 were later converted to owner-occupancy housing as home values increased in the community. At the time of the 2010 Census there was a high rate of foreclosure present in housing markets, and some bank-owned properties may have been temporarily in the rental stock.

Post-Census Rental Construction

Following the completion of the 2020 Census in April, the following projects were added to the local inventory:

- Westfield I and II - 70 market rate units
- Central Lakes - 37 market rate housing units
- Ridgeview Apartments - 80 market rate units
- Alexandria Apartments - 24 market rate units
- Westfield 3 - 49 market rate units

Another project, The Runes, has obtained a permit for initial construction but will not be constructed until 2024.

In June 2023, a permit was issued for a student housing project that will be the second phase of development for Foundation Hall. This building will probably have 41 units with capacity for up to 150 students, but will but will not be available until the fall 2024 academic term.

With the new rental construction that can be identified in Alexandria after the 2020 Census was constructed, the City’s probable rental inventory by the end of 2023 will contain 3,485 total units.

Pending/Proposed Rental Projects

In addition to The Runes and Foundation Hall II, which are not expected to complete construction until later in 2024, four additional projects were identified for possible future development.

A proposed 50-unit project may proceed to construction in 2023. This would be designated for senior-occupancy, age 55 and older. The project would offer market rate housing although the use of TIF assistance would require that a portion of the units be income targeted.

The same developer is also proposing a second phase of construction, with 80 additional units once the 50-unit project is absorbed. The 80-unit phase may also be senior-designated, although the success of the first phase would impact a decision on designated occupancy. Since the first phase had not yet been permitted at the time of the research for this Update, the earliest probable date for the second phase would probably be later in 2024.

The third possible project would be a new phase of development at Grand Arbor Lakes and would probably create additional senior housing for more independent households. This project would not begin until 2024 or later and no specific details were available.

The fourth identified project would be a work force housing project similar to the Central Lakes Apartments. As proposed, the new project would have 65 units, including a 20% TIF set-aside. While it would utilize funding through the Minnesota Housing Finance Agency, it would not have strict income or rent restrictions as a result of the funding sources. The earliest that this project would proceed would be in 2024.

Some additional projects have been discussed but have not advanced in the City's planning process.

Rental Housing Survey

As part of this Update, a telephone survey was conducted of larger rental projects in Alexandria. Emphasis was placed on contacting multifamily properties with eight or more units. For the purposes of future construction, we believe that the larger rental properties provide the best comparison.

The survey was conducted in April and May 2023. Similar surveys have been completed by Community Partners Research in 2018, 2014, 2013, 2012, 2011, 2009 and 2005. These past surveys allow for some degree of comparison with the most recent findings.

Multiple attempts were made to contact each building. Information was tallied separately for different types of rental housing, including:

- Conventional market rate units
- Tax credit/moderate rent units
- Student-oriented rental housing
- Federally subsidized housing

Alexandria also has a relatively large inventory of senior housing with services. A separate section analyzes this segment of the market and has been provided later in this document.

Excluding very specialized senior units, such as assisted living and memory care, there were 1,998 general rental units that were contacted in the survey. The rental units analyzed represent more than 57% of all rental units estimated to exist in 2023.

The breakdown of surveyed units is as follows:

- 1,434 market rate units (including some TIF with income limits)
- 66 tax credit units
- 126 general occupancy subsidized units
- 290 senior/disabled occupancy subsidized units
- 82 student-oriented units (capacity for up to 224 students)

The findings of the survey are provided below.

Market Rate Summary

Usable information was obtained on 1,434 market rate rental units in 41 different rental buildings/projects. However, some properties provided limited information, and in the specific analyses that follow, a smaller subset of units may have been used. For example, some properties could not specifically identify the exact bedroom mix of their units. Others were unwilling to disclose occupancy or rental rate information.

Unit Mix

Not all of the projects contacted were able to provide specific information on the unit mix. The following information is the bedroom mix for units that offered details:

- 29 efficiency/studio units (2.6%)
- 288 one-bedroom (25.4%)
- 717 two-bedroom (63.3%)
- 92 three-bedroom (8.1%)
- 5 four-bedroom (0.4%)
- 1 five-bedroom (.1%)

The conventional market rate rental housing inventory in Alexandria is heavily weighted toward two-bedroom units with the multifamily segment of the market. Presumably, the percentage of larger units with three or more bedrooms would increase if other types of rental housing, such as single family houses, were included in the analysis.

Occupancy / Vacancy

Vacancy calculations are based on 1,361 market rate units. Two projects that had recently opened, with a combined 73 units, were in their initial occupancy phases and were excluded from the vacancy calculation.

The conventional market rate analysis does include some TIF-assisted units that are income-restricted within some specific developments. TIF units may have been included in the vacancy reporting and the vacancies may be due to the income requirements for tenants.

There were 23 units that were recorded as vacant to the survey. This represented an overall vacancy rate of 1.7%. However, some of the vacancies were in large units with three or more bedrooms. If these are excluded, the vacancy rate was even lower for rental housing containing two or fewer bedrooms.

The estimated vacancy rate in the 2023 survey was very similar to the rate calculated in 2018. Despite ongoing new unit creation in Alexandria, the vacancy rate in multifamily rental housing remains very low.

Rental Rates

There is a wide variation in rental rates being charged in Alexandria for conventional market rate housing. Over the past few years there has been significant development activity in the rental segment with a large number of new rate units that often charge higher rents. However, the City also has a large inventory of older market rate apartments that have a more moderate rent structure.

Based on the information collected in the 2023 rental survey, the following summary information is provided on rental rates. Some of the units include the primary utility payments with the rent, while in other cases, the tenant pays the major utilities in addition to rent. We have attempted to include tenant-paid utilities into a gross rent estimate.

The Identified Range column defines the highest and lowest gross rents identified by the telephone survey, while the Prevailing Range column defines a more narrow band of gross rents being charged by a majority of the units surveyed. It is important to recognize that these rents largely reflect units in larger multifamily projects and do not include single family rental options.

Units Type	Identified Range	Prevailing Range
Efficiency/Studio	$640 - $1070	$640 - $1000
1-bedroom	$615 - $1525	$650 - $1200
2-bedroom	$655 - $1575	$750 - $1300
3-bedroom	$785 - $1775	$1000 - $1700

Student-Oriented Housing

Alexandria has a student population attending Alexandria Technical and Community College. Part of the rental demand is generated by students, as the College does not offer any on-campus housing options.

Many of the market rate rental complexes in Alexandria have students as part of their tenant base. However, most rental properties do not exclusively target the student market. There are a few rental projects that are oriented to students, and these have been identified in the rental property table provided later in this section.

There are generally two basic types of properties that orient specifically to students. The first group represents rental housing that is located very close to the campus. This includes rental complexes such as Jefferson Apartments and Foundation Hall which are generally within one or two blocks of the College.

The second group includes properties that can offer seasonal rentals, such as Geneva Beach Resort. Historically, area resorts and smaller motels have made their units available for students in the off-season.

Within the student-oriented market segment, leases may be offered individually with each occupant, and rent is based on a per-person rate. The lease term typically coincides with the academic year.

Unit Inventory

The rental survey in 2023 identified three specific properties defined as student-oriented housing. Overall, there were 82 units within this housing segment, with approximate capacity for 224 students, assuming single occupancy in most bedrooms.

Occupancy/Vacancy

When the telephone survey was conducted in April and May of 2023, the second semester of the academic year was nearing completion. All three of the student-oriented projects reported that they had started the academic year at full occupancy, although mid-term moves may have resulted in some open bedrooms or units.

One of the three student-oriented projects, Jefferson Apartments, does have a few units that are rented by non-student households, but both Foundation Hall and Geneva Beach Resort serve only the student market segment.

Rental Rates

Prices for shared occupancy units range from approximately $490 to $650 per person, and from approximately $600 to $725 for single occupancy.

Pending Projects

Foundation Hall, which was developed by the College Foundation in 2012 to offer student housing, is planning a second phase of development in 2024. While specific details were not obtained by the analysts, the planned project is believed to be similar to the current building, which has 41 units with capacity for 149 students.

Tax Credit/Moderate Rent Summary

In 2023 there are three moderate rent projects that are providing affordable housing under the federal low income housing tax credit regulations. At the time of the 2018 Housing Study there were four tax credit projects in the City, but Wiltoka Apartments has completed its compliance requirements and is now operating as conventional market rate rental housing.

Unit Inventory

The three remaining projects have a combined total of 66 units that are subject to the tax credit income and occupancy restrictions. All of these units serve households at or below 60% of median income, the maximum income limit under the tax credit program. Dome units may target even lower income levels.

- Sunrise Apartments was constructed in 1995 and has 18 units
- Lincoln Square was constructed in 1997 and has 24 units
- Deer Ridge Townhomes was constructed in 2014 and has 24 units

Regulatory Status

Deer Ridge Townhomes is in its initial compliance period. Sunrise Apartments and Lincoln Square have completed their initial 15-year compliance period and are now in the extended compliance phase. During extended compliance, new applicants must be income-certified, but existing tenants do not have to be certified annually. At the end of the extended compliance period, all income and rent restrictions are removed.

Unit Mix

The bedroom mix for tax credit units is as follows:

- 38 - two-bedroom units
- 28 - three-bedroom units

The emphasis of the tax credit program in Minnesota is to provide affordable, work force housing, and units with two or more bedrooms have received application priority in the past.

Occupancy/Vacancy

At the time of the 2023 rental survey there were no vacant units reported in the three tax credit projects. All projects indicated that a waiting list for occupancy exists.

In 2018, the estimated vacancy rate was 1.8% in this affordable segment. At the time of the 2014 rental survey, the estimated vacancy rate was 5.6%, but this was higher than typical.

In the past, some of the tax credit property managers have talked about diligent screening practices, resulting in more rejected applications. In addition to the tax credit occupancy restrictions and income limits, poor credit histories and/or criminal backgrounds have been cited as primary reasons for rejecting new applicants.

Rental Rates

The federal tax credit program places maximum rent limitations on assisted units. For 2023, maximum gross rents for units at 60% of median income were as follows:

Bedroom Size	Maximum Allowable Rent
Two-Bedroom	$1,198
Three-Bedroom	$1,383

The gross unit rents being charged by tax credit projects in Alexandria are well below the maximum tax credit limits. Even the highest rent structure is below the limits set at 50% of median income.

The maximum rents allowable under the tax program are generally at the upper end of the prevailing rates for most market rate units in Alexandria. It is probable that in order to stay competitive with other rental projects in the City, the tax credit developments charge rents that are well below the maximum federal limits. Tax credit projects also have income restrictions that apply, which reduces the potential tenant base, also resulting in a lower rent structure to remain competitive.

Pending Projects

The research for the 2023 Update did not identify any pending or proposed tax credit projects in the application process.

In 2022, an application was submitted for workforce housing, in a proposed project known as Twenty08, but it was not selected for funding.

In 2020, an application was submitted for workforce housing, in a proposed project known as Central Lakes Apartments II, but it was not selected for funding.

In 2019, an application was submitted for workforce housing, in a proposed project known as Central Lakes Apartments, but it was not selected for funding.

In 2019, an application was submitted for workforce housing, in a proposed project known as Deer Ridge II Townhomes, but it was not selected for funding.

Subsidized Summary

Project Inventory

The inventory of federally subsidized rental housing in Alexandria has remained unchanged since the 2018 Housing Study was completed. There are 10 subsidized projects providing rental opportunities for lower income households. These projects have a combined 416 units.

Most of the City's current inventory of subsidized units serves very low income people and charge rent based on 30% of the tenant's household income. There are 290 units that are designated for or offer a preference for senior and/or disabled tenant occupancy. In some cases, a waiver may have been granted to allow for younger or non-disabled tenants, but in large part these units serve the senior and disabled populations. The projects oriented to senior/disabled tenant occupancy are:

- Bethel Manor I - 63 units
- Bethel Manor II - 69 units
- KMA-Highland Terrace - 25 units
- Viking Tower - 106 units
- Winona Shores - 27 units

There are 126 units that are available as general occupancy subsidized housing:

- Cardinal Manor - 24 units
- Maple Ridge Manor - 40 units
- Public Housing Scattered Site - 14 units
- Royal Manor II - 24 units
- Woodhill Townhouses - 24 units

Although the subsidized inventory in Alexandria has remained stable in recent years, there have been unit losses in the past. Before 2014, both Oak Manor Apartments with 12 one-bedroom units and Woodhill Apartments with 18 units left the Rural Development subsidy program and converted to market rate housing.

At the time of the research in 2018, there was one project identified as being "at risk" of leaving the subsidy program. However, Royal Manor II was later sold to a regional nonprofit group and will remain in the USDA Rural Development subsidy program.

Unit Mix - Senior/Disabled Occupancy

The subsidized rental projects oriented to senior/disabled occupancy range in size from 25 units to 106 units. The bedroom mix is as follows:

- 286 one-bedroom (98.6%)
- 4 two-bedroom (1.4%)

The projects developed for senior and/or disabled tenants are heavily oriented to one-bedroom apartments.

Unit Mix - General Occupancy

The subsidized rental projects designated as general occupancy housing range in size from 14 units to 40 units. The bedroom mix is as follows:

- 39 one-bedroom (31.0%)
- 68 two-bedroom (54.0%)
- 17 three-bedroom (13.5%)
- 2 four-bedroom (1.6%)

General occupancy housing projects were often developed for families and 69% of the units in Alexandria have two or more bedrooms.

Occupancy/Vacancy - Senior/Disabled

There were two vacant units reported in the 2023 survey in the projects primarily oriented to senior/disabled tenant occupancy. This represented a vacancy rate of 0.7%. The 2018 rental survey had recorded a vacancy rate of 0.3%.

It is important to state that the senior/disabled units that were vacant in both 2023 and 2018 were located on the second-floor in a project that did not have an elevator. There was a waiting list for main floor units in this building, but less demand exists for upper floor units that can only be accessed by stairs.

All of the projects oriented to senior/disabled tenant occupancy reported the existence of waiting lists.

Occupancy/Vacancy - General

There were no vacant units reported in the 2023 survey. There were some unoccupied units due to recent turnover but any units were in the certification process with new applicants to be filled. In 2018, the estimated vacancy rate in this affordable segment was 0.8%.

Nearly all of the general occupancy subsidized projects reported waiting lists in 2023.

Tenant-Based Rent Assistance

In addition to the subsidized properties with project-based rent assistance, the Alexandria area also has tenant-based rent assistance programs. Most of the tenant-based rent assistance is provided with HUD Housing Choice Vouchers. Some rent assistance programs also exist for special need's populations, including homeless individuals and households, and people with persistent mental illness issues. The rent assistance programs are administered by the Douglas County HRA.

Housing Choice Vouchers are issued to income-eligible households for use in suitable, private market rental housing. With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts.

Since this rent assistance is tenant-based, and moves with the household, the actual number of participating households within the City can vary from month to month. It is also possible that some of the households may be using their rent assistance in one of the subsidized projects, if that project does not have rent assistance available for all tenants. Vouchers may also be used in the income-restricted tax credit projects.

