

# SICOG 2008-2010 REGIONAL HOUSING REHABILITATION NEEDS ASSESSMENT AND ACTION PLAN

An assessment of housing conditions, community readiness, and needs for owner-occupied rehabilitation in the Southern Iowa Region and 11 cities wishing to participate in more detailed housing study.

Completed by SICOG planning staff in partnership with housing rehabilitation committees in each participating city.



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**EXECUTIVE SUMMARY**

The SICO Regional Housing Rehabilitation Needs Assessment and Action Plan was created in 2008 to comprehensively analyze the various needs of the entire region and interested individual communities of the region in terms of owner-occupied housing rehabilitation. The study includes analysis of needs and conditions and approved plans of action for the region and the participating cities concerning this topic. The broader issues of rental housing, homebuyer assistance, and new home construction are not considered except as they relate to the need for owner-occupied housing rehabilitation.

This study and report is created because the region has extensive older homes with potential hazards and many communities are interested in seeking funding for rehabilitation programs. However, funding is limited and competition is very high, making it difficult to achieve housing rehabilitation in rural Iowa in a notable scale. Funding is also very limited for the creation of comprehensive and thorough housing needs assessments, which are needed to identify and quantify needs and to develop a quality competitive application. To address this fact, a regional study is provided to guide the region and interested communities in setting and substantiating action plans for many local areas at a low cost.

In the study, you will find that the need for rehabilitation is very substantial for the entire region, with few areas of exception. Much of the housing stock in the region is very old, 50 years of older. Surveys of housing conditions indicate that every town studied has sections of older homes. Taking both a background study approach and a statistical analysis, the project provides an overlook of conditions in the region and compares the cities and counties to others in the region as well as the region to the entire state of Iowa. In all categories of study, the housing conditions picture of the region is not as bright as that of the entire state, and the state of Iowa’s picture is dimmer than that of most surrounding states.

The second part of the study is composed of community-specific assessments and action plans. This section is organized as tabs representing communities that wish to pursue housing rehabilitation programs between September 1, 2008 and December 30, 2010. Using community meetings and work sessions and a drive-by windshield assessment process, more detailed study of the housing needs is provided for these communities. Additional tabs can be added as more communities express interest.

The results of the study will assist in answering questions about the need for and impact of housing rehabilitation on the community over the next two years. A new assessment, based on updated data, updated windshield assessments, and additional public meetings will be required in 2010.

SICO and our participating communities and partners were pleased to collaborate on the development and implementation of this project.

## **PART 1: INTRODUCTION**

### **Background and Purpose**

For the past few years, the Southern Iowa Council of Governments has submitted grants for regional and community housing rehabilitation projects affecting low-income single-family homeowners. The grant programs to which applications have been submitted have become increasingly competitive, with fewer dollars to fund an increasingly common and costly problem: that of aging homes falling into disrepair in large part due to the inability of the homeowners to afford making timely and meaningful upgrades.

In the same way, funding support to rural communities to fully study and research housing needs and convey those needs in a meaningful way to community leaders and grant agencies is becoming a notable shortcoming due to the growing competitiveness. No community in the 8-county SICO region has a comprehensive housing study adopted since 2005. Most counties and cities are still under studies created from 1998-2001, when State funding existed to help fund them. Larger communities with staff and greater local resources, therefore, have held an advantage in the grant application process.

As the region's planning organization, SICO was called upon to help with a solution to these problems. What is needed is a very focused short-term and action-driven study of housing needs. Based on a conference call with the Iowa Department of Economic Development and conversations with regional partners, it was determined that a study in 2008 to prepare for future needs is warranted.

The SICO Regional Housing Rehabilitation Needs Assessment and Action Plan was created in 2008 to comprehensively analyze the various needs of the entire region and interested individual communities of the region in terms of owner-occupied housing rehabilitation. The study includes analysis of needs, conditions, and plans of action for the region and the participating cities concerning this topic. Rental housing, homebuyer assistance, and new home construction are not considered except as they relate to the need for owner-occupied housing rehabilitation.

This report: a) thoroughly studies and itemizes housing needs both regionally and by community with assistance and public comment from the communities impacted, b) develops community and region-wide two-year action plans that address specific needs and funding issues related to the needs, and c) helps the communities impacted establish locally-driven programs and projects via public education and involvement.




















### **Methodology and Funding**

In April 2008, the SICO staff decided upon the formal creation of the 2008 SICO Regional Housing Rehabilitation Needs Assessment and Action Plan. It was decided that an outline would be created and data would be gathered specific to owner-occupied housing rehabilitation issues.

Taking both a background study approach and a statistical analysis, the project provides an overlook of conditions in the region and compares the cities and counties to others in the region as well as the region to the entire state of Iowa. The first part of the study is a detailed analysis of the entire region along with general summary statements and recommendations on regional priorities and projects. A regional action plan is proposed for implementation by SICO with the involvement of local and regional partners. This portion of the study was performed from April-June 2008 and includes regional data in *Appendix A*. *Appendix A* also includes a base map.

The second part of the study is composed of community-specific assessments and action plans. This section is organized as tabs representing communities that wish to pursue housing rehabilitation programs between September 1, 2008 and December 31, 2010. Using community meetings and work sessions and a drive-by windshield assessment process, more detailed study of the housing needs is provided for these communities. This portion of the study was completed from May-November 2008. Additional tabs can be added as more communities express interest.

Nineteen cities in the SICOG region, which contains 56 member cities and 3 associate member cities, have indicated in our regional economic development strategic planning process this spring, called the 2008 Comprehensive Economic Development Strategy (CEDS), or by talking with staff directly that they are potentially to strongly interested in a housing rehabilitation program in the next two years. Therefore, the following city councils were asked via letters sent April 23, 2008, to the respective city halls to consider participation:

- |   |  |   |   |
|---|--|---|---|
|  Afton       |  Davis City   |  Grand River |  Mount Ayr |
|  Bridgewater |  Decatur City |  Kellerton   |  Osceola   |
|  Clearfield  |  Dexter       |  Lamoni      |  Prescott  |
|  Corning     |  Fontanelle   |  Lenox       |  Winterset |
|  Creston     |  Garden Grove |  Leon        |   |

The above cities were given until June 1 in order for their city councils to decide if they were interested in participating. The letters detailed the purpose of the letter and the study, the responsibilities of the cities that participated, and what benefits could be expected.

*Illustration 1* details the project’s methodology.

**Illustration 1: Study Methodology (April 2008-March 2009)**

Task	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Send letters to cities												
Draft base rehabilitation assessment outline												
Deadline for cities to indicate interest												
Est. local housing committee (1)												
City windshield conditions survey												
Draft city-specific assessment (1)												
Select final target area (1) (2)												
Target area income survey (where applicable)												
Cities hold first public meeting (3)												
Complete pre-application process for 2009 CDBG applicant cities												
Finish application and documentation for each city												
Final CDBG public hearing (4)												
Submit applications for 2009 cycle												
SICOG approve draft assessment												
Cities adopt draft assessment (1)												
Submit plan copy to each city												

- (1) City council or other city meeting, including housing committee meeting
- (2) Action plan includes a target area for applicable cities
- (3) Meeting to vote to proceed with application and determine project scope and local match
- (4) This is the formal public hearing required by the CDBG where the final application is approved

The results of the study will assist in answering questions about the need for and impact of housing rehabilitation on the community over the next two years. Each community participating directly in the assessment for their own rehabilitation plan has also adopted the completed document as a local two-year plan. A new assessment, based on updated data, updated windshield assessments, and additional public meetings will be required in 2010.

The assessment is funded by SICOG funds. Each participating community has also provided in-kind assistance in the form of volunteer hours toward the project.

## Goals

The goals of the 2008 SICO Regional Housing Rehabilitation Needs Assessment and Action Plan are as follows:

- ☞ Increase notably community understanding of housing rehabilitation issues and needs in 20% of the region's communities by holding meetings, hearings, and forums in each community by September 1, 2008.
- ☞ Provide a written assessment, reinforced by a public verbal description thereof, that contains itemized needs to each participating city council and other partners by early 2009.
- ☞ Collaborate with the public, elected officials, and current or newly created housing committees to create a housing action plan specifically for each community. Assist each city council to adopt the plan by early 2009.
- ☞ Assist each city interested in rehabilitation projects to apply for state, local, and federal grants by December 31, 2010.
- ☞ Engage each community to make the necessary community improvements and preparations in order to compete better in the grant process.
- ☞ Through community education and subsequent rehabilitation grants that are received as a result of the project, encourage community and neighborhood revitalization and lead hazard reduction by rehabilitating up to 100 more homes than would otherwise be rehabilitated.

The goals will be achieved through the following deliverables:

- ☞ A formal written study and analysis that is designed to provide answers to grant questions;
- ☞ A locally adopted action plan;
- ☞ Housing condition study maps (based on windshield surveys);
- ☞ Public meeting facilitation in interested communities to discuss the needs and develop an action plan for each; and
- ☞ Details on funding sources and strategies to guide the community in the implementation process.

The education component will include public meetings and hearings where local leaders learn more about owner-occupied housing rehabilitation needs and problems. Information about where and how to apply for funding programs that are or may become available to assist in housing rehabilitation will also be distributed. Finally, through the process, a housing committee will be established in each community to sustain the implementation of the plan.

## PART 2: REGIONAL OWNER-OCCUPIED HOUSING NEEDS ASSESSMENT

### Data Necessary

In order to ascertain the needs for owner-occupied housing rehabilitation, significant data is needed for each community and for the region as a whole. Data include: a) population trends and projections, b) population composition, c) housing stock counts by tenure, d) housing age by tenure, e) housing conditions study, f) owner-occupied housing values, g) market trends, h) income characteristics, and i) poverty statistics. Specific data on lead paint hazards and ownership costs is also warranted. Most of the data analyzed in this section (*Part 2*) is from the US Census 2000 and more recent Census estimates as well as Woods and Poole projections. However, local data is used when warranted and helpful. *Part 3* is composed almost entirely of local data.

### A. POPULATION AND DEMOGRAPHICS CHARACTERISTICS

#### Population and Demographics

The levels of both need for rehabilitation and community viability for a rehabilitation program can be assessed in part by population trends and related demographics. The following illustrations provide data for each community in the region related to demographics that we find to be important in the analysis of needs. *Illustration 2* includes the 1990 and 2000 official Census populations and the 2006 estimates for places and 2007 estimates for counties. A percentage change is also provided. To the right are key demographics of further interest because they affect housing rehabilitation more notably. Persons aged 0-5 have a much greater risk of being lead poisoned in a home. Those aged 65 and older are more likely

to have very limited incomes to afford to make improvements and physical capabilities to do work themselves. Hence, the youngest and oldest citizens live in housing conditions that necessitate the greatest level of housing rehabilitation assistance.

**Illustration 2: Population and Demographic Data in the SICOG Region  
(Appendix A)**

**Population Projections**

In order to further understand the need for housing rehabilitation program as to its impact on future housing needs, it is important to look regionally at the trends in future population. A projection provides a picture as to whether existing housing may or may not meet future needs. Also, quality housing or the lack thereof is reflective of population projections. If a community has an abundance of decent affordable housing, it is more likely to grow or at least remain stable. This being said, housing rehabilitation is a vital need in both growing and declining counties; growing counties need this to sustain the housing stock to meet increasing needs; declining counties need this to help provide community stability so that the declines can potentially be reduced and even reversed. *Illustration 3* provides the current Woods & Poole population projections by county through 2030.

**Illustration 3: Population Projections in the SICOG Region  
(Appendix A)**

**Population Composition and Households**

Population composition is the characteristics of the population in a particular area, such as household size, number of families, age of householders, and race and gender of the population. For the purpose of housing rehabilitation needs, the total number of households and mean household size of a community are most notable. If the population is increasing, often the number of households is increasing. The number of households is often a better indicator of housing need, because the total number of households is generally equal to the number of occupied housing units unless there is group housing, homelessness, or overcrowding. In addition to comparing population over the 1990s, a comparison on household counts is warranted. With few exceptions, cities in the SICOG region had during the 1990s an increase the number of households per 1000 population by some 3 to 5%. This means if a town has 1000 persons and 350 households in 1990, it will have about 365 households in 2000.

Mean household size subsequently has declined in the majority of the region's communities. Regionally, the household size has declined from 2.55 to 2.43 during the 1990s. These declines are similar in rate to the state's household mean size rates, but the average statewide household size is notably higher at 2.46. In population growth areas, at least in the SICOG region when comparing 1990 and 2000 data, often the mean household size is increasing. The converse is true for a declining population area. The reasons for these differences are as follows: 1) since 1990, more adults are having fewer children or living alone later into adulthood, 2) since 1990, the general population has aged, and 3) growth and urban areas in general are showing increasing numbers of younger families while rural areas are showing a loss of youth and more single elderly. The result of these trends is that more houses are needed to house a stable or declining population in most cases. Therefore, even declining and stable communities may have a strong need for extensive rehabilitation programs in order to address needs per household. While needs for rehabilitation are greatest in towns with larger household size, as a general rule, all towns with deteriorated homes need investment.

**Illustration 4: Household Characteristics in Year 2000  
(Appendix A)**

## B. HOUSING SUPPLY DATA

### Housing Stock

After reviewing the demand for housing in terms of population trends and characteristics, we shift to the housing supply. *Illustration 5* contains housing data pertinent to housing rehabilitation.

Housing occupation rate is reflective of the strength of the housing market and thus the need for rehabilitation. In a community with an occupancy rate of over 95%, the housing demand is strong and likely there are few dilapidated homes. This represents a viable community where housing rehabilitation will help sustain high occupancy rates and meet high demand for housing. In a community with an occupancy rate of less than 90%, for example, the demand for housing may be lower due in part to housing conditions and by rehabilitating or demolishing housing the rates could improve. What is more vital for this assessment, however, is the Census “homeowner” vacancy rate. This is the rate of vacancy of homes that are clearly targeted for ownership, composed mostly of single-family homes or other homes that are vacant and for sale. A certain percentage of homes suited for ownership should be vacant—1%—to provide for the sale of existing homes, but a rate of over 5% often represents a concern. Perhaps the cities with the greatest need are those with less than 2% homeownership vacancy rates and greater than 5%. Low rates indicate few options to get a better home and high rates indicate a likely excessive number of near dilapidated housing.

The total number of owner-occupied units in a community is also vital to the success of a comprehensive rehabilitation program. The greater the owner-occupied stock, the more viable a program is in most cases, because there are simply more homes to target rehabilitation investment. At a minimum, a strongly viable community should have 250 owner-occupied units, but communities with at least 100 units can be successful if other viability criteria are met.

