

Executive Summary

The Central Minnesota Housing Partnership in collaboration with the City of Rockford has developed the Rockford Housing Plan to identify local housing conditions and to plan for future housing need.

The study area encompasses the entire City of Rockford and Rockford Township. A study area map is found on page 3.

Rockford is located in eastern Wright County on State Highway 55 bordering Hennepin County with a portion of the community located in Hennepin County. The City is located just 15 miles from Minneapolis. The community has experienced strong population and household growth due to its close proximity to the Twin Cities, but has also maintained a small town character. This small town character makes it an extremely desirable for families looking to exit the Twin Cities area and commute to their jobs. According to the 2000 Census the community has 3,484 persons and 1,296 households. Rockford has a growing employment base and is also conveniently located close to major employment centers such as Buffalo and the Twin Cities. According to the 2000 Census, the 1999 median household income for Rockford was \$51,349.

Housing data collected for the City indicates a very tight homeowner and rental housing market with low vacancy rates. Demand is extremely high for housing in this area in both the single family and multi family housing markets. According to the 2000 Census the City has added 317 housing units over the past ten years. A rental survey was also completed to determine existing vacancy rates among rental units. A total of 180 general occupancy units were surveyed with a 0.6% vacancy rate. The 2000 Census indicated that the City had a 2.4% homeowner vacancy rate and a 1.2% rental vacancy rate. According to the 2000 Census, the median value of owner-occupied units is \$140,600 and the median gross rent is \$486.

Based on forecasted household growth, replacement needs, and pent-up demand the City of Rockford will have a total housing demand of 196 units through 2005. Based on this need the following development concept is recommended.

20 to 30 units of single family housing rehabilitation

24 to 36 units of market rate general occupancy apartments

4 one-bedroom units at \$500 to \$600

8 to 16 two-bedroom units at \$650 to \$750

12 to 16 three-bedroom units at \$750 to \$850

30 to 50 new affordable single-family units priced under \$150,000

110 to 130 new market rate single-family units priced over \$150,000

This is a conservative estimate of initial construction needs for the community. It is important to note that many factors can impact the demand for housing and the market takes time to react to changes in the housing stock.

It is important to note that the recommendations found within this study are based on housing conditions and research conducted at the time of the study and it does not take into account any external changes that would potentially change the outcome of the study. This would include such items as industry layoffs, governmental restrictions, zoning, etc. Also data is collected at a point in time and therefore changes beyond this date are not reflected in the analysis.

Population and Households

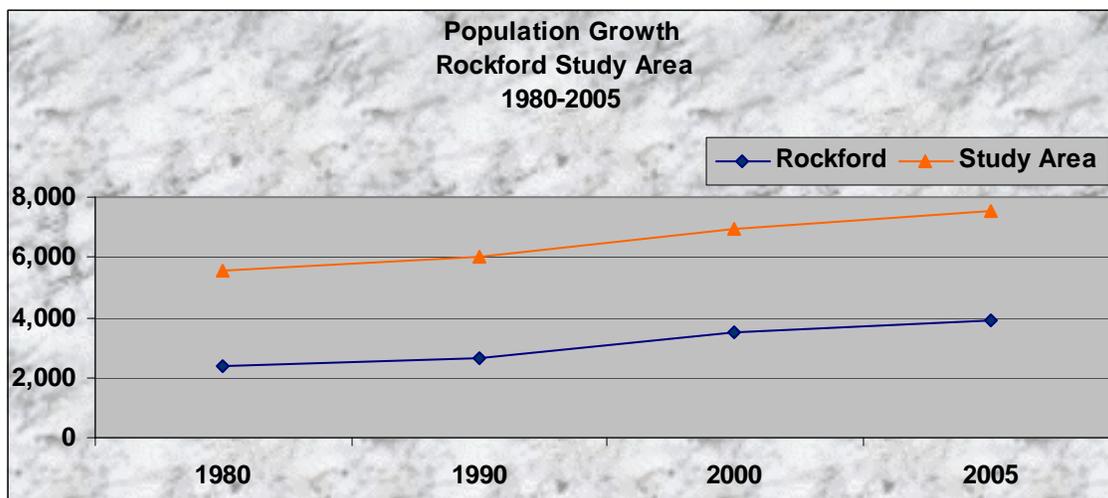
Population

The City of Rockford has experienced the strongest population growth during the 1990s. Prior to 1990, the City had very moderate growth with a 10.7% increase in population. The City added 257 persons while the entire study area added 486 persons. Growth in the entire study area was slightly lower than the City at 8.7%.

Between 1990 and 2000 growth in the City of Rockford increased dramatically with the addition of 819 persons for a 30.7% increase. The entire study area also experienced increases with the addition of 883 persons for a 14.6% increase. According to the 2000 Census the City of Rockford has a population of 3,484. The population for the entire study area in 2000 was 6,928. The City of Rockford accounts for just over half of the total population of the City and Township combined.

The study area is expected to have continued growth through 2005. Rockford is expected to add 423 new persons, for a 12.1% increase. The entire of the study area is also expected to increase with 617 new persons, for an 8.9% increase. In 2005 it is projected that the population in the City of Rockford will be 3,907 and the entire study area will have a population of 7,545.

The racial makeup of the community has remained fairly consistent during the past ten years. According to the 2000 Census, 96.7% of the population is white compared to 98% in 1990. The largest growth among minority populations is among persons of Hispanic origin which increased from 17 to 35 persons and now comprises 1% of the population compared to 0.6% in 1990.