In May 2023, there were approximately 177 households in the Alexandria area receiving tenant-based rent assistance, up from 136 households at the time of the 2018 Housing Study. In 2023, the waiting list for the Voucher program was closed to new applicants due to its length.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
AKC Apartments 1208-1230 Jefferson	Efficiency 1 Bedroom 2 Bedroom 11 Total Units	N/A +electric and some heat	N/A	N/A	Not contacted in 2023 survey - information presented is from prior surveys. Apartments and town houses constructed in 1969. All tenants pay electric and town house tenants pay heat. Amenities include detached garages and laundry hookups. The project offers smoke-free housing.
Alexandria Manor 420 8th Ave W	16 - 1 Bedroom 16 Total Units	$575 +electric	1 vacant unit 1 - 1 Bdrm	Mix of tenants	Three-level building without elevator constructed in the late 1970s. Tenants pay electric but heat, water, sewer and garbage are included in rent. Amenities include stove, refrigerator, AC and coin laundry. All units have 1 bathroom, unit size not available. No vacant units at time of survey and good demand reported. Rents are up by $80 from 2018 survey.
The Alexson 120 6th Ave W	20 - Efficiency 14 - Studio 9 - 1 Bedroom 6 - 2 Bedroom 1 - 3 Bedroom 50 Total Units	N/A	N/A	N/A	Unable to contact in 2023 - information presented is from prior surveys. Former 1880s downtown hotel converted to apartments in late 1970s. Rent includes all utilities, including cable TV and WiFi. Some units are furnished, but eliminating furnished options in the future. Students will often rent efficiencies. Building amenities include coin laundry, reserved parking, courtyard with grill, security entrance, car ports and A/C for extra fee. Efficiencies are 12'x12' plus bathroom and use community kitchen. Studios are 288 sq ft plus bathroom and kitchen. One-bedrooms have 325-432 sq ft plus bathroom and are available furnished. Two-bedrooms have 576 sq ft plus bathroom and are available furnished or unfurnished.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Belmont Apartments 307 W 6th Ave	2 - Studio 5 - 2 Bedroom 7 Total Units	N/A	N/A	N/A	Not contacted in 2023 - information is from prior surveys. One of the oldest apartment buildings in City - dates to 1917 and is on National Historic Register. Studios are fully furnished. Rent includes all basic utilities, but tenants in 2-bedrooms pay electric, but rent does include a detached garage. Coin laundry facilities available.
Birchwood Apartments 315 6th Ave E	15 - 1 Bedroom 15 Total Units	N/A +electric	N/A	N/A	Not contacted in 2023 - information presented is from prior surveys. 1920s former hotel that was converted to rental housing. Rent includes heat but tenants pay electric. Coin laundry available.
Bridgewater Estates 720 22nd Ave E	28 - 1 Bedroom 42 - 2 Bedroom 10 - 3 Bedroom 80 Total Units	\$960-\$1060 \$1100-\$1180 \$1290-\$1360	No vacant units	Mix of tenants	Three-level buildings with elevators constructed in 2001/02. TIF assistance has ended but 16 units once had income limits. All utilities are included in rent. Project amenities include community room with kitchen, business center, exercise room, game room. Unit amenities include stove, refrigerator, microwave, dishwasher, gas fireplace and most have washer/dryer. Tuck-under parking for \$70 and detached garage parking for \$50 available. Most one-bedrooms have approx. 700 sq ft and 1 bathroom, but a few units as large as 923 sq ft. Most 2-bedrooms have 909 to 963 sq ft and 1 or 1.5 bathrooms, but some units have 1163 sq ft. Three-bedrooms range from 1149 to 1267 sq ft and have 2 bathrooms. Manager reports no vacant units at time of survey and good demand. One-bedroom rents have increased by \$180-\$185, 2-bedrooms by \$210-\$295, and 3-bedrooms by \$215-\$240 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Cardinal Estates Cardinal Lane SW	5 - 2 Bedroom 5 - 3 Bedroom 10 Total Units	$790 $765 +utilities	No vacant units	Mix of tenants	Five duplexes with 10 total units developed by the Douglas County HRA in 2002. Tenants pay all utilities in addition to rent. Amenities include stove, refrigerator, dishwasher, central A/C, 2-car attached garage and in-unit laundry hookup. Two-bedrooms have 1083 sq ft and 3-bedrooms have 1320 sq ft. Manager reported full occupancy and long waiting list. Mix of tenants including families with children. Rents are up by $75 to $100 from 2018 survey.
Central Lakes 2106 Runestone Dr	3 - studio 4 - 1 bedroom TIF 11 - 1 bedroom 4 - 2 bedroom TIF 12 - 2 bedroom 3 - 3 bedroom 37 total units	$860 $780 $1065-$1165 $910 $1170-$1290 $1500 +electric	No vacant units	Market rate project with 8 TIF units at 50% of median income	Three-level apartment building with elevators constructed in 2020 and opened for occupancy in 2021. TIF assistance require 8 units at 50% of median with lower rent structure listed. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include dishwasher, microwave, AC, in-unit laundry and optional garage parking for $60. Studios have 444-467 sq ft, 1-bedrooms have 714-800 sq ft with 1 bathroom, 2-bedrooms have 918-1110 sq ft with 1 or 2 bathrooms and 3-bedrooms have 1270 sq ft and 2 bathrooms. Manager reported full occupancy and good demand at time of survey. No comparable rent information from 2018.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Colonial Court Apartments 1614 7th Ave E	5 - 1 Bedroom 11 - 2 Bedroom 2 - 3 Bedroom 18 Total Units	\$625 \$825-\$850 \$1050 +electric	No vacant units	Mix of tenants	Apartments in 3-level building without elevator constructed in 1998. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include stove, refrigerator, dishwasher, AC, walk-in closet, mini-blinds, fireplace and in-unit laundry in half the units. Garages available for extra \$50/month. One-bedrooms have approx. 650 sq ft and 1 bathroom, 2-bedrooms have 920 sq ft and 1 bathroom, and 3-bedroom units are large with nearly 1300 sq ft and 2 bathrooms. Manager reported no vacant units at time of survey and good demand. Rents have increased by \$25 to \$45 for 1-bedroom, \$40 to \$65 for 2-bedrooms and \$50 for 3-bedrooms from 2018 survey.
Condamera Apartments 1814-1816 Fillmore St	14 - 1 Bedroom 34 - 2 Bedroom 48 Total Units	\$575 \$650 +heat, hot water, electric	6 vacant units 6 - 2 Bdrm	Mix of tenants	Two 3-story apartment buildings without elevators constructed in 1979. Tenant pays heat (electric), hot water and electricity, but water, sewer and garbage included in rent. Amenities include stove, refrigerator, dishwasher and detached garage parking. Upper floor units have AC and balcony. One-bedrooms have approx. 696 sq ft and 2-bedrooms have approx. 986 sq ft including storage; all units have1 bathroom. Four to 5 tenants have Vouchers. Manager reported 6 vacant units at time of survey due to turnover. Rents are up by \$200 to \$250 from 2018 survey.
Courtyard Apartments 1420 Jefferson	1 - Efficiency 23 - 2 Bedroom 24 Total Units	N/A	1 vacant unit, 1 - 2 bdrm	Mix of tenants	Apartments built in 1968. Rent includes all utilities. Owner reported 1 vacant unit at time of survey due to recent turnover but good demand exists. Mix of tenants reported including some students. Current rent structure not provided in 2023.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Eastside Stories 408 McKay	7 - 1 Bedroom 17 - 2 Bedroom 24 Total Units	N/A +electric	No vacant units	Mix of tenants	Multi-story apartment building without elevator that was probably constructed in the 1960s. Tenants pay electric but heat and other utilities included in rent. Amenities include balconies for upper units and coin laundry facilities. No vacant units at time of survey. Current rent structure not provided in 2023.
Eric Circle Apartments 2021 Eric Circle	12 - 2 Bedroom 12 Total Units	$650 + heat, electric	No vacant units	Mix of tenants	Apartments built in 1994. Water, sewer, hot water and garbage included in rent but tenant pays heat (electric) and electricity. Amenities include stove, refrigerator, A/C, security entrance, coin laundry, and garage for extra $35/month. Units have 825 sq ft and 1 bathroom. No vacant unit at time of survey and good demand reported. Rents are up by $75 from 2018 survey.
Eric Circle Apartments 2101 Eric Circle	3 - 1 Bedroom 9 - 2 Bedroom 12 Total Units	$600 $650 +heat, electric	No vacant units	Mix of tenants	Apartments built in 1981. Water, sewer, hot water and garbage included in rent but tenant pays heat (electric) and electricity. Amenities include stove, refrigerator, A/C, dishwashers in some units, coin laundry and garage for extra $35/month. Units have 800 sq ft and 1 bathroom. No vacant unit at time of survey and good demand reported. Rents are up by $85 to $115 from 2018 survey.
Eric Circle Apartments 2020 Eric Circle	15 - 2 Bedroom 15 Total Units	$650-$700 +heat, electric	No vacant units	Mix of tenants	Apartments built in 1991. Water, sewer, hot water and garbage included in rent but tenant pays heat (electric) and electric. Amenities include stove, refrigerator, dishwasher in some units, A/C, security entrance, coin laundry and garage for extra $35/month. Most units have 900 sq ft, with 1 larger unit at 1400 sq ft and at higher rent listed; standard units have 1 bathroom. No vacant units at time of survey and good demand reported. Rents are up by $70 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Evergreen Apartments (formerly Oak Manor) 310 Fourth Ave E	12 - 1 Bedroom 12 Total Units	$700 +heat, electric	No vacant units	Senior designated (55 and older)	Project had been developed as USDA Rural Development subsidized housing but was sold in 2012 and converted to market rate housing. Originally built in 1979 for senior/disabled occupancy - it is now senior designated for tenants age 55 and older with 20% of tenants allowed under age 55. Rent includes sewer, water and garbage with tenant paying electric heat and electricity. Manager reported full occupancy. Building does not have elevators, and lower floor units are preferred by seniors. Rents have increased by $150 from 2018 survey.
Fourth Avenue Apartments 305 4th Ave E	1 - Efficiency 4 - 1 Bedrooms 4 - 2 Bedrooms 9 Total Units	N/A	N/A	N/A	Not contacted in 2023 - information is from prior surveys. Older building that was converted to multifamily rental housing. Rental rehab used in 2008 - although 5-year compliance has expired. One and two bedroom units pay electric in addition to rent. Amenities include coin laundry facilities and off-street parking.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
			Market Rate		
Granite Manor 4727 Arbor Crossing	1 - Studio 2 - 1 Bdrm TIF 1 Bdrm/1 bath 12 - 2 Bdrm TIF 2 Bdrm/1 bath 2 Bdrm/2 bath 3 Bdrm/2 bath 3 Bdrm/3 bath 67 Total Units	$900 $870-$970 $1100-$1200 $910 $1210 $1325 $1545 $1600 +electric	1 vacant unit 1 - 1 bdrm TIF	Market rate project with 14 TIF units at 50% of median income	Three-level apartment building with elevator that opened for occupancy in 2015 as the second phase of development at Stone Manor. TIF assistance require 14 units at 50% of median with lower rent structure listed. Rent includes heat, water, sewer and garbage, with tenant paying electric. Amenities include upgraded appliances with dishwasher and microwave, wall AC, in-unit laundry and deck/patio. Project amenities include community room, fitness center, patio with grills and attached or detached parking for extra fee. Multiple floor plans and unit styles, from studio to 3-bedroom/3 bath units. Manager reported 1 vacant TIF unit due to recent turnover - filling TIF units can take longer due to income limits and certification. All unit rents, including TIF, have increased by $145 to $325 from 2018 survey.
Lakes Village Apartments 510 3rd Ave W	26 - Efficiency 3 - 1 Bedroom 29 Total Units	N/A	N/A	N/A	Unable to contact in 2023 - information is from prior surveys. Former motel converted into rental housing in the late 1990s. Originally planned for student housing but has served general rental market including students, with most tenants singles or couples. Units are furnished and range from efficiency to 1 bedroom, and all utilities are included in rent. Units are rented on a month-to-month basis. Some tenants have portable rent assistance Vouchers.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Lakewood I Apartments 204 Kenwood	9 - 1 Bedroom 14 - 2 Bedroom 1 - 2 Bdrm+Den 24 Total Units	$850 $995 N/A + heat, electric	No vacant units	Mix of tenants	Three-level apartment building without elevator constructed in mid to late 1970s. Rent includes water, sewer, hot water, garbage and cable TV, but tenant pays heat (electric) and electricity in addition to rent. Amenities include stove, refrigerator, A/C, coin laundry and garage for extra $50/month. One-bedrooms have 620 sq ft, 2 bedrooms range from 835 to 944 sq ft, and 3 bedroom has 944 sq ft; all units have 1 bathroom. Two vacant units in Lakewood complex at time of survey. One-bedroom rents are up $275, and 2-bedrooms by $295 from 2018 survey.
Lakewood II Apartments 304 Kenwood	8 - 1 Bedroom 16 - 2 Bedroom 24 Total Units	$850 $995 +heat, electric	1 vacant unit 1 - 2 bdrm	Mix of tenants	Three-level apartment building without elevator constructed in mid to late 1970s. Rent includes water, sewer, hot water, garbage and cable TV, but tenant pays heat (electric) and electricity in addition to rent. Amenities include stove, refrigerator, A/C, coin laundry and garage for extra $50/month. One-bedrooms have 620 sq ft, 2 bedrooms range from 835 to 944 sq ft, and 3 bedroom has 944 sq ft; all units have 1 bathroom. Two vacant units in Lakewood complex at time of survey. One-bedroom rents are up $275, and 2-bedrooms by $295 from 2018 survey.
Lakewood III Apartments 310 Kenwood	8 - 1 Bedroom 16 - 2 Bedroom 24 Total Units	$850 $995 +heat, electric	1 vacant unit 1 - 2 bdrm	Mix of tenants	Three-level apartment building without elevator constructed in mid/late-1970s. Rent includes water, sewer, hot water, garbage and cable TV, but tenant pays electric heat and electricity in addition to rent. Amenities include stove, refrigerator, A/C, coin laundry and garage for extra $50/month. One-bedrooms have 620 sq ft, 2 bedrooms have 835 to 944 sq ft, and 3 bedroom has 944 sq ft; all units have 1 bathroom. Two vacant units in Lakewood complex at time of survey. One-bedroom rents are up by $275, and 2-bedrooms by $295 from 2018.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Lakewood Terrace 3703 South Broadway	2 - 1 Bedroom 3 - 2 Bdrm/1 bath 8 - 2 Bdrm/2 bath 5 - 3 Bedroom 18 total units with 4 affordable and 14 market rate	\$816-\$831 \$983-\$998 \$1175-\$1405 \$1580-\$1670 +heat, electric	No vacant units	Luxury rentals units with 4 affordable TIF units	Multi-level apartment building with elevator constructed in 2016 - 1 of 4 buildings in Lakewood complex. City TIF assistance used so 2 1-bedroom and 2 2-bedroom units are income and rent restricted at 50% of median income levels. Income-based units have generally had good occupancy history. Unit amenities include stove, refrigerator, dishwasher, microwave, in-unit laundry, AC and detached garage parking. Larger units have deck/balcony with additional 120 to 128 sq ft. One-bedrooms have 661 sq ft and 1 bathroom; 2-bedrooms with 1 bathroom have 808 or 970 sq ft; 2-bedrooms with 2 bathrooms have 1072 sq ft; 3-bedrooms have 1270 or 1370 sq ft and 2 bathrooms. Two bathroom units have master bedrooms with bathroom. Manager reported full occupancy. Affordable unit rents are up by \$145 to \$192 and market rents are up by \$75 to \$160 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Lakewood Terrace 3709 South Broadway	2 - 1 Bedroom 3 - 2 Bdrm/1 bath 8 - 2 Bdrm/2 bath 5 - 3 Bedroom 18 total units with 4 affordable and 14 market rate	\$816-\$831 \$983-\$998 \$1175-\$1405 \$1580-\$1670 +heat, electric	No vacant units	Luxury rentals units with 4 affordable TIF units	Multi-level apartment building with elevator constructed in 2015 as 1 of 4 buildings in Lakewood complex. City TIF assistance used so 2 1-bedroom and 2 2-bedrooms are income and rent restricted at 50% of median income levels. TIF units have generally had good occupancy history. Unit amenities include stove, refrigerator, dishwasher, microwave, in-unit laundry, AC and detached garage parking. Larger units have deck/balcony with additional 120 to 128 sq ft. One-bedrooms have 661 sq ft and 1 bathroom; 2-bedrooms with 1 bathroom have 808 or 970 sq ft; 2-bedrooms with 2 bathrooms have 1072 sq ft; 3-bedrooms have 1270 or 1370 sq ft and 2 bathrooms. Two bathroom units have master bedroom with bathroom. Manager reported full occupancy. Affordable unit rents are up by \$145 to \$192 and market rents are up by \$105 to \$160 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Lakewood Terrace 3705-3707 S Broadway St	4 - 1 Bedroom 4 - 2 Bedroom 18 - 2 Bedroom 10 - 3 Bedroom 36 Total Units with 8 affordable and 28 market rate	\$816-\$831 \$983-\$998 \$1175-\$1405 \$1580-\$1670 +heat, electric	No vacant units	Luxury rentals units with 8 affordable TIF units	Two 18-unit multi-level apartment buildings with elevator that were constructed in 2010 - 2 of 4 buildings in Lakewood complex. City TIF assistance used so 4 1-bedroom and 4 2-bedroom units are income and rent restricted at 50% of median income levels. Income-based units have generally had good occupancy history. Tenants pay heat and electric, but other utilities included in rent. Market rate units have detached garage. Amenities include stove, refrigerator, dishwasher, include in-unit laundry, individual heat/AC, security entrance, deck/balcony and condo style buildings floor plans. Income-based units have 661 sq ft and 806 sq ft, respectively, and 1 bathroom. Market rate 2-bedrooms have 1090-1214 sq ft and most have 2 bathrooms; 3-bedrooms have 1389-1490 sq ft and 2 bathrooms. Manager reported full occupancy. Affordable unit rents are up by \$145 to \$192 and market rents are up by \$105 to \$160 from 2018 survey.
Lark Street Apartments 1101-1109 Lark St	16 - 2 Bedroom 16 Total Units	\$650 +heat, electric	No vacant units	Mix of tenants	Two 2-level apartment buildings constructed in the late 1970s. Water, sewer, hot water and garbage included in rent but tenant pays heat (electric) and electricity. Amenities include stove, refrigerator, A/C, dishwasher in some units, coin laundry and garage for extra \$35 fee. Units have 800 sq ft and 1 bathroom. No vacant units at time of survey and good demand reported. Rents are up by \$110 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
The Legacy 701, 703 34th Ave E	29 - 1 Bedroom 55 - 2 Bedroom 30 - 3 Bedroom 114 Total Units	$1020-$1070 $1090-$1405 $1405 +electric	No vacant units	Mix of tenants including seniors, 23 TIF units	Rental housing complex constructed in 2 phases, with 59 units in 2009 and 56 units that opened in 2010. TIF assistance provided so 23 units have income limits - often met by seniors on fixed income. Rent includes heat, water, sewer, hot water and garbage, but tenant pays electric. Unit amenities include stove, refrigerator, microwave, dishwasher, in-unit laundry, and tuck-under parking ($55) or detached garage ($40) parking available. Project offer amenities including guest room, community room, conference room, business center, exercise room, game room, beauty salon, theater, community deck with grills, controlled keyless entry and storage lockers ($15). Some 1-bedrooms have den; regular 2 bedroom units will range in size from 990 sq ft to 1063 sq ft, but 2 large units have nearly 1500 sq ft and 2 bathrooms. Three bedroom units will range from 1350 to 1400 sq ft and 2 bathrooms. Manager reported full occupancy and good demand - many tenants are seniors and do not move often. Unit rents are up by $140 to $170 from 2018 survey.
Lincoln Apartments 1701 6th Ave E	18 - 2 Bedroom 18 Total Units	$800 +electric	No vacant units	Mix of tenants	Three-level apartment building constructed in 1968, with renovations over time. Rent includes heat, water, sewer, hot water, cable tv and garbage, but tenant pays electric. Amenities include stove, refrigerator, dishwasher, microwave, wall AC, balcony, mini-blinds, coin laundry and garage included in rent. Unit sizes vary, but average is approx. 825 sq ft and all units have 1 bathroom. Manager reported no vacant units on date of survey and good demand. Rents are up by $130 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Lincoln Estates 1705 6th Ave East	7 - 1 Bedroom 17 - 2 Bedroom 24 Total Units	$700 $800 +electric	3 open units with applicants pending	Mix of tenants	Three-level apartment building without elevator constructed in 1974. Tenants pay electric, but heat, water, sewer, garbage and cable TV are included in rent. Amenities include stove, refrigerator, A/C and coin laundry facilities. Manager reported 2 open units on date of survey due to turnover but applications were in process to fill both units. Rents are up by $165 to $185 from 2018 survey.
McKay Avenue Apartments 404 McKay	6 - Studio 6 - 1 Bedroom 18 - 2 Bedroom 30 Total Units	$600 $750 $825 +electric	No vacant units	Mix of tenants	Three-level apartment building without elevator built in 1974 - renovation in 2014 with MHFA funding. Rent includes heat, water, sewer, hot water and garbage, but tenant pays electric; studio units have electric included in rent. Amenities include stove, refrigerator, AC, and coin laundry. One-bedrooms have 660 sq ft, 2-bedrooms have 720 sq ft and studios have 266 sq ft; all units have 1 bathroom. Manager reported no vacancies on date of survey. Rents have increased by $55 for studios, $160 for 1-bedrooms and $205 for 2-bedrooms from 2018 survey.
Oak Knoll Complex 505-509 McKay Ave NE	24 - 2 Bedroom 24 Total Units	$900 +heat, electric	No vacant units	Mix of tenants	Two 3-story apartment buildings without elevator constructed in the early 1980s. Tenants pay electric heat and electricity in addition to rent, but water, sewer and garage is included in rent. Amenities include stove, refrigerator, A/C and coin laundry on each floor. Units have approx. 850-900 sq ft and 1 bathroom. One vacant unit at time of survey due to recent turnover but good demand exists for this property. Additional land at site could allow for more rental development. Rents have increased by $275 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Oakwood Twin Homes 4th Ave E and Kenwood St	6 - 2 Bedroom 6 Total Units	N/A +utilities	N/A	Senior-designated market rate	Not contacted in 2023 - information presented is from prior surveys. Three duplexes constructed since 2000 on a redevelopment site where an older home was removed. Units are designated for senior occupancy, age 55 and older. Units have attached garage, laundry hookup and some have 1 ½ bathrooms. Tenants pay all utilities in addition to rent.
The Overlook 1880 10th Ave E	studio 1 bedroom 2 bedroom 3 bedroom 4 bedroom 48 total units	$995 $1095 $1295-$1395 $1595 $1695 +heat, electric	1 vacant unit 1 - 4 bdrm	Mix of tenants	Three-level apartment building with elevators constructed in 2019. 20% of units are TIF-assisted and serve households below 60% of median income. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Unit amenities include dishwasher, some units with balcony, and in-unit laundry. Project amenities include community patio, fitness center and underground parking. Manager reported 3 vacant units on date of survey. No comparable rent information from 2018 survey.
Park South Apartments 1813-1815 Aga Drive	3 - 1 Bedroom 45 - 2 Bedroom 48 Total Units	$620 $740 +electric, $20-$25 surcharge	No vacant units	Mix of tenants including some students	Two 24-unit apartment buildings with 3 stories and no elevator constructed in the 1970s. Buildings were remodeled in the early 2000s. Tenants pay electric, and $20 to $25 surcharge for heat, water, sewer and garbage which are included in rent. Amenities include stove, refrigerator, dishwasher, microwave, walk-in closet, AC and playground. Detached garage available for extra $30 fee. Two-bedrooms have approx. 850 sq ft and 1 bathroom. Manager reported no vacant units at time of survey. Mix of tenants including students. Rents have increased by $90 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Pheasant Run Apartments 825 34th Ave E	6 - 1 Bedroom 36 - 2 Bedroom 12 - 3 Bedroom 54 Total Units	N/A	N/A	N/A	Unable to contact in 2023 - information is from prior surveys. Three 18-unit 2-level buildings constructed in 2003, 2004 and 2005. Located near Tech College and many tenants are students in 2018. Amenities include in-unit laundry, stove, refrigerator, dishwasher, AC, walk-in closet, security entrance, balcony/patio, walk-in closets in larger units, and garage parking ($45) and indoor storage ($15). Rent includes heat, water, sewer, hot water and garbage, but tenant pays electric. One-bedrooms have 708 sq ft and 1 bathroom, 2-bedrooms have 885 to 1086 sq ft and 1 bathroom, and 3-bedrooms have 1220 sq ft and 2 bathrooms.
Ridgeview 1873 10th Ave E	Studio 1 Bedroom 2 Bedroom 3 Bedroom 80 units	$950 $1150-$1450 $1295-$1495 $1595-$1650 +heat, electric	2 vacant units 2 - 1 bdrm	Mix of tenants	Multi-story apartment complex that started construction in 2021. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Unit amenities include dishwasher in some units, some units with balcony, and in-unit laundry. Project amenities include study room, community room, community patio, conference room, pet wash station and underground parking. Manager reported 2 vacant units on date of survey. No comparable rent information from 2018.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Rosewood Apartments 1964 10th Avenue SE	12 - Studio 12 - 1 Bedroom 10 - 2 Bedroom 2 - 3 Bedroom 36 Total Units	$775-$995 $1095 $1295 $1495 +heat, electric	2 vacant units 2 - 2 bdrm	Mix of tenants	Three-level walkup apartment building that opened for occupancy in 2017. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Seven units have TIF income limits. Unit amenities included stainless steel appliances with dishwasher in some units, wall AC, in-unit laundry, patio/balcony for some units and garage parking for extra fee. One-bedrooms have 650 sq ft and 1 bathroom; 2-bedrooms have 840 sq ft and 1 bathroom; 3-bedrooms have 2 bathrooms. Manager reported 2 vacant units at time of survey. No comparable rent information from 2018 survey.
The Rune	5 - studio 20 - 1 bedroom 9 - 1 bdrm prem. 12 - 2 bedroom 12 - 2 bdrm prem. 15 - 2 bdrm prem+ 72 total units	$1200 $1500 $1750 $1950 $2200 $2500 +electric	Under construction	Senior designated housing	Senior-designated (55+) luxury rental housing project in the downtown area that was permitted in 2022 but is not expected to be available for occupancy until late 2024. Units are for independent living in a 4-level mixed-use building with underground parking. Rent will include utilities except for electric. Rents listed are as proposed in original pro forma. Studio units have 650 sq ft, 1-bedrooms have 850-940 and 2-bedrooms have 1,140 sq ft.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Runestone Apartments 4541 Arbor Crossing SE	1 - Studio 7 - 1 Bdrm/1 bath 13 - 2 Bdrm TIF 41 - 2 Bedroom 2 - 3 Bedroom 63 Total Units	$935 $1100 $910 $1210-$1325 $1545 +electric	No vacant units	Market rate project with 13 TIF units at 50% of median income	Three-level apartment building with elevator that opened for occupancy in 2013 at first phase of development at StoneManor. TIF assistance from City results in 13 2-bedroom units being set aside for households at 50% of median income. Tenant pays electric, but heat and other utilities included in rent. Unit amenities include stove, refrigerator, dishwasher, microwave, in-unit laundry, kitchen island, pantry and balcony/patio. Building amenities include tuck-under garage, security entrance, patio area with grills, lounge and community room. Garage rental is extra. One-bedrooms have 745 sq ft and 1 bathroom; 2-bedroom/1 bathroom have 879-1035 sq ft; 2-bedroom/2 bathrooms have 976-1170 sq ft; and 3-bedrooms have 1311 sq ft and 2 bathrooms. Most 2-bedroom units have 2 bathrooms and are at higher end of rent range listed. Manager reported full occupancy. All unit rents, including TIF, have increased by $185 to $295 from 2018 survey.
Runestone Manor 1805, 1905 6th Ave E	4 - 1 Bedroom 12 - 2 Bedroom 16 Total Units	N/A	N/A	N/A	Not contacted in 2023 - information presented is from prior surveys. Rowhouse apartments built in 1972 and 1977. Rent includes heat but tenant pays electric. Amenities include coin laundry and heated garage and cable TV.
7th Avenue Apartments 1805 7th Avenue East	6 - 3 Bedroom 5 - 4 Bedroom 1 - 5 Bedroom 12 Total Units	$1450 $1550 $1650 +heat, electric	2 vacant units 1 - 3 bdrm 1 - 4 bdrm	Mix of tenants	Rental project that opened for occupancy in 2018. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Unit amenities include stainless steel appliances including dishwasher, in-unit laundry, AC and patio/balcony. Three-bedrooms have 1 bathroom, 4 and 5-bedroom units have 2 bathrooms. Rents have increased by $100 to $200 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
6th Avenue East Apartments 1605-1607 6th Ave E	30 - 2 Bedroom 30 Total Units	$650-$700 +heat, electric	No vacant units	Mix of tenants	Two 2-story apartment buildings with 15 units each, constructed in 2001. Water, sewer, hot water and garbage included in rent but tenant pays heat (electric) and electric. Amenities include stove, refrigerator, dishwasher in some units, A/C, security entrance, coin laundry facilities, and garage for extra $35 fee. Most units have 1000 sq ft and 1 bathroom, but 2 units have 1500 sq ft and 1.5 bathrooms and are at higher rents listed. No vacant units at time of survey and good demand reported. Rents are up by $35 from 2018 survey.
Alexandria Apartments 1810 6th Ave E	1 Bedroom 2 Bedroom 3 Bedroom 24 units	$1095 $1295 $1495 +heat, electric	Initial lease-up phase with 2 bedroom units still available	Mix of tenants	Multi-story apartment building that opened for occupancy in March 2023 - still in initial lease-up phase. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Unit amenities include dishwasher in some units, some units with balcony, in-unit laundry and detached garage parking. Manager reported 2 vacant units on date of survey. No comparable rent information from 2018.
Town Square Apartments 414 Hawthorne St	19 - 1 Bedroom 2 - 2 Bedroom 21 Total Units	$550 $625 +heat, electric	No vacant units, waiting list	Senior-designated age 50+	Senior-designated (age 50+) apartments built in 1984 and acquired by the Douglas County HRA in 2016. Rent includes water, sewer, hot water and garbage, but tenant pays heat (electric) and electric in addition to rent. Amenities include stove, refrigerator, A/C, community space, elevator and coin laundry. Building also houses Senior Center with daily activity and noon meal. One-bedrooms have approx. 650 sq ft and 2-bedrooms have 850 sq ft; all units have 1 bathroom. Manager reported no vacant units and a waiting list. Rents have increased by $50 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Viking Apartments 515 22nd Ave W	1 - 1 Bedroom 23 - 2 Bedroom 24 Total Units	N/A	N/A	N/A	Unable to contact in 2013 - information is from prior surveys. Three-level apartment building without elevator constructed in 1978-79. Rent includes water, sewer, hot water and garbage, but tenant pays electric heat and electricity. Amenities include stove, refrigerator, dishwasher, garbage disposal, wall AC, coin laundry and play area. Higher rent 2 bedrooms include garage, other units can rent garage for extra fee/month. Two-bedrooms have 875 sq ft and 1 bathroom. Building used MHFA rental but compliance has ended.
Westfield 1 1414 41st Ave	2 - studio 12 - 1 bedroom 23 - 2 bedroom 37 total units	$815 $945-$995 $1150-$1250 +electric	1 vacant unit 1 - 2 bdrm	Mix of tenants	Three-level apartment building with elevators that opened for occupancy in Dec. 2020. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include dishwasher, AC, patio/balcony and detached garages available for $50-$70. Project amenities include fitness center, community room, theater room, playground and picnic area. Different floor plans exist including 2-bedroom/2 bathroom units. Manager reported 1 vacant unit at time of survey. Mix of tenants reported. No comparable rent information from 2018.
Westfield 2 1414 41st Ave	2 - studio 12 - 1 bedroom 23 - 2 bedroom 37 total units	$815 $945-$995 $1150-$1250 +electric	No vacant units	Mix of tenants	Three-level apartment building with elevators that opened for occupancy in March 2021. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include dishwasher, AC, patio/balcony and detached garages available for $50-$70. Project amenities include fitness center, community room, theater room, playground and picnic area. Different floor plans exist including 2-bedroom/2 bathroom units. Manager reported no vacancies at time of survey. Mix of tenants reported. No comparable rent information from 2018.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Westfield 3 1488 42nd Ave W	2 - studio 18 - 1 bedroom 29 - 2 bedroom 49 total units	$815 $945-$995 $1150-$1250 +electric	Opening May 2023	N/A	New phase of Westfield project that opened for occupancy in May 2023. Three-level apartment building with elevators. Rent includes heat, water, sewer and garbage, with tenant paying electric. Unit amenities include dishwasher, AC, patio/balcony and detached garages available for $50-$70. Project amenities include fitness center, community room, playground and picnic area. Different floor plans exist including 2-bedroom/2 bathroom units. No comparable rent information from 2018.
West 20th Avenue Apartments 210-310 20th Ave	2 - 1 Bedroom 42 - 2 Bedroom 44 Total Units	$600 $650 +electric	1 vacant unit, 1 - 2 Bdrm	Mix of tenants	Two 3-level apartment buildings without elevator constructed in 1982. Heat, water, sewer, hot water and garbage included in rent but tenant pays electric. Amenities include stove, refrigerator, A/C, security entrance, coin laundry, some accessible units and garage for extra $35 fee. Two bedroom units have 900 sq ft and 1 bathroom. One vacant unit at time of survey due to turnover but good demand exists. Rents are up by $75 to $90 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Wiltoka Apartments	2 - 1 Bedroom 34 - 2 Bedroom 12 - 3 Bedroom 48 Total Units	$520 $605-$625 $725 +electric	No vacant units	Mix of tenants	Two 24-unit apartment buildings awarded tax credits in 1992 - compliance has been met and no longer monitored or subject to income and rent limits. Rent includes heat, water, sewer, hot water and garbage, but tenant pays electric. Garages available for extra fee/month. Amenities include stove, refrigerator, wall A/C, security entrance and coin laundry. One-bedrooms have 600 sq ft and 1 bathroom, 2-bedrooms have 840-940 sq ft and 1 bathroom, and 3-bedrooms have 1240 sq ft and 2 bathrooms. No vacant units reported on date of survey and a waiting list exists. One-bedroom rents are up by $180, 2-bedrooms by $250 to $270, and 3-bedrooms by $250 from 2018 survey - but tax credit rent restrictions have also ended.
Woodhill Apartments 1405 Seventh Ave	16 - 1 Bedroom 2 - 2 Bedroom 18 Total Units	$595 $695 +electric	No vacant units	Senior designated age 55+	Formerly a Rural Development senior/disabled building that converted to market rate housing in 2012. Senior-designated for households age 55 and older. One level building originally constructed in 1984. Some tenants have rent assistance Vouchers allowing rent based on 30% of income. Rent includes heat, water sewer and garbage, but tenant pays electric. Amenities include stove, refrigerator, community room and coin laundry. No sq available but all units have 1 bathroom. Manager reported no vacancies at time of survey and good demand for senior-designated housing. Rents have increased by $155 for 1-bedrooms and $175 for 2-bedrooms from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Market Rate					
Woodland Heights 1770 10th Ave E	studio 1 bedroom 2 bedroom 3 bedroom 4 bedroom 94 total units including 38 TIF	\$995 \$1095 \$1295 \$1495 \$1595 +heat, electric	3 vacant units 2 - 3 bdrm 1 - 4 bdrm	Mix of tenants	Multi-story apartment buildings with elevators constructed in 2019. 40% of units are TIF-assisted and serve households below 60% of median income, with half of these units capped at 50% rent limits. Rent includes water, sewer and garbage, with tenant paying electric heat and electricity. Unit amenities include dishwasher in some units, some units with balcony, and in-unit laundry. Project amenities include community patio, fitness center and underground parking. Manager reported 3 vacant units on date of survey. No comparable rent information from 2018.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Student-Oriented Housing					
Foundation Hall 318 17th Ave E	7 - 2 Bedroom 1 - 3 Bedroom 33 - 4 Bedroom 41 Total Units	$640/pp $580/pp $580/pp	Full occupancy at start of fall term	Student housing	Student housing complex with 149 person capacity located near the campus that opened for occupancy in 2012. Apartments are furnished including TV and internet service. All utilities included in rent. Project amenities include controlled access building, full kitchens, wall-mounted TV, community laundry on each floor, on-site management and off-street parking. Two-bedroom units have 804 sq ft and 1 bathroom, 4-bedrooms have 1234 sq ft and 2 bathrooms. Lease term is for academic year, with individual leases at per person rates listed. Units are then used by students attending summer-only programs. Nearly all tenants are traditional students age 25 and younger. Two-bedrooms fill very quickly and waiting list develops. Project is always fully leased for start of fall term - with waiting list of 50 to 150 names. Rates are up by $30 from 2018 survey. Second building planned for 2024.
Geneva Beach Resort	Single occupancy Shared occupancy 29 students in 17 units	$600-$650 $550-$650	Full occupancy at start of fall term	Student housing	Lake resort used for student housing during the school year, and summer vacation rentals. 17 units are rented to students with capacity for 29 people. Some units are private in efficiency or one-bedroom, and other units are two or 3-bedroom shared occupancy with private bedroom. Rent includes all utilities. Most tenants are traditional students age 25 and younger, including athletes. Project is always fully leased for start of fall term - with waiting list of 20 names. Single occupancy rates have increased by $20-$60 and shared by $45-$110 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Student-Oriented Housing					
Jefferson Apartments 1504 Jefferson	2 - 1 Bedroom 22 - 2 Bedroom 24 Total Units	$725 $795 $455/bdrm + electric	No vacant units but some vacant bedrooms	Primarily student housing	Two 3-level apartment buildings without elevator constructed in 1985. Located across the street from the College and all but 3 units are leased to students. Three 2-bedroom units are rented on a per bedroom basis. Tenants pay electric in addition to rent, but heat, hot water, water, sewer, garbage and internet are included in rent. Amenities include stove, refrigerator, AC, reserved parking with plug-ins and coin laundry. All units were leased at time of survey but a few bedrooms were vacant after students moved out mid-term. Manager reported receiving calls for next fall term. One-bedroom rents are up by $130 and 2-bedrooms are up by $95 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Tax Credit/Moderate Rent					
Deer Ridge Townhomes	12 - 2 Bedroom 12 - 3 Bedroom 24 Total Units	\$675 \$750 +heat, hot water, electric	No vacant units, waiting list	All units serve households at 50% or 60% of median	Town house tax credit project that opened for occupancy in 2014. All units are tax credit assisted and serve households at or below 50% or 60% of median income. Rent includes water, sewer and garbage, with tenant paying heat, electric and hot water in addition to rent. Units have stove, refrigerator, dishwasher, central AC, attached garage, in-unit laundry hookup and 2 bathrooms in 2-level units. Two-bedrooms have 1359 to 1453 sq ft, and 3-bedrooms have 1637 sq ft. Manager reported 1 vacant unit at time of survey due to turnover but waiting list exists. Rents have increased by \$85 from 2018 survey.
Lincoln Square 1707 7th Ave E	14 - 2 Bedroom 10 - 3 Bedroom 24 Total Units	\$790 \$845 +heat, hot water, electric	No vacant units, waiting list	60% of median	Tax credit town house units built in 1997. All units serve households at 60% of median income. Rent includes water, sewer and garbage, with tenant paying heat, electric and hot water in addition to rent. Amenities include in-unit laundry hookup, dishwasher, attached garage and playground area. Two-bedrooms have 1008 sq ft and 3-bedrooms have 1343 sq ft. Manager reported full occupancy at time of survey with a waiting list. Rents have increased by \$140 from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Tax Credit/Moderate Rent					
Sunrise Apartments 1616 7th Ave E	12 - 2 Bedroom 6 - 3 Bedroom 18 Total Units	$655 $800 +electric	No vacant units, waiting list	All new tenants at 60% of median income	Tax credit apartment project built in 1995 - initial compliance has been met and now in extended compliance phase. All new tenants must be at 60% or less of median income, but existing tenant re-certification requirements are eased. Rent includes heat, water sewer, hot water and garbage, but tenant pays electric. Garages available for extra fee /month. Amenities include stove, refrigerator, wall A/C, security entrance, dishwasher and coin laundry. Two-bedrooms have 840-940 sq ft and 1 bathroom, and 3-bedrooms have 1240 sq ft and 2 bathrooms. Manager reported full occupancy on date of survey and a waiting list exists - project does have turnover due in part to income limits. Rents have increased by $45 to $195 for 2-bedrooms and $150 for 3-bedrooms from 2018 survey.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Subsidized - General Occupancy					
Cardinal Manor (formerly Royal Manor I) 505 Unumb	16 - 1 Bedroom 8 - 2 Bedroom 24 Total Units	$698 $748 30% of income	No vacant units, waiting list	General occupancy	Apartments built in 1984 through Rural Development - project had been in the process of leaving subsidy program in 2009 acquired and preserved by a housing nonprofit. Project-based rent assistance is available for all units, and tenants pay rent based on 30% of income, including tenant-paid electric, up to maximum rents listed. Amenities include stove, refrigerator, and coin laundry. One-bedrooms have 617-633 sq ft and 2-bedrooms have 748-798 sq ft; all units have 1 bathroom. No units vacant at time of survey and a waiting list exists, mostly for 1-bedrooms. Maximum rents have increased by $125 to $130 from 2018 survey.
Maple Ridge Manor 321 Unumb Ct	8 - 1 Bedroom 24 - 2 Bedroom 8 - 3 Bedroom 40 Total Units	$557 $785 $859 30% of income	Open units in process of being filled	General occupancy	MHFA/HUD Section 8 general occupancy project built in 1978. One-bedrooms are apartments, other units are town houses with basements. All units have project-based rent assistance with rent is based on 30% of income, up to maximum rents listed. Amenities stove, refrigerator, in-unit laundry hookup in town houses, and coin laundry and A/C in apartments. One-bedrooms have 550 sq ft and 1 bathroom, 2-bedrooms have 1000 sq ft and 1.5 bathrooms and 3-bedrooms have 1300 sq ft and 1.5 bathrooms. Four units were unoccupied at time of survey but new applicants were being processed to fill the units. Smaller inventory of 1 and 3-bedrooms results in limited turnover. Maximum rents have increased by $5 to $80 from 2018 survey.
Public Housing Scattered Site	9 - 2 Bedroom 3 - 3 Bedroom 2 - 4 Bedroom 14 Total Units	$750 $950 $1000 30% of income	No vacant units, waiting list	General occupancy	Seven low rent public housing scattered site duplexes in the Alexandria area built in the early 1980s. Tenants pay 30% of income for rent up to maximum flat rents listed. All units are occupied and a waiting list exists, with 19 names on 2-bedroom, 8 names on 3-bedroom, and 3 name on 4-bedroom list.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Subsidized - General Occupancy					
Royal Manor II Apartments 415 Unumb	15 - 1 Bedroom 9 - 2 Bedroom 24 Total Units	\$375-\$497 \$415-\$537 30% of income	No vacant units	General occupancy	USDA Rural Development subsidized project for general occupancy that also used tax credits and was built in 1987 - tax credit compliance has been met. Project will be sold in 2023 to SW MN Housing Partnership. Sixteen tenants have access to project-based rent assistance that allows rent based on 30% of income; remainder pay 30% of income but not less than basic or more than market rents listed. Two current tenants also have tenant-based rent assistance Vouchers. Project amenities include coin laundry, assigned parking and electric plug-ins. No vacancies at time of survey but no waiting list - applicants generally need immediate access to affordable housing and do not want to be on waiting list. Basic/market rents are up by \$50 to \$70 from 2018 survey.
Woodhill Townhouses 1300 Seventh	18 - 2 Bedroom 6 - 3 Bedroom 24 Total Units	\$508 \$700 30% of income	No vacant units, waiting list	General occupancy	General occupancy Public Housing town homes built in 1983. All tenants pay rent based on 30% of income up to the maximum flat rents listed. Full occupancy reported and low rate of turnover typically exists especially for 3 bedroom units. Waiting list has approx 5 names for both 2-bedroom and 3-bedroom units.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Subsidized - Senior/Disabled Occupancy					
Bethel Manor I	63 - 1 Bedroom 63 Total Units	30% of income	No vacant units, waiting list	Senior occupancy	HUD 221(d)(3) senior housing built in 1974. Once part of a senior community that also included a skilled nursing home and memory care housing but ownership changed in 2019 and these facilities are no longer affiliated although nursing home is physically connected. Three-story building with elevator. Occupancy policy for seniors age 62 and older, earning 30% or less of median income. All tenants have rent assistance available that allows rent based on 30% of income. Amenities include stove, refrigerator, emergency call system and coin laundry. Independent living but approx one-third of residents contract privately for services. Project had no vacant units at time of survey and a waiting list is maintained.
Bethel Manor II	69 - 1 Bedroom 69 Total Units	30% of income	No vacant units, waiting list	Senior occupancy	HUD 202/Section 8 senior housing built in 1980. Once part of a senior community that also included a skilled nursing home and memory care housing but ownership changed in 2019 and these facilities are no longer affiliated. Two-story building with elevator. Occupancy policy for seniors age 62 and older, earning 50% or less of median income. All tenants have rent assistance available that allows rent based on 30% of income. The building may allow up to 10% of tenants to have higher incomes and pay market rent. Amenities include stove, refrigerator, emergency call system and coin laundry. Independent living but approx one-third of residents contract privately for services. Project had no vacant units at time of survey and a waiting list is maintained.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Subsidized - Senior/Disabled Occupancy					
KMA-Highland Terrace 319 Fairground	21 - 1 Bedroom 4 - 2 Bedroom 25 Total Units	$475-$669 $526-$704 30% of income	2 vacant units, 1 - 1 Bdrm 1 - 2 Bdrm	Senior and disabled occupancy	USDA Rural Development project built in 1981 and designated for senior/disabled occupancy. Two story building without elevator. Project had started the opt-out process prior to 2014, but is still operating as subsidized housing in 2023. Thirteen tenants have access to project-based rent assistance that allows rent based on 30% of income; remainder pay 30% of income, but not less than basic or more than market rents listed. Some additional tenants have rent assistance Vouchers. Amenities include stove, refrigerator, wall AC and patio. Manager reported 2 vacant unit at time of survey - filling units on second floor can be more difficult with no elevator. Waiting list can exist for main level units. Basic and market rents are up by $25 from 2018 survey.
Viking Tower 805 Fillmore	106 - 1 Bedroom 106 Total Units	$460 30% of income	No vacant units, waiting list	Preference for senior, disabled or veteran occupancy	Public Housing highrise built in 1969, with major renovations completed in 1990s. Preference is given to senior, disabled or veteran applicants and most occupants meet the preference tests. All tenants pay rent based on 30% of income up to maximum flat rent listed. An estimated 30% of tenants receive contracted home health care or other supportive services, with on-site social worker to assist residents in obtaining services. Meals on wheels delivered 5 days/week. Manager reported no vacant units and approximately 15 name waiting list although most are not preference holders. Trend is for fewer seniors and more younger applicants, both with and without disability status.