Another factor is the average household size of owner-occupied units. Generally, a homeowner household is larger on average than a renter household, because families with children are more likely to need a larger home that ownership of a single-family home provides. Therefore, a community with a mean owner-occupied household size of 2.6 or more is deemed most viable for a rehabilitation program.

The percent of units in a community that are owner-occupied versus renter occupied is important for consideration. Rural Iowa tends to be proportionally more owner-occupied compared to more urban sections of the state. This indicates a likely greater need for and impact by housing rehabilitation programs. Many rural Iowa communities have an 80% homeownership rate, meaning that nearly all homes in the city are owner-occupied or vacant for sale. These cities rely on the owner-occupied housing stock to meet housing needs for the future because rental units are not nearly sufficient for rapid changes in trends. Hence, towns with very high rates of ownership units are in greater need and have greater viability for successful owner-occupied rehabilitation programs.

### **Illustration 5: Housing Stock Data in Year 2000 (Appendix A)**

### Year Built

The connection between year built and the need for housing rehabilitation is obvious. Older homes, particularly those that are over 50 years old, are more likely to need significant repairs. Even though most older homes are well constructed, years of use and exposure to weather and geologic forces cause notable deterioration to the best homes. Further, older homes are more likely to have notably inefficient mechanical systems, such as plumbing, HVAC, electrical, water, and sewer, and inefficient or non-existent weatherization systems, such as windows, siding, and insulation. When the community lacks resources and homeowners have limited incomes, the problem is further exacerbated because they cannot afford to make modest repairs when deterioration occurs. For example, if a leak develops in a roof and it is not fixed right away, the homeowner is forced to then fix a leaky roof and all the damage caused by the rain that gets into the home, such as rafters, ceilings, flooring, and more. In most sections of rural southern Iowa, this phenomenon is very noticeable by SICO staff during drive-by surveys and

home inspections for existing programs. Simply put, many thousands of homes are in a severely deteriorated condition in the region due to owners facing these circumstances. The high costs of heating and cooling due to aging mechanical systems that area homeowners cannot afford to replace only makes the problem worse by artificially inflating the housing costs compared to areas of the state with newer housing on average.

The data for the region compared to the state in *Illustration 6* shows how the region is at a disadvantage. Notice that the percentage of homes built before 1940 is much higher in the SICO region than the entire state, and many cities have half or more of their housing stocks built before 1940, when the Census first collected housing stock data. In fact, over half of the region's cities, most of them cities under 1000 persons, are in this category. What is more concerning about the viability of the region is that many of the larger county seat towns, such as Corning (1941) and Bedford (1944), have notably old housing stocks. This does not bode well for small counties in rural parts of the state. Investing housing rehabilitation funds in such rural county seat towns should be a statewide priority. Even Creston, the region's economic and service center, has a rather old housing stock (1951) compared to the state as a whole (1958). This does not bode well for the region's future.

Viable communities for rehabilitation programs show a reasonable level of development of new homes since 1990. Approximately one-third of the region's cities have had 10% or more of the housing stock built in the 1990s and surveys indicate many of them continue to show growth. Nonetheless, the region is somewhat behind the state in this category, by about 2.1%.

A very important factor in the need for rehabilitation investment is the presence of lead based paint. The Iowa Department of Public Health states: "Childhood lead poisoning has significant effects on the health of children and on community health. Lead has adverse effects on nearly all organ systems in the body. It is especially harmful to the developing brains and nervous systems of children under the age of 6 years. At very high blood lead levels, children can have severe brain damage or even die. At blood lead levels as low as 10 micrograms per deciliter ( $\mu\text{g}/\text{dL}$ ), children's intelligence, hearing, and growth are affected. Statewide, the prevalence of lead poisoning among children under the age of six years is 12.3 percent. This is nearly three times the national average of 4.4 percent. In a community, the presence of lead-poisoned children can be associated with an increase in the number of children with developmental deficits and learning disorders. This places an unnecessary and expensive burden on the educational system. The presence of lead-poisoned children also requires substantial community public health resources for medical and environmental case management services. Most of Iowa's pre-1950 homes contain lead-based paint. Young children who live in pre-1950 homes become lead-poisoned when they put paint chips or exterior soil in their mouths or when they get house dust and soil on their hands and put their hands in their mouths" (Childhood Lead Poisoning Prevention Programming In Iowa: A Report To The Governor And To The General Assembly, January 2001). Lead was most widespread used in house paint through around 1950, but it was used in some degree until January 1, 1978, when it was banned from the open market. In the southern Iowa region, most communities showed 80% or more of their homes in 2000 were built before 1978, including larger county seat towns such as Creston (84%). Most of the smaller towns that have lower percentages are the ones with a high number of manufactured homes built since 1978. In those communities, it is suspected that nearly 100% of the stick-built homes are older than 1978.

### **Illustration 6: Year Built of All Homes Existing in 2000 (Appendix A)**

#### **Single-family Units**

So far, this report has surveyed only owner-occupied units, which can include manufactured homes not on foundations, condominiums, townhouses, and possibly other homes. Evaluating single-family homes singles out the owner-occupied homes that can be target of single-family owner-occupied rehabilitation programs, but doing this also includes single-family rental units. Therefore, the data in this section should be used with caution. The most important data we can gain from this table is the fact that in the region and most cities of the region, the percentage of homes that are single-family homes is very high,

over 80%, compared to 76.3% statewide. This data shows that the need for single-family rehabilitation in this region is likely higher because single-family housing is proportionally relied upon to provide for current and future housing needs. There is not an abundance of multi-family units to provide a safety net for many communities. Even larger county seat towns, such as Creston (76.8%), Osceola (75%), and Winterset (77.1%), which are expected to provide proportionally more multi-family housing, struggle to meet the state average of 76.3%. *Illustration 7* provides the regional data.

**Illustration 7: Single-family Housing Units in 2000  
(Appendix A)**

**C. HOUSING AFFORDABILITY DATA**

**Housing Costs Per Month**

Owner-occupied housing cost data is important to help us understand how much it costs for an owner in an area to actually live in a home, including housing payments, fees, interest, utilities, taxes, and insurance. While no one can be sure what is provided when a homeowner gives the data to the Census enumerator, the data in *Illustration 8* provides a reasonable assessment into the overall housing costs for homes in the community. As is expected, the average cost in most of the region's cities is lower than what is found statewide (\$820) for a mortgaged home. We suspect that lower housing values and thus mortgage and tax payments in this region is the cause. However, when we survey only those homes without a mortgage, the costs are very similar to the statewide average of \$268 per month.

The most viable communities for housing rehabilitation success are often the same ones with a great need for rehabilitation assistance: those with high mortgage (generally at least \$700) and non-mortgage (generally at least \$250) housing costs. These are communities where homes are in decent condition and cost enough to require higher payments for housing, but the owners many not be able to afford a second mortgage to make repairs as needed. On the other hand, the large percentage of the region's communities have notably lower housing costs along with a high percentage of owners without a mortgage, which often is an indicator to housing age and condition, that the home is likely in need of rehabilitation. Even though the housing payments are less, this does not mean that the owner can afford the repairs; often these people cannot qualify for or afford to refinance.

**Illustration 8: Housing Costs in 2000  
(Appendix A)**

Housing costs in the region for things like taxes, home repair materials, and utilities are currently rapidly rising, as is happening all over the state. However, the low-income population of this region is proportionally hurt much worse because the income levels cannot adjust to handle 10% per year increases in housing costs as well as other areas of Iowa with even modestly higher incomes.

**Housing Costs in Relation to Household Income**

Housing costs can be compared to income using US Census data to determine the relation of housing costs, whether low or high compared to the state, to the incomes of residents owning the homes in order to determine if the costs are really affordable. What is found regionally is that although housing costs are generally lower in the region compared to the entire state of Iowa, affordability is not greater. In fact, approximately one-third of the region's cities exceed the state's median costs as a percentage of income and/or percentage of units by costs as a percentage of income of greater than 30%. In this study, 30% is used because lenders and government agencies often use this as a benchmark as to the maximum amount a person can afford to pay toward housing. The following formula can be used:

Gross income – income taxes = disposable income

Disposable income X 0.3 = maximum affordable housing costs (payment, taxes, insurance, utilities)

The region shows especially disheartening data concerning median housing costs as a percentage of income for non-mortgaged homes. Many people even without mortgages without a monthly payment still pay well over 30% of their income on housing costs. These communities have extensive need for

assistance to meet their housing needs.

**Illustration 9: Housing Costs as Percentage of Income in 2000  
(Appendix A)**

**Household Income**

Further study of Census data for household income tells us much about why people cannot afford housing of similar costs compared to other areas of the state of Iowa. Based on the data in *Illustration 10*, it is quite clear that the income characteristics of the region make it impossible for local owners and buyers to afford high-cost and thus high-value housing that would be less likely in need of rehab. They are also less able to secure additional financing to make repairs on their generally older homes even though the older, lower-value homes are more likely to need greater repairs.

The household income data by range shows us the spread of income data among communities up to \$50,000. Over \$50,000 is grouped into one category because generally those above this income level can afford at most rehabilitation costs or a newer home on the market not needing extensive repairs. The fact that the vast majority of the households in the SICO region have incomes less than \$50,000 is concerning. Nearly as many owners have incomes of less than \$15,000 than of more than \$50,000. The region's median household income is estimated to be \$30,000, compared to almost \$40,000 for the entire state. This \$10,000 difference is extremely notable when it comes to housing needs. Even with lower purchase prices, often taxes, insurance, and utility rates do not vary by housing purchase price.

Other than Madison County and some of its cities, Van Meter, which is close to Des Moines, and Pleasanton, which has few homes to sample, few cities are noted as having a median income greater than the statewide median. The region, therefore, has a proportionally greater need for rehabilitation assistance due to the lower income levels.

Another notable data source is the US Housing and Urban Development (HUD) low- and moderate-income (LMI) percentages assigned to each jurisdiction in Iowa. HUD defines a LMI person as a person living in a household that is below 80% of the median household income for a given household size in a given area. This data provides a unique perspective because median household income does not account for household sizes. In this way, the HUD LMI data tells us how the number of households of various sizes affects the ability of persons of various incomes to be able to meet a certain standard of living, considering that it costs more to tend to the needs of a larger family than a smaller family. For most programs, including the Community Development Block Grant (CDBG) program, the assisted household must be below the LMI limit. Communities served must have a percentage of 51% or greater LMI population in order to be assisted unless the program is targeted to only individuals that are LMI status. The most competitive communities for certain grants for rehabilitation assistance will have at least 60% LMI status, which can be ascertained in a target area LMI survey of any community with less than 60% LMI. Roughly one-third of the cities in the region already meet this criterion, mostly small towns and those in the southern tier of counties. Even larger county seat towns, for example, have sections of towns that could be incorporated into target areas with greater than 60% LMI.

**Illustration 10: Household Income Data in 2000  
(Appendix A)**

**Homeowner Income Data**

This section examines the median and mean household income data for only homeowner households, which is even more telling when it comes to ability to afford rehabilitation of homes in which they live. Compared to Iowa's median homeowner income of \$46,120 and mean homeowner income of \$56,109, the region lags far behind. In fact, several communities along the southern tier of counties exhibit percentages of the state mean and median that are less than 50%. In these communities, homeowners have essentially less than half the disposable income as the entire state average to provide for all their family needs, such as housing, transportation, health care, recreation, education, and many other expenses. Certainly, many of these homeowners cannot afford rehabilitation. Even cities from 50 to

80% have great need for housing rehabilitation assistance when compared to the state as a whole. While residences all over the state have need, the communities with such inequities would greater benefit as a whole than other cities. In the region only Van Meter and Earlham exceed the state's mean.

Another unique factor is the state rank for cities and counties. Of the 99 counties, all except Madison County are among the bottom 30 percentile (ranked 70-99). Half the region's counties are among the bottom 10 (ranked 90-99). Of the 954 incorporated places in the US Census for Iowa, the 59 cities rank low in terms of mean income; 47 of them ranked below the median of 477/478, with only 13 above this ranking. Most of the cities with rankings in the top half are in Madison County or are county seat towns.

**Illustration 11: Homeowner Income Data in 2000  
(Appendix A)**

**Poverty Rate Data**

The government definition of poverty is somewhat arbitrary, as incomes are not the only factor as to whether one is in poverty, but poverty rate data are helpful in comparing the needs over several geographic areas and various population demographics in one area. *Illustration 12* provides percentages of those in poverty for key demographics related to housing needs in general and especially housing rehabilitation. Compared to Iowa (9.1%), most of the communities and counties in the SICOG region have poverty rates for individuals at or exceeding 10%. Again, many of the cities in the southernmost tier of counties had poverty rates of 20% or more along with several cities in other counties. For seniors aged 65-plus, the poverty rates of cities in the region largely exceed the state average of 10.5% also. This is evident, as many in this region live on Social Security alone. SICOG staff weekly talk to homeowners that need assistance with housing rehabilitation, and approximately half them fit this criterion. Children aged 0-17 have high rates of poverty in the region compared to the state average (7.7%). This same trend is also true, though on a lesser scale, for families compared to the state average (6.0%). Over one-half of the region's cities exceed the statewide average in at least 3 of the 4 categories and one-third exceed the state in all four categories. Poverty is prominent in all 8 counties.

**Illustration 12: Poverty Rate Data in 2000  
(Appendix A)**

**D. HOUSING MARKET DATA**

**Owner-occupied Housing Unit Value**

Census 2000 data is available for housing values throughout the region's communities and counties. Such data is shown in *Illustration 13*. Iowa's median single-family housing unit value in 2000 was \$82,500; SICOG median single-family housing unit value was \$40,360, less than half the state's level. Only rural Madison County, Earlham, St. Charles, Winterset, and Van Meter exceed the state's level. Improved values are usually found in larger communities (over 1000 population), county seat towns, and areas within 30 miles of Des Moines. Communities with median values of around \$50,000 per unit are considered sustainable and viable in terms of successful implementation of a rehabilitation program. However, communities with median values of less than \$40,000 probably have great need in order to provide community stability. Over half the region's cities do not reach \$40,000.

**Illustration 13: Owner-occupied Housing Unit Value  
(Appendix A)**

**New Residential Structures Constructed With Building Permits**

Certain cities in Iowa offered building permit data for their communities from 2000-2006 that is available. The data includes the number of residential buildings constructed following the approval of local building permits. Several notes of caution: 1) not all residential structures are included, as some communities do not require permits and some may not report, and 2) the number and value of permits shown in the following tables include rental and multi-family properties and manufactured homes also. Therefore, the following data should be used as a guide to understand the rate the local market is

producing housing. Note particularly the annual mean data to see where housing is occurring most rapidly—Stuart, Osceola, rural Madison County, Winterset, and Creston. Several other communities stand out: Fontanelle, Murray, Lamoni, Earlham, St. Charles, Truro, Clearfield, New Virginia, and Van Meter. The most viable communities for housing rehabilitation are those with notable permit authorized development. Note that only 1.5% of the state’s reported permits have been reported from the SICO region, in part due to population instability and lower than average incomes. Housing rehabilitation provides a means to overcome the lack of new housing starts by preserving what already exists and may add value to neighborhoods to help jumpstart the housing market, thus aiding in community stability.