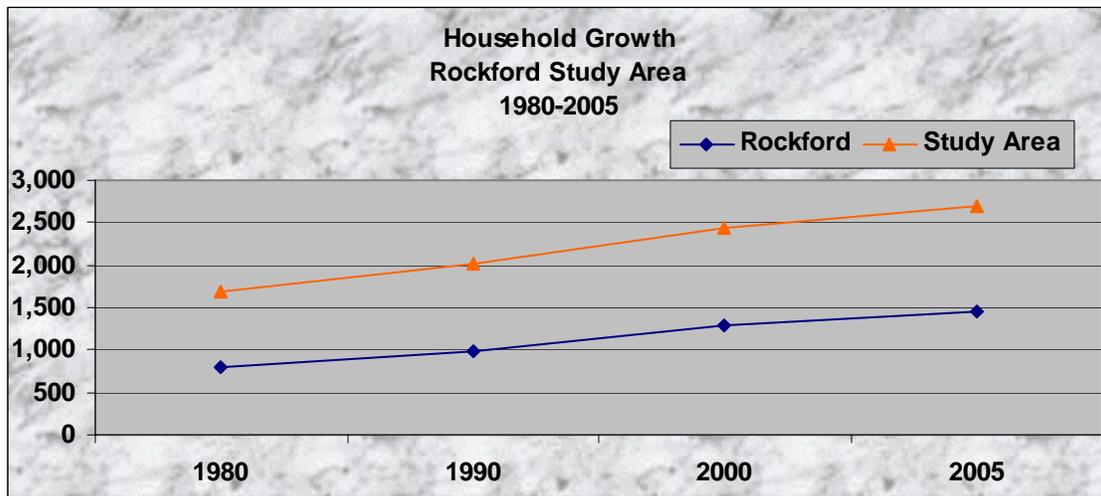


Households

According to the 2000 Census, the City of Rockford had a total of 1,296 households and the entire study area had 2,434 households. During the 1980s the area saw healthy increases with the addition of 329 households for an 19.5% increase. Growth was even stronger in the City with a 21.7% increase and the addition of 175 new households.

During the 1990's growth in this area continued to accelerate with Rockford adding 316 new households for a 32.2% increase. The entire study area had a slightly lower growth rate as the City with a 20.8% increase. During this period the entire study area added 419 new households.

Through 2005, the City is projected to add 162 households for an 12.5% increase. The study area will also see an increase with 253 new households for a 10.4% increase. Household growth is one of the most important factors as it usually correlates with the need for new housing units in a community.



**Table 1
Rockford Study Area
Population and Household Data
1980-2005**

	1980	1990	2000	2005	1980-1990		1990-2000		2000-2005	
					#	%	#	%	#	%
Population										
Rockford	2,408	2,665	3,484	3,907	257	10.7%	819	30.7%	423	12.1%
Study Area	5,559	6,045	6,928	7,545	486	8.7%	883	14.6%	617	8.9%
Households										
Rockford	805	980	1,296	1,458	175	21.7%	316	32.2%	162	12.5%
Study Area	1,686	2,015	2,434	2,687	329	19.5%	419	20.8%	253	10.4%

Source: 1990 and 2000 Census
Claritas, Inc.
CMHP

Population by Age

Table 2 illustrates the population by age for the City of Rockford between 1990 and 2000. In 1990 the largest age group in the City are those ages 25 to 44 which comprise 39.7% of the population, or 1,057 persons. The second largest age segment were those ages 5 to 17 which comprised 21.2% of the population with 566 persons.

In 2000, these two age groups continued to comprise the largest segments of the population. Those age 5 to 17 increased by 192 persons to now comprise 21.8% of the population. Those age 25 to 44 continued to see healthy increases by adding 302 persons. This age segment now comprises 39.0% of the population in 2000.

The largest percentage increases occurred in the 45 to 54 age segment and the 55 to 64 age segment. These age groups increased by 90.8% and 75.4%, respectively. The only age segment to show a decline were those ages 18 to 24, which declined by 23 persons or 7.9%. The median age for the City is 30.6 years of age in 2000 compared to 31.3 in 1990.

The City of Rockford has a very young population. The City has attracted an increasing number of families with children. According to the 2000 Census, persons over the age of 65 account for less than 5% of the total population.

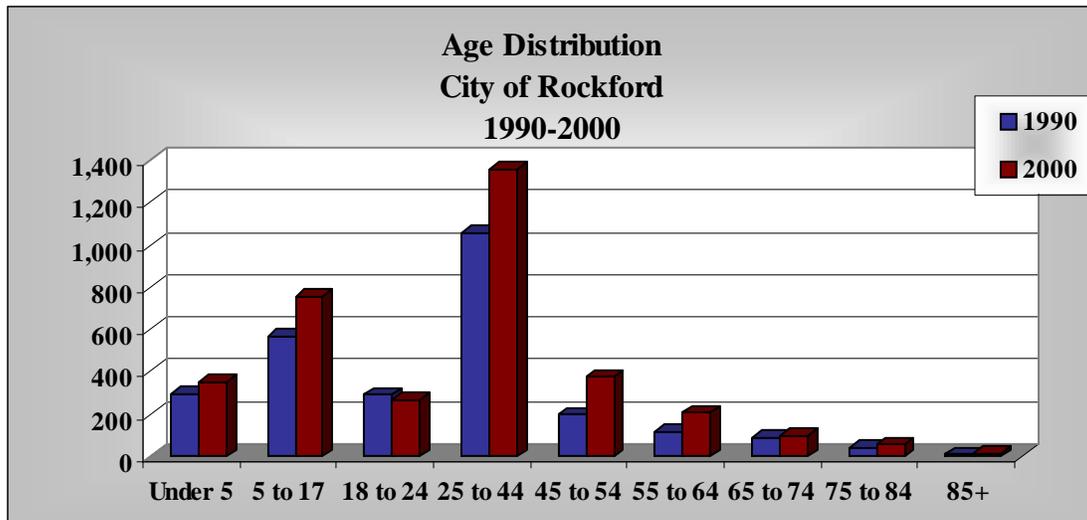


Table 2
City of Rockford
Population by Age
1990-2000

	1990		2000		Change	
	#	%	#	%	#	%
Under 5	298	11.2%	352	10.1%	54	18.1%
5 to 17	566	21.2%	758	21.8%	192	33.9%
18 to 24	291	10.9%	268	7.7%	-23	-7.9%
25 to 44	1057	39.7%	1359	39.0%	302	28.6%
45 to 54	196	7.4%	374	10.7%	178	90.8%
55 to 64	118	4.4%	207	5.9%	89	75.4%
65 to 74	89	3.3%	96	2.8%	7	7.9%
75 to 84	40	1.5%	56	1.6%	16	40.0%
85+	10	0.4%	14	0.4%	4	40.0%
Total	2665	100.0%	3484	100.0%	819	30.7%

Source: 1990 and 2000 Census

Household Income

According to the 2000 Census, the City of Rockford has a median household income of \$51,349 compared to Wright County at \$53,945. The median income increases substantially for Rockford Township at \$67,708. According to the 1990 Census, the portion of Rockford in Wright County had a median household income of \$30,925 and the portion in Hennepin County was at \$31,473.