Table 29 Alexandria Multifamily Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Subsidized - Senior/Disabled Occupancy					
Winona Shores 1010 Lark St	27 - 1 Bedroom 27 Total Units	30% of income	No vacant units, waiting list	Seniors below 30% of median income	HUD Section 202/PRAC senior housing that opened for occupancy in 2003. Once part of a senior community that also included a skilled nursing home and memory care housing but ownership changed in 2019 and these facilities are no longer affiliated. Occupancy policy for seniors age 62 and older, earning 30% or less of median income. All tenants have rent assistance available that allows rent based on 30% of income. Amenities include wall AC sleeve and optional emergency call system. Independent living but approx one-third of residents contract privately for services. Project had no vacant units at time of survey and a waiting list is maintained.
Subsidized - Tenant-based Rent Assistance					
Housing Choice Vouchers	Approximately 177 Alexandria area households participating	30% of income	Waiting list is closed to new applicants	General occupancy	Federal and State tenant-based rent assistance programs administered by the Douglas County HRA with approximately 177 participating households in the Alexandria area in 2023. Waiting list is closed to new applicants due to length and limited turnover. Most assistance through HUD Voucher programs but some specialized State rent assistance programs targeted to specific populations may also be available. Number of participating households has increased by approximately 40 from 2018.

Source: Community Partners Research, Inc.

Senior Housing with Services Summary

Senior housing with services is a broad classification that encompasses a wide range of housing options, from nearly independent living to advanced assisted living, memory care and nursing home beds. The following definitions of units by type have been made by Community Partners Research based on our understanding of the housing being offered at each facility in Alexandria. These definitions may not always match with the technicalities of licensing through the State of Minnesota.

Units by Type

The Minnesota Department of Health identifies a number of licensed providers of senior housing with services in Alexandria. This list was used to contact housing providers. The projects have been summarized below by the primary market segment served.

Subsidized Housing with Services Available

At the time of a 2014 Housing Study for Alexandria there were four senior-oriented subsidized housing projects that were listed as "Housing with Services" providers on the State website. However, Housing with Services is no longer listed by the MN Department of Health.

The four projects that had previously used this classification were:

- Viking Tower
- Bethany Manor I
- Bethany Manor II
- Winona Shores

In 2023, each of these projects continues to offer subsidized housing oriented to senior and/or disabled tenants. Services may still be available to residents in each of these buildings, but this would be through a contract arrangement between the tenant and the home health care provider. In most cases, services are limited, and are not available through an on-site staff person on a 24-hour basis.

Since the individual tenant must contract directly with the service provider, the number of units in these buildings that have services will vary, depending on the needs of the specific tenants in occupancy. These buildings do represent an important resource, especially for lower income seniors, but are not directly comparable to the senior projects that are built specifically to provide housing with services to assist with daily living.

Light Services/Congregate Senior Housing

There are currently two senior housing projects in Alexandria that serve more independent senior households needing only light services. The projects that are viewed by the analysts as addressing the light services/congregate housing segment are:

- Arabella Manor I&II
- Grand Arbor Lakes Senior Apartments

Unit Inventory

Grand Arbor Lakes, part of the Nelson Grand Arbor senior campus, has 162 total apartment units available to more independent seniors. This includes 73 apartments constructed in 2010, and an 89-unit expansion completed in 2016.

The basic rent package at Grand Arbor Lakes includes utilities, breakfast, phone, cable, internet, emergency call system and access to activities and building amenities. Additional light services and meals can then be purchased as needed. Since the Nelson Grand Arbor campus also has assisted living and memory care options, this facility can offer a 'continuum of care' to seniors as they age. The Lakes Apartments can primarily address seniors needing only a light services offering.

It is important to note that no direct information was obtained from ***Arabella Manor*** in the 2023 research, and it is believed that this project continues to serve this segment of the market. This project has 74 total apartments, built in two phases.

The Arabella Manor website does list a number of available services including food delivery, transportation and wellness. The wellness details include housekeeping and laundry, home health, medication management, safety pendant, bathing assistance, and monthly RN nail trimmings.

The two providers listed above have approximately 236 rental units that could be accessed by seniors wishing to acquire some level of services with their housing. This unit total is lower than in 2018 due to the removal of Vista Prairie at Windmill Ponds from this market segment.

Recent Changes in Inventory

In 2018, there had been a third project addressing the light services housing segment. At that time, Vista Prairie at Windmill Ponds was offering "flexible" care levels, offering both independent living and assisted living care.

Since its construction in 2000, this property has been in transition from more independent housing to more service-intensive care. In 2023, this project reported that it provides assisted living. In 2018, we had estimated that approximately 14 units in Vista Prairie at Windmill Ponds offered light services housing.

Occupancy/Vacancy

Occupancy rates in this segment of the senior market in Alexandria appear to be high, although no information was obtained from Arabella Manor. Grand Arbor Lakes reported a high rate of occupancy and a waiting list.