**Illustration 14: New Residential Structures Constructed With Building Permits  
(Appendix A)**

**Value of Permit Authorized Residential Housing Units**

For each community that reported building permits in *Illustration 14*, the values are reported in *Illustration 15*. For the 26 jurisdictions that reported permit authorized development, the average community has an annual mean of \$1,080,692. Communities exceeding this average by a wide margin include Osceola, rural Madison County, Winterset, and Creston. This is expected, as these are the largest communities. Note that only 1.5% of the state’s reported permit authorized value of construction has been reported from the SICO region.

The mean per unit is even more important, especially compared to the statewide mean of \$128,842. Several communities exceeded the state value—Adair, rural Madison County, Earlham, Winterset, Lenox, and Van Meter—but the vast majority of the cities are well below the statewide mean. This is not because new housing is much cheaper to build; rather, new homes in many of these communities are smaller on average, are manufactured homes, and perhaps rental properties that are designed for small households. However, note that the mean for the entire region is actually almost \$1,000 higher than the state average. Therefore, we should note that housing construction costs are generally less affordable for the incomes of the citizens in the community due to the lower incomes in the southern Iowa region. Nonetheless, the communities with per unit permit authorized units exceeding around \$100,000 are considered more viable for long-term rehabilitation projects, as these communities are those that the rehab program will more likely spark more notable community revitalization.

**Illustration 15: Value of Permit Authorized Residential Housing Units  
(Appendix A)**

**Housing Sales Data**

Housing sales data is provided as much as it is available for cities and counties to help understand the activity level of a local housing market. A local housing market should have 5 to 10 housing sales per 1000 owner units per year. A much greater level of transfers, such as 25 units per 1000 owner-occupied units in a community, indicates the market is pretty saturated, and that supply of homes perhaps exceeds the current demand. Often times a large number of homes currently exists on the market. A much lower level, such as 1 home per 1000, indicates housing demand is either too high, and the market is tight in a larger community, or there are few homes in the market, indicating lack of activity in a smaller town.

The actual mean price of homes sold in a given year tells us also much about the strength of a housing market to grow and strengthen. If home sales are very low, under \$50,000 on average, or most of them are contract sales, the housing market is not very strong; this means that the need for a housing rehabilitation program is significant; people live in older homes. In this way, rehabilitation is pursued as a means to bring about community stability for low- and moderate-income households. *Illustration 16* shows the 2006 home sales data reported to the Iowa Department of Revenue.

**Illustration 16: Home Sales Data in 2006  
(Appendix A)**

**Market Classifications**

Iowa has ascertained the housing markets of cities in Iowa. In *Housing And Community Development In Iowa In 2000: Meeting The Challenges Of The Next Decade*, authored by University of Iowa Professor Heather MacDonald for the Iowa Finance Authority in 2003 (updated in 2006) is a list of market classifications for all incorporated cities and counties in Iowa. In her study, MacDonald used cluster analysis, a statistical technique that examines several variables at once to measure how similar a case is to all others. Several groups of variables were tested, and similar clusters of places emerged.

The final cluster model took into account four variables: change in population over the decade, the seasonally-adjusted vacancy rate, median home value, and the share of units added to the stock over the 1990s.

The first group of places (44 Iowa cities) is growing rapidly. On average, their population grew by 50%, vacancy rates indicate very tight markets at 3.3%, average home values are high at \$133,059, and nearly 30% of their housing stock was added over the 1990s.

The second group (215 places) is growing at a stable pace. Their population increased by 6.5% on average, vacancy rates are quite low at 4.6%, home values are above average at \$84,307, and 11.4% of their housing stock was added over the 1990s.

The third group (363 places) may be described as stagnant markets. Their population increased slightly (by 1.9%), their vacancy rates are about average at 6.5%, median home values below average at \$57,570, and only 8.1% of their housing stock was added over the 1990s.

The final group (327) may be described as declining markets. They are losing population (on average, they saw a decline of two percent), their vacancy rates are above the State average at 10%, the median value of their housing stock is far lower than the average (at \$31,300) and only a small share of their housing stock (4.3%) was added during the 1990s.

*Illustration 17* shows MacDonald’s classifications for each community. This classification is generalized and should not be a sole basis as to the need and viability of a housing rehabilitation program. The market classifications also do not necessary indicate the quality of life in a community.

**Illustration 17: Market Classifications**

<b>Rapid Growing</b>	<b>Stable Growing</b>	<b>Stagnant</b>	<b>Declining</b>
	Dexter, Earlham, New Virginia, St. Charles, Stuart, Van Meter, Winterset	Adair, Afton, Beaconsfield, Bevington, Corning, Creston, Fontanelle, Lamoni, Lenox, Mount Ayr, Murray, Orient, Osceola, Patterson, Truro	Arispe, Bedford, Benton, Blockton, Bridgewater, Carbon, Clearfield, Conway, Cromwell, Davis City, Decatur City, Delphos, Diagonal, East Peru, Ellston, Garden Grove, Grand River, Gravity, Greenfield, Kellerton, Leon, LeRoy, Lorimor, Macksburg, Maloy, New Market, Nodaway, Pleasanton, Prescott, Redding, Shannon City, Sharpsburg, Thayer, Tingley, Van Wert, Weldon, Woodburn
0 of 44, 0%	7 of 215, 3.3%	15 of 363, 4.1%	37 of 327, 11.3%

**E. REGIONAL SUMMARY**

The southern Iowa (SICOG) region, is composed of 8 counties and 59 incorporated cities with a variety of housing characteristics and needs. While the region continues to show stable population levels, housing demand remains high in many places. Certain communities have strong demand and thus likely strong positive impact of any rehabilitation program initiated. Other communities, with more urgent needs and shrinking populations, simply need rehabilitation assistance to aid in slowing population decline and encouraging community stability. What is very obvious, however, is that overall the region

has greater needs and impediments to a quality and affordable housing stock due to lower than average incomes and lack of investment capital to meet long-term individual and community housing needs.

A statistical analysis was performed by SICO to determine which communities have the best possibility for housing rehabilitation in terms of need for assistance programs (homes with need and incomes that prohibit home equity investment) and the viability of success (market strength and housing values likely to grow). The following table, *Illustration 18*, provides the statistical analysis. To the right is the list of communities where a targeted comprehensive rehabilitation program would be most successful in meeting demand and providing community stability.











**Illustration 18: Regional Summary of Rehabilitation Needs Assessment by Community**

Overall Need Score	Overall Viability Score	Overall Total Score	Relative Urgency
High: East Peru, Redding	High: Creston, Earlham, Lamoni, Osceola, Stuart, Winterset,	High: Creston, Earlham, Lamoni, Leon, Osceola, St. Charles, Stuart, Truro, Winterset	Very High
Moderate to High: Arispe, Beaconsfield, Blockton, Clearfield, Conway, Cromwell, Diagonal, Ellston, Garden Grove, Grand River, Gravity, Kellerton, Leon, Maloy, Nodaway, Shannon City, Sharpsburg, Thayer, Tingley, Truro, Weldon	Moderate to High: Adair, Corning, Greenfield, Leon, Mount Ayr, St. Charles, Van Meter	Moderate to High: Bedford, Corning, Dexter, East Peru, Gravity, Greenfield, Mount Ayr, Van Meter, Weldon	High
Moderate: Afton, Bedford, Bevington, Bridgewater, Carbon, Corning, Creston, Davis City, Decatur City, Dexter, Fontanelle, Lenox, Lorimor, Macksburg, Mount Ayr, New Market, Osceola, Pleasanton, Prescott, St. Charles, Stuart, Winterset, Woodburn	Moderate: Bedford, Dexter, Fontanelle, Lenox, Murray, New Virginia	Moderate: Adair, Afton, Arispe, Beaconsfield, Bevington, Blockton, Clearfield, Conway, Davis City, Diagonal, Ellston, Fontanelle, Garden Grove, Grand River, Kellerton, Lenox, Macksburg, Maloy, Murray, New Market, New Virginia, Nodaway, Prescott, Redding, Shannon City, Sharpsburg, Tingley	Moderate to High

Based on the above chart, while housing rehabilitation needs exist in all communities of the region, the greatest impact of a publicly funded rehabilitation program are likely to be found in the overall high total score communities, followed by the moderate to high, moderate, and other communities. This statistical analysis, however, has inherent flaws, because it does not allow for the unique variables in each community that affect the success and impact of the rehabilitation program and it does not consider the actual “on the ground” conditions of housing. For this reason, *Part 3* of this report is designed to consider these factors in each community of the region that participated in further study.

**PART 3: OWNER-OCCUPIED HOUSING REHABILITATION COMMUNITY NEEDS ASSESSMENT**

Part 3 details the needs and impacts in select individual communities in the region that are notably interested in owner-occupied housing rehabilitation in either 2008 or 2009. The following communities chose initially to participate in more detailed study:

-  Clearfield
-  Dexter
-  Lenox
-  Winterset
-  Corning
-  Fontanelle
-  Mount Ayr
-  Creston
-  Kellerton
-  Osceola

The following sections of Part 3 consider a more detailed needs assessment and action plan for each of the above communities.

**Housing Conditions Description**

The following description indicates the various housing conditions classifications as a general rule. The survey is undertaken using a drive-by visual assessment. There is no interior or detailed assessment of each unit. The survey results and map should be used for general reference only and should not be used for legal or formal decision-making purposes as related to a particular unit. The map is not intended to be an official map of the city. The boundaries and street names are from IDOT traffic maps and maps of annexed areas. These may not be current. Manufactured homes not on piers or foundations and multi-family units are not rated. Neither are outbuildings, such as garages and other structures on a lot. Apartments in upper story downtown buildings were not surveyed and are not on the map.

SICOG developed a rating system with six categories ranging from near perfect homes to dilapidated and abandoned homes. The rating system is based on the estimated costs to make the home in “near perfect” condition for that structure. “Near perfect” condition does not *necessarily* mean “like new”; rather, it means “no notable repairs would be needed”. The general visual inspection of the exterior is extrapolated to assume similar condition of the interior.




**Illustration 19: Description of Housing Conditions Survey Results**


Rating number	Description	Types of repairs needed	Estimated cost ranges including lead hazard removal hard costs *
1	Good to excellent	Very minimal and mostly cosmetic or efficiency improvements	\$0-\$1,500
2	Fair to good	Older roof, siding, and related but with no imminent need for replacement/repair; older mechanical systems, not high-efficient, some older windows likely, some lead paint likely, minor cracks in foundations, but no shifting, minor cosmetic issues	\$1,500-\$7,500
3	Deteriorated to fair	Old or deteriorated roof, siding, windows, and other exterior components with need for replacement in near future of one or more components; mechanical items aged and not efficient; likely extensive lead; foundation cracks but no major shifting	\$7,500-\$20,000
4	Severely deteriorated	Roof, siding, windows, and other exterior elements in need of imminent replacement; mechanical systems a hazard; very old electrical; sagging in roof and foundation; lead paint common throughout the home; interior is likely worn; cosmetically very unappealing	\$20,000-\$40,000
5	Dilapidated – occupied	Home is so deteriorated that it appears to be beyond repair. Very little can be salvaged and home appears to be ready to collapse. Home is only occupied because of the very basic maintenance and should be abandoned.	\$40,000+ to acquire, demolish, and find replacement housing at affordable cost to owner
6	Dilapidated - abandoned	Home is so deteriorated that it appears to be beyond repair. Very little can be salvaged and home appears to be ready to collapse. Home is simply not feasible to live in even with very basic maintenance.	\$15,000 to acquire and demolish

\* This is based on recent bidding practices of local rehab contractors in this area at this time for both labor and materials. The actual costs depend on actual bid prices at the time improvements are made. These values do not include outbuildings.


**Targeting of Housing Rehabilitation Activities**


The Community Development Block Grant (CDBG) program has an important scoring criterion for the selection of awards. This criterion is the “targeting of housing improvement activities to maximize impact.” In other words, the Iowa Department of Economic Development (IDED) wishes to see that housing rehabilitation activities occur in communities where the improvements will make a “notable” direct impact on a community or neighborhood. The IDED reviewers measure this impact in the following ways:

-  Low- and moderate-income percentage in the area impacted.
-  Percent of need that is met (total units improved versus total LMI single-family households in need).
-  Housing values and sales prices in the area and the impact on those values and prices the rehab investment will cause.

 Potential for sustained local housing and community development activities and new business starts in the area and vicinity.

Based on these factors, each city interested in housing rehabilitation should consider how to best target housing rehabilitation to maximize the potential for funding. The process to do this is to evaluate the need for and location of a target area. The following should be considered in this process:

-  A target area should be selected if at least two of the following factors are met:
- Population is over 1,000 persons.
  - Total number of single-family units is over 250.
  - A housing conditions study clearly indicates stronger need in one or more areas of a community versus another area(s).
  - The LMI level (%) of the community is relatively low (less than 51%) and by having a target area one would be able to have a greater impact on an LMI neighborhood with a higher LMI level (%).
  - Interest is very strong in one area and weak in another.

-  If selected, the target area's location and size should be based on:
- The actual LMI level (%) surveyed in the proposed area is high.
  - The local housing committee approves the area.
  - Range 25 to 30 single-family units for each unit to be rehabilitated in the application
    - Add up to 10 units (to 35-40) for each unit to be rehabilitation in the case of towns with higher incomes, higher land values, lower interest anticipated during pre-application process, and/or high percentage of single-family units occupied by renters.
  - A high level of units are in need of major rehabilitation investment (rating 3-6).
  - Location in proximity to the following amenities:
    - Schools, childcare facilities
    - Social services
    - Major traffic routes
    - Recreation areas
    - Major employers and shopping opportunities
    - Existing housing and community development project areas
    - Existing development districts (historic districts, TIF areas, enterprise zones, etc.)

**A. CLEARFIELD (TAYLOR COUNTY)**

**Clearfield Housing Rehabilitation Committee**

The City of Clearfield has not yet appointed a committee for this effort. A committee may be appointed in 2009 and the plan amended.