Table 3 illustrates the breakdown of household incomes for the City of Rockford between 1990 and 2000. In 1990, the largest number of households earned between \$25,000 to \$49,999 per year at 24.5%. In 2000, this income segment continues to have the largest number of households with 417 households, 18.5%. This was followed by the \$50,000 to \$74,999 income segment which increased by 234 households during the past ten years, an increase of 195%. Large increases also occurred in the two income segments over \$75,000. The \$75,000 to \$99,999 income segment comprised less than 1% of the households in 1990, but now comprises nearly 9% of the households in Rockford.

Table 3
City of Rockford
Household Income

	1990		2000	
Household Income	Number	Percent	Number	Percent
Less than \$10,000	61	3.3%	44	2.0%
\$10,000 to \$14,999	76	4.1%	50	2.2%
\$15,000 to \$24,999	230	12.3%	114	5.1%
\$25,000 to \$49,999	459	24.5%	417	18.5%
\$50,000 to \$74,999	120	6.4%	354	15.7%
\$75,000 to \$99,999	16	0.9%	196	8.7%
\$100,000 or more	18	1.0%	116	5.2%
Total	980	52.3%	1,291	100.0%
Median Income	\$30,925		\$51,349	
	\$31,473			

Source: 1990 and 2000 Census

Information was also obtained from Claritas, Inc. on projected household growth and incomes for the entire study area which includes Rockford Township. Table 4 illustrates changes in household income between 1990 and 2005 for the entire study area. In 1990, the median household income was \$36,843. Approximately 479 households, or 23.8% earned incomes ranging from \$35,000 to \$49,999. The second highest income segment were those earning between \$25,000 and \$34,999 per year. Approximately 389 households, or 19.3% fit within this income bracket.

In 2000, the median household income was projected to increase by over 66% to \$61,381. Approximately 635 households or 26.1% were expected to earn between \$50,000 and \$74,999 per year in 2000. One of the most dramatic increases was found in households earning \$100,000 or more which increased by 395 households to become the second largest income group. In 2000 this income segment comprises 19.9% of the households compared to 4.4% in 1990.

In 2005 the median household income is projected to increase to \$75,320. Households earning over \$100,000 will now become the largest age segment with 882 households, or 32.8% of the total households in the study area.

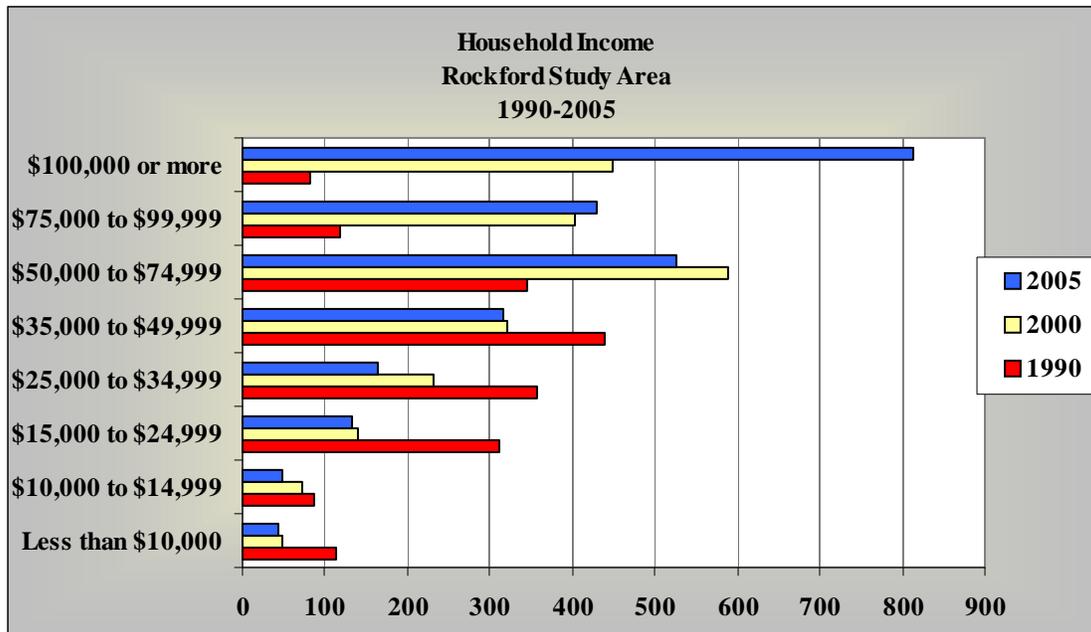


Table 4
Rockford Study Area
Household Income Data
1990-2005

	1990		2000		2005	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	123	6.1%	53	2.2%	47	1.7%
\$10,000 to \$14,999	93	4.6%	79	3.2%	52	1.9%
\$15,000 to \$24,999	338	16.8%	151	6.2%	145	5.4%
\$25,000 to \$34,999	389	19.3%	251	10.3%	180	6.7%
\$35,000 to \$49,999	479	23.8%	346	14.2%	344	12.8%
\$50,000 to \$74,999	375	18.6%	635	26.1%	570	21.2%
\$75,000 to \$99,999	129	6.4%	435	17.9%	467	17.4%
\$100,000 or more	89	4.4%	484	19.9%	882	32.8%
Total	2,015	100.0%	2,434	100.0%	2,687	100.0%
Median Income	\$36,843		\$61,381		\$75,320	

Source: Claritas, Inc.