The occupancy rate in this senior housing segment was also estimated to be high in 2018. A slight reduction of available units since that time would point to strong demand for more independent housing.

Rental Rates

Rental rates in senior housing with services projects can vary significantly, depending on what services are actually included in the basic package.

Some of the apartments in Grand Arbor Lakes received City TIF assistance and serve lower income seniors at a lower monthly rent level. TIF units can be available for less than $1,100 per month for the lowest-priced option. Non-TIF units have an entry price above $1,750. The purchase of any additional services would add to these basic monthly charges.

Pending Projects

The research for this Update did not identify any proposed or pending projects within this market segment. However, Grand Arbor is considering some additional expansion in 2024 that would be another phase of independent housing at Grand Arbor Lakes. No further details were obtained by the analysts.

Assisted Living

There may be some differences in the type of assisted living being offered in Alexandria, although all of the options within this market segment offer a high level of assistance with daily living. Some facilities are described as 'enhanced' assisted living and offer care typically found in nursing homes.

At the time of the 2018 Housing Study, some differentiation had been made between assisted living provided in larger, apartment-style complexes and assisted living offered in smaller residential settings. However, by 2023, three of the smaller residential assisted living providers were no longer operating and this subset of the market is not specifically summarized in the analysis that follows.

Assisted Living Inventory

There are five senior rental projects that provide assisted living services. The projects in Alexandria are:

- Alex Assisted Living
- Edgewood Alexandria Senior Living
- Grand Arbor Prairie North and South Assisted Living
- Nelson Gables Senior Care Apartments
- Vista Prairie at Windmill Ponds

Alex Senior Living has 22 units available for assisted living. These are sleeping rooms with private half-bathrooms. Other levels of care are also being offered, with 10 units additional units included in the memory care analysis.

Edgewood Alexandria Senior Living can also provide a range of care, including assisted living, enhanced assisted living and memory care. There are 37 units available for assisted living, although some of these may be used for enhanced assisted living.

Grand Arbor Prairie North and South have a combined 31 assisted living units in studio and one-bedroom apartments. Prairie South opened in 2016 with 16 units and represents the most recent new construction addition to the City's assisted living inventory.

Nelson Gables Senior Care Apartments has 59 assisted living apartment units, with 48 units providing assisted living and 11 units offering enhanced assisted living.

Vista Prairie at Windmill Ponds has 65 apartment units offering assisted living. At the time of the 2018 Housing Study, a portion of these units were available as light services housing for more independent households, but in 2023 all 65 units are licensed for assisted living.

There are some additional providers in the community that may also provide assisted living, but with emphasis on serving memory care needs, and these have been included in the memory care inventory later in this section.

Accurately tracking the exact size of the assisted living inventory in Alexandria is difficult, given the different types of care that can be offered. However, excluding the advanced/enhanced care options and memory care, which will both be discussed separately, the traditional assisted living providers offer approximately 200 units in 2023, very similar to the estimated inventory in 2018.

Recent Changes in Inventory

Since 2018, three smaller residential assisted living facilities have closed. Sharon's Senior Services, Goldenridge Senior Care and Lakes Area Assisted Living had approximate capacity for approximately 20 residents. A fourth residential facility, Woodcrest Assisted Living, has been grouped with providers of memory care housing in 2023.

In 2018, Vista Prairie at Windmill Ponds was offering more flexible units that could provide lighter services housing, but by 2023, all units now serve the assisted living segment. In 2018, we had estimated that approximately 14 or more units were offering a lower level of services.

Although the inventory of units for assisted living was decreased by the closure of three small residential facilities, the change in use for some units at Vista Prairie at Windmill Pond largely replaced the lost units, resulting in very little change in the overall availability within this specialized segment.

Occupancy/Vacancy

Based on the contacts made in 2023, a high rate of occupancy exists within the assisted living inventory in Alexandria.

Since 2018, there has been continued growth within the target market population of older senior citizens living in Alexandria and Douglas County, but the supply of assisted living units has generally remained unchanged.

Enhanced/Advanced Assisted Living

There are at least four providers that define their care level as "enhanced" or "advanced" assisted living. In general, these facilities attempt to provide a very high level of services, where a resident does not have to move to a nursing home or a hospital if their health deteriorates. The identified providers in this housing segment are:

- Diamond Willow Senior Living
- Edgewood Alexandria Assisted Living
- Grand Arbor The Meadow Assisted Living - 18 units
- Nelson Gables Senior Care - 11 units

Due to the high service needs of the group that is served, some of these facilities overlap with other care segments. For example, ***Diamond Willow*** also offers advanced memory care as well as advanced assisted living, and in the 2023 analysis, Diamond Willow has been included in the memory care section that follows.

Edgewood Alexandria Assisted Living also offers traditional assisted living, as well as memory care. Although some residents may be receiving enhanced assisted living care, all of the units in Edgewood were listed in the assisted living inventory on the previous pages.

Both ***Grand Arbor The Meadow*** and ***Nelson Gables Senior Care*** specifically allocate a portion of their units to enhanced assisted living. In 2023, there were 29 units identified within this specialized housing segment.

When added to the traditional assisted living inventory provided on the previous pages, there are approximately 230 total units in Alexandria offering assisted living or enhanced assisted living in 2023.

Memory Care Housing

There are seven facilities in Alexandria that serve residents with memory care housing needs. As with other types of specialized housing, there can be some degree of overlap in the target markets being served. For example, people with memory loss may also be able to living in skilled nursing homes, enhanced assisted living or traditional assisted living. But for some people, a secured facility may be required.

The State licensing classifies some providers as "Assisted Living Facilities with Dementia Care":

- Alex Assisted Living Memory Care
- Autumn Cottages by Knute Nelson (formerly Prairie Senior Cottages)
- Bethany on the Lake
- Diamond Willow of Alexandria
- Edgewater Alexandria Senior Living
- Grand Arbor The Garden
- Woodcrest Assisted Living

Alex Assisted Living has 10 memory care units in a secured wing of their facility, which also offers traditional assisted living.

Autumn Cottages by Knute Nelson has 12 rooms in a separate facility, with licensed capacity for 20 residents.

Bethany on the Lake has 11 rooms with capacity for 12 residents in a special wing of the skilled nursing home. These rooms can also be used for enhanced assisted living.

Diamond Willow has 20 suites with licensed capacity for 26 residents. This facility can also provide advanced assisted living but most residents have memory care needs.

Grand Arbor The Garden has 33 rooms for memory care residents. Some additional capacity is possible if rooms are shared.

Woodcrest has 8 rooms with licensed capacity for 10 residents in a residential setting. This facility focuses on people with memory care needs.

Combined, these facilities have an estimated 95 rooms/units for people with memory care needs with actual capacity for approximately 110 people if some rooms have shared occupancy. This estimated capacity is very similar to the available inventory in 2018.

Occupancy/Vacancy

The utilization rates in this specialized segment continue to be high. However, half of the suites in Diamond Willow were not occupied at the time of the survey, but this was attributed to staffing shortage rather than lack of demand.

Many of the providers indicated that waiting lists are maintained. However, people needing specialized memory care can often not wait for a unit to become available and instead will look for other suitable housing options.

It is important to note that some elderly residents with memory care needs continue to live in other forms of specialized housing, including assisted living, enhanced assisted living and skilled nursing homes. If these people are able to function successfully in more traditional forms of senior housing, they may not need to transfer to a specialized memory care facility.

Skilled Nursing Homes

Community Partners Research has been able to track changes in the City's inventory of skilled nursing home beds over time, using previous Housing Studies completed for Alexandria.

In 2023, there are still two licensed skilled nursing homes in Alexandria, Bethany on the Lake and Knute Nelson. In 2023, these two facilities are each licenced for 83 beds, for a combined total of 166 beds. In 2018, these homes were licensed for 176 beds, down from 191 licensed beds in 2014. In 2009, there were 277 licensed nursing home beds in Alexandria.

The reductions since 2014 have all been due to changes at Knute Nelson. Bethany's licensing has remained unchanged from 2014 at 83 beds.

The reduction in capacity is generally consistent with trends in the industry. As de-licensing has occurred, more rooms are converted from semi-private occupancy to private occupancy. In addition to the overall reduction in beds, it has also become more common to see beds dedicated to specific uses, such as transitional care intended for shorter-term rehab/recovery stays.

In Bethany, there are 23 beds in a transitional care wing and 60 beds for long-term care. The utilization rate was reported as high, with an annual occupancy rate of approximately 94% to 96%.

In Knute Nelson, there are 43 beds for long-term care, 40 beds for short-term/transitional care. In 2018, there had also been 12 beds in a secured memory care wing but that has since been closed. Annual occupancy was reported as high, with a waiting list maintained.

Senior Care Options in Douglas County

Although most of the specialized senior housing in the County is located in Alexandria, there are also options in Osakis, Evansville and Brandon.

According to State licensing data, the following facilities are located in the smaller cities in Douglas County:

Brandon's Assisted Living, Brandon - 16 assisted living residents
Bridgewell Assisted Living, Osakis - 20 assisted living with dementia care
Evansville Care Center, Evansville - 30 licensed nursing home beds
Evansville Senior Living, Evansville - 16 assisted living residents
Galeon - Osakis - 40 licensed nursing home beds
Westview Assisted Living, Osakis - 16 assisted living residents

There is also a light services project in Osakis, Terrace Heights Independent Living, that has 20 apartment units for more independent seniors.

Senior Demographics and Market Share

Housing with services projects can attract seniors of any age, but typically have the greatest utilization by older seniors. To better analyze the market share for the various forms of housing in Alexandria and Douglas County, Community Partners Research has compared the supply of various types of units to Countywide demographic data for older seniors, age 75 and above.

The 2020 Census information has been examined for basic senior demographic data. In addition, estimates and projections for Douglas County have been reviewed. The Esri projections used for this section were to the year 2027.

Senior Population

The 2020 Census provides the most accurate information on the area's senior population. In April 2020, there were 9,159 senior citizens (age 65+) living in the County, including 4,145 people age 75 or older.

When compared back to 2010, the population of seniors in Douglas County had increased significantly. For all seniors age 65 and older, the population increased by nearly 30%. For older seniors, age 75 and above, the population increased by 20.4% between 2010 and 2020.

Esri's age-based projections to the year 2027 expect further growth. Between 2022 and 2027, the County is expected to add nearly 460 people in the 65 to 74 year old age range, and approximately 815 people age 75 and older.

Senior Households

For senior-headed households, there were 5,579 households in Douglas County that had a householder age 65 or older at the time of the 2020 Census. Of these households, 2,610 had a householder age 75 or older.

When compared back to 2010, the County had added 1,049 households in Douglas County that had a householder age 65 or older, including growth of 256 households with a householder age 75 or older.

Projecting forward to 2027, Esri is forecasting net growth of approximately 250 households Countywide in the younger senior ranges, and approximately 500 households age 75 and older. The analysts view these as conservative forecasts.

Skilled Nursing Home Capture Rate

Since utilization of nursing home beds varies by short-term versus longer-term stays, some assumptions need to be applied to this segment of the market. With four skilled nursing homes in Douglas County, it is estimated approximately 160 to 170 skilled nursing beds are generally occupied by longer-term residents. The capacity in 2023 is lower than in 2018 due to de-licensing of beds and some change is use to shorter-term transitional care stays.

When compared to the estimated population of older senior citizens in Douglas County as reported in the 2020 Census, the available supply of longer-term nursing home beds would need a capture rate of approximately 3.7% to 3.9% of the total population of older seniors (age 75+) in order to maintain a bed utilization rate of 95%.

It is important to note that the supply of licensed nursing home beds has continued to decrease in recent years even though the population of seniors has continued to grow. The required capture rate in 2020 was lower than it had been in the past. However, the de-licensing of beds has also allowed facilities to offer more private rooms rather than shared occupancy, which has made the remaining beds more marketable. There has also been an expansion of other alternative housing options over time in the County, such as assisted living and enhanced assisted living.

It also needs to be acknowledged that some seniors will come from outside the County. This may be especially true in Osakis, which sits on the border with Todd County and would potentially serve some seniors that are not reflected in the Douglas County statistics.

While calculations have been performed on the market share for nursing homes, there has been a long-standing moratorium on adding beds, and any new nursing home facilities are typically limited to replacing existing beds, rather than adding to the total inventory. As a result, no additional capture by nursing homes would be expected in the future. Instead, it appears that the supply of longer-term occupancy beds may continue to decrease, as more beds are devoted to rehab/recovery stays, memory care or similar uses in the future.

Memory Care Housing Capture Rate

Alexandria has the potential capacity for more than 100 people in specialized memory care units. There are also some specialized memory care beds in Osakis, and the Countywide capacity would be at least 120 beds. Although some changes have occurred in this housing segment, the overall capacity has not expanded since the previous Housing Study was conducted in 2018.

After adjusting for long-term residents of nursing homes, the current supply of memory care beds represented approximately 3.0% of the County's older senior population in 2020. This percentage has decreased only slightly from the estimated capture rate in 2018.

As reported to the rental survey, utilization rates in the existing supply of memory care beds/units tend to be high and unmet demand does exist. There was some unused capacity in 2023, but this was due to staffing issues and not demand.

The age-based projections used for this Update would expect the County to add more than 800 additional older senior residents, age 75 and above, by 2027. To maintain a similar capture percentage would require the development of approximately 24 to 26 additional units/beds over the next five years.

Assisted Living Capture Rate

When examining market demand for assisted living, the supply of units has been compared to the number of older senior households. People living in some other intensive form of senior housing, such as nursing homes or memory care, would probably be classified as "group quarters" residents and not counted as an independent household, so no adjustments are needed.

In Douglas County there were just over 2,600 older senior households, age 75 and above, according to the 2020 Census. This group has been growing annually since 2010, based on aging patterns for the area, and should continue to grow through the year 2027.

Calculating the actual supply of assisted living units is somewhat difficult, due to the overlapping levels of care that are sometimes provided, but the analysts have estimated that approximately 270 to 280 units/rooms are available Countywide.

The County's assisted living inventory would require a capture rate of approximately 10.3% to 10.7% of all older senior citizen households living in Douglas County. This percentage is slightly below the estimated capture rate in 2018. This calculation groups all types of assisted living options together, including enhanced assisted living options.

Looking forward to the year 2027, there will be continued growth within the primary target group of senior-headed households age 75 and older. Applying the same basic capture rates as in 2020, the County would need at least 50 to 54 additional assisted living units/rooms by that time. Since this calculation is based on a conservative forecast of future growth, an even larger expansion may be justified.

Housing with Light Services/Congregate Capture Rate

Housing with light services options, serving more independent senior households, exist in Alexandria, Evansville and Osakis. As noted above, some of these more independent units are in projects that can provide higher levels of care, allowing residents to age in place by moving into assisted living or other forms of care.

There has been some reduction within this market segment in recent years, as some units have been changed to address assisted living needs, but approximately 250 to 260 units are available in Douglas County in this market segment, primarily in the City of Alexandria.

In the following analysis, light services units are compared to the distribution of all older senior households. Housing with light services can serve a more active and independent senior, and it is more common to see couples reside in this housing, as well as single person households.

After adjusting for senior households that already live in more service-intensive assisted living, we would estimate the target market at approximately 2,350 total households in Douglas County in 2020.

The estimated supply of light services units in 2023 would require a market capture rate of approximately 10.6% to 11.1% of the County's target market of older senior households (after adjustments for more service-intensive forms of housing). This is percentage is slightly lower than the calculation in 2018, as the unit supply has decreased slightly since that time.

Not all of the providers within this market segment could be contacted in 2023, but in general it is believed that occupancy rates remain high. The newest units within this market segment, Grand Arbor Lakes Senior Apartments, have been very well received, with a high rate of occupancy and a waiting list.

Based on the projected growth among older senior households through 2027, additional unit development within this segment can be justified. To maintain the current capture rate, at least 52 to 56 light services units would be needed. This calculation is based on a conservative growth forecast for households age 75 and older.

The only proposed senior housing project that was identified in the 2023 research is another phase of construction at Grand Arbor Lakes which would add more independent/light services units.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Senior Housing with Services/Congregate					
Arabella Manor 1810 Darling Avenue	16 -1 Bedroom 21 - 2 Bedroom 37 Total Units	N/A	N/A	Senior-designated market rate housing with light services available	Unable to contact 2023 survey - information presented is from prior surveys or secondary sources, including website. Senior-designated (age 55+) market rate project that opened for occupancy in 2005. Two-level building with elevator. Rent includes utilities. Amenities include attached garages, common dining area, library, game room, fitness center, beauty shop, common areas, guest suite and walking trails. Units have stove, refrigerator, dishwasher and in-unit laundry hookup. Many tenants contract individually for light services, including noon meal 5 days/week, transportation, grocery assistance, laundry and house keeping, personal hygiene assistance, medication dispensing and companion care. One bedroom units have one bath and 735 to 1061 sq ft. Two bedroom units have either 1 or 2 bathrooms and have 932 to 1389 sq ft.
Arabella Manor II 1810 Darling Avenue	1 Bedroom 2 Bedroom 38 Total Units	N/A	N/A	Senior-designated market rate housing with light services available	Unable to contact 2023 survey - information presented is from prior surveys or secondary sources, including website. Senior-designated (age 55+) market rate project that opened for occupancy in 2014. Two-level building with elevator. Rent includes utilities. Amenities include attached garages, common dining area, library, game room, fitness center, beauty shop, common areas, guest suite and walking trails. Units have stove, refrigerator, dishwasher and in-unit laundry hookup. Many tenants contract individually for light services, including noon meal 5 days/week, transportation, grocery assistance, laundry and house keeping, personal hygiene assistance, medication dispensing and companion care. One bedroom units have one bath and 735 to 1061 sq ft. Two bedroom units have either 1 or 2 bathrooms and have 932 to 1389 sq ft.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Senior Housing with Services					
Grand Arbor Lakes Senior Apartments 4403 Pioneer Rd SE	1 Bedroom TIF 1 Bedroom 1 Bdrm+Den 2 Bedroom 2 Bdrm+Den 162 Total Units	$1083 $1758 lowest entry rents	High rate of occupancy, waiting list	Independent senior housing with services available	Independent living apartments that are part of the Grand Arbor senior community - developed in phases with 73 units in 2010 and 89 units in 2016. Grand Arbor also includes assisted living, enhanced assisted living and memory care housing in a single facility, and is part of the Knute Nelson skilled nursing home complex. City TIF assistance was used and 26 units in complex serve households at or below 50% of median income - most in independent living but some in assisted living. Basic rent package includes utilities, breakfast, phone, cable, internet and access to activities and amenities. Many different apartment floor plans ranging in size from 700 to 1500 sq ft, and include one-bedroom to two-bedroom plus den options. TIF one-bedrooms start at $1083 basic rent, compared to $1758 for unit as market rate. Additional meals can be purchased and some tenants contract privately for additional services. High rate of occupancy reported and a waiting list exists. TIF unit rents are up by $148 from 2018 survey. A third phase of construction may proceed in 2024.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Assisted Living					
Alex Assisted Living 90 E Lake Cowdry Rd	22 Studio 22 Total Units	$3,800 +any special services	5 to 6 open units due to staffing limitations	Assisted living facility	Facility that opened for occupancy in 2009 offering both assisted living and memory care units in secured wing - memory care listed separately. Units are sleeping rooms with private half bathroom. Project offers a high level of services, referred to as assisted living plus - as a result, tenants can generally stay as their service needs increase, and do not need to move to a skilled nursing home. Price is all inclusive, except for any specialized services, such as if a lift is needed. Approx. 5 to 6 rooms are open but this is due to staffing limitations and not demand. Package price has increased by $2800 from 2018 survey. Facility will accept all types of payment assistance including County Elderly Waiver.
Edgewood Alexandria Senior Living 1902 7th Ave E	26 Studio 11 1 Bedroom 37 Assisted Living +Memory Care with 62 resident licensed capacity	$3725 +higher level services	No vacant units, waiting list	Assisted living facility with dementia care	Senior housing project with assisted living, enhanced assisted living and memory care options. First phase opened in 2001, with second phase in 2005, and 10 room assisted living expansion in 2015. Assisted living units are apartment-style with private bathroom and kitchenette. Assisted living has licensed capacity for 38 residents. Basic rent package includes all meals, medical and personal assistance services, laundry, housekeeping and activities. People with additional service needs are evaluated and higher care packages available - enhanced assisted living offered in memory care wing. One open assisted living unit at time of survey due to turnover but waiting list existed. Lowest entry price is $3725 with additional charge based on unit and service needs - accepts County assistance such as Elderly Waiver for 11 assisted living units.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Assisted Living					
Grand Arbor Prairie North and South Assisted Living 4403 Pioneer Rd SE	Studio 1 Bedroom 31 Total Units 285 license	$1083 EW $4279 lowest entry points +care package	High rate of occupancy, waiting list	Assisted living	Assisted living apartments for seniors that are part of the Grand Arbor community. North was constructed in 2010 and now has 15 units and South opened in 2016 with 16 units. Additional 15 units in North were converted to memory care. Grand Arbor also includes independent living, enhanced assisted living and memory care housing in a single facility, and is part of the Knute Nelson skilled nursing home complex. City TIF assistance was used and 26 units in complex serve households at or below 50% of median income - most in independent living but some in assisted living. Residents receiving County Elderly Waiver assistance meet TIF requirements. The basic monthly fee includes 3 meals, weekly housekeeping, and 24-hour staffing. Additional care services are purchased as needed with different care packages offered. Units range in size from 355 to 613 sq ft, and include studio and one-bedroom options. Kitchenettes in one-bedrooms and refrigerator and microwave in studios - all have private bathrooms. High rate of occupancy reported and waiting list is maintained, although many applicants need immediate access and can not wait.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Assisted Living					
Grand Arbor The Meadow Enhanced Assisted Living 4403 Pioneer Rd SE	17 Studio 1 shared suite 18 Total Units	N/A	High rate of occupancy, waiting list	Enhanced assisted living	Enhanced assisted living option for seniors that is part of the Grand Arbor community, which started construction in 2010. Grand Arbor also includes independent living, assisted living and memory care housing in a single facility, and is part of the Knute Nelson skilled nursing home complex. The basic monthly fee includes 3 meals, weekly housekeeping, and 24-hour staffing. Enhanced assisted living provides a high level of around-the-clock continuous care, including 24-hour licensed nursing care with services such as mechanical lift transferring. One unit is furnished and designed for short stay/hospice care. Units are studio apartments with private bathroom, refrigerator and microwave, 1 unit is shared suite that could be occupied by a couple. This facility is private-pay, as County reimbursement rate cannot cover costs of enhanced care. High rate of occupancy reported and waiting list exists - but most applicants need immediate access and cannot wait.
Nelson Gables Senior Care Apartments 1220 Nokomis St	48 Assisted Living 11 Enhanced AL 59 1-Bdrm Units with license for 63 residents	$3934 EW +services	5 vacant units	Assisted living facility	Senior assisted living facility that opened in 1996, with a later phase that added 23 units. Part of the Knute Nelson skilled nursing home complex and affiliated with Grand Arbor that has constructed a senior campus at a different location. 11 units were converted to enhanced assisted living and respite care can also be offered. Basic rent package includes all meals, 24-hour on-site staff, light housekeeping, and activities and starts at approx. price listed. Additional services available in care packages for extra fee. All units have 1 bedroom. High rate of occupancy and waiting list reported. Some units available for County Elderly Waiver assistance, but number is capped at 16 for all Knute Nelson facilities.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Assisted Living					
Vista Prairie at Windmill Pond 715 Victor St	35 - 1 Bedroom 30 - 2 Bedroom 65 Total Units with license for 70 residents	N/A	N/A	Assisted living facility	Unable to contact in 2023 - information presented is from prior surveys or secondary sources, including website. Project opened for occupancy in 2000 as congregate senior housing with light services, but in 2002 it added an assisted living component with more service offerings and in 2023 it operates as assisted living only, with all residents receiving at least the basic care package. Licensed for 70 residents in 2023. In the past some residents were receiving County assistance such as Elderly Waiver, but use was capped at approx. 10% of units due to low reimbursement rate.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Memory Care					
Autumn Cottages by Knute Nelson (formerly Prairie Senior Cottages) 812 McKay Ave S	12 rooms with 20 person capacity in private and shared occupancy	N/A	High rate of occupancy, waiting list	Assisted living facility with memory care	Senior assisted living project providing care for memory loss residents that opened in 2001. Later acquired by Knute Nelson and now part of the senior community. Two cottages that are physically connected, with combined capacity for 20 residents. Units are sleeping rooms with community bathrooms. Some residents qualify for County elderly waiver and alternative care assistance, but number of EW residents is capped. High rate of occupancy reported with waiting list.
Alex Assisted Living Memory Care 90 E Lake Cowdry Rd	10 Total MC Units Licensed for 32 residents with ALC	$7350+	No vacant units	Memory care	Facility that opened for occupancy in 2009 offering both assisted living and memory care units - assisted living listed separately. Units are sleeping rooms with private half bath room. Project offers a high level of services, referred to as assisted living plus - as a result, tenants can generally stay as their service needs increase, and do not need to move to a skilled nursing home. Price is all inclusive, except for additional charges if ver specialized services such as a lift are needed. Full occupancy is typical in memory care with a waiting list but staffing can resulting in reduced occupancy. Entry price is up by $2150 from 2018 survey. Facility will accept all types of payment assistance including County Elderly Waiver.
Bethany on the Lake 1020 Lark St	11 rooms with 12 resident capacity	N/A	No vacant rooms	Assisted living facility with dementia care	Part of the Monarch Bethany on the Lake that also includes a skilled nursing home. Memory care/enhanced assisted living provided in private rooms with private bathroom - capacity for 12 residents. No vacant rooms at time of survey - waiting list can exist but people needing memory care generally need immediate access and find other options. Private-pay facility.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Memory Care					
Diamond Willow of Alexandria 803 Victor St	20 - Suites 20 Total Units with licensed capacity for 26 residents	Varies based on level of services	10 suites not in use due to staffing limitations	Assisted living facility with dementia care	Facility opened in 2008 and provides advanced assisted living - tenant does not have to move to a nursing home when health deteriorates. Most residents have memory care issues. Facility includes two 10-unit buildings - units are studio apartments, called suites, with private bathroom and refrigerator. Connecting doors would allow for units to be used as two room suite. The facility has typically maintained a high rate of occupancy but one building not in use in 2023 due to staffing limitations. Typically half of residents receive County medical assistance such as Elderly Waiver.
Edgewood Alexandria Senior Living Memory Care 1902 7th Ave E	20 - Studio private 2 - Studio shared 22 Memory Care Units +Assisted Living with 62 resident licensed capacity	$5225 +higher level services	No vacant units, waiting list	Assisted living facility with dementia care	Senior housing project memory care, assisted living, enhanced assisted living and memory care options. First phase opened in 2001, with second phase in 2005 and 10 unit assisted living expansion in 2015. One wing with 22 units offers memory care housing, although these units may also be used for enhanced assisted living that cannot be served in assisted living wing of the project. Originally provided assisted living but memory care conversion occurred in about 2010. Units are studio apartments with private bathroom. Basic rent package includes all meals, medical and personal assistance services, laundry, housekeeping and activities. People with additional service needs are evaluated and higher care packages available in enhanced assisted living. Lowest entry price is $5225 with additional charge based on unit and service needs - County assistance such as Elderly Waiver accepted for 6 memory care units.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Memory Care					
Grand Arbor The Garden Memory Care 4403 Pioneer Rd SE	33 Studio 33 Total Units	$3781 shared +care package is lowest entry point	High rate of occupancy, waiting list	Memory Care	Memory care living option for seniors that is part of the Grand Arbor community, which started construction in 2010. In 2015, 15 units in Prairie North were converted from assisted living to memory care Grand Arbor also includes independent living, assisted living and enhanced assisted living in a single facility, and is part of the Knute Nelson skilled nursing home complex. The basic monthly fee includes meals, basic services and 24-hour staffing, with additional care packages purchased as needed. Units are studios with private bathroom. Most are private occupancy both shared occupancy also possible. High rate of occupancy and waiting list reported - but some applicants need immediate access and can not wait.
Woodcrest Assisted Living 1201 Ridgeview Terrace NE	8 sleeping rooms with license for 10 residents	N/A	Fully occupied	Assisted living facility with dementia care focus in residential setting	Customized living facility in residential environment that serves memory loss residents. Project opened in 2000. Licensed capacity for 10 residents if 2 larger rooms are shared occupancy, or 8 people at single occupancy. Services include 3 full meals/day, laundry, medication, housekeeping, 24 hour supervision, local transportation and personal assistance. Some tenants receive County or State assistance such as Elderly Waiver but use is capped at 3-4 people due to reimbursement rates. All rooms were occupied at time of survey.