**Vital Statistics for Clearfield**

*Illustration 20* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Clearfield. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 20: Clearfield Vital Housing Statistics**

Criteria	Clearfield	State of Iowa
Population in 1990	417	2,776,755
Population in 2000	371	2,926,324
Latest Estimated Population	354	2,988,046
Percent Change (2000-06/07)	-4.6%	2.1%
Number/Percent Aged 0-5	16 / 4.3%	188,413 / 6.4%
Number/Percent Aged 65+	127 / 34.2%	436,213 / 14.9%
2000 Mean Household Size	2.05 persons	2.46 persons
Total Housing Units	184	1,232,511
Total Occupied Units	163	1,149,276
Homeowner Vacancy Rate	3.9%	1.7%

Owner-occupied Units	124	831,419
Average Household Size for Owner-occupied Units	2.08	2.57
Percent of Units that are Owner-occupied	76.1%	72.3%
Percent of units built since 1990	6.5%	12.9%
Percent of units built before 1978 *	87.6%	76.3%
Percent of units built before 1940	59.3%	32.1%
Median Year Built	1940-	1958
Single-family Stick-built Units/% of Total Units	148 / 80.9%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$24,100	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	29.1% / \$440	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	70.9% / \$177	24.2% / \$268
Median Housing Costs as a Percentage of Income	10.0%-	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	2 / 1.9%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	8 / 7.8%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$23,203 / 54.3%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$24,219 / \$31,571	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	887	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	10.7%, --, 16.3%, 6.2%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	1.3	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$90,091	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$70,071	\$128,842
Recorded home sales in 2007	8	---
Recorded home sales mean price in 2007	\$20,815	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Taylor County Assessor, August 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided

### Local Market Activity Data

It is noted that only one home was for sale at the time of the housing windshield survey in June 2008. Only a few homes are sold per year and one home is constructed each 2 years on average. A quality home was constructed in 2006-07 in the north part of town without public investment.

The Taylor County Assessor’s office was willing to provide sales data for 2007. There were 8 verifiable home sales in Clearfield in 2007 ranging from \$8,000 to \$64,000 and average price of \$20,815. Of those sales, 2 were under \$15,000, 5 were \$15,001 to \$30,000, and only 1 was over \$30,000.

Heather MacDonald, in her statewide housing study, depicts Clearfield as a “declining” housing market community, with very limited growth potential and generally no market inflation. Clearfield’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable. A visual survey indicates the market may not actually be declining but rather is stable.

### Housing Conditions Survey and Results

The housing conditions survey was completed on June 24, 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains a map of the results.

**Illustration 21: Clearfield Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	28	15.5%	17.8%
2 Fair to Good	42	23.2%	26.8%
3 Deteriorated to fair	38	21.0%	24.2%
<b>4 Severely deteriorated</b>	<b>25</b>	<b>13.8%</b>	<b>15.9%</b>
5 Dilapidated – occupied	6	3.3%	3.8%
6 Dilapidated – abandoned	18	9.9%	11.5%
Total Rated Structures	157	86.7%	100%
Manufactured Homes	19	10.5%	--
Group Quarters of all types	5	2.8%	--

Total Structures	181	100.0%	--
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During the survey, it was noted that 1 home was posted for sale, no units have recently been demolished, and only the 18 dilapidated homes appeared vacant.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 22: Clearfield Targeting Assessment**

Criteria	Suggested for Clearfield	Clearfield's Results
Minimum population	1,000	371
Minimum number of single-family units	250	148 in Census; 157 in survey
Concentration of need in certain areas	Certain areas have much greater need	North and east parts of town show moderately greater need
Less than desired LMI level in jurisdiction	51.0%	54.3%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>1 of 5 criteria met</b>	<b>No target area suggested</b>

The entire community is generally in need of housing investment and the town is small enough that a target area would not provide an advantage or adequately increase targeting for maximum impact.

**Key Features of the Community**

Clearfield is a small community but it is by no means a dying community. It has local businesses of all types: retail, services, offices, industry, food service, and financial institutions. The Broadway Street business district includes 10 to 15 small businesses that serve the community well. Clearfield includes an independent school district that serves K-6<sup>th</sup> grades, a lending library, and two city parks. A very active and large Lion's Club, the most recognized in Iowa, and a strong local volunteer development and housing corporation work together on projects each year, including most recently a community rail-to-trail project and other assistance to low-income persons. In recent years, these groups, with the support of the city, have initiated many community activities that affect housing rehabilitation: a) past rehab programs, b) development of rental housing for seniors (3 modular homes), c) park improvements, d) tax abatement renewal, e) new housing for first-time buyers, f) sewer upgrades to meet compliance standards, f) housing acquisition and demolition (3 homes since 2000), g) annexation to support business expansion, h) new fire truck acquisition, and other community development projects that have impacted property around the city. Clearfield has many active citizens that organize community and school activities that attract people to town during all four seasons.

**Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

Based on the recent housing conditions survey, the need for substantial rehabilitation in Clearfield is notable. Of the total stick-built single-family homes in Clearfield (157), 25 are currently rated as "severely deteriorated," meaning the units have a level of rehabilitation need ranging from \$20,000 to \$40,000, including lead paint hazard reduction costs (15.9% of single-family structures). In this way, a notable percentage of the units in Clearfield are in need; yet, a good number of structures are in fair condition or better (44.6%). Just over 15% of the units (24) are dilapidated, with 3.8% (6) being still occupied. These owners may also be interested in rehabilitation, but it is likely the homes would be deemed "beyond repair" during a formal inspection.

**Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Clearfield currently offers residential tax abatement for housing construction and rehabilitation. Local development organizations occasionally, as funding is available, complete housing demolition and lot clearance with new LMI housing construction. Since 2000, 3 homes have been demolished with public/private partnerships and 2 LMI homes for homebuyers and 3 rental structures for seniors have been built. Clearfield also has cleanup days, uses volunteers to help paint homes with deteriorated paint,

and enforces the town's dangerous buildings and nuisance ordinances. The town of Clearfield has applied for and received an 8-home CDBG owner-occupied rehabilitation grant. Clearfield has annexed land for industrial expansion and potential new housing to the west of the city. Two city parks have been improved with local funds and state grants. The city is active in promoting business development and promoting SICO RLF loan programs for small businesses. Each year the local school and community groups team up to develop annual festivals, the largest of which is the July 4 festival; being multi-day, it is one of the best in the region for such a small town. In 2006-07, the development corporation built a walking trail (rail-to-trail) in the community. Taxes are reasonable and streets are in good condition. The city's water and sewer systems are in excellent condition after the sewer was rebuilt in 2007. Nonetheless, while activities continue to improve the town, outside capital is needed to expand program impact.

### **Analysis and City Recommendations**

In July 2008, the City Council of Clearfield voted to suspend work on a CDBG application until another year. The committee did not meet at that time to make project recommendations and set goals.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If CDBG is pursued in the future, the program, even if just 4 homes, could help make a real difference in improving the community.

### **Clearfield's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation program**






Clearfield has modest local capabilities to develop housing programs. The key partners in the city are the municipal government and the Clearfield Housing Corporation, which is part of the city's development corporation. The municipal government is composed of five elected council members, a mayor, a city clerk, a deputy clerk, and a utilities superintendent. Volunteers also serve with the fire department and library. The staff of the City is not specialized in housing programs and land use planning. The City relies upon the council of governments for administration services, grantsmanship, and planning services in most cases. Clearfield has nearly utilized its legal general obligation debt (the 2007 obligation according to the State of Iowa is \$263,282.20). With a limited tax base, it cannot commit more than modest amounts of local funds to housing programs. Major funding sources include library income, sewer services, housing rental payments (only a few units), property taxes, and permits. Major expenses include library services, sewer treatment, rental housing operations, road maintenance, lighting, recreation, public administration staff, fire and EMS, and limited storm sewer. There is virtually no unrestricted savings and reserves.

The Housing Corporation is composed of local investors and lead by a group of directors, all volunteers. This group from time to time assists in the development of rental and single-family ownership housing opportunities. The corporation has very limited income during a given year. Most of the resources raised are for projects that can have a direct financial return but limited or no profit, such as acquisition/demolition/resale and new construction/resale. No reserves are available at this time to assist in rehabilitation activities.

## **B. CORNING (ADAMS COUNTY)**

### **Corning Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Corning Housing Rehabilitation Committee:

-  Dean Davis
-  Fred Sherer, ACEDC Housing Chairman
-  Gary Thompson
-  Beth Waddle, ACEDC Ex. Dir.
-  Mike Grundman

**Vital Statistics for Corning**

Illustration 23 contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Corning. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 23: Corning Vital Housing Statistics**

Criteria	Corning	State of Iowa
Population in 1990	1,806	2,776,755
Population in 2000	1,783	2,926,324
Latest Estimated Population	1,655	2,988,046
Percent Change (2000-06/07)	-7.2%	2.1%
Number/Percent Aged 0-5	106 / 5.9%	188,413 / 6.4%
Number/Percent Aged 65+	464 / 26.0%	436,213 / 14.9%
2000 Mean Household Size	2.14 persons	2.46 persons
Total Housing Units	880	1,232,511
Total Occupied Units	803	1,149,276
Homeowner Vacancy Rate	2.1%	1.7%
Owner-occupied Units	551	831,419
Average Household Size for Owner-occupied Units	2.27	2.57
Percent of Units that are Owner-occupied	68.6%	72.3%
Percent of Units Built Since 1990	4.5%	12.9%
Percent of units built before 1978 *	86.9%	76.3%
Percent of units built before 1940	49.6%	32.1%
Median Year Built	1941	1958
Single-family Stick-built Units / % of Total Units	705 / 80.1%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$50,700	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	46.1% / \$585	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	53.9% / \$201	24.2% / \$268
Median Housing Costs as a Percentage of Income	13.0%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	22 / 4.2%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	21 / 4.0%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$28,977 / 43.3%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$33,897 / \$39,070	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	662	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	7.5%, 8.5%, 9.7%, 5.0%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	1.9	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$185,714	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$100,000	\$128,842
Recorded home sales in 2006	13 (plus 2 lots)	---
Recorded home sales mean price in 2006	\$32,600	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

**Local Market Activity Data**

Corning has an aging housing stock with limited new construction and selling activities. However, as the county seat and largest town of the county, the housing market is very important. Local organizations have worked tirelessly to increase investment and attract private investment in the housing stock, with some success.

The Adams County Assessor has provided 2007 residential sales data. In 2007, there were 15 recorded sales of residential properties. Roughly 2% of the housing stock changed ownership. Two (2) of the 15 sales were vacant lots only, leaving 13 home sales. The average sales price was \$32,600; the range of sales prices was \$2,300 to \$93,000. With so few higher-priced homes being sold in the community, one would question the sustainability of the community's housing stock, as to whether adequate options are available to those starting a business, moving a company, or taking a professional job in the community. The average assessed value was about 11% less than the average sales price for these properties. For a home it was approximately \$25,500 and for a lot it was approximately \$3,500. Other data is notable

from the home sales. Three (3) of the 13 homes were purchased on a contract rather than a deed. The average year built for the sold homes is 1917. The three newest homes were built in 1976, 1956, and 1951.

Only one (1) home sold is identified as located in the target area. This home was built in 1896 and sold for \$61,000. It was sold for much more than the assessed value of \$22,202.

While new construction has occurred throughout the northwest part of the city, in isolated locations, most new homes (2 per year on average) have been built in the Spring Lake Subdivision in the southern part of town. This subdivision, which is owned by the Adams Community Economic Development Corporation (ACEDC), was developed with state and local funds around 1999. The development is half full with 1 rental complex, 4 single-family homes, and 3 duplexes, a total of nearly 30 units, plus two single-family homes under construction. ACEDC has collaborated with various developers, including private, non-profit, and local building trades groups, to develop these homes.

Heather MacDonald, in her statewide housing study, depicts Corning as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Corning’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 25, 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 24: Corning Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	148	20.6%	21.7%
2 Fair to Good	221	30.7%	32.4%
3 Deteriorated to fair	194	27.0%	28.4%
<b>4 Severely deteriorated</b>	<b>70</b>	<b>9.7%</b>	<b>10.2%</b>
5 Dilapidated – occupied	39	5.4%	5.7%
6 Dilapidated – abandoned	11	1.5%	1.6%
Total Rated Units	683	95.0%	100%
Manufactured Homes	18	2.5%	--
Group Quarters of all types	18	2.5%	--
Totals	719	100%	--

At the time of the survey, 3 units were under construction, 0 were obviously recently demolished, and 12 were clearly vacant, regardless of condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 25: Corning Targeting Assessment**

Criteria	Suggested for Corning	Corning’s Results
Minimum population	1,000	1,783
Minimum number of single-family units	250	705 in Census; 683 in survey
Concentration of need in certain areas	Certain areas have much greater need	Areas near downtown, the railroad, and the northeast corner of the city have greater need
Less than desired LMI level in jurisdiction	51.0%	43.3%
Concentration of interest	Certain areas have higher interest	Concentration exists, but not strong
<b>Result</b>	<b>4.5 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 26: Corning Target Area Size/Location Assessment**

Criteria	Suggested for Corning	Corning's Results
Actual LMI level of target area	51.0% minimum; 60% desired	74.19%
Local housing committee approval	Yes	Yes, on August 27, 2008
Number of single-family units in area per unit to be rehabilitated	25 to 30	152 single-family units in area; 25.3 per one of six homes to be targeted
Percent of single-family units in area with significant rehab need	>30%	34.3%, including those that are dilapidated
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD efforts, existing districts	Included in area is major highway corridor, commercial area, part of CBD, Johnny Carson Birthplace Home, and the town's oldest housing stock. Within 2 blocks are city parks, fairgrounds, NASCAR track, skate park, new aquatic center. School and hospital within 10 blocks.

Based on the population of Corning, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Corning have a target area where a City rehabilitation program will take place. The target area would best target housing need by a) meeting the needs where the greatest concentration of single-family units in need of rehab exists, b) impacting where we anticipate the lowest income population lives, and c) impact an area with notable resources that are vital to the long-term success of the community. A target area containing approximately 150 to 180 single-family homes is suggested that includes northeastern portions of Corning, including Highway and areas near the downtown and recreation areas.

**Survey Results of Target Area**

A target area was selected and approved by the housing committee for Corning on August 27, 2008. The area contains 152 residential structures, of which all are single-family structures. The following table shows the specific results of the survey for single-family structures only. Of the entire city, the target area contains 21.1% of the total structures and 22.3% of the single-family structures.

**Illustration 27: Corning Target Area Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	12	7.9%	7.9%
2 Fair to Good	35	23.0%	23.0%
3 Deteriorated to fair	53	34.9%	34.9%
<b>4 Severely deteriorated</b>	<b>29</b>	<b>19.1%</b>	<b>19.1%</b>
5 Dilapidated – occupied	20	13.2%	13.2%
6 Dilapidated – abandoned	3	2.0%	2.0%
Total Rated Units	152	100.0%	100%
Manufactured Homes	0	0.0%	--
Group Quarters of all types	0	0.0%	--
Totals	152	100%	--






In the target area, 0 units were under construction, 0 were obviously recently demolished, and 4 were clearly vacant, regardless of condition.