Table 5 illustrates household income by age for 2000. Households age 45 to 54 comprise the largest age group and have a median income of \$74,522 which is the highest income by age. The second largest group are households age 35 to 44 which have a median income of \$66,031. As illustrated in the table, incomes rise to a peak of \$74,522 in the 45 to 54 age group and then they begin to gradually decline. Incomes substantially drop when many households enter retirement in the 65 to 69 age group and beyond. The lowest incomes are found among households that are 80 to 84 years of age or older, with a median income of \$19,000 which is only 31% of the median income for the entire community.

Employment

Employment is a critical component to the housing market. Four of the larger employers listed in the Rockford Community Profile were contacted and are listed in Table 6. In addition to these employers, the following are some additional business development activities that have occurred in Rockford over the past four years:

Auto-Chlor	Cleaning Product Manufacturer	63 employees relocation
Shark Industries	Mfg. Abrasive Cutting Wheels and Welding Accessories Distributor	41 employees relocation
Rels Manufacturing	Manufacturer of Brake Lathes	15 employees expansion
Diversified Remediation And Controls	Mfg. of Aquatic Control Systems	26 employees relocation
Holiday Sales	Mfg. Cellulose and Garden Tools	6 employees relocation
Suburban Tire Company	Warehouse Tires	8 employees relocation

Each employer in Table 6 was interviewed to assess local economic conditions including number of employees, wages, historic and future growth, and the need for additional housing. During the past two years half of the employers increased in size while the other remained the same. With existing and new business growth, the City has increased its commercial and industrial base and has added numerous jobs to the community. All employers indicated that the local economic climate is good, with half indicating their business would stay the same over the next few years and the other half expecting growth.

Wages varied greatly for the employers with wages ranging from \$7.00 to \$20.00 per hour. Salaried positions typically started at \$30,000. Opinions were extremely mixed on the local housing climate and the need for more moderate income housing with a majority of the employers indicating a need for more moderate-income housing.

Table 6
City of Rockford
Major Employers
2001

Employer	Product or Service	Employees
Rockford Public Schools	Elementary and Secondary Schools	275
Wright-Hennepin Coop Electric	Electric Services	133
Diversifoam Products	Plastics Foam Products	80
Domino's Pizza	Eating Places	12

Source: Community Profiles, DTED

Table 7 shows covered employment by industry for Wright County. This table represents the number of jobs in Wright County, regardless of where the individual resides. Some categories such as some agricultural workers, railroad workers, student workers, and elected officials are not included in the data. All industries in Wright County have experienced job growth since 1990. Between 1990 and 1999 the sector with the largest growth was Manufacturing which increased by 2,472 jobs. Trade had the second highest increase with the addition of 1,890 jobs. Overall the County has seen the addition of 9,229 jobs between 1990 and 1999.

The largest percentage increases were found in the Construction and Manufacturing sector. The Construction sector increased by 1,059 jobs for an increase of 106.8%. The Manufacturing sector increased by 105.7%. The smallest increase was found in the Finance, Insurance and Real Estate sector which increased by 296 jobs, a 51.7% increase.

Table 7
Wright County
Covered Employment by Industry

	1990	1995	1999	1990-1999		1995-1999	
				#	%	#	%
Construction	992	1,319	2,051	1,059	106.8%	732	55.5%
Manufacturing	2,338	3,610	4,810	2,472	105.7%	1,200	33.2%
Transportation and Public Utilities	1,178	1,240	1,631	453	38.5%	391	31.5%
Trade	5,327	6,341	7,217	1,890	35.5%	876	13.8%
Finance, Insurance and Real Estate	572	737	868	296	51.7%	131	17.8%
Services	3,670	4,376	5,450	1,780	48.5%	1,074	24.5%
Government	3,244	3,949	4,523	1,279	39.4%	574	14.5%
Total	17,321	21,572	26,550	9,229	53.3%	4,978	23.1%

Source: Minnesota Department of Economic Security

Covered employment also has data available on the average weekly wage by industry. The following graph depicts those average wages in comparison to housing costs in Rockford. A survey of the major rental units in Rockford found an average rent of \$600 per month for a two-bedroom apartment.

The largest housing gap is found for persons that are employed in the Services and Trade sector. A single-earner household in either of these industries would struggle to find housing in Rockford at an affordable level and likely in the surrounding area as well. Not one industry had an average wage high enough to afford the mortgage on a \$150,000 home assuming a 30-year fixed rate mortgage at 7.0% interest with a 5.0% downpayment. The highest average wage was found in the Transportation and Public Utilities (TPU) sector. The label titled FIRE is in reference to the Finance, Insurance and Real Estate sector.