Table 30 Alexandria Specialized Senior Rental Housing Inventory					
Name	**Number of Units /Bedroom Mix**	**Rent**	**Vacancy/ Wait List**	**Occupancy Type**	**Comments**
Skilled Nursing Homes					
Bethany on the Lake 1020 Lark St	83 licensed beds	N/A	94%-96% annual utilization rate	Skilled nursing home	Skilled nursing home that is part of the Monarch campus that also includes memory care facility. Licensed for 83 beds - with 23 beds in transitional care wing and 60 beds for long-term care. Annual utilization rate is between 94% and 96%.
Knute Nelson 420 12th Ave E	83 licensed beds	N/A	High annual utilization rate	Skilled nursing home	Skilled nursing home that is part of the Knute Nelson senior care options. Licensed for 83 beds in 2023, down from 93 beds in 2018. In 2018 there had been a separate memory care wing with 12 beds that has since been closed. Most rooms are now private occupancy. There are 43 beds for long-term care and 40 beds for short-term/transitional care. Annual occupancy rate is high and a waiting list is maintained.

Source: Community Partners Research, Inc.

Employment and Economy

While many factors influence the need for housing, employment opportunities represent a predominant demand-generator. Without jobs and corresponding wages, the means to afford housing is severely limited. Employment opportunities are provided by a broad range of private and public business sectors. Jobs are available in manufacturing, commercial services, agriculture, and other industries. The type of employment, wage level, and working conditions will each influence the kind of housing that is needed and at what level of affordability.

Major Area Employers

The 10 largest employers in Douglas County are as follows:

- Alomere Health
- Alexandria Public Schools
- Douglas Machine, Inc.
- Knute Nelson
- Alexandria Industries
- 3M Alexandria
- Central Specialties
- Douglas County
- Aagard Manufacturing
- Breton Engineering - Pro Mach

Source: Alexandria Area Economic Development Commission

Labor Force, Work Force and Unemployment

The Minnesota Department of Employment and Economic Development provides employment information for larger cities in the State, including Alexandria. The following table looks at statistics since 2010. This information tracks the status of people that live in the City of Alexandria.

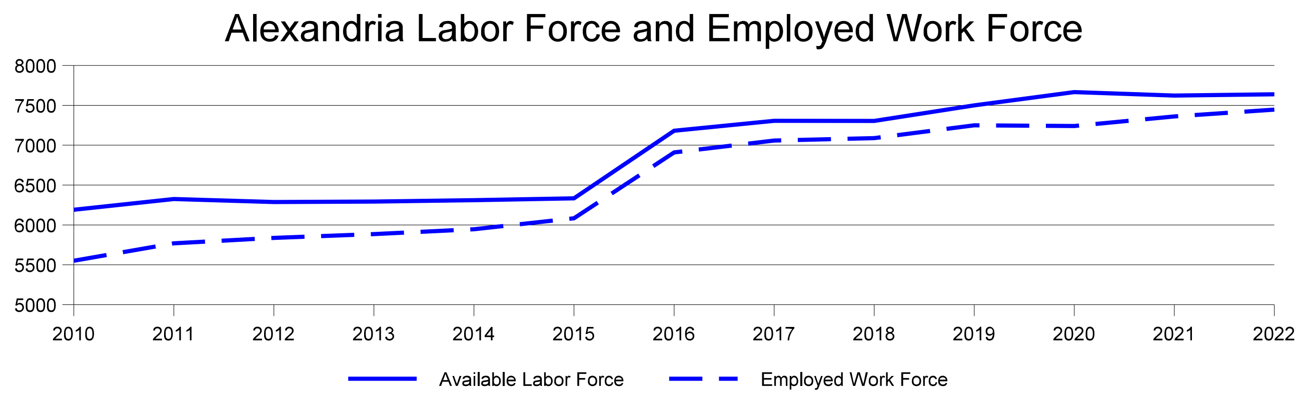
Table 31 Alexandria Labor Force and Employment: 2010 to 2022						
Year	Labor Force	Employed	Unemployed	Unemployment Rate - City	Unemployment Rate - MN	Unemployment Rate - US
2010	6,191	5,551	640	10.3%	7.4%	9.6%
2011	6,325	5,770	555	8.8%	6.5%	8.9%
2012	6,288	5,838	450	7.2%	5.6%	8.1%
2013	6,293	5,885	408	6.5%	5.0%	7.4%
2014	6,311	5,946	365	5.8%	4.3%	6.2%
2015	6,334	6,083	251	4.0%	3.8%	5.3%
2016	7,181	6,910	271	3.8%	3.9%	4.9%
2017	7,305	7,059	246	3.4%	3.5%	4.4%
2018	7,304	7,089	215	2.9%	3.0%	3.9%
2019	7,499	7,249	250	3.3%	3.3%	3.7%
2020	7,666	7,240	426	5.6%	6.3%	8.1%
2021	7,623	7,360	263	3.5%	3.8%	5.3%
2022	7,639	7,446	193	2.5%	2.7%	3.6%

Source: MN Department of Employment and Economic Development

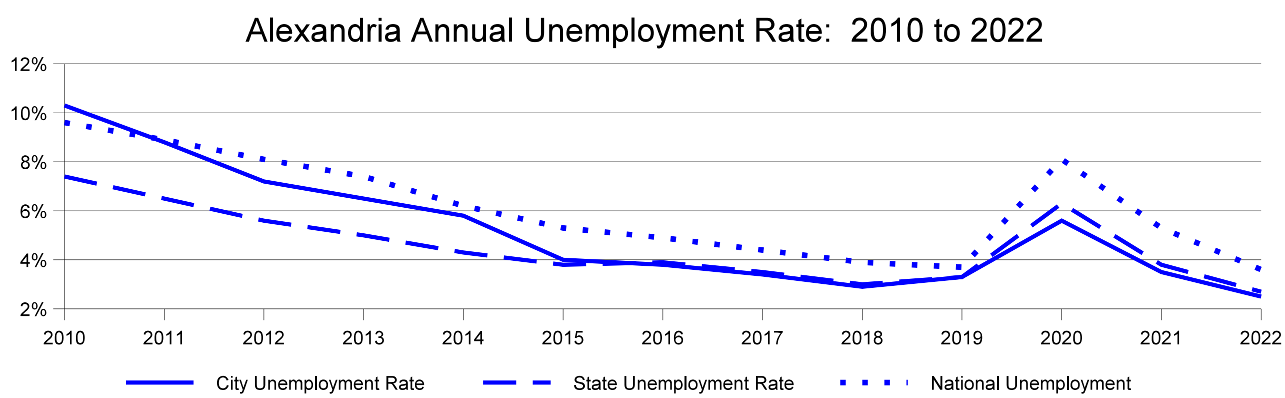
- Since the statistics in the table above are for the City of Alexandria, it appears that they have been impacted by border changes and annexation activity. For example, between 2015 and 2016 the City's resident labor force increased by more than 800 people. Growth at this scale was not present in labor force statistics for all of Douglas County, implying that there were internal shifts between jurisdictions in the County rather than a substantial increase in available workers Countywide.

- Since 2016, there has generally been an upward trend in the size of the City's resident labor force. Between 2020 and 2022, the size of the labor force has remained relatively stable, but this may be due in part to the impact of the global health pandemic.

- These same basic patterns have generally been present in the employed work force, with a pattern of growth since 2016. Since 2020, the number of employed City residents has continued to grow, as the unemployment rate dropped.



- Since 2016, the City's unemployment rate has remained at or below the Statewide average and well below the national unemployment rate.



- There was an upward spike in the unemployment rate in 2020, presumably caused by the Covid pandemic, but by 2022 the City's unemployment rate had dropped below the pre-pandemic levels.

Employment and Wages by Industry

The following table shows the annual employment and average annual wages by major employment sector for 2017, the last full year of data. It is important to note that the major employment sectors listed do not represent all employment in the City. Some groups, including self-employment, are not represented. This information is only for the City of Alexandria.

Table 32 Alexandria Employment and Wages by Industry Detail: 2022

Industry	Employment	Average Weekly Wage
Total All Industry	14,423	$1,084
Natural Resources, Mining	38	$791
Construction	540	$1,367
Manufacturing	2,908	$1,385
Trade, Transportation, Utilities	3,039	$918
Information	222	$1,189
Financial Activities	635	$2,017
Professional and Business Services	730	$954
Education and Health Services	3,985	$1,128
Leisure and Hospitality	1,393	$424
Other Services	584	$584
Public Administration	347	$1,120

Source: MN Department of Employment and Economic Development

- The average weekly wage in Alexandria for all industry in 2022 was $1,084. At full-time employment, this would yield an average annual wage of $56,368.

- The highest paying wage sector was Financial Activities with an average annual wage of nearly $105,000 at full-time employment.

- The City’s largest employment sector, Education and Health Services, was slightly above the overall average wage, at approximately $58,600 annually.

Alexandria Annual Covered Employment

Since the Quarterly Census of Covered Workers (QCEW) tracks employees covered by unemployment insurance by location, it is possible to examine longer-term patterns in the employment level. The following table displays the total number of workers reported in Alexandria back to the year 2010.

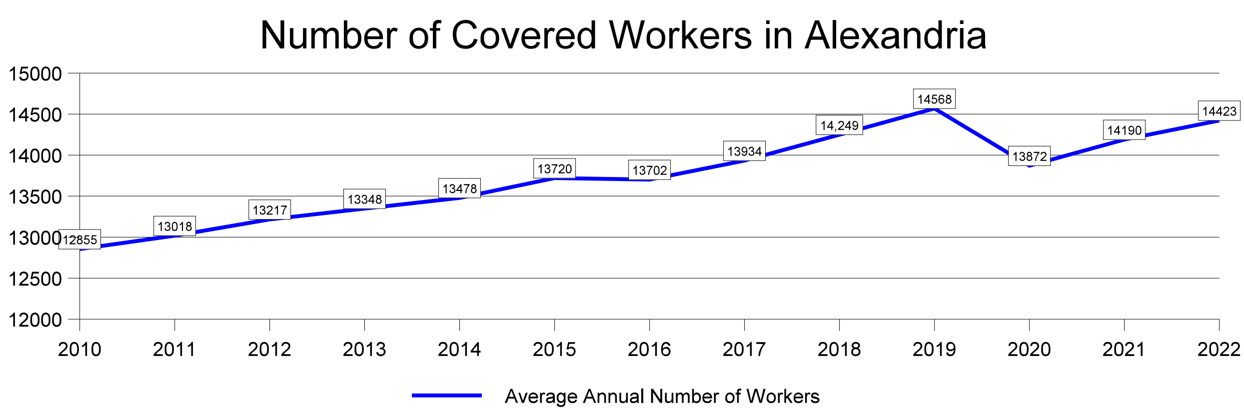
Table 33 Alexandria Average Annual Employment			
Year	Total Covered Employment	Year	Total Covered Employment
-	-	2016	13,702
2010	12,855	2017	13,934
2011	13,018	2018	14,249
2012	13,217	2019	14,568
2013	13,348	2020	13,872
2014	13,478	2021	14,190
2015	13,720	2022	14,423

Source: QCEW - MN Dept. of Employment and Economic Development

- When viewed over a longer-term there has been employment growth in Alexandria, as tracked by unemployment compensation. Since this statistic tracks employment by the location of the job, it is less impacted by any boundary changes or annexation activity in Alexandria.

- If 2022 is compared back to 2010, there had been an increase of nearly 1,570 jobs, or an increase of 12.2%.

- However, the largest number of covered jobs was recorded in 2019, before the start of the Covid pandemic. By 2022, most of the job loss had been recovered.



Commuting Patterns of Area Workers

Information is available from the 2021 American Community Survey on workers that commute for employment. These tables examine people that commuted, and exclude people that work at home.

Table 34 Commuting Times for Alexandria Residents - 2016		
Travel Time	Number	Percent
Less than 10 minutes	2,291	35.2%
10 to 19 minutes	2,679	41.2%
20 to 29 minutes or more	623	9.6%
30 minutes or more	916	14.1%
Total	6509	100%

Source: American Community Survey

- The large majority of Alexandria residents were commuting less than 20 minutes to work in 2021. Presumably, most residents were working within the City limits of Alexandria, or in the immediately surrounding communities that are part of the Greater Alexandria aggregation. Overall, more than 76% of Alexandria residents commuted less than 20 minutes to work.

Travel times are also estimated by location of employment. For people that worked in Alexandria, the following travel times were identified.

Table 35 Commuting Times for Alexandria Employees - 2021		
Travel Time	Number	Percent
Less than 10 minutes	2,718	21.6%
10 to 19 minutes	4,750	37.7%
20 to 29 minutes	2,541	20.2%
30 minutes +	2,597	20.6%
Total	12,606	100%

Source: American Community Survey

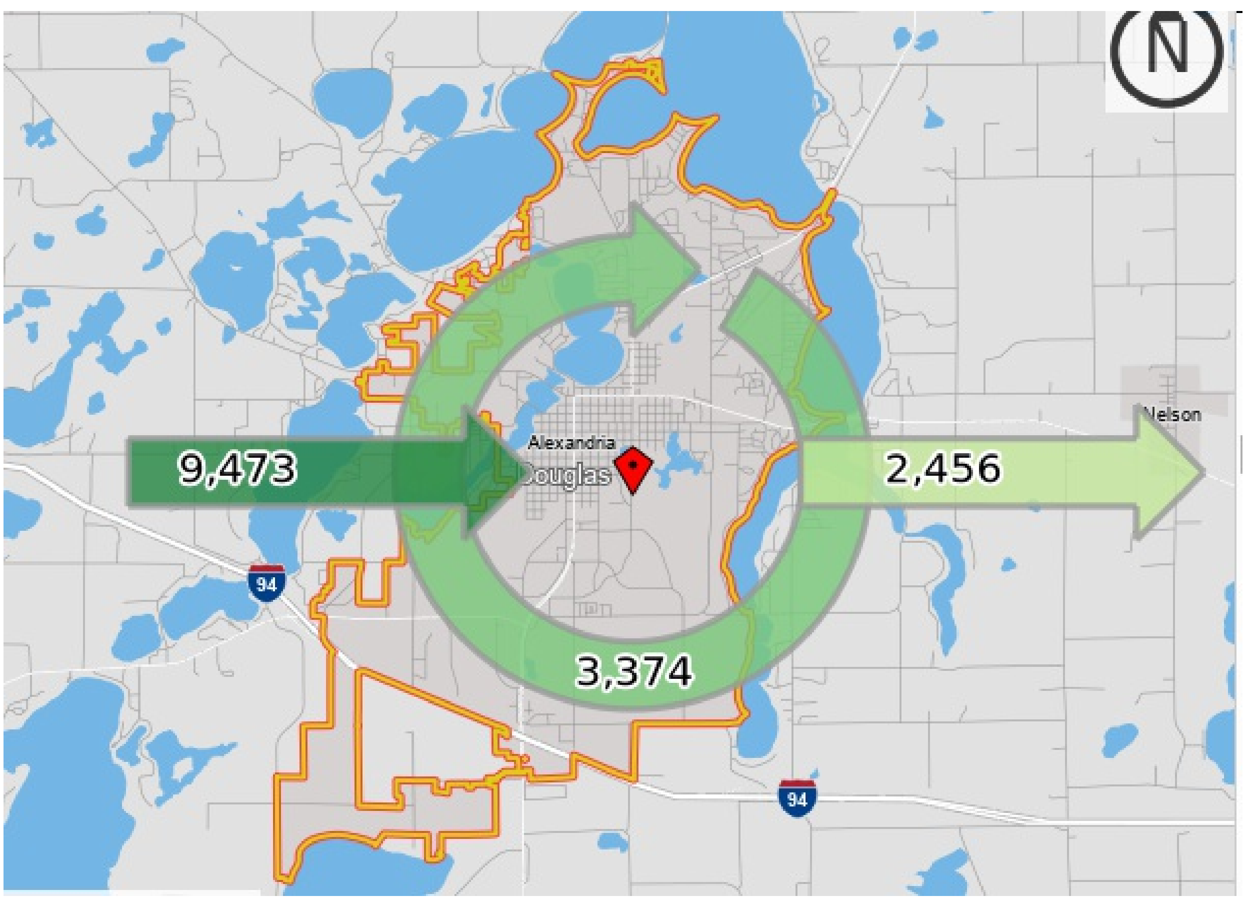
- Although most Alexandria-based employees were living locally, near 41% of all workers in the City were traveling 20 minutes or more for their job.