**Key Features of the Community and Target Area**

The City of Corning is a strong and tight-knit county seat town. Many individuals and organizations are very active in city and county projects that affect quality of life. There are very active organizations with committed volunteers and staff in the areas of housing, economic development, historic preservation, Main Street, schools, youth, seniors, health and wellness, recreation, and many others. The 2006 Iowa Great Places award to Adams County is the result of hard work by local leaders to showcase the many activities occurring in Adams County, specifically in Corning. Corning has a very active and one of the region's most organized economic development groups. Adams Community Economic Development Corporation board and staff members are instrumental in developing annual housing goals

and projects. Some of the key projects include: a) development of the Spring Lake Subdivision, b) the Communiters home improvement program, c) past CDBG housing grants, d) development and expansion of an industrial park, e) facilitation of the development of senior housing and an ethanol plant, f) support of tax abatement and housing TIF programs, g) development of housing and economic enterprise zones, h) development of several cultural and historic preservation sites, i) development of a very successful Main Street program, and j) many other projects. Assisting these efforts are dozens of other citizens and organizations and local governments that partner to develop so many projects, help lure businesses, and make Corning a viable town despite the very low-income population of the areas and small countywide population.

The ACEDC Housing Committee, which serves as Corning's official housing rehabilitation committee, selects its target area based on the following characteristics:

-  The area was recommended by SICO planning staff because of housing conditions (poorer) and housing age (older) in the town versus other areas of town;
-  The area includes Highway 148, which is the major transportation route through town; improving this corridor will enhance the visual impact of Corning on those that visit and pass through;
-  The area includes or is very close to most of Corning's cultural, recreation, and commercial amenities, including several amenities under development or enhancement (Johnny Carson Birthplace, award-winning Corning Main Street, Corning Opera House, Corning Fine Arts Center, and Corning Aquatic Center);
-  The target area enhances a neighborhood very close to the area just east that had flooding in 2008;
-  The percentage of single-family homes in the target area is only 22.3% but 41.4% of the severely deteriorated homes are located in the target area (a nearly 2 to 1 ratio of deterioration in this area).

The target area was surveyed using an approved CDBG LMI survey process. The survey process included questions for all residents in the area, owners and renters, using a door-to-door method. The purpose of the survey was to determine the level of interest and eligibility for CDBG and other rehabilitation programs. The survey was provided to all 128 households (occupied housing units); 112 households responded (87.5%). The LMI percentage of *persons* of the surveyed households is 74.19%. Based on this mean household size of the community, 2.14, we project that the target area has 274 persons, of which 203 persons are LMI. These persons include both owners and renters. Many of these households would be good participants for a rehab program due to housing conditions in this area.


### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

In the Corning Target Area, there is identified need for the substantial rehabilitation of 29 single-family structures, which is just over 19% of the 152 single-family structures in the area. The proposed 6-home CDBG rehabilitation request will meet 20.7% of the total need. Considering that local data shows that up to 30% of the target area's homes are either rented or sold on contract, the 6-unit program would likely meet about 30% of the total need for rehab in this area, which is reasonable.

In general this target area is showing much distress, not just in housing but also in overall beautification and economic vitality. However, with the mixture of residential, commercial, industrial, institutional, and transportation assets in the immediate area, it is important that investment is targeted in the northeast neighborhood. Existing programs, because they are too limited in scope and funding, will not adequately meet local needs without the CDBG program. Therefore, a targeted rehabilitation program affecting 6 owner-occupied homes, along with other incentives that can be targeted to the area, will bring about an overall revitalization of this neighborhood.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

The housing committee and local leaders indicate many activities occurring in the area that affect housing demand. The following are some of those activities:

-  Continued development of the Spring Lake Subdivision (nearly 30 units in place, up to 20 more could be added);

- Recent, current, and future building trades and spec housing (Spring Lake and infill) impacting at least 1 home at every two years;
- Expansion of senior housing in 2007-2008;
- Continued painting programs lead by students and school officials (Communteers program), where minor repairs and painting to an estimated 25 homes has occurred since 2004;
- Recent hospital upgrade and expansion and the development of a fitness center since 2003;
- Development of the new municipal aquatic center (currently underway);
- Restoration of the Corning Opera House (currently underway);
- Development and expansion of the Corning Fine Arts Center (currently underway);
- Continuation of progressive programs and development options via the Corning Main Street program, which has won many awards and honors;
- Acquisition and planned development of the Johnny Carson Birthplace home into a museum (currently underway);
- Development of a new and modern fire and EMS joint command facility (funding recently received);
- Corning continues to offer and aggressively promote a tax abatement program for housing development and major rehabilitation.

### **Analysis and Approved Recommendations**

Corning is a strong candidate for continued CDBG and other rehabilitation investment. As a stable but progressive small county seat town, Corning needs public rehabilitation investment in order to continue to stimulate economic development and to meet the social needs of a low-income population. While two CDBG grants have improved approximately 20 homes in town, the need is still strong for more investment with LMI households. A 6-unit program is most likely to be successful in a targeted area within two years. Only the CDBG program provides enough funding to meet the needs for many LMI households that have extensive needs. Further, the CDBG application is consistent with the county's housing goals, which for 2008-09 are as follows (current status in parentheses):

- Market and sell lots at the Spring Lake Subdivision (continuous);
- Investigate options for demolition of substandard housing (met with SICO summer 2008, conversations continuing);
- Expand the CDBG housing rehab grant program and survey homeowners who may be eligible for assistance (underway);
- Coordinate local participation in Southern Iowa Regional Housing Authority (SIRHA);
- Cooperate with the Corning Community Schools and SWCC in building trades program and complete "Summit Point" home (nearly completed);
- Complete "Grow Iowa Foundation" home and assist in marketing the home (nearly completed);
- Explore possible sites for new subdivision in Adams County (in anticipation of build-out of Spring Lake);
- Manage Alumni House (underway, continuous)

Besides the ACEDC goals, other relevant organizations wish to continue the Communteers program and cleanup events that will affect more LMI owners with a chance to improve their homes and yards.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented at least part in the target area in the next two years, an estimated 35% of the substandard properties will be impacted.

### **Corning's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**

The City of Corning has adequate staff to oversee some elements of a major rehabilitation project but would be best served to hire a third-party administrator, such as SICO, with experience in federal grants management and with a housing rehabilitation specialist on staff. Corning has the local policies and permitting processes, such as building permits, zoning, and tax abatement programs, in place to maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes. Corning has a strong relationship with the ACEDC Housing Committee, and












SICOG to ensure that homes are rehabilitated correctly, meeting all local and state requirements and standards.

Corning has limited financial resources to provide to a comprehensive rehab program. According to the State of Iowa, Corning in 2007 had an outstanding debt amount of \$6,195,000, which is very near the maximum the city can borrow. Right now \$5,000 is budgeted for a rehab program. Besides a modest local match, Corning can best assist in a rehab investment by helping market programs, helping with inspections, and by providing all possible incentives for homeowners to participate.

**C. CRESTON (UNION COUNTY)**

**Creston Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Creston Housing Rehabilitation Committee:

-  Wayne Pantini, Executive Director, Union County Development Association (UCDA)
-  Mayor Warren Woods
-  City Administrator Mike Taylor
-  Ellen Gerharz, Executive Director, Creston Chamber of Commerce
-  Susan Dunphy, UCDA Housing Committee member, Grapevine Staffing
-  Don Butler, volunteer and Habitat for Humanity rep
-  Midge Scurlock, volunteer and Appalachian Service Project rep
-  Arlan Biere, volunteer and Habitat for Humanity rep
-  Jim Schendt, UCDA Housing Committee member
-  Mike Duckworth, Creston Nuisance Enforcement Officer
-  Francis Doyle, Creston Chamber of Commerce, Iowa Telecom

**Vital Statistics for Creston**

*Illustration 28* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Creston. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 28: Creston Vital Housing Statistics**

Criteria	Creston	State of Iowa
Population in 1990	7,911	2,776,755
Population in 2000	7,597	2,926,324
Latest Estimated Population	7,435	2,988,046
Percent Change (2000-06/07)	-2.1%	2.1%
Number/Percent Aged 0-5	464 / 6.1%	188,413 / 6.4%
Number/Percent Aged 65+	1,517 / 20.0%	436,213 / 14.9%
2000 Mean Household Size	2.20 persons	2.46 persons
Total Housing Units	3,598	1,232,511
Total Occupied Units	3,346	1,149,276
Homeowner Vacancy Rate	1.3%	1.7%
Owner-occupied Units	2,240	831,419
Average Household Size for Owner-occupied Units	2.34	2.57
Percent of Units that are Owner-occupied	66.9%	72.3%
Percent of units built since 1990	7.1%	12.9%
Percent of units built before 1978 *	84.3%	76.3%
Percent of units built before 1940	42.9%	32.1%
Median Year Built	1951	1958
Single-family Stick-built Units/% of Total Units	2,745 / 76.8%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$57,700	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	61.7% / \$623	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	38.3% / \$270	24.2% / \$268
Median Housing Costs as a Percentage of Income	14.8%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	46 / 2.3%	29,578 / 4.4%

Units by Costs as a Percentage of Income of 35%+ (#/%)	154 / 7.6%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$29,831 / 46.1%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$39,056 / \$44,287	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	419	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	11.5%, 13.6%, 8.3%, 7.0%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	19.0	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$1,964,427	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$103,391	\$128,842
Recorded home sales in 2007	197	---
Recorded home sales mean price in 2007	\$63,396.79	---

Source: Iowa Data Center website, [www.iowadatatcenter.org](http://www.iowadatatcenter.org), 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

Creston has an active housing market, with dozens of homes and apartments sold, rented, and leased per year. The Bluegrass Board of Realtors, which provides data on the Multiple Listing Service (MLS), for all real estate agents in the area, reports that sales remain strong at all price levels, despite continued population stagnation and numerous homes on the market (currently about 80 units of all type). Homes remain on the market for six to nine months on average, but quality homes that are not over-inflated in price have been selling as quickly as 6 weeks on average.

The Union County Assessor provided sales data for homes in 2007. There were 201 recorded home and residential property sales, of which 4 were vacant lots, 196 were single-family homes, and 1 was a unit in a townhouse structure. The average property size of the sold residential properties is 10,390 SF. The average year built is 1913. The average assessed value is \$63,491.65 and the average sales price is \$63,396.79. Fourteen (14) sales (all single-family) were financed by the seller (contract), while the other 185 were by deed. While the vast majority of the sales were traditional in nature, there were some interesting findings. Twelve (12) properties were sold two or more times in 2007. The most common reason for this is an investment buyer purchasing the home, sometimes making improvements, and then selling the property by deed or contract to the eventual occupant. An estimated 15 homes were purchased during 2007 by investment firms or individuals for future resell or rent. The four lots purchased in 2007 are targeted for or have since been developed for single-family purchase.

Of the 201 recorded residential sales, 11 are identified (5.5%) as being located in the Creston Target Area, identified in the following paragraphs. All are single-family structures; only 1 home was sold on a contract. In this area, the average lot size is approximately 6,000 SF. The mean year built is 1898, nearly 15 years older than the average home sold in 2007. The average assessed value is \$33,996 and the selling price is \$31,071. These values are just over half the averages for homes sold citywide. In other words, homes in the target area are worth only 55% and are much older than homes in other parts of the city on average. In the target area, 6 of the 11 properties sold in 2007 for less than \$30,000.

In Creston, three to ten new homes have been built each of the past ten years along with an average of five to 10 apartments (mostly senior housing). Owner-occupied and renter-occupied housing is currently under construction (2 homes and 1 apartment complex (16+ units)). Several homes have been built recently and are for sale, including both privately and “publicly” built homes. Private development is primarily the result of local builders with long-established ties to the community. Such development is promoted and supported by the Southwest Iowa Builders Association, which is based in Creston. “Public” builders in the area include the SWCC Building Trades program, Union County Development Association, Habitat for Humanity, and others. The James Addition in west Creston, which was initiated six years ago, is nearly full, and the City acquired new land that is essentially infill for the development of the next housing subdivision. In 2007, the City of Creston approved 45 building permits for new construction. The total valuation of the building permits was \$4,175,357.

Annually, dozens of homes undergo their own housing renovations, including additions, roof replacements, deck construction, etc., in all neighborhoods of the city. Since the spring of 2008, dozens of owners and landlords in the northern half of Creston have undergone or plan to undergo siding and roof replacements following a major hail event. Such projects have required several roofers from outside the area to meet the demand for construction labor. Uninsured persons and some renters are not being positively impacted.

The future housing market continues to look promising. Creston has not been as adversely impacted, it appears, as other parts of the state and nation by the recent housing market troubles. Nonetheless, due to the current credit crunch, more people will wish to rehab their existing home rather than build new in the short-term. Combined with weather damages in 2008, it is likely that future demand for rehabilitation will continue to grow. It is hoped that the contractor labor pool will be sufficient to allow such development to proceed.

Heather MacDonald, in her statewide housing study, depicts Creston as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Creston’s housing market is dependent more on local and regional economic trends rather than statewide or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing. With recent specialized housing growth in the area, it is suggested that Creston’s housing market may now be “stable growing.”

**Housing Conditions Survey and Results**

The housing conditions survey was completed throughout the month of July 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 29: Creston Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	431	15.1%	16.1%
2 Fair to Good	1,138	39.7%	42.5%
3 Deteriorated to fair	694	24.2%	25.9%
<b>4 Severely deteriorated</b>	<b>342</b>	<b>11.9%</b>	<b>12.8%</b>
5 Dilapidated – occupied	59	2.1%	2.2%
6 Dilapidated – abandoned	13	0.5%	0.5%
Total Rated Units	2,677	93.5%	100.0%
Manufactured Homes	107	3.7%	--
Group Quarters of all types	79	2.8%	--
Totals	2,863	100.0%	--

Note that 72 structures (plus 4 manufactured homes) were noted by signs as “for sale” and 1 was noted as “sold,” 3 structures were under construction, 1 was recently demolished (on South Cherry), as determined by site observation and further contacts, and 25 were clearly vacant, includes those in livable condition and dilapidated. (Note: the Creston Fire Department on September 30, 2008, completed a training burn/demolition on a home on South Mulberry Street rated “6” in the assessment.)