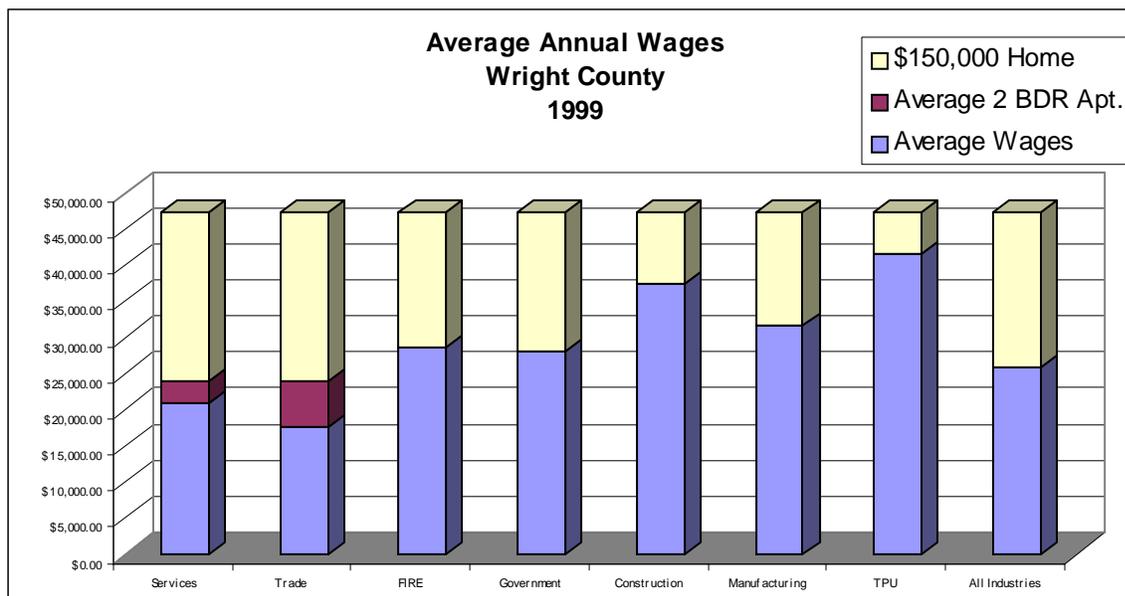


Table 8 illustrates employment and unemployment data for residents of Wright County, regardless of where they work. The labor force in the County has continued to increase since 1990. The largest increase in the labor force occurred between 1993 and 1994. In 2000, the County has an estimated labor force of 48,897. The number of employed individuals was 47,201 and unemployed was 1,696 for a 3.5% unemployment rate.

The highest unemployment rate was found in 1991 at 6.3% and the lowest was in 1998 at 2.7%. The unemployment rate in the County has historically been slightly higher than the statewide average, with the exception of 1999 when both the County and State rates were at 2.8%.

While the County has a strong employment base, there are numerous individuals that reside in the County, but are not employed by industries in the County. Wright County is ideally located adjacent to the Twin Cities Metropolitan area. Most communities in the County are located within 45 miles of either the Twin Cities or St. Cloud metropolitan areas. The City of Rockford is extremely close to the metro area and as a result is seeing an increased number of households that are moving out of the Twin Cities to the area and commuting to work. According to the 1990 Census the average travel time to work for residents of the City of Rockford was 29 minutes which is one of the largest average commuting times in the County. The average travel time for Wright County was 26.38 minutes. Preliminary data for a local labor assessment for Wright County illustrate that a high concentration of residents not only work in Wright County, but also Hennepin County.

Table 8
Wright County
Employment and Unemployment Data
1990-2000

Year	Labor Force	Number Employed	Number Unemployed	Unemployment Rate	MN Unemployment Rate	U.S. Unemployment Rate
1990	37,339	35,202	2,137	5.7%	4.9%	5.6%
1991	38,211	35,821	2,390	6.3%	5.1%	6.8%
1992	38,555	36,229	2,326	6.0%	5.2%	7.5%
1993	39,951	37,587	2,364	5.9%	5.1%	6.9%
1994	42,104	40,348	1,756	4.2%	4.0%	6.1%
1995	43,146	41,444	1,702	3.9%	3.7%	5.6%
1996	44,099	42,286	1,813	4.1%	4.0%	5.4%
1997	45,179	43,650	1,529	3.4%	3.3%	4.9%
1998	46,844	45,600	1,244	2.7%	2.5%	4.5%
1999	48,161	46,789	1,372	2.8%	2.8%	4.2%
2000	48,897	47,201	1,696	3.5%	3.3%	4.0%

Source: Minnesota Department of Economic Security

Housing Data

Between 1990 and 2000, the City of Rockford added 316 new households. Data from the 2000 Census shows a similar number of new units that were added to the community during the 1990s. According to the 2000 Census, the City has a total of 1,333 housing units which is an increase of 306 units from 1990.

Building Permits

Table 9 illustrates building permit data for the City of Rockford between 1993 and 2002. Building permit data is another indicator of local building trends. During this period the City has issued permits for a total of 403 new single-family units. Multi-family permits were not available for this period, but a survey of rental units found that a 40 unit townhome development was added in 1996 to the community. Building permits for single family homes peaked in 1999 with 72 units and remained strong in 2000 with 58 permits issued. Prior to 1998 most developments ranged from 28 to 42 units per year.

According to the 1990 Census, approximately 74% of the City’s occupied housing stock was owner occupied and 26% renter occupied. During the past ten years the City has seen a substantial increase in the percentage of owner occupied housing increasing to 81% in 2000. Renter occupied housing in the community dropped from 26% to 19% during the 1990s.

**Table 9
City of Rockford
Building Permits
1990-2002**

	Single Family Units
1993	28
1994	29
1995	32
1996	42
1997	30
1998	49
1999	72
2000	58
2001	34
2002	29
Total	403

Source: City of Rockford

Units by Year Built

Table 10 shows the housing units by year built for the City of Rockford. According to the 2000 Census the City has a total of 1,333 housing units. Some information from the 2000 Census on housing units is data based on a sample and therefore the numbers do not exactly match the data found in the survey of all households. The total housing units for the sample data is 1,326.

The City of Rockford has a relatively new housing stock. Approximately 80% of the City’s housing stock was developed after 1970. The largest percentage of housing units was developed during the 1990s with 588 housing units, 44% of the housing stock. The City has a much newer housing stock in comparison to Wright County. Just under 30% of the homes in Wright County were developed in the past ten years.