Census On the Map

The Census Bureau also produces commuter reports through its Center for Economic Studies division. This information is based on reports for the year 2020, but provides a further breakdown of worker movement patterns.

According to this source, there were 12,847 people that were employed within the city limits in 2020. Only 3,374 of these Alexandria-based employees also lived within the City, with 9,473 employees that lived outside the City limits and traveled in daily. Among the primary identified jurisdictions supplying workers to Alexandria were LaGrand Township, Alexandria Township, Carlos Township, Osakis, Ida Township, Lake Mary Township and Glenwood.

A majority of Alexandria's residents were also working in the City. Nearly 58% of residents reported their primary job was located in the City. However, 2,456 Alexandria residents commuted out of the City for work. Among the primary identified work destinations were LaGrand Township, Glenwood, Hudson Township and St. Cloud.



Findings and Recommendations

Overview

Community Partners Research, Inc., has completed previous citywide housing studies for Alexandria, most recently in 2018. This Update has examined the findings and recommendations made in the last report, and made revisions to reflect the research completed in 2023.

Findings and Recommendations	
Rental Housing Recommendations	
1.	Market Rate Rental: Promote Production of 325 to 355 Total Units Over Projection Period
2.	Observations on TIF Assistance for Market Rate Housing
3.	Senior-Designated Housing Continues to be Appropriate for Future Development
4.	Moderate Rent Tax Credit Housing: Promote the Development of 60 to 70 Units over the Projection Period
5.	Subsidized Rental Housing: Develop as Resources Allow with a Goal to Add 25 to 50 Units
6.	Student-Oriented Housing: Monitor the Impact of the new 41-Unit Project and the Demand for Student Housing
Senior Housing with Services Recommendations	
7.	Light Services Senior Housing: Promote an Expansion of 52 or More Units by 2028
8.	Assisted Living: Promote an Expansion of 50 or More Units by the Year 2028
9.	Memory Care Housing: Promote an Expansion of 24 or More Rooms/Beds by the Year 2028

Findings and Recommendations	
Home Ownership Recommendations	
10.	Continue to Offer Affordable Home Ownership Initiatives
11.	Promote the Construction of 8 to 10 Very Affordable Homes Per Year
12.	Promote the Construction of 12 to 16 Entry-level Homes Annually
13.	Mid-Priced and Higher-Priced Housing Should Continue to Represent Most of the New Construction Activity
14.	Attached Single Family Housing Should Continue to Gain Market Share
15.	Monitor the Overall Residential Lot Supply

Prior to the specific recommendations, a summary of some of the key growth-related findings and projections has been presented.

Household Growth Compared to Previous Projections

In the 2018 Housing Study Update, Community Partners Research had made projections for the entire Greater Alexandria aggregation. Projections specifically for the City of Alexandria are difficult to generate, given the impact of past and possible future annexation activity. Projections for Greater Alexandria are not impacted by annexation changes between area jurisdictions.

The projection created in 2018 included a household forecast of 155 to 170 households per year for Greater Alexandria through the year 2023. This had assumed some ongoing increase in housing construction activity, as an expansion of the available housing stock was needed to allow for actual household growth.

Assessing the accuracy of the prior forecast is difficult since no official household count exists for 2023. Some of the unofficial data sources, such as Esri, believe that annual household growth has not been reaching the projected level. However, other sources, such as the Minnesota State Demographer's Office, would show that Greater Alexandria added more than 200 households per year between 2020 and 2022.

Another possible way to examine past growth is based on housing starts. Over the past few years the Greater Alexandria area has been averaging approximately 200 new housing units per year in all of the combined jurisdictions. With the recognition that some older housing may have been lost, or that some of the new units involved housing replacement, the 200 annual unit average does not directly translate into a commensurate level of household growth, but it does support the likelihood that household growth has exceeded 170 households per year, the upper end of the projection range used in the 2018 Housing Study.

Household Growth Projections to 2028

This Update has examined growth projections from traditional sources, such as Esri, for a 5-year projection period spanning 2023 to 2028. However, in the opinion of Community Partners Research, Inc., available projections are much too conservative for Alexandria and the surrounding area. Consistent with past studies, the analysts have looked for other sources of information to better define the area's growth potential.

Going forward to the year 2028, growth of approximately 175 to 200 households in an average year appears to be a realistic expectation for the Greater Alexandria area. In certain years, including those with above-average multifamily unit creation, this annual average may be exceeded, but over a five-year time period, between 875 and 1,000 households represents an achievable cumulative range.

For some of the more detailed projections, such as growth by age of householder, the midpoint of the projected range has been used, which assumes that the Greater Alexandria Area will add 937 total households over the 5-year time period spanning 2023 to 2028.

Consistent with past patterns, this future growth will be distributed within the various jurisdictions that for Greater Alexandria, but the City of Alexandria will be the primary location for most of the expected increase in resident households.

Nearly all of the multifamily housing production will be located within the City limits. Single family unit production will continue to occur in other area jurisdictions although generally located in the areas immediately surrounding the City.

Projected Growth by Age

Previous housing studies have tracked the changing age patterns of area residents, and have made projections about the future changes in households by age of householder. This Update has once again included an analysis of expected changes, with a forecast of the movement between 2023 and 2028.

The base projections were created by Esri, a data provider that is widely used by agencies involved in housing development and finance. However, in the opinion of Community Partners Research, Inc., Esri's projections to the year 2028 have significantly underestimated the growth potential for the Greater Alexandria area. As a result, the following age-based projections have been modified by the analysts to better reflect the probable current and future household levels. For net household growth between 2023 and 2028, a total of 937 households has been used, the midpoint in the projected range that the area will add between 875 and 1,000 households over the next five years.

Age Range	Projected Change in Households 2023 to 2028
24 and younger	+31
25 to 34	-39
35 to 44	+186
45 to 54	+122
55 to 64	-170
65 to 74	+279
75 and older	+528
Total change	+937

The age progression patterns that should be evident through 2028 are generally consistent with past expectations, largely due to the movement of the "baby boom" generation through the aging cycle. By 2028, nearly all of the baby boomers will be age 65 or older, and these projections expect an increase of more than 800 senior-headed households in Greater Alexandria

Behind the baby boom was a smaller age cohort, and the trailing age group will not fully replace the advancing generation. As a result, a decrease of approximately 170 households is expected in the 55 to 64 year old range.

The Alexandria area will see a net increase in younger adult households through 2028, but overall growth in the age ranges 54 and younger is generally more moderate than in the senior citizen ranges. The 20-year age group between 35 and 54 years old could add more than 300 households, but almost no net increase is projected from households age 34 and younger.

Housing Unit Demand by Occupancy Tenure

The 2018 Housing Study Update had used age-based projections along with historical housing tenure patterns to form a forecast of anticipated demand for owner and renter-occupancy housing. This information had also been compared to actual construction trends. The resulting projection had yielded an approximate 50/50 split in owner-occupancy and rental housing demand through 2023.

Based on building permit issuance from 2018 through 2022, the estimated unit distribution was probably closer to 45% owner-occupancy to 55% renter-occupancy. However, it is important to note that some of the larger rental projects that impact the unit totals may take a longer time to complete construction and in some cases take a year or more after permitting before initial occupancy. With this time lag, the actual tenure prediction of 50% owner and 50% renter was reasonably accurate.

Looking forward to 2028, a 50/50 tenure distribution still is realistic for new housing construction. Nearly all of the multifamily rental production is likely to occur within the City of Alexandria, while much of the single family construction will probably remain in the adjoining townships, including the extraterritorial permit areas.

Additional Housing Demand Generators

In addition to growth-generated demand, calculations for total future housing needs can also be based on factors such as replacement of lost units, and pent-up, or existing demand for housing that is not being served.

Demand from Unit Replacement

Specific documentation is not available on annual housing unit losses. A variety of factors can contribute to unit loss, including demolition, obsolescence, natural disasters, or redevelopment activities. Although past research in the Alexandria area has not identified any significant unit losses in the recent past, a forecast of future losses is difficult to accurately predict.

With strong housing demand and rising property values, there are financial incentives for owners to maintain and improve existing housing units. It is known that some ongoing unit replacement continues to occur on area lakes, as older structures are replaced. But this typically does not result in any net loss of housing, as a new unit is constructed.

Without any evidence of larger-scale unit replacement needs, only a limited allowance is made for this demand generator. Over the 5-year projection period an annual allowance of 12 units per year has been used, or 60 total units by 2028.

If even unit losses do occur in the future, one-for-one replacement would be recommended. It is important to recognize, however, that unit replacement has been viewed in terms of overall supply and demand. It is unlikely that any older housing that is lost can then be replaced by equally affordable new construction.

Pent-Up Demand

Another demand generator can be based on the need to add units within specific market segments that are under served. For example, there continues to be an under supply of very affordable, subsidized housing, but resources to expand the inventory have not been available in recent decades. Low income households that are attempting to move into the community may not be able to find suitable housing, and may be forced to live elsewhere.

Pent-up demand varies by market segment. Discussion of unmet demand will be incorporated into the specific unit recommendations that follow.

Rental Housing Recommendations

Overview: The City of Alexandria has historically had a very large supply of rental housing. At the time of the 2020 Census, there were nearly 3,300 total rental housing units in the City. The rental tenure rate, based on renter-occupancy households, was at 46%, well above the Statewide average of 29.4% rental in 2020.

The rental tenure rate was lower when Alexandria was grouped with the surrounding Township areas that form Greater Alexandria, as high rates of home ownership have tended to exist outside the City limits. The rental tenure rate in 2020 was 29.9% for all of Greater Alexandria, only slightly above the Statewide rate.

Although new rental housing construction in Alexandria was greater than single family construction between the 2010 and 2020 Censuses, the rate of home ownership in the City actually increased, from 52.1% in 2010 to 54% in 2020. This was probably due to annexation activity that brought owner-occupancy households into Alexandria from the adjoining townships.

Since the 2020 Census was completed, additional rental development has occurred, although some of the more recent projects have not yet been completed construction. Adding identified units to the Census count would indicate that Alexandria will have 3,700 or more rental housing units in 2024.

Despite the development activity of the recent past, the rental telephone survey completed in 2023 found low vacancy rates in most market segments. In the conventional market rate inventory, the estimated vacancy rate was below 2%, very similar to the vacancy estimate at the time of the 2018 survey.

The more affordable rental segments also maintain high occupancy patterns in 2018, generally consistent with past surveys. The estimated vacancy rate in moderate rent tax credit housing was below 1%, even lower than estimated in the 2018 survey.

Very few vacancies were present in the rental projects that can offer "deep subsidy" rental units. Waiting lists tend to exist for any form of income-restricted housing, as pent-up demand remains evident.

Student-oriented housing also reported high rates of occupancy in 2023, consistent with the 2018 findings. While many of the City's general rental properties have some students, certain projects, often located near the campus, are specifically marketed to students. The lease-up at the start of the fall term was very strong in 2022 in the student-oriented housing.

Going forward, the demand projections presented earlier to the year 2023 expect that 90 to 100 rental units will need to be added each year to address anticipated household growth. With some additional allowance for unit replacement and pent-up demand, a goal of producing an average of 110 to 125 units per year is a realistic target for rental housing. This production would be distributed across various rental market segments.

There are various ways that these units may be allocated, but in the specific recommendations that follow, these units have been distributed into specific subsets of the local rental market as follows:

- Conventional Market Rate (including TIF set-asides) 325 to 355 units
- Student-oriented Housing 40 units
- Tax Credit/Moderate Rent 60 to 70 units
- Subsidized Housing (goal not need-driven) 25 to 50 units
- Senior Housing with Services (apartment-style) 100 to 110 units
- TOTAL 550 to 625 units

Some very specialized housing, such as memory care rooms, has also been recommended, although these may be better defined as "group quarters" rather than traditional rental units.

1. Market Rate Rental: Promote Production of 325 to 355 Total Units Over Projection Period

Findings: There continues to be ongoing new construction activity in the general occupancy market rate segment. The costs associated with new construction have required that higher rents must be charged, placing the large majority of the newer units into the higher-rent segment of the local market.

From 2018 through 2023, at least 473 new market rate rental projects have been permitted in Alexandria, although some of the units will not be available for occupancy until 2024.

- ***Ridgeview Apartments*** - An 80-unit market rate project
- ***Alexandria Apartments*** - A 24-unit market rate project
- ***Westfield Apartments 3*** - Third phase creating 49 market rate units
- ***The Rune*** - A mixed-use residential and commercial project to be developed in the downtown area with 72 market rate apartment units designated for senior occupancy
- ***Central Lakes*** - A 37-unit market rate project including 8 TIF-units
- ***Westfield Apartments 1*** - Phase creating 35-unit market rate units
- ***Westfield Apartments 2*** - Phase creating 35-unit market rate units
- ***The Overlook*** - A 47-unit market rate project with 10 TIF-assisted units
- ***Woodland Heights Apartments*** - A 94-unit market rate project with 19 TIF-assisted units

It should be noted that an estimated 37 units in this total from 2018 onward are TIF-assisted, and do apply moderate rent and household income requirements. While more affordable, these TIF units are often similar to market rate housing than subsidized housing based on their rent structure, and have been included with the conventional rental total.

The City has been successfully adding an average of approximately 65 to 70 conventional market rate rental units per year in the recent past, and these have been successfully absorbed while vacancy rates remain low.

Although the rent structure in newly-built projects tend to be higher than existing rentals, the low vacancy rate that has existed in Alexandria for many years has placed upward price pressure on all units including older housing.

It is important to note that the rental range that applies to the newest projects is a reflection of features, amenities, square footage and other factors. Some of the newer projects target the more moderate segment of market rate renters while others serve the luxury segment. However, the square footage of the unit becomes a primary factor in the rents being charged.

If gross rents are viewed as a rent per square foot, and include an estimate for tenant-paid utilities, the projects constructed since 2018 would generally be within the following ranges:

Unit Type	Gross Rent Per Sq. Ft.
Studio	$1.80 to $1.95/sq ft
1-Bedroom	$1.43 to $1.95/sq ft
2-Bedroom	$1.20 to $1.55/sq ft
3-Bedroom	$1.20 to $1.40/sq ft

A number of the newer projects do not include TIF units, but in a project like Central Lakes, the TIF-assisted units would have a gross rent estimate that is lower than the ranges provided above.

Recommendation: As the Alexandria area continues to grow, there will be a continued need to add more rental housing units. While it would be desirable to add units in a wide range of prices, realistically, most of the new units will need to be market rate housing. The gross rent estimates per square foot are up substantially from the estimated range in 2018, and are generally well above the prevailing range for older units in the community.

To achieve the total recommended goal of at least 550 to 625 rental units in Alexandria by the year 2028, it is probable that at up to 60% of this total will be developed within the market rate segment. For the five-year production period, a target of between 65 and 71 market rate rental units per year is recommended, for a cumulative total of 325 to 355 market rate units by 2028.

It is important to note that 72 luxury market rate units have started construction in a project known as The Rune. However, this project is not expected to complete construction until late in 2024. As many as 195 additional market rate units have been proposed, although the timing of construction for these projects may extend into 2025.

With continued increases in construction costs, it is probable that new units in 2024 and beyond will have a rent structure that is similar to or greater than the most recently built projects.

Despite upward price pressure on rents, local renters have absorbed the newest units, demonstrating success in these basic price ranges.

Although the recommendation for future market rate housing has been presented as an annual average, it is unlikely that year-to-year production will be consistent. Instead, multifamily rental projects will proceed that may produce an above-average number of units in a single year. However, in other years, less development will occur. For example, no multifamily units were permitted in 2022, after 153 units were permitted in 2021.

2. Findings and Observations on TIF Assistance for Market Rate Rental Housing

Findings: The City of Alexandria has been active in the past in assisting with the creation of more affordable rental housing production through the use of local resources. Some of the general occupancy market rate rental projects constructed in Alexandria have utilized Tax Increment Financing (TIF) assistance. A requirement of receiving TIF assistance for general occupancy housing is that a certain percentage of the units be set aside for more moderate income renters.

Some TIF projects have designated 20% of the units for households at or below 50% of the County's median income level. This is often achieved through rent-skewing, as TIF units have a lower contract rent than the market rate units in the project. However, of the market rate projects constructed since 2018, only Central Lakes, The Overlook and Woodland Heights Apartments have included affordable housing set-asides due to TIF funding.

The City has changed the affordable housing set-aside requirements for rental projects that are designated as senior-occupancy housing. Due to fixed income levels for many senior households, the income limits are assumed to be met in senior projects.

Most of the TIF districts for rental housing development extend for 13 years. After this time period, the income/rent requirements end and the units become fully market rate. A few rental projects, including Deer Ridge Townhomes and Central Lakes Apartments, have been provided with extended TIF assistance for 26 years, and Woodland Heights received an 18-year TIF district. While this requires a greater financial contribution from the community, it also helps ensure that affordable housing set-asides remain in place for many years. In the case of Woodland Heights, some other community improvements were also provided by the developer.

Although TIF funding has been frequently used in the past, most of the more recent general occupancy market rate projects have not requested TIF and do not have the affordable housing targets. The three development phases at Westfield, and Ridgeview and Alexandria Apartments from Unique Properties have not used TIF. The most recent general occupancy project that could be identified with TIF set-asides was Central Lakes Apartments, which was permitted in 2020 and opened for occupancy in 2021.

Recommendation: While Community Partners Research can only make general observations about TIF-assisted projects, and does not have access to specific financial data, some assumptions can be made.

Any assistance that helps to lower the rental rates will bring new units better in-line with income levels. In 2021, the median household income for all renter households in Greater Alexandria was $39,950. An affordable rent threshold would generally be defined at approximately $1,000 per month. Purely market rate units may be able to achieve a rent this low for one-bedroom options but two-bedroom new construction units will rarely be at this level. When TIF assistance can be used to reduce the rental rates, it helps to bring the gross rents into a range that is better matched to a majority of area renter households.

For example, in Central Lakes Apartments, the estimated gross rent for a one-bedroom TIF unit is $820, and approximately $950 for a two-bedroom. Nearly all of the other purely market rate units created in recent years would have a higher rent structure.

In the previous recommendation, a production target of 325 to 355 market rate units was identified for the five-year period. While it is probable that not all of the new projects will seek TIF, history would indicate that 30 or more TIF units may be constructed within the next five years.

However, this is not assured. No rental project has used TIF since Central Lake Apartments in 2021. Unless some new projects advance, it is also possible that the inventory of TIF-assisted rental units in the City could actually decrease, as projects that were constructed in 2010 and 2012 reach the end of their 13-year TIF compliance requirement.

In the past, some affordable projects have been provided with a 26-year TIF commitment, helping to assure longer-term affordability in the housing that is created. One potential initiative that could be considered is the use of longer-term TIF commitments to projects that can provide affordable rental housing.

It should be noted that some TIF units will probably be created in senior-designated projects . Although no specific unit set-asides are required for senior housing, these will generally serve a number of more moderate income households, including senior citizens living on a fixed retirement income.

3. Senior-Designated Housing Continues to be Appropriate for Future Development

Findings: This 2023 Update has continued to track the advancing "baby boom" generation as it moves through the aging cycle. Households age 65 and older will represent the largest net growth of age cohort. By 2028, an increase of households age 75 and older will see especially strong growth.

Greater Alexandria and Douglas County have traditionally had an above-average percentage of seniors, due in large part to the area's popularity as a retirement destination.

The projections used for this Update expect that approximately 40% of all households in Greater Alexandria by 2028 will have a householder age 65 or older, and more than 54% of all households will be age 55 or older. Most senior-designated housing serves people age 55 and older.

In the past, there has been some housing development for seniors, but these projects have typically offered some level of supportive services to residents, such as laundry and housekeeping, an emergency call system and access to meals, making the primary target market an older senior that is in the process of transitioning into housing with services.

However, the independent senior housing market has been recently attracting the attention of developers. The Rune, a 72-unit luxury senior project in the downtown area has started construction, with expected completion late in 2024. Two additional projects for independent living are proposed for 2023 that would create as many as 130 senior-designated rental units if both phases proceed.

Grand Arbor Lakes Senior Apartments may also add another phase of development in the near future, although this would include the light services offerings of the existing phases of senior housing.

Recommendation: Rental housing developers in Alexandria are increasingly looking at targeting their rental development to serve the senior market segment, age 55 and older. Going forward, it would be appropriate to designate 40% or more of the conventional rental development in projects that are age-designated. A later section of this document specifically addresses recommendations for senior housing with services, including assisted living.

4. Moderate Rent Tax Credit Housing: Promote the Development of 60 to 70 Units over the Projection Period

Findings: The low income housing tax credit program is the primary federal financial incentive available for the production of more affordable rental housing. A typical tax credit project will offer a moderate rent structure and serve households at or below 60% of the median income level. Some more affordable units will often be included, serving households at or below 40% or 50% of median income, but that is often dependent on other resources that may be available.

Since the completion of the 2018 Housing Study, the inventory of moderate rent tax credit housing in Alexandria has grown smaller. At that time, there were 114 total units subject to the tax credit affordable housing requirements. By 2023, this inventory has been reduced to 66 units.

Wiltoka Apartments had been awarded tax credits in 1992 and was still part of the tax credit inventory in 2018. But it has since met its contractual obligations and now operates as conventional market rate housing. Wiltoka has 48 apartment units.

Deer Ridge, Sunrise Apartments and Lincoln Square Townhomes are the active tax credit projects that still provide affordable housing options. All three of these projects were new construction developments.

Deer Ridge is the most recently developed tax credit project and was placed in service in 2015. However, both Sunrise and Lincoln Square are older and there was more than a 15-year time gap between Deer Ridge and Lincoln Square.

There have been attempts in recent years to secure a tax credit award for a new construction project, but these applications were not selected for funding. Statewide competition for tax credits is very strong. Given the rapid growth that continues to occur in the Alexandria area, it is probable that there will be additional applications submitted in the future, but this is not guaranteed.

As tracked by the 2023 rental survey, occupancy rates remain high in tax credit housing. The estimated vacancy rate at the time of the most recent survey was less than 1%. The 2018 survey found a vacancy rate below 2% within this segment and waiting lists tended to exist. When vacancies due occur in tax credit housing it is often the result of paperwork requirements, as new applicants must go through an income certification process which can delay the occupancy of an open unit.