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 30: Creston Targeting Assessment**

Criteria	Suggested for Creston	Creston’s Results
Minimum population	1,000	7,597
Minimum number of single-family units	250	2,745 in Census; 2,677 in survey
Concentration of need in certain areas	Certain areas have much greater need	Areas near downtown (5 block- radius), the railroad corridor, and Elm/Cherry

		Street areas show great need
Less than desired LMI level in jurisdiction	51.0%	46.1%
Concentration of interest	Certain areas have higher interest	Concentration is strong in the older parts of the city
<b>Result</b>	<b>5 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 31: Creston Target Area Size/Location Assessment**

Criteria	Suggested for Creston	Creston's Results
Actual LMI level of target area	51.0% minimum; 60% desired	73.97%
Local housing committee approval	Yes	Yes, on August 7, 2008, of 4 options
Number of single-family units in area per unit to be rehabilitated	30 to 35	313 single-family units in area; 8 homes projected; 39:1 ratio
Percent of single-family units in area with significant rehab need	>30%	24.7%
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD efforts, existing districts	Target area includes: livestock sale barn, a historic former school, portion of Uptown Creston, a bowling alley, a part of Hurley Creek Watershed project area, and major transportation routes (Cherry, Howard, Montgomery Streets) Target area is close to: Creston Head Start/Pre-/K/Admin school buildings; daycare facilities, entire uptown, restored depot, library, and new senior housing

Based on the population of Creston, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Creston have a target area where a City rehabilitation project will take place. The target area would best target housing need by a) meeting the needs where the greatest CONCENTRATION of single-family units in need of rehab exists, b) impacting where we anticipate the lowest income population lives, and c) impacting an area with notable resources that are vital to the long-term success of the community. A target area containing approximately 240 to 280 single-family homes is suggested that includes the area directly north and northeast of uptown Creston, including the Cherry Street corridor and the area where some infill housing has occurred.

**Survey Results of Target Area**

A target area was selected from four alternatives and recommended by the housing committee for Creston on August 7, 2008 at a housing committee meeting. The area was subsequently amended after looking at needs for sewer and surveying the area. The target area is bounded as follows: west side of Birch Street to the west, Montgomery Street and Uptown to the south, Mulberry Street to the east, and Irving Street to the north. The committee members unanimously approved this area because it was the best located, the committee stated, in relation to community vitality and impact. The area contains 141 residential structures, of which 140 are single-family units. The target area for the proposed program contains 4.9% of Creston's total single-family housing stock. The size of the target area is based on the area of greatest need in this neighborhood while making it adequately sized to ensure enough owner-occupied units could be rehabilitated in a two-year timeframe. The following table shows the specific results of the survey for single-family units only.

**Illustration 32: Creston Target Area Housing Conditions Survey**

Rating/Description	Number of Structures	Percent of Total Stock	Percent of Single-Family Units	Percent of Structures by Rating in Target Area Compared to Entire City
1 Good to Excellent	4	2.8%	2.9%	0.9%
2 Fair to Good	44	31.2%	31.4%	3.9%
3 Deteriorated to fair	52	36.9%	37.1%	7.5%
<b>4 Severely deteriorated</b>	<b>31</b>	<b>22.0%</b>	<b>22.1%</b>	<b>9.1%</b>
5 Dilapidated – occupied	6	4.3%	4.3%	10.2%

6 Dilapidated – abandoned	3	2.1%	2.1%	25.0%
Total Rated Units	140	99.3%	100.0%	5.2%
Manufactured Homes	0	0.0%	--	0.0
Group Quarters of all types	1	0.7%	--	7.1%
Totals	141	100.0%	--	4.9%













Note that in the target area 4 units were noted by signs as “for sale” or “sold,” 0 units were under construction, 0 were recently demolished, and 8 were clearly vacant, no matter the condition.

**Key Features of the Community and Target Area**

Creston is a vital regional center with the largest city population of the entire 8-county region. The city is home to a regional medical center and plaza, the main campus of Southwestern Community College, numerous regional government agencies and non-profit organizations, and six major manufacturers. Creston is by far the single largest source of employment with over 1,000 year round manufacturing jobs, 1,500 service and professional jobs, and nearly 1,000 retail and wholesale jobs. The community has a net in-migration to work of about 1.6:1. Creston has dozens of proactive community organizations and a strong local development and chamber of commerce organization. Recent sewer, recreation, street, and highway projects have brought about a stronger vitality to the area. Three major senior housing projects have been built in the past four years, and a hospice facility is now nearly completed.

Wages range to all scales, but most workers and small business owners in the community earn low and moderate incomes; typically it takes two wage earners to get above the LMI boundary. In order to attract better paying jobs and to help keep progressive companies, those with higher paying jobs and investments, it is important to provide a high quality of life. The lower prices of homes in the community, along with strong regional amenities, good local recreation options, and school choices make Creston an excellent choice for helping stabilize south central and southwest Iowa. However, in many neighborhoods (roughly 50% of the city), housing conditions and values are poor and have not grown with the national and state trend. Much of this is due to landlords that do not maintain property. However, in some neighborhoods, numerous homeowners also cannot afford to maintain their homes.

The area selected (northeast of Uptown Creston) has the following characteristics as to why the Creston Housing Rehab Committee chose this area:

-  The committee unanimously viewed this neighborhood to be the most blighted of the four alternatives presented.
-  The area has not been targeted for rehabilitation since the 1993 CDBG program.
-  The area has shown good interest but lack of match money for other programs available, such as SICO’s Emergency Home Repair Program.
-  The area is part of the City’s current sewer upgrade project starting this year and continuing into the next few years. An LMI survey is necessary for that project.
-  The committee suspects the percentage of LMI persons in this area is very high.
-  Street improvements have occurred in recent years.
-  This area is adjacent to the uptown area, which is undergoing a notable revitalization effort.
-  Several homes that should be demolished are located in this area. Some homes are targeted by the City’s dangerous and abandoned building ordinance enforcement. Providing investment in surrounding homes may help catapult this effort.
-  The neighborhood is located in an area that is part of the north and east entrance into the community. Beautifying this area will improve the first impression of those that come into Creston.
-  Both Habitat for Humanity homes that have been built to date are in this area.
-  One historic former school building is located adjacent to this area.
-  Lead paint is suspected to be very common, as most of the homes are at least 100 years old.

The target area was surveyed using an approved method of CDBG LMI survey process. The survey process included questions for all residents in the area, owners and renters, using a door-to-door method. The purpose of the survey was to determine the level of interest and eligibility for CDBG and other

rehabilitation programs. The survey was provided to all 115 households (occupied housing units), of which 98 households responded (85.22%). The LMI percentage of *persons* of the surveyed households is 73.97%. Based on this mean household size in Creston, 2.20, we project that the target area has 253 persons, of which 187 persons are LMI. These persons include single-family owners and renters and occupants in a 3-unit housing structure. Considering the level of rehabilitation need, the percentage of renters versus owners, and the percentage of single-family homes, many of the LMI persons in the target area are likely strong candidates for housing rehabilitation.

### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

In the Creston Target Area, there is identified need for the substantial rehabilitation of 31 single-family structures, which is just over 22% of the 140 single-family structures in the area. The proposed 8-home CDBG rehabilitation request will meet 25.8% of the total need. The committee recognizes that many of the single-family homes in this area are not owner-occupied. In fact, the committee created this area with the suspicion that up to 50% of the single-family homes are rented or purchased on contract, and the area may be too small. With this being stated, the committee acknowledges that a very targeted project would be best; if the area needs to be expanded in the future, so be it.

In general this target area is showing much distress, not just in housing but also in overall beautification and economic vitality. However, with the mixture of residential, commercial, industrial, institutional, and transportation assets in the immediate area, it is important that investment is targeted in the northeast neighborhood. Existing programs, because they are too limited in scope and funding, will not adequately meet local needs without the CDBG program. Therefore, a targeted rehabilitation program affecting 8 owner-occupied homes, along with other incentives that can be targeted to the area, will bring about an overall revitalization of this neighborhood.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact (in and adjacent to target area)**

The following organizations have been involved in housing-related projects in the past few years. This discussion is not inclusive but provides information on known major efforts.

The City of Creston has lead a major housing and property enforcement effort in the past few years. This effort includes semi-annual area clean-up days, donation of staff and equipment to help with neighborhood projects, and code enforcement. In 2005, the City hired a nuisance officer. In that time, the nuisance officer and the fire chief have teamed to identify both occupied and vacant dilapidated properties, meet with city elected officials, and proceed with enforcement actions. Since that time, dozens of owners have been targeted (prosecuted as needed), several homes have been demolished, and some have been rehabilitated. As of August 2008, the City of Creston had 5 homes under enforcement actions in the court system. Using the Iowa Code's abandoned building provisions, properties are conveyed with clear title at a cost of about \$10,000 to the City of Creston. Since lots in most infill areas of Creston sell for about \$1,500, the City invests \$8,500 each time that is not recovered. This effort would be more successful if funds were available. In the next Fiscal Year, the City is anticipating budgeting some funds to accelerate this program. The City wishes to have a formal structure and database of properties considered for enforcement and other actions.

The City of Creston in 2007 initiated a "bare wood" ordinance, which is now in effect. The purpose of the ordinance is to target those with deteriorated buildings to either have them repaired and repainted or new siding installed. In order to inform the public of the ordinance and give residence a chance to make repairs before the enforcement began, the City and the Creston Chamber teamed up to notify owners and occupants and provided inexpensive or free paint.

In the past few years, the City of Creston has been meeting to discuss and plan other housing issues. In 2005, the City collaborated with landlords and the Creston Chamber of Commerce to address poor rental property conditions. The plan was to initiate a rental occupancy inspection program. This was tabled due to opposition at the time but, with this housing committee's recent work, the issue is likely to be

brought back up in a way that addresses the concerns of responsible landlords. Other municipalities with similar programs are being sought for counsel. Further, there are interested parties recommending that the City reinstate the residential tax abatement program, perhaps in a modified form.

The City of Creston is currently doing sewer repairs in the east part of Creston and plans a major sewer project affecting the target area. Because of this, the City has completed an LMI survey of this area, showing high LMI figures. It makes sense to tie the sewer and housing improvement projects together.

The Creston Chamber of Commerce has collaborated with the City of Creston in its enforcement and promotion efforts. The Chamber helped organize the cleanup projects and the 2007 paint-a-thon project in which paint was donated from local businesses and the Paint Iowa Beautiful program to five owners. Volunteers from the community helped low-income owners and renters paint two of the homes. The Chamber also sponsors the annual Clean Sweep Days.

The Chamber Image Enhancement Committee meets monthly to discuss community beautification issues. This committee has had many accomplishments. Specifically, the committee has helped with the following other housing and community beautification projects: 1) city-wide commercial loan program for building improvements, 2) Hi-Five program for friendly businesspeople, 3) junk car ordinance, 4) the Yard (and Areas) of the Month honors program, 5) property mowing efforts, 6) Gold Star business honor for good property appearance, 7) improved parking, garbage facilities, and street cleaning for renters and businesses in the uptown, 8) installation of 3 City welcome signs, 9) the recent Trees Forever project (planting of dozens of trees along major thoroughfares), 10) flower pot and community banner installation projects all over town, 11) updating the City's Christmas decorations, and 12) supporting other civic beautification projects as requested. Currently, the committee is working with Alliant Energy to develop what is called the "1<sup>st</sup> Impressions Program" and is assisting with the potential housing development of the former Iowana Hotel.


The Union County Development Corporation (UCDA) hired SICO to develop a housing assessment of the entire county in 2004-05. The assessment included data related to housing, economic development, and community programs and was adopted by local governments. The committee has assisted in other housing projects and economic development efforts affecting housing, including in uptown Creston and the target area. Further, the UCDA staff has completed an internal study of housing needing rehabilitation or removal based on the 2005 housing assessment and has provided information to owners and the city. The UCDA also financially sponsors the SWCC student tech program home construction each year. Finally, UCDA assists with enterprise zones for developers at no cost. More recently, the USDA has discussed a future housing development site due to the nearly fully developed status of the James Addition.

Habitat for Humanity of Union County provides low-cost new construction to low-income residents living in poverty housing. Both homes built to date are in the target area. The third lot is two blocks west. The Appalachian Service Project assists with minor rehabilitation projects in the community.

Other planned and underway major civic projects that affect the community and the target area include: 1) McKinley Park and Hurley Creek restoration project (\$5 million), 2) Summit Lake restoration (\$7 million), 3) Green Valley Lake Park restoration (\$5 million), 4) tennis courts replacement and development (\$100,000), and 5) the proposed Iowana Hotel Apartments adaptive reuse project (\$4.5 million). Creston's sewer improvement project is currently focused near the target area. All these projects are located within the target area to within 3 miles of the site. Another project, while on hold until the DOT approves funding for the project, is the Uptown railroad quiet zone project (\$1 million).

The following financial programs are locally available to homeowners in the target area needing rehabilitation:

-  Assistance from SICO, MATURA, and USDA (grants and low-interest loans)
-  Potentially Habitat for Humanity and Appalachian Service Project assistance with minor rehab











 UCDA/SWCC Building Trades rehab or infill construction investment

**Analysis and Approved Recommendations**

Creston is a strong candidate for a successful CDBG rehabilitation program. In the past 8 years since the 2000 Census, dozens of homes have been assisted with public funding programs, as previously detailed. These investments show strong need and interest communitywide for home improvements. However, only the CDBG program provides enough funding to meet the needs for many LMI households that have extensive needs. Because of Creston's size and rehab need, a small target area is needed including no more than about 10% of the housing stock. The committee has approved a viable target area where need is great and where 8 homes could be rehabilitated using CDBG funds in 2 years.

The committee discussed at three meetings in August and September 2008 the great need and importance of local law and code enforcement as it pertains to neighborhood vitality. It was proposed that the committee would step up work with the UCDA full board and the City of Creston to ensure that housing efforts starting in the older part of town would be advanced and continued. The committee also talked about bringing other partners on board and held a meeting on August 13, 2008, to look at associated housing efforts, in particular how to engage these organizations in implementing such efforts. Groups invited include the Homebuilders Association, Realtor group, Habitat for Humanity, Ministerial Association, and others.

The rehabilitation committee agreed upon ten (10) rehabilitation recommendations that will have at least some affect on the northeast neighborhood:

-  Re-initiate discussions of the need for and impact of a rental building inspection program;
-  As sewer improvements are done throughout the city over the next ten years, target the same areas for LMI surveys, using the EAST group or other community organization, to ascertain housing needs and demographic information;
-  Develop a housing service provider directory and market to community;
-  Initiate a weekly or monthly Housing Committee newspaper column to educate the public on programs, resources, and issues and to encourage rehabilitation/maintenance;
-  Continue to pursue the CDBG grant for this neighborhood;
-  Engage the following groups and others to become more involved in local rehab: SWCC/UCDA tech building program, Habitat for Humanity, Appalachian Service Project, SW Iowa Homebuilders Association, and the EAST youth group;
-  Continue to collaborate with the City and to help the City with nuisance, dangerous, and abandoned buildings enforcement and with local cleanup day programs. Initiate a good database of properties targeted. In 2009 and beyond, budget up to \$50,000 per year for demolition efforts;
-  Re-initiate some form of modified infill housing tax abatement programs;
-  Continue to support housing enterprise zones and TIF areas for rehabilitation and new construction projects, as relevant;
-  Support the Iowana redevelopment project and, as relevant, the SICO Housing Trust Fund.