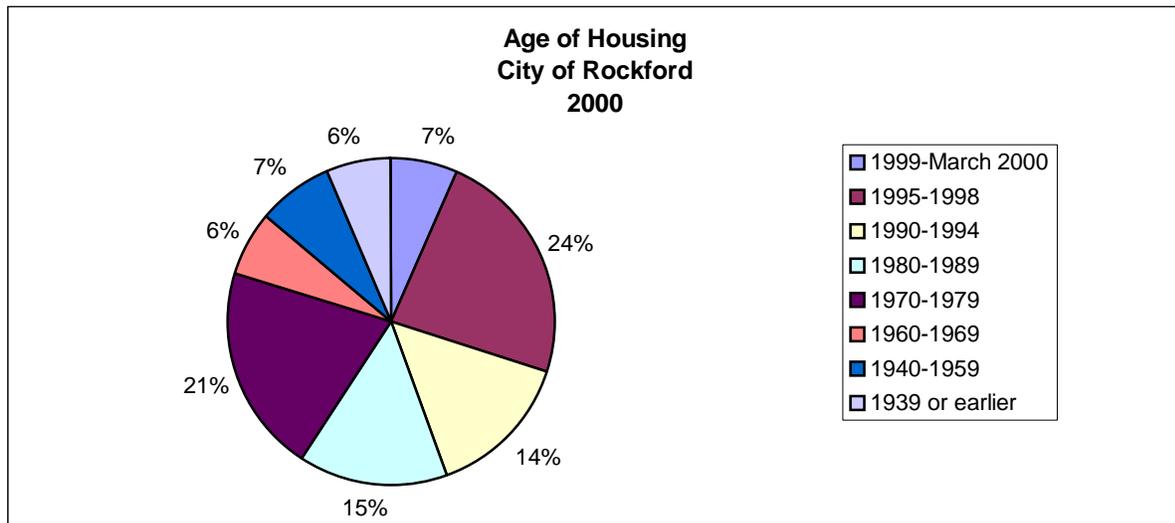


Table 10
City of Rockford
Housing Units by Year Built

Year Built	City of Rockford		Wright County	
	Number of Units	Percentage of Units	Number of Units	Percentage of Units
1999-March 2000	88	6.6%	1652	4.8%
1995-1998	308	23.2%	4653	13.5%
1990-1994	192	14.5%	3870	11.3%
1980-1989	198	14.9%	5626	16.4%
1970-1979	272	20.5%	7334	21.3%
1960-1969	85	6.4%	2972	8.7%
1940-1959	98	7.4%	3466	10.1%
1939 or earlier	85	6.4%	4782	13.9%
Total	1,326	100.0%	34,355	100.0%

Source: 2000 Census

Units in Structure

Table 11 illustrates the number of units in structures in Rockford based on 2000 Census information. The largest percentage of units (49.8%) are 1-unit, detached with another 4.2% represented by 1-unit, attached structures. The City has a relatively large percentage of mobile home units with 425 units comprising 32.1% of the housing stock. The largest number of multi-family units are found in structures containing 10 to 19 units.

Table 11
City of Rockford
Units in Structure

Year	Number	Percent
1-unit, detached	661	49.8%
1-unit, attached	56	4.2%
2 units	12	0.9%
3 or 4 units	15	1.1%
5 to 9 units	48	3.6%
10 to 19 units	58	4.4%
20 or more units	51	3.8%
Mobile home	425	32.1%
Total	1,326	100.0%

Source: 2000 Census

Year Householder Moved Into Unit

Table 12 shows the year that householders moved into their housing during the 2000 Census Survey. The City has a large percentage of its households that have recently moved into their current housing. Approximately 20% of the households moved into their housing between 1999 and March 2000. The largest percentage of households (41.1%) moved into their unit between 1995 and 1998. Less than 10% of households have lived in their housing for more than 20 years.

Table 12
City of Rockford
Year Householder Moved Into Unit

Year	Number	Percent
1999-March 2000	257	20.0%
1995-1998	530	41.1%
1990-1994	241	18.7%
1980-1989	147	11.4%
1970-1979	68	5.3%
1969 or earlier	45	3.5%
Total	1,288	100.0%

Source: 2000 Census

Multi Family Housing

According to the 2000 Census, approximately 19.1% of the community's occupied housing units are renter-occupied. This is a decrease from 26% in 1990. According to the 2000 Census the City has 247 renter-occupied housing units, with a 1.2% vacancy rate. Rockford Township which has 62 renter-occupied units had no units available for a 0% vacancy rate for the 2000 Census.

Multiple attempts were made to contact all rental projects with 6 or more units in the City. Information is presented in Table 13 for those projects which participated in the survey. The City has a strong mixture of market-rate, tax credit, and subsidized rental projects that serve general occupancy. A total of 180 rental units were surveyed in the community, which comprise 73% of the total rental housing market in the City. While the City does have some rental units available for the elderly, none of these units were available to participate in the survey after multiple attempts to reach them.

For general occupancy units a total of 180 units were surveyed. The City has three efficiency units which are \$325 per month to rent. A total of 23 one-bedroom units were surveyed that range from \$365 to \$695 per month. The largest share of general occupancy rental units are two-bedroom units with 100 apartments. These units ranged in rent from \$385 to \$795, with a variety of price levels available. A total of 14 three-bedroom units were surveyed with rents ranging from \$580 to \$872 per month.

The City of Rockford has a very limited number of elderly rental units. One development, Rockford Manor, participated in the survey. The project is a subsidized building with 24 one-bedroom units. Rents range from \$320 to \$550 with seven units receiving a subsidy that results in rents less than the \$320. The project has no vacancies.

The overall vacancy rate for the rental units surveyed was 0.6%. At the time of the survey only one unit was available among the 180 units of rental housing. This was a one-bedroom subsidized unit. The landlord noted that this unit would fill quickly. While the 2000 Census indicated that the rental vacancy rate was 1.2%, it appears that since that time the number of available rental units has declined further to a low 0.6% or one vacancy. This is well below a healthy market standard of 5% to allow for adequate consumer choice.

As previously noted the City has a fairly new housing stock which is true of both single family and multi family units. Of those units surveyed, 166 or 92% of the units were built after 1980.