The actual rents for tax credit housing in Alexandria continue to be well below the maximum allowable federal limits. While the regulations allow rents up to 60% of median income, the gross rents in place in Alexandria are typically below the limits set for households at or below 50% of the median income level. The lower rents help to maintain a high rate of occupancy by keeping the tax credit projects competitive with older, market rate housing in the area.

Recommendation: Project-specific studies are required as part of the tax credit application process. Multiple applications submitted for projects in Alexandria over the past five years have documented adequate demand for each project. However, no new projects have received funding and unmet demand remains for this type of affordable housing.

Consistent with the recommendation made in 2018, a goal of adding between 60 and 70 new tax credit units in the community by 2028 is a realistic expectation. Given the size of typical project awards, this would generally represent two new developments over the 5-year time period.

Based on the overall rental housing development recommendations made in this 2023 Update, the proposed moderate rent tax credit recommendation would represent approximately 11% to 12% of the overall unit total for Alexandria through 2028.

The contractual status of the two remaining older tax credit projects is not known by the analysts. If Sunrise Apartments or Lincoln Square Townhomes were to leave the tax credit program due to contract compliance, then the inventory could be further decreased in the coming years. Additional production to replace any lost units would also be recommended to assure a stock of moderate rent housing in the future.

5. Subsidized Rental Housing: Develop as Resources Allow with a Goal to Add 25 to 50 Units

Findings: The term subsidized housing, as used in this Update, refers to rental units that have been constructed to serve low and very low income people. In nearly all cases, subsidized housing has accessed federal resources that provide a "deep subsidy" for very low income people. Most subsidized housing has project-based rent assistance, or a similar subsidy available, that allows rent to be based on 30% of the household's monthly income.

Much of the subsidized housing in Minnesota was constructed from the 1960s to the 1980s. Since that time, adequate funding for new projects has generally been rare in the federal budget.

Due to the age of projects, it is more likely for communities to lose subsidized housing to contract fulfillment rather than add it through new construction. Since 2018, there have been no changes to the subsidized inventory in Alexandria. The last time that the City's inventory contracted was in 2012.

One subsidized project that was identified in 2018 as "at risk" of leaving the subsidy program, Royal Manor II, has been preserved. In 2023, this project was acquired by a regional nonprofit housing agency with an affordable housing mission.

In 2023, there were no additional subsidized projects that were listed on an "opt-out" log for federally subsidized housing that is maintained by the Minnesota Housing Finance Agency,

Alexandria has 10 subsidized rental projects providing rental opportunities for 416 lower income households at the time of this Update. A majority of these units, 290, are designated for or have a preference for senior and/or disabled occupancy. There are 126 general occupancy subsidized housing units.

The 2023 rental survey once again found strong demand for subsidized housing, especially for units with project-based rent assistance that allows rent based on 30% of household income. The estimated vacancy rate in both general occupancy projects and senior/disabled projects was less than 1%, and waiting lists were common.

In addition to the subsidized projects, Alexandria has approximately 177 households in 2023 being assisted with tenant-based rent assistance, primarily through HUD's Housing Choice Vouchers. This portable rent assistance is issued to income-eligible households for use in private market housing.

With the assistance, a household pays approximately 30% of their income for their rent, with the program subsidy paying any additional rent amounts. Vouchers move with the tenant, so the actual number of households receiving assistance in the Alexandria area can vary over time.

The level of tenant-based rent assistance has increased since 2018, when an estimated 136 households were on the Voucher programs. However, unmet demand for rent assistance remains, and the waiting list is closed to new applicants due to its length.

The housing cost burden information from the 2021 American Community Survey showed that nearly 46% of all renter households in Alexandria were paying 30% or more of their income for housing. The percentage of cost-burdened renters was down from 2016 when more than half of all renter households had a cost burden. However, the American Community Survey produces estimates, with a margin of error, and the reduction in the percentage of households with a cost burden between 2016 and 2021 may have been due to sampling differences. In both years there were a large percentage of renters applying 30% or more of their income to rent.

The existence of a rental housing cost burden was shared among households in all age ranges, although a higher percentage of senior-headed households reported paying 30% or more of their income for housing costs. However, in numeric terms, most of the cost-burdened renter households were age 64 and younger. Some of these may have been traditional students, but many renter households were between 25 and 64 years old.

The mismatch between affordable units and lower income households was most evident in the lowest price ranges, as the number of renter households with an annual income below $20,000 was more than double the actual supply of units.

Recommendation: Additional subsidized rental unit creation is recommended over the next five years. However, with almost no funding at the federal level, it has been very difficult to add to the supply of very low rent housing in recent decades. The last new construction project in the City was the Winona Shores, a senior subsidized project constructed in 2003.

Despite ongoing growth in Greater Alexandria, including the addition of many new renter households, the supply of subsidized housing has remained relatively unchanged, although there has been some increase in the number of tenant-based Vouchers since 2018.

We would continue to encourage the City, and its private development partners, to look for opportunities to secure subsidized housing resources, with a goal to add 25 to 50 units by 2028. This could be in the form of project-based subsidized housing, or tenant-based rent assistance Vouchers.

If resources for a new subsidized project can be secured, we would recommend constructing new units. The most practical way to add units may be through mixed-income projects, where rent skewing could help to create some very affordable units along with moderate rent and higher rent options.

It is important to acknowledge that this is a goal, rather than an estimate of need. Based on waiting lists, income and cost burden data, a larger number of units could be successfully absorbed. But with very few resources available to develop “deep subsidy” housing, any expansion of supply is encouraged.

Preservation of existing subsidized housing continues to be another important strategy by preventing the loss of any of the existing subsidized housing, or a decrease in Voucher assistance. If units are at risk in the future, it may be appropriate for public or nonprofit agencies to become involved, such as the acquisition of Royal Manor II, which was recently preserved by a regional housing nonprofit.

6. Student-Oriented Housing: Monitor the Impact of the new 41-Unit Project and the Demand for Student Housing

Findings: Post-secondary students, primarily attending Alexandria Technical and Community College (ATC) generate a share of the local demand for rental housing. In 2012, the College Foundation developed a 41-unit student housing project with capacity for 149 people, known as Foundation Hall. In 2023, a building permit was issued for a second development phase, with the potential to house 150 students.

The Foundation Hall complex is the largest single provider of post-secondary student housing, but there are other rental options in Alexandria that specifically target student renters. In the 2023 rental survey, student-oriented housing had a high rate of utilization at the start of the fall term each year.

Many students also elect to live in other types of private market rental housing in the community. A low rate of vacancy in all rental segments in 2023 is partly due to demand that student households add to the local rental market.

Recommendation: No specific research was completed in 2023 on future enrollment projections in Alexandria. A typical pattern for many post-secondary facilities is that off-campus learning options have been increasing in popularity as technology may allow for fewer students to be on campus. However, whether this trend is present in Alexandria was not confirmed with ATC.

Foundation Hall has been successful since it was constructed in the early 2010s. The new phase of construction that should become available for the fall 2024 term will double the capacity and the impact on student demand should be monitored.

As reported in the 2018 Housing Study, there has been a general trend over time that many students are more focused on unit quality than price. In addition to the pending expansion of Foundation Hall, there continues to also be an expansion of newer, high-amenity rental projects in Alexandria that can cater to student demand.

The opportunity to build future projects oriented to students should be monitored. A site near the campus could allow for units that could attract a share of the student market. Increasingly, developers in other college communities are constructing traditional apartment building close to a campus, but making them available to the broader rental market, with a recognition that students may be the predominant tenant group.

Senior Housing with Services

Overview: Senior housing with services can cover a wide range of housing types. Skilled nursing homes, assisted living and memory care housing are generally the most service-intensive options. These forms of high-service housing provide 24-hour staffing and extensive assistance with daily living needs of residents.

Housing with light services, sometimes referred to as congregate senior housing, generally offers a lower level of services, such as a daily meal and weekly light housekeeping. However, many light services senior projects do have additional services that can be purchased as needed, and with contracted home health care services, even skilled medical care can often be available to residents of light services units on a part-time basis.

Over time, licensing changes have been occurring with the MN Department of Health. Assisted living facilities or assisted living with dementia care projects are licensed with the State of Minnesota. Lighter services projects, once listed as "housing with services" on the State website, are no longer specifically identified, although these providers continue to serve a segment of the senior market in 2023.

As tracked by past housing studies for Alexandria, there had been a long-standing pattern of expansion in the specialized senior housing options in Alexandria. However, since the 2018 Housing Study was completed there has been no new development of housing offering supportive services.

There have been some changes in the targeted use of existing units, and a few small residential care providers have closed, but overall, the inventory in 2023 is generally similar to the inventory in 2018.

A separate section of this Update specifically addresses the existing inventory of specialized senior housing. It also compares the distribution of units by type to the target populations of senior citizens in Douglas County.

The following recommendations attempt to define the primary forms of senior housing with services in the Alexandria area, and provide a summary of the findings in 2023.

7. Light Services Senior Housing: Promote an Expansion of 52 or More Units by 2028

Findings: Since 2018, this segment of the senior housing market has lost some units. In 2018, there had been some projects that offered "flexible" apartment units that could serve more independent households or that could be used for assisted living. By 2023, these flexible units do not tend to exist, as more have been licensed to provide assisted living use only.

Based on the identified inventory, the estimated supply of lighter services units contains approximately 236 units in 2023, down slightly from the estimated inventory of approximately 250 units in 2018. However, in 2014, there were only 130 units in Alexandria serving this segment of the market, so over the past 10 years there has been significant net growth in the light services inventory.

New development activity over the past 10 years included a new phase of construction in 2016 at Grand Arbor Senior Apartments which added 89 units. A second phase of Arabella Manor was constructed in 2015, adding 37 units.

It is important to note that there are only two identified providers of housing with light services in Alexandria, Grand Arbor Senior Apartments and Arabella Manor, and these are no t listed on the MN Department of Health website, as there is no longer a "Housing with Services" designation. Although updated information was provided by Grand Arbor in 2023, no current information was obtained from Arabella Manor, so some assumptions have been made concerning this segment of the senior market.

Occupancy rates in this segment of the senior market in Alexandria appear to be high, although no occupancy information is known for Arabella Manor. Grand Arbor Lakes reported a high rate of occupancy and a waiting list. The occupancy rate in this senior housing segment was also estimated to be high in 2018. A slight reduction of available units since that time would point to strong demand for more independent housing.

Consistent with past demographic findings, the Alexandria area and all of Douglas County, continue to show strong growth in the population of senior citizens. Specific details on current and projected demographic patterns have been presented in the Senior Housing with Services section of this Update. In general, ongoing growth is projected within all of the senior age ranges, but most of increase through 2028 will occur within the age group that is 75 years old and older.

Recommendation: Douglas County is expected to see strong growth over the next five years in the target populations served by specialized senior housing. By the year 2028, nearly all of the large baby boom generation will be age 65 or older. This will generate both near-term and longer-term demand for senior housing.

Using the current estimated capture rate being achieved within the lighter services housing segment, an expansion of 52 or more units should be needed by the year 2028 in Douglas County. The City of Alexandria would be the preferred location for the large majority of these new units.

It is known that another phase of development may occur on the Grand Arbor campus. Although specific details are not available to the analysts, this would probably be similar to Grand Arbor Senior Apartments which serve more independent seniors and would address the need for lighter services housing.

It is important to note that the supply and demand summary provided in this Update is based largely on projected growth and not on competitive positioning between projects. Senior housing with services can be a very competitive business, and it is possible that even more units may be proposed as providers attempt to capture a large share of the local market. However, if supply significantly exceeds demand, this would probably reduce the occupancy rates in less competitive projects.

8. Assisted Living: Promote an Expansion of 50 or More Units by the Year 2028

Findings: Alexandria continues to have a number of housing options for seniors that need assisted living. In 2023, nearly all of the area's assisted living units are provided in larger, apartment style complexes. A number of the licensed assisted living facilities provide levels of care, including advanced or enhanced assisted living along with dementia care.

Accurately tracking the exact size of the assisted living inventory in Alexandria is somewhat difficult, given the different types of care that can be offered. However, excluding the dementia/memory care units, which will be discussed separately, the assisted living providers offer approximately 230 units in 2023, including enhanced assisted living. The total estimated inventory in 2023 is very similar to the unit supply in 2018.

No new assisted living projects have advanced to construction since the 2018 Housing Study was completed. There have been some changes in use, as some of the “flexible” care units in 2018 are now licensed to provide assisted living. However, this potential increase of units was offset by the closure of some smaller, residential-style board and lodging facilities that had provided assisted living.

Based on the contacts made in 2023, a high rate of occupancy exists within the assisted living inventory in Alexandria. Since 2018, there has been continued growth within the target market population of older senior citizens living in Alexandria and Douglas County, but the supply of assisted living units has generally remained unchanged.

Recommendation: The population of older senior citizens in Douglas County has continued to grow over time. The projections used for this Update expect especially strong household growth in the older senior age groups, age 75 and older through the year 2028. In the recent past, there has been a greater increase in the number of younger senior citizens, but going forward, the number of households age 75 and older should show stronger growth.

Based on expected capture rates by the year 2023, at least 50 or more additional assisted living units would be recommended by 2028 in Douglas County. Once again, Alexandria would be the preferred location for most of these new units.

Like other forms of specialized senior housing, changes within the existing supply will also need to be monitored. In the past, some assisted living has been changed to memory care use, or more service-intensive options. Future changes could also impact the need for traditional assisted living.

Options for lower income seniors should also be monitored. Due to low reimbursement rates, the number of residents receiving County assistance is often capped, and some facilities are private-pay only. In the past, the smaller board-and-lodging facilities were more likely to accept assistance programs, but over time nearly all of these have closed, potentially reducing the affordable inventory for lower income people. City TIF assistance provided to projects such as Grand Arbor has resulted in reduced unit costs which can serve lower income seniors also receiving County assistance.

As with other specialized care recommendations, the supply and demand summary provided in this Update is largely based on projected growth, and not on competitive positioning between projects.

9. Memory Care Housing: Promote an Expansion of 24 or More Rooms/Beds by the Year 2028

Findings: Memory care housing represents a very specialized segment of the senior market. People in the earlier phases of memory loss due to dementia, Alzheimer's Disease, or other causes may often be housed in assisted living facilities, nursing homes, or less service-intensive forms of senior housing. However, as the disease progresses, it is often necessary to provide housing in special facilities that provide a secure environment and care targeted to residents with memory loss.

The are seven identified providers of specialized memory care housing in Alexandria in 2023. Combined, these facilities have an estimated 95 rooms/units for people with memory care needs with actual capacity for approximately 110 people if some rooms have shared occupancy. This estimated capacity is very similar to the available inventory in 2018.

Since the 2018 Housing Study, no new memory care facilities have been constructed in Alexandria. There have been some changes in use for the existing projects, but no significant net change in the City's memory care capacity.

The utilization rates in this specialized segment continue to be high. However, half of the suites in Diamond Willow were not occupied at the time of the survey, but this was attributed to staffing shortage rather than lack of demand. Many of the providers indicated that waiting lists are maintained.
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Recommendation: As stated in the previous recommendations made for senior housing, the population of older senior citizens in Douglas County has continued to grow over time. The projections used for this Update expect especially strong household growth in the older senior groups, age 75 and older through the year 2028.

To maintain a similar capture rate, at least 24 or more rooms/beds will be needed by the year 2028. Once again, Alexandria is viewed as the preferred location in Douglas County for this very specialized form of housing.

Although memory care housing can be expensive to build and operate, it has been possible for relatively small additions to be created. It may be practical for an existing housing provider to add to or expand their existing memory care options. Since memory care is staff-intensive, smaller expansions of rooms/beds may also allow for adequate staffing to be obtained.

Once again, changes within the existing supply will also need to be monitored. In recent years, some assisted living has been changed to memory care use, but one of the City's nursing homes has discontinued its memory care wing. Future changes could also impact the need for additional units.

Some care options do exist for lower income seniors receiving County assistance. Due to the high levels of care required for memory loss, the reimbursement rates are often better matched to the costs of care. However, some providers are private-pay only, and others do cap the number of residents receiving assistance.

Consistent with the other specialized care recommendations, the supply and demand summary provided in this Update is largely based on anticipated growth, and not on competitive positioning between projects.

Home Ownership Recommendations

Overview: This Update has produced annual demand projections for the period extending from 2023 to 2028. The forecast for owner-occupancy units assumes that at least 110 to 120 houses will be needed per year in the Greater Alexandria area.

Production at this level would be up slightly from the demand forecast included in the 2018 Study, which had expected annual production of just over 100 units per year. Based on available permit totals, it is probable that the annual average for single family housing starts between 2020 and 2022 was approximately 113 units per year.

It is important to note that a large part of the demand projection for owner-occupancy housing to the year 2028 is based on expected growth from permanent resident households. There has historically been some new construction for seasonal-use housing, although this may often represent unit replacement as an older home is removed. This is especially true on lake shore properties. People building/rebuilding seasonal units will generate business for local construction companies but generally will not utilize lots in traditional subdivisions or neighborhoods.

10. Continue to Offer Affordable Home Ownership Initiatives

Findings: In previous housing studies for Alexandria, we have commented on the need for affordable new home construction and ownership assistance programs to assist low and moderate income households. This need still exists in the Alexandria area in 2023, as an “affordability gap” remains between median income households and typical prices for both new and existing homes in the area.

As part of this Update, a section has been provided that examines both income and housing costs. This includes an analysis of the relative cost of home ownership in Alexandria compared to similar-sized communities in western and northern Minnesota. Based on the 2023 review, the issue of affordable home ownership continues to exist. Much of this is due to home values in Alexandria, which are higher than in comparable communities.

Using the American Community Survey estimates for 2021, the median home value in Alexandria was more than $35,000 higher than Marshall, which was the next closest of the comparison communities for home price.

While a one-year snapshot of estimated home values may not be a perfect indicator of value trends, it is worth noting that the gap between home values in Alexandria and the comparison communities has increased in recent years. In the 2018 Housing Study, the estimated median home value difference between Alexandria and Marshall was approximately $16,000, using 2016 value data. By 2021, this difference had more than doubled and was above $35,000.

Consistent with past comparisons, Alexandria has continually had the highest owner-occupancy median home value but it has not had the highest median income level for home owners. In this Update, a median income estimate was available through the 2021 American Community Survey. For owner-occupancy households, Alexandria had the third highest median income of the six comparison communities, at $75,657. Both Marshall and Willmar had higher median income levels for home owners and had lower median home values.

The above-average home value in Alexandria, when combined with the median income, resulted in a higher percentage of income needed for home ownership. According to the American Community Survey, the median percentage of household income applied to home ownership costs in Alexandria was 17.2% in 2021, the second highest of the comparison communities. Only home owners in the City of Bemidji, which had a much lower median income level, had to apply a higher percentage of income for home ownership.

While it does take a higher percentage of income to own a home in Alexandria, it should be noted that the actual percent required decreased between 2016 and 2021. According to the American Community Survey, 18.9% of income was needed for ownership in 2016, but 17.2% was needed in 2021. This was due to the fact that the City's median income level for home owners had increased at a faster rate than the median home value over that time period.

The calculation of income to ownership costs reflected all home owners, including those without a mortgage. For home owners that had a mortgage, the median amount of income required in Alexandria was 20.2% in 2021, down from 20.9% in 2016. While this percentage does indicate relatively affordable options, households below the median income level that do not already own their housing will be impacted by the higher home prices in Alexandria.

Recommendation: Consistent with previous research, the 2023 Update continues to show that ongoing efforts to provide home ownership assistance are appropriate Alexandria. When compared to similar-sized communities, home values are high. To move low and moderate income households into ownership may often require financial assistance to bridge the gap between what is affordable and the prices being charged for homes in the area.

It is also important to state that there has been recent price appreciation in home values. The data presented above was based on the 2021 American Community Survey, and this data lag impacts the ownership calculations. Local sales information presented earlier in this document shows that the median sales price in Alexandria has been increasing very rapidly since 2021.

The Alexandria HRA has been active in the past offering home ownership assistance programs in the City. Over time, a number of different financing sources have been used to lower the eventual costs of home ownership for low and moderate income households.

In 2019, a Local Housing Trust Fund was created. This has been used to primarily fund home ownership assistance in the form of gap loans, averaging approximately $15,000 per loan. Some of the gap assistance can be forgiven after a defined number of years, while others must be repaid at the time of sale. The goal is to make this local fund a stable, ongoing resource that could be applied to affordable home ownership assistance.

Due to rapidly rising construction costs, it is becoming increasingly difficult to produce affordable home ownership through new construction. In most communities, new construction options are rarely priced less than $375,000. As a result, many of the entry-level buyers have been forced out of the market. Home ownership assistance programs will become increasingly necessary for any new construction options.

11. Promote the Construction of 8 to 10 Very Affordable Homes Per Year

Findings: In the past, there has been some annual production of more affordable homes in Alexandria, often connected with nonprofit or housing agency efforts.

As detailed in previous studies, the Alexandria HRA has been actively involved in promoting affordable home construction. Prior to 2018, this was primarily located in the Trail's development, a mixed-income subdivision that included lower-priced lots for affordable homes. At the time of the 2018 Housing Study, most of the lots in the final phase of the Trail's had already been utilized, and the HRA had shifted its affordable home construction to scattered infill parcels that exist in the community, including tax forfeiture properties.

In 2023, the Alexandria HRA is still active in constructing houses on infill lots, with two houses permitted in 2022 and under construction in 2023. While these will be sold to owner-occupants, it is likely that any future construction will focus on creating rental units, with the goal of creating housing that can be maintained longer-term in the affordable inventory into the future.

Habitat for Humanity has also been active in building homes for people that would generally not have other options for home ownership. Through early July 2023, Habitat had already permitted two new houses in Alexandria.

In 2023, Habitat for Humanity also received approval for a Planned Unit Development (PUD) for a 42-lot subdivision known as Summer Meadows. This PUD is intended to provide building sites for the next decade. Habitat hopes to build approximately four houses each year in the new subdivision. The average fair market value for recent builds has been approximately $260,000.

While these organizations have achieved some success with affordable new construction, most of the demand for very affordable ownership housing will continue to be met by the sale of existing houses. Prices for existing homes in Alexandria are generally higher than in comparably-sized communities, but existing homes still tend to be more affordable when compared to prices for comparable new construction.