The rehabilitation committee states its goal is more than just rehabilitating properties. The committee sees the best benefit in finding the means to sustain the actions so that neighborhoods are improved over the long-term. Preventing future decline is also important.

**Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented thoughtfully over the next 2 years, an estimated 50% of the substandard properties in the target area should be impacted.

**Creston's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**

The City of Creston has adequate staff to oversee some elements of a major rehabilitation project but would be best served to hire a third-party administrator, such as SICO, with experience in federal grants management and with a housing rehabilitation specialist on staff. The City's Building

Department could provide key assistance in the implementation process by assisting with zoning compliance, providing inspections of updated plumbing and electrical, and by viewing specs. Creston has the local policies and permitting processes in place to maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes. Creston has a strong relationship with civic organizations, the Housing Rehabilitation Committee, and SICO to ensure that homes are rehabilitated correctly, meeting all local and state requirements and standards.






Creston’s City Council has an active Finance Committee that handles financial decisions and brings them to the full council. This works well to allow good discussion on housing issues. Right now the major financial issues are sewers and street repair needs, exacerbated by 2007 severe cold and ice and 2008 flooding. These improvements will require over \$10 million in total investment over the next few years in certain parts of the town. According to the state of Iowa, Creston in 2007 had an outstanding debt amount of \$4,666,406, leaving some room for more debt, which the sewer and street improvements will soon require. The tax base in areas, such as the target area, is too small to support much of the proposed very necessary infrastructure projects. However, the City continues to invest over \$100,000 per year in housing each year in the abatement programs, law enforcement, UCDA office funding, and matching funding for rental and owner projects. The City recently expended funds to purchase land for a new affordable housing development and will soon invest extensively to help the rehabilitation of the former Iowana Hotel. Finally, the city will have limited funding to place in the proposed dilapidated property demolition program.

The existing housing committee, appointed for this project, is closely aligned with the pre-existing UCDA Housing Committee. The members are dedicated and very knowledgeable about housing issues, so it should be seamless to transition from grant application to implementation to reapplication.

**D. DEXTER (ASSOCIATE MEMBER, DALLAS COUNTY)**

**Dexter Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Dexter Housing Rehabilitation Committee:

-  Denise Miller, City Clerk
-  Jerry Clark, Planning and Zoning Administrator, contractor
-  Janet Porter, Planning and Zoning Commission member, works at Wells Fargo
-  Luke Brown, Planning and Zoning Commission member, engineer
-  Tim Garwood, Planning and Zoning Commission member, repairman

**Vital Statistics for Dexter**

*Illustration 33* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Dexter. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 33: Dexter Vital Housing Statistics**

Criteria	Dexter	State of Iowa
Population in 1990	628	2,776,755
Population in 2000	689	2,926,324
Latest Estimated Population	784	2,988,046
Percent Change (2000-06/07)	13.8%	2.1%
Number/Percent Aged 0-5	52 / 7.5%	188,413 / 6.4%
Number/Percent Aged 65+	106 / 15.4%	436,213 / 14.9%
2000 Mean Household Size	2.66 persons	2.46 persons
Total Housing Units	270	1,232,511
Total Occupied Units	259	1,149,276
Homeowner Vacancy Rate	2.3%	1.7%
Owner-occupied Units	217	831,419
Average Household Size for Owner-occupied Units	2.69	2.57
Percent of Units that are Owner-occupied	83.8%	72.3%

Percent of units built since 1990	5.9%	12.9%
Percent of units built before 1978 *	90.1%	76.3%
Percent of units built before 1940	62.0%	32.1%
Median Year Built	1940-	1958
Single-family Stick-built Units/% of Total Units	240 / 92.3%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$77,100	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	58.4% / \$730	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	41.6% / \$269	24.2% / \$268
Median Housing Costs as a Percentage of Income	15.7%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	9 / 4.9%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	15 / 8.1%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$39,375 / 54.9%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$42,292 / \$46,451	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	342	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	4.6%, 6.2%, 7.8%, 4.3%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	1.4	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$120,000	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$84,000	\$128,842
Recorded home sales in 2007	14 homes; 16 sales	---
Recorded home sales mean price in 2007	\$96,962.50	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Dallas County Assessor, 8/08

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

Dexter’s location close to Des Moines and I-80 make it very likely that the housing prices and costs will continue to grow and the demand for new housing will remain steady or grow. In 2003-04 a major developer came to town to work on a new subdivision east of the city. Land was annexed to accommodate this development and the development of industry and commercial along I-80 Exit 100. This development has not materialized but is ready for infrastructure to support housing and commerce. This being said, it is absolutely vital that Dexter maintain its housing stock as a means to attract outside investment and to retain affordable decent homes for existing residents. LMI residents in the city cannot afford to find replacement new or newer homes.

The Dallas County Assessor has provided 2007 sales data for Dexter. In 2007, there were 16 residential sales involving 14 housing structures (2 homes sold twice). The average price of all 16 sales was \$96,962.50 with a range of prices from \$2,000 (a dilapidated mobile home) to \$210,000. Only 1 sale was for less than \$50,000 and 8 were for over \$100,000. Dexter’s housing prices are quite high, especially compared to the size and inherent value of the construction. In other words, the homes are valued and priced so high due largely to their location and not their actual materials and labor value. This is reflective in part due to the average sales price being 20% higher than the assessed value for the properties. Note that the average land assessed value was \$16,100 for the 14 properties in consideration.

Heather MacDonald, in her statewide housing study, depicts Dexter as a “stable growing” housing market community, with steady growth potential and generally moderate market inflation. Dexter’s housing market is dependent heavily on regional economic and migration trends but little on national economic, financial, and migration trends. Because of this, the risk to this market is moderate but not severe, as the relatively lower (compared to West Des Moines and Adel, for example) housing costs allow for growth even in a retreating national housing finance market.

### Housing Conditions Survey and Results

The housing conditions survey was completed on August 25, 2008, using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

### Illustration 34: Dexter Housing Conditions Survey

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	39	14.7%	15.2%
2 Fair to Good	104	39.1%	40.5%
3 Deteriorated to fair	75	28.2%	29.2%
4 Severely deteriorated	35	13.2%	13.6%
5 Dilapidated – occupied	2	0.8%	0.8%
6 Dilapidated – abandoned	2	0.8%	0.8%
Total Rated Structures	257	96.6%	100%
Manufactured Homes	7	2.6%	--
Group Quarters of all types	2	0.8%	--
Total Structures	266	100.0%	--

Note that 10 single-family homes and 1 lot were noted by signs as “for sale” or “sold,” 0 units were under construction, 0 were obviously recently demolished, and 4 were clearly vacant, regardless of condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 35: Dexter Targeting Assessment**

Criteria	Suggested for Dexter	Dexter’s Results
Minimum population	1,000	689
Minimum number of single-family units	250	240 in Census; 257 in survey
Concentration of need in certain areas	Certain areas have much greater need	Not necessarily; reasonably spread throughout the city
Less than desired LMI level in jurisdiction	51.0%	54.9%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>0.5 of 5 criteria met</b>	<b>No target area suggested</b>

The entire community is generally in need of housing investment and the town is small enough that a target area would not provide an advantage or adequately increase targeting for maximum impact.

**Survey Results of Target Area**

Since there is no target area, citywide data is being used only.

**Key Features of the Community**

Dexter is a growing yet relatively low-income community approximately 20 miles west of the western suburbs of Des Moines. Dexter has an excellent base of small businesses, a quality revitalized main street area, annexed area for housing and industry, and excellent rail and interstate highway location. Many people that live in Dexter have families with small children and many work and socialize in Des Moines. Yet, Dexter has a small-town charm, including local industry and agribusiness, and cultural/recreational activities. The population of Dexter continues to grow.

**Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

The total number of structures to be within extensive need range is 35 at this time. The Dexter Housing Rehabilitation Committee did their own survey and found approximately similar results. A rehab program targeting 5 homes is intended for Dexter, based on feasible timeframe for rehab and local committee support. Using the original SICO assessment, this would meet 14.3% of the rehab need. Because an estimated 90% of single-family homes are owner-occupied, it is anticipated that 32 of the 35 homes with extensive need are owner-occupied. Assuming that none of these are owned on a contract (which is not likely), the percentage of need met simply by a CDBG program would be 15.6%.

Existing programs do not have the capacity to meet most of this need. The only other program that is available at this time for general rehab purposes is the Dallas County Housing Trust Fund rehab grant,

which is limited to \$5,000 per structure. Such funds would help extend the impact of the CDBG funding, by helping fund more homes or greater investment in the 5 homes, but cannot replace it.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Dexter has several underway and recent activities that the rehab committee discussed as having an effect on housing (status in parentheses):

- ☞ The City of Dexter has collaborated with the Community House Board to restore the historic Community House (nearly completed);
- ☞ In 1998-2001, the City updated its zoning and subdivision regulations;
- ☞ In 2006-2007, the City invested in a major park renovation and outdoor wellness program;
- ☞ The City continues to provide sewer, streets, and water services at low cost to developers and owners who will build new affordable housing using an aggressive TIF program;
- ☞ The City receives \$1,000 per year from Trees Forever to support a greening of the community;
- ☞ Private individuals are cooperating with City officials to rehabilitate homes nearing the nuisance and dangerous building process, with 2 partnerships underway at this time;
- ☞ A new business park and rail spur has been developed just east of Dexter near I-80 Exit 100 and the railroad. This park is proposed to include an ethanol plant and possible industry requiring both highway and rail access (project underway);
- ☞ A major bond was passed recently to fund a new major school building for the district a few miles west of Dexter. The new investment should help the community attract more young families to the community (project soon underway);
- ☞ The Dexter Elementary School was recently remodeled to meet growing needs.

Dexter has programs to support housing development and rehabilitation:

- ☞ Using TIF funds for infrastructure in the area (limited LMI set-aside at this time);
- ☞ A tall grass ordinance is in effect: if home is in foreclosure or is abandoned, one notice is given then the property is mowed and owner is billed;
- ☞ Nuisance program in effect; however, despite ongoing effort to target homes, no properties are undergoing litigation. Most people comply with city nuisance efforts, but some have fought City.

### **Analysis and Approved Recommendations**

The Dexter Housing Rehabilitation Committee has set five (5) goals for the coming two years related to housing rehabilitation:

- ☞ Apply for and receive funds from CDBG and help owners apply for Dallas County HTF grants to rehab homes over two years;
- ☞ Step up efforts and funding to acquire or force owners to demolish unsafe homes;
- ☞ Apply for a Keep Iowa Beautiful Paint grant in February 2009 to help low-income persons paint their homes and help their neighbors with painting (5 to 10 homes);
- ☞ Have all abatements currently underway completed and, if possible, be done with nuisance and dangerous building abatements for years to come;
- ☞ Implement a Safe Routes to Schools program (recently applied) to improve sidewalks in Dexter.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented in the target area in the next two years, an estimated 30% of the substandard properties will be impacted directly

### **Dexter's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation program**






Dexter is not in the position to take on and handle a major rehab program of the scope of CDBG. The City would be well served to procure the services of a qualified third-party administrator, such as SICO, to do all facets of the program. The community has the strong support and expertise of the Housing Committee to serve in the advisory role. Local programs available and growing population of the town should help to ensure that improvements add lasting value to the properties in the community.

Dexter has limited bonding capacity (currently the State of Iowa indicates in 2007 Dexter had \$1,819,767 in obligations) and limited TIF LMI reserves to make a significant contribution to a rehabilitation program at this time. CDBG funding along with all available TIF funds would be necessary for a successful project.

**E. FONTANELLE (ADAIR COUNTY)**

**Fontanelle Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Fontanelle Housing Rehabilitation Committee:

-  Susan Newton, city clerk
-  Lisa Sickles, previous CDBG Housing Fund rehab recipient
-  Ron Reed, council member
-  Rod Dukes, contractor
-  Brooke Welsch, previous CDBG Housing Fund rehab recipient

**Vital Statistics for Fontanelle**

Illustration 36 contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Fontanelle. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 36: Fontanelle Vital Housing Statistics**

Criteria	Fontanelle	State of Iowa
Population in 1990	712	2,776,755
Population in 2000	692	2,926,324
Latest Estimated Population	652	2,988,046
Percent Change (2000-06/07)	-5.8%	2.1%
Number/Percent Aged 0-5	35 / 5.1%	188,413 / 6.4%
Number/Percent Aged 65+	237 / 34.2%	436,213 / 14.9%
2000 Mean Household Size	2.11 persons	2.46 persons
Total Housing Units	328	1,232,511
Total Occupied Units	305	1,149,276
Homeowner Vacancy Rate	1.6%	1.7%
Owner-occupied Units	248	831,419
Average Household Size for Owner-occupied Units	2.20	2.57
Percent of Units that are Owner-occupied	81.3%	72.3%
Percent of units built since 1990	7.6%	12.9%
Percent of units built before 1978 *	84.5%	76.3%
Percent of units built before 1940	43.6%	32.1%
Median Year Built	1945	1958
Single-family Stick-built Units / % of Total Units	277 / 83.9%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$47,300	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	42.4% / \$517	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	57.6% / \$196	24.2% / \$268
Median Housing Costs as a Percentage of Income	12.5%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	7 / 3.1%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	26 / 11.6%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDIED)	\$31,328 / 42.1%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$32,321 / \$37,387	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	736	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	5.8%, 10.7%, 4.8%, 3.6%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	2.7	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$226,438	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$83,425	\$128,842
Recorded home sales in 2007	16	---
Recorded home sales mean price in 2007	\$38,796	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008  
 \* Percent of homes likely to have moderate to severe lead paint hazards  
 -- Data not provided or incalculable

**Local Market Activity Data**

Fontanelle has an active housing market with slow but upward price pressures and a solid performance of home sales (90 to 120 days on the market on average). Homes are of a broad range of prices but mostly under \$100,000, styles, and sizes. While only 2 homes were for sale at the time of the housing conditions survey, it is noted that approximately 6 to 10 homes are transferred per year in the city. An average of 1 home is built per each two years in the city, typically a modest home along the fringes of the city. The newest homes are near the relatively new Summerset Estates senior living facility at the north edge of the city. Heather MacDonald, in her statewide housing study, depicts Fontanelle as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Fontanelle’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing.