While the City lacks many rental housing options for seniors, a project is being planned in the community to meet senior housing demands. The Kingswood Development that would potentially add 18 congregate living units, 22 assisted living units, and 22 owner-occupied villa-style single-family dwellings. This housing will fill a substantial gap in the community for senior housing at a variety of service levels.

Information was also available from the 2000 Census on gross rent paid per month by renter occupied housing units, which is illustrated in Table 14. According to the Census, the median gross rent paid was \$486 per month. Approximately 39.3% of renter-occupied households pay between \$300 and \$499 per month. The second largest segment are those paying \$500 to \$749 per month in rent at 33.6%. No renter-occupied households paid over \$1,000 per month and 7 paid no cash rent for their unit.

Table 14
City of Rockford
Gross Rent

Rent	Number	Percent
Less than \$200	12	4.9%
\$200 to \$299	15	6.1%
\$300 to \$499	96	39.3%
\$500 to \$749	82	33.6%
\$750 to \$999	32	13.1%
\$1,000 or more	0	0.0%
No cash rent	7	2.9%
Total	244	100.0%

Source: 2000 Census

Information was also available from the Census on gross rent as a percentage of household income in 1999. Housing is usually considered affordable if households pay no more than 30% of their income towards housing. In the City of Rockford, approximately 23.3% of households pay 30% or more of their income for rent. This is lower than Wright County at 30% and Minnesota at 35%. If you examine the number of households that pay 35% or more for rent this equates to 18.4% in Rockford, 22.4% in Wright County, and 27.1% in Minnesota.

Single Family Homes and Vacant Lots

According to the 2000 Census, 80.9% of the community’s housing stock is owner occupied increasing from 74% in 1990. Vacancy data from the 2000 Census also shows a low vacancy rate for owner-occupied units at 2.4%. The homeowner vacancy rate for Rockford Township was even lower at 0.4% with only 11 housing units available at the time of the Census.

As previously mentioned housing in the City of Rockford is fairly new. Approximately 23% of the housing stock has been constructed in the past ten years. A total of 85% of the housing stock in Rockford was built after 1970. Building permit data for the City indicates that during the past ten years single-family development peaked in 1999 with 72 permits issued.

Data produced by the Minnesota Department of Revenue illustrates the median sales price of existing houses for Wright County. The following data illustrates the changes in median sales prices over the past fifteen years:

1984/1985	\$58,295
1989/1990	\$69,000
1995/1996	\$97,000
1998/1999	\$120,000
1999/2000	\$132,500

These figures do not include any newly constructed homes which would increase the median sale price. Between 1989/1990 the median sale price has increased by 92% in Wright County. Just between 1998/1999 and 1999/2000 the median sales price increased by \$12,500 for a 10.4% increase. The median sales price in Wright County was the seventh highest in the State of Minnesota for 1999/2000.

The City of Rockford has some of the highest median sales prices of homes in Wright County. This is a trend seen with most communities in Wright County that border Hennepin County. The following are the median sales prices of homes in Rockford over the past three years based on November data:

1998	\$125,000
1999	\$131,000
2000	\$153,000

Between 1998 and 2000, the median sales price of homes in Rockford increased by 22.4%. Between 1999 and 2000 the median sales price increased by 16.8% or \$22,000.

The 2000 Census also releases data on the self-reported value of owner-occupied housing units in the City of Rockford, which is illustrated in Table 15. A total of 620 owner-occupied housing units were included in the Census data with a median value of \$140,600 compared to \$135,300 in Wright County. This is an 81% increase in the 1990 value of \$77,700 for Rockford. The largest percentage of homes were valued between \$100,000 and \$149,999, with nearly half the homes falling into this value range. The second largest number of homes were valued between \$150,000 and \$199,999 at 27.6%. Only 8 units were listed as having a value under \$50,000.

Table 15
City of Rockford
Value of Owner-Occupied Units

Value	Number	Percent
Less than \$50,000	8	1.3%
\$50,000 to \$99,999	75	12.1%
\$100,000 to \$149,999	308	49.7%
\$150,000 to \$199,999	171	27.6%
\$200,000 to 299,999	40	6.5%
\$300,000 and over	18	2.9%
Total	620	100.0%

Source: 2000 Census

Area Realtors were also surveyed to gather information on current sales in the area. The average listing time for homes was approximately 45 days. Most existing homes in the community are ranging in price from \$100,000 to \$300,000 and newly constructed housing is primarily ranging from \$175,000 to \$500,000.

A variety of subdivisions and developments are underway that will create additional single-family homes and townhomes in Rockford. The Kingswood Addition will have 22 owner-occupied villa-style single-family dwellings and will range in price from \$140,000 to \$180,000. This same development will also include a proposed 18 congregate living units and 22 assisted living units for seniors.

In late 2001 construction will begin on 26 townhomes in Marsh Run. These are owner-occupied townhomes ranging in price from \$170,000 to \$210,000. Winfield Ponds 5th Addition has 36 vacant lots and Winfield Ponds 6th Addition includes 26 lots and should begin construction in 2002. Lots are ranging from \$39,000 to \$47,000. There are also 6 vacant lots along the Crow River in Hennepin Oaks with lots ranging from \$130,000 to \$137,900.

There are two other areas in Rockford in which no specific developments are planned, but there is the possibility for development in the near future. The City is currently annexing 66 total acres with 37 buildable acres which will be zoned Planned Unit Development. In addition, there is a 7-acre parcel of land which is zoned high density which could possibly house 80 to 90 rental units.

Housing Demand

The City of Rockford has experienced strong household growth over the past ten years and is expected to continue this growth in the future. Vacancy rates are extremely low for both single and multi family housing at 2.4% and 1.2%, respectively. Development over the past ten years has been concentrated in single-family housing. One market rate townhome project was developed in the mid 1990s and offers 40 units. The homeowner vacancy rate in Rockford has increased since the 1990 Census from 1.6% to 2.4% allowing for the availability of more housing. The development of new units in Rockford has kept up with growth to increase the vacancy rate for homeownership. The opposite is true for multi-family units which saw a limited number of new units. The rental vacancy rate dropped substantially from 6.6% in 1990 to 1.2% in 2000.