The home sales analysis completed as part of this Update showed that the midpoint sale price in the City in 2022 was $257,500. When lake shore properties were removed, this median was lowered to $252,500. However, approximately 25% of the existing home sales in 2022 were for less than $200,000.

It is probable that the median price in 2023 will be higher than 2022, as upward price pressure remains in the home resale market. But to the extent that good quality, existing homes are available for sale, these will typically represent the most affordable option for entry-level home buyers. It should be recognized that existing housing may need repairs or upgrades after purchase.

The demographic projections used for this Update do expect some growth in the number of younger adult households in the Greater Alexandria area over the next few years. Although very limited change is projected in the number of households age 34 and younger, there is growth expected in the 35 to 44 year old range.

The rate of home ownership in 2020 was below 50% in Greater Alexandria for households age 34 and younger, but increased to nearly 70% for households in the 35 to 44 year old age group. Demand from first-time home buyers should increase somewhat over the next five years.

Recommendation: Low and moderate income home buyers in the Alexandria area have benefitted from the efforts of organizations such as the Alexandria HRA and Habitat for Humanity that have been active in creating very affordable ownership options. Many of the buyers would not have had an option for a newly built home without the cost savings that were available.

Going forward, a goal of producing 8 to 10 very affordable home ownership options per year would be encouraged. Based on the annual overall production of up to 120 housing units per year, this would still represent less than 10% of the annual volume.

Habitat for Humanity, in particular, is well positioned to offer affordable ownership options in the future. With a recently approved PUD, the organization should have a lot supply for future construction projects. The HRA may also continue to construct new homes as building sites become available, but in the future these may be offered as affordable rentals rather than ownership opportunities.

12. Promote the Construction of 12 to 16 Entry-level Homes Annually

Findings: As detailed in the previous recommendations, the Alexandria area has above-average home values that continue to increase, as demand remains strong.

While the demographic analysis included as part of this Update shows an ongoing shift of the population into the older age ranges, the Alexandria area also continues to add younger adult households. In the non-senior ranges, the largest projected numeric increase in households is expected in the 35 to 44 year old age range. This group tends to move toward home ownership, while households 34 and younger are primarily renters. This will generate some increased demand from first-time home buyers.

Recommendation: New construction of affordable single family homes in the Alexandria area has been somewhat limited in recent years. With current prices for new construction materials and labor, producing a newly-built home for less than $375,000 is difficult.

Going forward, we continue to believe that demand will exist in the entry-level segment. But actually achieving the same level of annual production will be more difficult than in the past, when prices were more moderate for new construction.

Based on the research completed for this Study, we believe that a goal of constructing 12 to 16 affordable homes in Alexandria each year through the year 2028 is achievable. In current prices, entry-level homes are generally defined as $375,000 or less. However, an even lower target price would be better suited to current incomes and home buying power of low to moderate income households.

Private developers may be able to produce some more affordable homes, although cost saving measures may be needed, along with possible development or financing subsidies. This will somewhat limit the area’s ability to generate entry-level housing.

When combined with the previous recommendation, looking at very affordable home ownership, the goal would be to produce between 20 and 26 new homes per year that could be affordable to lower and moderate income buyers. This would represent between 18% and 22% of the projected annual need for home ownership units in the Greater Alexandria area over the next five years.

The Alexandria area will need to continue attracting younger families and working age residents to maintain an adequate work force for area employers. This recommendation could be part of a strategy of proactive efforts to attract and retain younger households.

13. Mid-Priced and Higher-Priced Housing Should Continue to Represent Most of the New Construction Activity

Findings: Following the global health pandemic there was significant upward price pressure on both building materials and labor, resulting in a significant cost increase for most newly constructed houses. As a result, even first-time home buyer programs in Douglas County are now based on a price limit up to $472,000, a level that is much higher than in the recent past.

Consistent with the findings of the previous studies completed for Alexandria, the area has a strong history of higher priced home construction. The City and the surrounding Townships that form Greater Alexandria have a number of high quality residential subdivisions, including opportunities for construction on recreational lakes or golf courses.

Within the Greater Alexandria aggregation, an annual average of approximately 113 single family housing starts has been occurring over the past three years. An average of 43 single family units per year has been constructed within the Alexandria City limits during this time.

Existing home values in both Alexandria and the surrounding area also continue to rise, as tracked by annual sales activity. There have been solid year-to-year increases in the median sales price in Alexandria, with a median of $257,500 in 2022.

Median prices were even higher in the adjoining townships that border the City. Some of the higher sales medians are due to the high-amenity locations, including lake shore properties. The median sale prices were at or above approximately $300,000 in 2022 in each of the other townships that form Greater Alexandria.

Recommendation: The analysis of projected demographic trends continues to indicate that the strongest demand should be for trade-up housing, especially units that are age-appropriate for senior-headed households. Age-based projections to the year 2028 indicate that households in the age ranges 65 and older will experience the largest net growth. Strong household growth would also be expected in the 20-year range between 35 and 54 years old, an age group that looks to buy a new home.

Consistent with past analyses, we would continue to expect that 80% or more of the single family construction will be in the moderate to higher price ranges, generally defined as $375,000 or more. This would equate to annual production of up to 95 units per year.

The ability to move into age-appropriate, trade-up new construction will be assisted by rising existing home values. In the City of Alexandria, the median home sale price has increased by $54,000 from 2020 to 2022. Although sales records for 2023 are not yet available, it is probable that the median sale price has increased even further in the current year.

Housing construction that serves the moderate to higher price ranges will generally not require any active public role. This segment of the market can be well-served by the private development community. In the Alexandria area, developers have been able to create new subdivisions as needed, and land availability or public infrastructure extensions are not viewed as a development limitation.

14. Attached Single Family Housing Should Continue to Gain Market Share

Findings: The demographic profile of the Greater Alexandria area is conducive to the development of low maintenance or no maintenance ownership housing options. The area has a large population of senior citizens and near-senior households. This reflects both the aging of longtime residents and the area's popularity as an attractive retirement location.

There has been a growing trend of housing development in attached single family unit styles, such as twin homes or town houses. There have also been association developments of "detached" town homes.

With limited reporting details available, it has been difficult to track the actual level of attached housing construction, especially in the townships. However, it appears that attached single family housing has probably represented less than 20% of all single family construction in Alexandria recent years. It is likely that most of the new construction in the townships remains in detached structures, but some association-managed projects have been advanced, especially when lake access can be offered.

The age-based projections show strong overall household growth by 2028, primarily within the 65 and older age ranges. The 2028 projections indicate that more than 54% of all households living in Greater Alexandria will be age 55 or older. The near-senior and senior citizen age groups have historically had very high rates of owner-occupancy and represent a primary target market for attached single family housing that offers no maintenance or low maintenance living.

Recommendation: The demand calculations used for this Update expect that approximately 20% to 25% of the future demand for owner-occupancy housing construction can be met through attached single family housing, such as twin homes, town houses or association managed units. With overall ownership demand at 110 to 120 units per year, attached single family construction should reach 22 to 30 units per year. We would expect demand for attached housing products to continue to grow throughout the projection period.

Attached housing provides desirable alternatives for empty nesters and seniors to move out of their single family homes. These existing homes then become available for younger families. It is important for the community to offer a range of life-cycle housing options.

Depending on the project location, we would expect most of the attached unit construction to occur in a more moderate price range between $300,000 and $450,000. However, high-amenity units could also be developed, especially those that can offer lake access or similar desirable sites.

15. Monitor the Overall Residential Lot Supply

Findings: Consistent with the findings of past studies, the best available information indicates that the Greater Alexandria area continues to have an adequate overall inventory of residential lots and subdivisions.

The analysts did not obtain a comprehensive listing of residential lots that are available in 2023, but there are no indications that a lot or land shortage is impacting new home construction.

Attempts to obtain information from the Alexandria Lakes Area Sewer District were unsuccessful in the 2023 research process. In the past, that organization had been able to estimate the lots and land parcels that were within reasonable distance of the District's sewer service.

Staff in the Alexandria Planning Department identified a number of recent subdivisions that had been created in the past several years. Area developers have been able to develop new subdivisions in response to demand.

Recommendation: The research completed for this 2023 Update continues to indicate that lot/land availability is not a factor that will limit future housing development. Although annual lot absorption within the Sewer District boundaries has been averaging more than 100 or more lots per year, development activity also has been occurring to bring new subdivisions and lots into the residential inventory. Developers remain active in responding to market demand.

Based on available information, there continues to be a mix of lot styles being created, including lots for attached single family units. There has also been increased development of lots in association-managed developments, including "detached town house" projects, that create freestanding units but have shared maintenance arrangements similar to town house projects. Given the demographic patterns that show an aging area population, lots for a mix of housing styles are appropriate to meet future demand.

The supply and demand for residential lots should be monitored, but are not viewed as a limiting issue to new construction in 2023.

Alexandria in Comparison to Other Cities

Previous housing studies completed for Alexandria have included comparative data with similar-sized communities in Minnesota. Past comparisons have been made with:

- Bemidji
- Brainerd
- Fergus Falls
- Marshall
- Willmar

Although some of these communities are larger than Alexandria, they represent a group of regional centers that exist in western or northern central Minnesota, and are viewed as a group that is relatively comparable for housing purposes.

Most of the comparisons presented on the following pages do reflect a "data lag", with some of the best sources reflecting information from 2020 or 2021. Despite the dated information, these represent the most reliable data sources for making direct comparisons between communities.

For demographic items, such as population and household growth, the 2020 Census has been used. This source also provides useful information of age household and housing characteristics.

The American Community Survey collects sample data within each community and then generates estimates from these samples. There can be a margin of error in these estimates, depending upon the specific variable being examined. However, the same methodology would be used in each city, so a standardized process is being followed. The most recent estimates have an effective date in 2021.

There are challenges in making direct comparisons between communities. One of the biggest challenges relates to actual geographic definition. In the following analyses we have examined only city-level data. For Alexandria, this would not reflect the Township areas that immediately adjoin the City and are grouped as the Greater Alexandria aggregation elsewhere in this Update. For Brainerd, the neighboring City of Baxter is not included.

It can be argued that each of the comparison communities have a significant number of households that live nearby, yet outside of the actual city limits. For consistency in both data reporting and comparison, we have not attempted to capture a "market area" that may exist around each City.

Total Population in 2020

The most recent official population benchmark was established with the release of information from the 2020 U.S. Census. It reflected population totals for April 1, 2020. This provides for a comparison of the relative size of each community.

Table 36 Comparison of Population in 2020		
City	Resident Population	Rank 1 = Largest population
Alexandria	14,335	4
Bemidji	14,574	2
Brainerd	14,395	3
Fergus Falls	14,119	5
Marshall	13,628	6
Willmar	21,015	1

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

The City of Alexandria was near the middle of the six communities included in for this comparison item. However, with the exception of Willmar, which is significantly larger, each of the other communities is reasonably similar in size.

A comparison of past population growth is not useful, as certain communities, including Alexandria, have added population through annexation activity while others have not.

Resident Households in 2020

The most recent official household benchmark was established with the release of information from the 2020 U.S. Census, reflecting totals for April 1, 2020.

Table 37 Comparison of Households in 2020		
City	Estimated Households	Rank 1 = Most households
Alexandria	6,566	2
Bemidji	6,014	5
Brainerd	6,086	4
Fergus Falls	6,171	3
Marshall	5,473	6
Willmar	7,875	1

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

Although Alexandria ranked 4th for total population of the six communities, it had the second highest number of households in 2020, trailing only Willmar. Most of the cities with similar population levels had more people in group quarters, and not counted as living in traditional households. This includes large student populations in some cities, such as Marshall and Bemidji.

As with population, any comparison of growth rates is not useful due to the impact of past annexation activity.

Median Age in 2020

The American Community Survey includes an estimate of the median age for all residents.

Table 38 Comparison of Median Age in 20		
City	Median Age 2020 Census	Rank 1 = Lowest Median Age
Alexandria	40.1	5
Bemidji	30.9	1
Brainerd	35.6	4
Fergus Falls	42.0	6
Marshall	33.9	2
Willmar	34.2	3

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

A higher median age is typically an indicator of both an older population, and fewer children within a community.

Alexandria had the second oldest median age of the comparison cities, at 40.1 years. Bemidji had the lowest median age, at only 30.9 years. While many of the comparison cities have some students in their population, Bemidji and Marshall have State Universities. These were the only comparison cities that had a median age below 34 years old.

Fergus Falls had the oldest median age at 42.0 years old.

Average Household Size in 2020

The 2020 Census provided new information about household size.

Table 39 Comparison of Average Household Size in 2020		
City	Average Household Size	Rank 1 = Highest Median Size
Alexandria	2.08	6
Bemidji	2.13	5
Brainerd	2.23	3
Fergus Falls	2.16	4
Marshall	2.39	2
Willmar	2.56	1

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

A small average household size will often indicate an older population, with many people living alone and fewer children in the community.

Alexandria had the smallest household size of the comparison communities, with an average of only 2.08 persons. This average was relatively small when compared to other jurisdictions, and Alexandria was the only comparison city with an average below 2.10 persons.

Bemidji had the next smallest average at 2.13 persons per household.

Willmar had the largest average household size at 2.56 persons. Willmar has probably had more international in-migration than most of the other cities in recent decades, and the relatively large average household size may be due to household composition differences among immigrant populations.

It is important to note that all of these communities serve as regional centers and contain a large volume of both rental housing and senior-oriented housing options. In many of the communities there is also a post-secondary student population in rental housing. Renters and senior-headed households are generally smaller and include many people living alone.

Median Household Income in 2021

The American Community Survey issues estimates of the median income for all households in each City. The most recent estimates are for 2021.

Table 40 Comparison of Estimated Median Household Income in 2021		
City	Median Income American Community Survey	Rank 1 = Highest Median Income
Alexandria	$54,193	1
Bemidji	$42,218	5
Brainerd	$41,671	6
Fergus Falls	$45,327	4
Marshall	$53,138	3
Willmar	$53,863	32

Source: American Community Survey; Community Partners Research, Inc.

Alexandria ranked as the highest median household income in 2021, at $54,193.

Willmar and Marshall had the second and third highest median household income levels, both above $53,000.

Brainerd, Bemidji and Fergus Falls had substantially lower median income levels, each both below $46,000.

Median Home Value in 2021

The American Community Survey contains an estimate of the median value for owner-occupied houses in each City in 2021.

It is important to note that there has been significant upward price pressure on home sales in the past two years and the median estimates for 2021 may lag well behind current home values.

Table 41 Comparison of Estimated Median Home Values in 2021		
City	Median Owner-Occupied Home Value	Rank 1 = Highest Median Value
Alexandria	$199,000	1
Bemidji	$149,700	3
Brainerd	$134,800	6
Fergus Falls	$145,200	5
Marshall	$164,800	2
Willmar	$145,900	4

Source: American Community Survey; Community Partners Research, Inc.

Alexandria had the highest median home value of the comparison communities, at $199,000. The City's estimated median home value was more than $35,000 higher than the next closest community, Marshall at $164,800.

Alexandria and Marshall were the only two communities with a median home value above $150,000 in 2021.

Although a higher median value can make home ownership more difficult, it also reflects stronger demand, and may indicate better quality housing units. Higher values also make new construction more realistic by helping to close the "value gap" that often exists between new construction and existing houses.

Median Owner-Occupancy Household Income in 2021

The American Community Survey issues estimates for the median income for all households in each city based on housing occupancy tenure. The most recent estimates are for 2021.

Table 42 Comparison of Estimated Owner Household Income in 2021		
City	Median Income American Community Survey	Rank 1 = Highest Median Income
Alexandria	$75,657	3
Bemidji	$65,636	4
Brainerd	$57,484	6
Fergus Falls	$59,688	5
Marshall	$80,147	1
Willmar	$77,331	2

Source: American Community Survey; Community Partners Research, Inc.

Alexandria ranked as the third highest median income for owner-occupants, at $75,657.

Home owners in Marshall had the highest median income of the six comparison cities, and was the only city above $80,000.

Brainerd Fergus Falls had the lowest medians for home owner household income, with both below $60,000 in 2021.

Percentage of Income Required for Home Ownership

The 2021 American Community Survey collected information on household incomes as well as housing costs. An estimate was then made of the percentage of household income that was required for ownership costs. This included households both with or without a mortgage.

Table 43 Comparison of Estimated Median Ownership Costs in 2021		
City	Median Percentage of Household Income Applied to Home Ownership Costs	Rank 1 = Lowest Median Percentage
Alexandria	17.2%	5
Bemidji	17.1%	4
Brainerd	18.6%	6
Fergus Falls	16.8%	3
Marshall	14.5%	1
Willmar	16.7%	2

Source: American Community Survey; Community Partners Research, Inc.

Alexandria ranked next to last among the comparison communities for the percentage of income needed for ownership housing costs in 2021. The median percentage of income needed was 17.2%. Only Brainerd had a larger percentage needed for home ownership.

Marshall and Willmar had the lowest percentages of income required for home ownership.

This calculation is based on both the household income level and the ownership costs in each community. The higher percentage of income required in Alexandria would be due in part to the higher housing costs in the City, as Alexandria had the highest median home value of the comparison communities.

Brainerd had a highest percentage of income needed for ownership costs but also had the lowest median household income level for home owners.

Percentage of Income Required for Home Ownership Owners with a Mortgage

While the previous table was useful in examining overall ownership housing costs, it included all home owners, including those without a mortgage. The following table only examines households with a mortgage in 2021.

Table 44 Estimated Median Ownership Costs with Mortgage in 2021		
City	Median Percentage of Household Income Applied to Home Ownership Costs	Rank 1 = Lowest Median Percentage
Alexandria	20.2%	4
Bemidji	19.6%	3
Brainerd	22.1%	6
Fergus Falls	20.7%	5
Marshall	17.7%	1
Willmar	18.8%	2

Source: American Community Survey; Community Partners Research, Inc.

Alexandria ranked fourth in the lowest percentage of income required for ownership for households with a mortgage. As stated previously, the City had the highest median home value of the comparison cities in 2021. However, the City's median income level for home owners was also relatively high, which helped to keep the percentage of income near the middle of the comparison group.

Marshall had the lowest percentage of income required, but also had the highest median income level for home owners in 2021.

In Brainerd, the highest percentage of income was needed for ownership costs among households with a mortgage, at 22.1%.

Median Gross Rent in 2021

The American Community Survey contains an estimated median for gross rent (rent plus tenant-paid utilities) in each city.

There has been upward price pressure on rental rates in the past two years and the medians from 2021 may not accurately reflect current market conditions.

Table 45 Comparison of Estimated Median Gross Rent in 2021		
City	Median Gross Rent American Community Survey	Rank 1 = Highest Median Rent
Alexandria	$782	2
Bemidji	$861	1
Brainerd	$750	4
Fergus Falls	$718	5
Marshall	$687	6
Willmar	$769	3

Source: American Community Survey; Community Partners Research, Inc.

Alexandria had the second highest gross rent of the comparison cities in 2021, at $782 per month.

The highest estimated median rent was in Bemidji at $861.

In 2021, Marshall had the lowest median gross rent at $678, and was the only comparison community with a median rent below $700 per month.

Median Renter Household Income in 2021

The American Community Survey issues estimates for the median income for all households in each city, based on housing occupancy tenure. The most recent estimates are for 2019.

Table 46 Comparison of Estimated Median Renter Income in 2021		
City	Median Income American Community Survey	Rank 1 = Highest Median Income
Alexandria	$38,167	1
Bemidji	$29,860	4
Brainerd	$30,645	3
Fergus Falls	$26,033	6
Marshall	$32,459	2
Willmar	$28,407	5

Source: American Community Survey; Community Partners Research, Inc.

Alexandria had the highest renter median income, at $38,167. Alexandria was the only community in the comparison group with a renter household median income above $35,000.

Fergus Falls had the lowest median income for renters at approximately $26,000 in 2021.

Affordable rent calculations are generally based on applying no more than 30% of income to monthly housing costs. For a household at the median income level of $38,167 in Alexandria, up to $954 could be applied each month for rent and utilities without experiencing a housing cost burden.

Median Percentage of Income Needed for Rental Costs

The American Community Survey collected information on household incomes as well as housing costs. An estimate was then made of the percentage of household income that was required for monthly gross rent in 2021.

Table 47 Comparison of Estimated Median Renter Costs in 2021		
City	Median Percentage of Household Income Applied to Gross Rent	Rank 1 = Lowest Median Percentage
Alexandria	28.9%	3
Bemidji	31.3%	6
Brainerd	28.7%	2
Fergus Falls	30.0%	4
Marshall	30.3%	5
Willmar	27.9%	1

Source: American Community Survey; Community Partners Research, Inc.

In Alexandria, 28.9% of income was required for the median renter household.

The goal of most affordable housing programs is to achieve a rent that requires 30% or less of household income. Only three of the comparison cities, Willmar, Brainerd and Alexandria, had the median renter household applying less than 30% of income for rental housing in 2021.

In Bemidji, Marshall and Fergus Falls, more than 30% of income was needed for monthly housing costs.

Willmar had the most affordable rental housing when compared to household income, with 27.9% of income required for monthly rent.

Median Year Built: Owner-Occupancy Housing

The American Community Survey issues estimates for the median year of construction for owned and rented housing units.

Table 48 Median Year of Construction for Owner-Occupied Housing		
City	Median Year Built American Community Survey	Rank 1 = Newest Median
Alexandria	1982	1
Bemidji	1973	2
Brainerd	1958	6
Fergus Falls	1961	5
Marshall	1969	3T
Willmar	1969	3T

Source: American Community Survey; Community Partners Research, Inc.

Alexandria had the newest housing stock for owner-occupancy as estimated in 2021. The median year of construction for owner-occupied units was 1982. Among the comparison communities, only Alexandria had a median year of construction after 1980.

Fergus Falls, Marshall and Willmar each had an older housing stock with an estimated median year of construction before 1970.

Median Year Built: Renter-Occupancy Housing

Table 49 Median Year of Construction for Renter-Occupied Housing		
City	Median Year Built American Community Survey	Rank 1 = Newest Median
Alexandria	1983	1
Bemidji	1979	4
Brainerd	1971	6
Fergus Falls	1981	3
Marshall	1982	2
Willmar	1972	5

Source: American Community Survey; Community Partners Research, Inc.

Alexandria had the newest housing stock for renter-occupancy as estimated in 2021. The median year of construction for rental units was 1983.

Among the comparison communities, Alexandria, Fergus Falls and Willmar each had a median year of construction after 1980.

Each of the remaining communities had a median year of construction in the 1970s for rental housing.