Housing demand for the community is calculated by utilizing a variety of factors. The first indicator is the expected household growth the community will be experiencing. A second indicator is pent-up demand which calculates the units that are needed to meet past growth and to allow for healthy vacancy rates closer to 5%. A final indicator are replacement needs which represent a need for new units to replace older dilapidated units that are not suitable for habitation and are more economical to demolish than repair. This can also represent units that are functionally obsolete and not desirable by the market according to some feature.

**Table 16
City of Rockford
Housing Demand
2000-2005**

Forecasted Household Growth	162 units
Pent-up Demand	32 units
Estimated Replacement Needs	<u>2 units</u>
Total Housing Demand	196 units

20 to 30 units of single family housing rehabilitation

24 to 36 units of market rate general occupancy apartments

4 one-bedroom units at \$500 to \$600

8 to 16 two-bedroom units at \$650 to \$750

12 to 16 three-bedroom units at \$750 to \$850

Elderly Housing Demand to be met by 18 congregate and 22 assisted living units currently being planned in the community.

30 to 50 new affordable single-family units priced under \$150,000

110 to 130 new market rate single-family units priced over \$150,000

Strategies for Housing Development

The City of Rockford has grown substantially over the past ten years. Nearly all of this growth has been met through single family housing developments. Through 2005 Rockford will continue to experience increased growth pressure and the need for additional housing to meet that growth. The community has a wide variety of housing needs in both the single and multi family markets and for different populations. In addition to new development, a high need for the community will be to ensure that older homes in the community continue to be maintained to provide a viable housing choice especially for those families seeking starter homes. As part of the housing plan we have identified financial and technical resources in the subsequent section that can assist a community and/or developer in completing housing projects. The following are some concepts identified through housing demand and the needs of the local community that the City could pursue.

Single Family Development

The largest housing need the community will face is the need for additional single-family homes. The community has a very low vacancy rate for single-family homes at 2.4%. It is projected the community will need between 140 to 180 new single-family housing units through 2005, with the largest share priced over \$150,000. While a large share of the need will be for homes priced over \$150,000, the community will still have a demand for approximately 20-30% of these units to be priced under \$150,000. These needs can be met through a variety of methods in developments. One option would be to offer subdivisions with a variety of housing types including owner-occupied townhomes.

Another option for the creation of starter homes would be to examine the potential for redevelopment utilizing existing lots in the community. This process would involve identifying any areas in the community where rehabilitation is not a suitable option due to high rehabilitation costs. Older dilapidated structures can be replaced by new starter homes. This provides a more affordable option as it does not have higher costs associated with new subdivisions as a result of land and infrastructure costs.

Single Family Rehabilitation

While most of the housing stock in Rockford has been built in the last thirty years, the City still has a variety of older homes. These units are essential to providing a mixture of housing types in a community. These often times starter homes can provide some of the only affordable housing options in a community. Therefore, the preservation of this housing stock is essential.

There are a combination of programs available that individual homeowners can pursue or programs in which the City can sponsor or apply for. For rehabilitation, a key program is the Small Cities Development Program which could be combined with new development or infrastructure efforts. This program has funding available to provide deferred loans to

homeowners and rental property owners to make essential repairs to homes that help remove health and safety issues and to improve energy efficiency.

Multi-Family Development

During the past ten years the City has really seen a minimal amount of new development for multi-family housing. The share of rental housing stock in the community dropped from approximately 26% in 1990 to 19% in 2000. It is estimated that the City will need a total of 24 to 36 new multi family units between 2000 and 2005. This does not include plans to develop 18 congregate and 22 assisted living units within the community. This results in a total of 64 to 76 new multi family units through 2005. The community has needs for housing for both general occupancy and elderly. The elderly units being planned will meet a substantial gap for market rate units for seniors that provide services.

The City of Rockford does not have a large senior population, but is mainly facing growth from families with children. A need still does exist to provide some market rate senior units for the community. Specific demand estimates for elderly units are not included in the recommendations, as a project is currently being planned that will provide 18 congregate and 22 assisted living units. These units will provide greatly needed market rate units with additional services such as housekeeping, meals, and other services. These units will meet the senior housing needs for the community over the next five years, and if this project does not proceed additional options should be examined as senior housing is a great need for the community.

In addition, while the community does have a variety of rental housing options for general occupancy, vacancy rates remain extremely low for this type of housing. It is recommended that 24 to 36 units of general occupancy market rate apartments be developed to meet some of the rental needs the community will have through 2005. With the large growth that the area is facing a development could likely support more than 24 to 36 general occupancy units, especially with the lack of independent senior units in the community. The demand estimates are based on conservative growth figures that look to maintain a balanced housing stock similar to the existing market.

Housing and Infrastructure

As part of the growth the community has faced, additional land has been annexed into the community to provide additional housing. In some cases this has resulted in bringing rural homes into the City that are on individual sewer and water systems. Different programs are available for both individuals and for citywide system to addressing failing and noncompliant systems. It should be noted that most of the programs do have requirements such as benefit to low and moderate-income persons to receive funding and the funds are a combination of grants and loans depending on eligibility. For community systems programs through the Department of Trade and Economic Development (DTED), Rural Development (RD), and the Public Facilities Authority (PFA) offer a combination of grants and low interest loans based on eligibility for water and sewer systems.

For households that are in need of repairing individual systems programs are available that mainly provide low interest loans for system replacement. In most areas funding is available through the County Environmental Offices or the County Soil and Water Conservation District (SWCD) to upgrade failing systems in the form of a low interest loan. Rural Development also has funding available to assist individual households based on income requirements. In addition, Cities, Townships and Counties are eligible to apply for funding under the Small Cities Program through DTED. Some areas have designed programs that work to rehabilitate rural housing units and also to replace failing septic systems.