The Adair County Assessor provided a list of homes sold in 2007. There were 16 homes sold that year, with a total value of \$689,970 and sales price of \$620,733. All 16 homes were sold with a deed and not a contract.

In 2007, the City of Fontanelle issued 3 building permits for garages, 3 for storage sheds, and 3 for decks and patios. There were no requests for tax abatements in 2007. Typically, the city receives a few requests for tax abatements in a given year. Through July 2008, the city has approved 1 building permit for a new home, 1 permit for a new garage, and 1 permit for major home rehabilitation.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 24, 2008, using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 37: Fontanelle Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	90	28.5%	31.0%
2 Fair to Good	120	38.0%	41.3%
3 Deteriorated to fair	54	17.1%	18.6%
<b>4 Severely deteriorated</b>	<b>13</b>	<b>4.1%</b>	<b>4.5%</b>
5 Dilapidated – occupied	6	1.9%	2.1%
6 Dilapidated – abandoned	7	2.2%	2.4%
Total Rated Units	290	91.8%	100.0%
Manufactured Homes	21	6.6%	--
Group Quarters of all types	5	1.6%	--
Totals	316	100.0%	--

The visual observation showed 2 units as “for sale” or “sold,” 0 units under construction, 0 units recently demolished, and 7 units clearly vacant, no matter the condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 38: Fontanelle Targeting Assessment**

Criteria	Suggested for Fontanelle	Fontanelle’s Results
Minimum population	1,000	692
Minimum number of single-family units	250	277 in Census; 281 in survey
Concentration of need in certain areas	Certain areas have much greater need	Moderate concentration to north and east showing greater need

Less than desired LMI level in jurisdiction	51.0%	42.1%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>3 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 39: Fontanelle Target Area Size/Location Assessment**

Criteria	Suggested for Fontanelle	Fontanelle’s Results
Actual LMI level of target area	51.0% minimum; 60% desired	57.52%
Local housing committee approval	Yes	Yes, on August 11, 2008
Number of single-family units in area per unit to be rehabilitated	25 to 30	176 single-family units in area; 6 units rehabbed; ratio of 29.3:1
Percent of single-family units in area with significant rehab need	>30%	6.3%
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD efforts, existing districts	Target area is the greatest concentration of housing in the community and includes most the visible housing stock; city park; city hall; adjacent is the school and senior housing

Based on the population of Fontanelle, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Fontanelle have a target area where a City rehabilitation program will take place. The target area would best target housing need by a) meeting the needs where the greatest concentration of single-family units in need of rehab exists, b) focusing where we anticipate the lowest income population lives, and c) impacting an area with notable resources that are vital to the long-term success of the community. A target area containing approximately 150 to 180 single-family homes is suggested that includes the north and east 60% of the community; this area should be subject to an LMI survey of at least 80% response rate of all households.

**Survey Results of Target Area**

A target area was selected and approved by the Fontanelle Housing Rehabilitation Committee on August 11, 2008. The boundary of the target area is 1<sup>st</sup> Street on the west, Maple Street on the south, 8<sup>th</sup> and 9<sup>th</sup> Streets on the east, and Benton Street on the north. The area contains 188 residential structures, of which 176 are single-family structures. The following table shows the specific results of the survey for single-family units only. Including roughly 60% of the housing stock, the committee felt this area would be sufficient for survey and other work and need would be sufficient.

**Illustration 40: Fontanelle Target Area Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units	Percent of Structures by Rating in Target Area Compared to Entire City
1 Good to Excellent	48	25.5%	27.3%	53.3%
2 Fair to Good	68	36.2%	38.6%	56.7%
3 Deteriorated to fair	41	21.8%	23.3%	75.9%
<b>4 Severely deteriorated</b>	<b>11</b>	<b>5.9%</b>	<b>6.3%</b>	<b>84.6%</b>
5 Dilapidated – occupied	3	1.6%	1.8%	50.0%
6 Dilapidated – abandoned	5	2.7%	2.8%	71.4%
Total Rated Units	176	93.6%	100.0%	60.7%
Manufactured Homes	10	5.3%	--	47.6%
Group Quarters of all types	2	1.1%	--	40.0%
Totals	188	100.0%	--	59.5%

In the target area, the surveyors found 1 unit listed “for sale” or “sold,” 0 units under construction, no evidence of any recently demolished homes, and 5 clearly vacant homes in any condition.

**Key Features of the Community and Target Area**

For its small size, Fontanelle has a strong housing stock, with over 50% of its units in good sound condition. The community has strong local government leadership with proactive civic and economic

development groups. A local newspaper, bank, elementary school, nursing home, independent living facility, and grocer, along with other businesses, make Fontanelle reasonably sustainable despite being the fourth largest community in the small Adair County. People take pride in their properties despite generally low income levels and modest housing values. Despite being only 6 miles from Greenfield (2,100 persons), Fontanelle is not merely a bedroom community. It has over 100 quality health, service, agricultural, retail, and other jobs.

The target area for Fontanelle is selected by the Fontanelle Housing Rehabilitation Committee with consultation of SICO. The City Clerk, who has canvassed the town for past housing surveys, stated that the greatest reception and impact would be felt in the main concentration of the city. The target area contains the main shopping area, city hall, fire station, library (which is in the midst of a capital campaign), and the City Park. Not far from the target area is the middle school, newer housing, the nursing home, and the independent living facility. Generally, the target area has older housing with greater deterioration. Approximately half the homes in the target area are 100 years old or older.

An LMI survey consistent with CDBG requirements was completed in August and September 2008. The survey involved only the target area, using a door-to-door method. All the addresses in the area were targeted (194 total, including rental units). Of this, 167 addresses were occupied and were contacted. Of this, 136 (81.44%) households were successfully surveyed. The findings are as follows: 56 households with 130 persons were above the LMI limit and 80 households with 176 persons were below the LMI limit. The ratio is 57.22% below and 42.48% above. Of those that were contacted, 29 households indicated interest in applying for the rehabilitation grant.

#### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

Fontanelle's target area contains 176 single-family units, of which 11 are in need of "substantial rehabilitation." This represents 6.3% of the target area single-family housing stock. Additionally, 54 homes are in need of moderate rehabilitation and 8 are considered dilapidated. Certainly, the area has notable need for rehabilitation, even if not as high as other area communities. An advantage is that a 6-unit rehab program over 2 years will meet the need of 55% of the "substantial rehabilitation" if all funds are used on homes rated as such. It is likely only a few of the older homes in the target area are rental or purchased on contract.

Existing programs, because they are too limited in scope and funding, will not adequately meet local needs without the CDBG program.

#### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Although Fontanelle is a small community, it is investing funding and efforts into housing-related community development activities. Annually, in addition to providing a housing tax abatement program (100% abated for three years), the City sponsors a cleanup day every spring and nuisance abatements every year, as need arises. The City's key local housing partners at this time are First National Bank of Fontanelle and SICO, both investing heavily in housing efforts, with loans and sometimes grants.




Fontanelle has also worked hard to improve housing and economic conditions through other community development projects. The most notable current project is the fundraising for a library expansion, which will help improve the local quality of life for all ages. In the past few years, the City has invested extensively in a more reliable water supply and in the retention and expansion of the Fontanelle Good Samaritan Center. The latter project was a collaborative effort between the City and the nursing home, which is hoping to add an Alzheimer unit at some point.

Right now, the City puts limited funds into direct housing efforts. However, the City has shown willingness to invest in a projects when needed, including the previous housing rehabilitation project funded with CDBG monies about seven years ago.

### **Analysis and Approved Recommendations**

Fontanelle has a decent to good housing stock with some areas that simply need more investment in order to bring the entire community to standard. For this reason, and due to the good quality of life and business climate, Fontanelle would be an excellent candidate for CDBG funds for no more than 5 homes in a two-year period. The City Clerk reports, "Since the last rehab program, I have received numerous calls from surrounding residents about whether funds remain and how to apply." Fontanelle is one community where the past rehab program has generated notable interest in a new program, which should translate into success.

The committee has presented for this plan the following goals for implementation:

-  Develop a housing rehabilitation program with the funding from the City and CDBG;
-  Continue to promote and utilize program funding from SICO and other relevant sources;
-  Continue the use and expand participation in existing community programs.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented in the next two years, at least 50% of the substandard properties in the target area should be impacted.

### **Fontanelle's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**






Fontanelle has limited staffing resources for a housing rehabilitation program but has dedicated volunteers, elected officials, and a paid city clerk that can assist a third-party administrator in the design, marketing, and implementation of a strong program. Fontanelle has the local policies and permitting processes in place to maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes. However, the City does not have a building inspector and zoning. Fontanelle can largely overcome this fact because the town has a strong relationship with the Housing Rehabilitation Committee, and SICO to ensure that homes are rehabilitated correctly, meeting all local and state requirements and standards.

Fontanelle has invested in water and road projects recently and the town is undergoing a capital campaign for the public library. In this respect, the City has limited dollars that can be invested in housing rehabilitation projects. According to the state of Iowa, Fontanelle in 2007 had an outstanding debt amount of \$170,000, giving the city reasonable borrowing capacity, but the city is facing water and sewer upgrades in the coming years and has concerns over funding of solid waste handling. The tax base is solid but not large enough, with no major manufactures and large retailers, to support significant investments in the housing stock at this time. CDBG funds are essential to the success of a housing rehabilitation project.

## **F. KELLERTON (RINGGOLD COUNTY)**

### **Kellerton Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Kellerton Housing Rehabilitation Committee:

-  Judy Doolittle, city clerk
-  Jerri Worthington, housing manager
-  Deb Sickels, dietician
-  Danny Webb, lender
-  Kim Lilienthal, para-educator

### **Vital Statistics for Kellerton**

*Illustration 41* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Kellerton. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 41: Kellerton Vital Housing Statistics**

Criteria	Kellerton	State of Iowa
Population in 1990	314	2,776,755
Population in 2000	372	2,926,324
Latest Estimated Population	357	2,988,046
Percent Change (2000-06/07)	-4.0%	2.1%
Number/Percent Aged 0-5	30 / 8.1%	188,413 / 6.4%
Number/Percent Aged 65+	64 / 17.2%	436,213 / 14.9%
2000 Mean Household Size	2.45 persons	2.46 persons
Total Housing Units	169	1,232,511
Total Occupied Units	152	1,149,276
Homeowner Vacancy Rate	3.7%	1.7%
Owner-occupied Units	103	831,419
Average Household Size for Owner-occupied Units	2.56	2.57
Percent of Units that are Owner-occupied	67.8%	72.3%
Percent of units built since 1990	6.0%	12.9%
Percent of units built before 1978 *	81.8%	76.3%
Percent of units built before 1940	56.0%	32.1%
Median Year Built	1940-	1958
Single-family Stick-built Units / % of Total Units	124 / 74.3%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$25,600	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	54.4% / \$519	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	45.6% / \$193	24.2% / \$268
Median Housing Costs as a Percentage of Income	13.3%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	6 / 7.6%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	5 / 6.3%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$29,000 / 63.4%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$31,250 / \$31,392	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	891	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	20.6%, 27.0%, 29.3%, 14.9%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	---	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	---	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	---	\$128,842
Recorded home sales in 2007	4	---
Recorded home sales mean price in 2007	\$3,875	---

Sources: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Ringgold County Assessor, July 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

Kellerton has old, low-value homes with few construction investments and sales each year. In 2007, according to the Ringgold County Assessor, there were four residential sales with a total value \$15,500. Prices ranged from \$3,000 to \$6,000. Ironically, the only contract sale was the most expensive home. Homes sold had an average year built of 1907 and a first-floor surface area of approximately 900 SF. The housing rehab committee indicates that there are “more vacant homes in Kellerton now than has been the case for many years”. The committee states that most of the vacant homes are owned by one landlord that refuses to sell or rent.

The Ringgold County Assessor’s office was willing to send a list of residential properties valued in the most recent valuation of less than \$15,000. In Kellerton, that amounted to 17 homes, including 2 valued under \$10,000. The average land price for these properties, and likely most residential properties in Kellerton, was \$2,000. The housing rehabilitation committee indicates that most older and low-value homes are rental properties.

Kellerton does not have a building permit program, so new development, additional, and rehabilitation projects are not directly regulated. However, record is maintained by the City Clerk, which offers a 5-

year 100% tax abatement on qualified construction and rehabilitation. Kellerton currently has 10 residential properties in the abatement program dating back to 2004, with 3 of them approved in 2007.

Few new homes have been built in Kellerton for some time. Some persons have moved manufactured homes into the city, but most of them have been substandard. The housing rehabilitation committee indicates one or two persons move in very deteriorated manufactured homes, sometimes does basic repairs, places them on a foundation, and tries to sell them at exorbitant prices. Because of this, the City has discussed the implementation of zoning (or a more limited restricted residence district) and a building permit requirement. No homes are currently for sale.

Heather MacDonald, in her statewide housing study, depicts Kellerton as a “declining” housing market community, with very limited growth potential and generally no market inflation. Kellerton’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing. While the community is showing growth in population (from 1990 to 2000), the housing market has not generated new quality homes insistent with a higher housing classification.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 26, 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map

**Illustration 42: Kellerton Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	12	8.8%	9.8%
2 Fair to Good	24	17.6%	19.7%
3 Deteriorated to fair	16	11.8%	13.1%
4 Severely deteriorated	32	23.5%	26.2%
5 Dilapidated – occupied	32	23.5%	26.2%
6 Dilapidated – abandoned	6	4.4%	4.9%
Total Rated Units	122	89.7%	100.0%
Manufactured Homes	13	9.6%	--
Group Quarters of all types	1	0.7%	--
Totals	136	100.0%	--

The visual survey found 0 units listed “for sale” or “sold,” 0 units under construction, 1 recently demolished (burned down), and 10 were clearly vacant, no matter the conditions.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 43: Kellerton Targeting Assessment**

Criteria	Suggested for Kellerton	Kellerton’s Results
Minimum population	1,000	372
Minimum number of single-family units	250	124 in Census; 122 in survey
Concentration of need in certain areas	Certain areas have much greater need	No notable concentration
Less than desired LMI level in jurisdiction	51.0%	63.4%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>0 of 5 criteria met</b>	<b>No target area suggested</b>

The entire community is generally in need of housing investment and the town is small enough that a target area would not provide an advantage or adequately increase targeting for maximum impact.

**Survey Results of Target Area**

Since there is no target area, citywide data is being used only.

### **Key Features of the Community**

Kellerton is a small town with several key services, including small retail shops, a branch bank, and good infrastructure. The community has a good daycare facility, convenience store, and community gym and meeting hall. Volunteers are always found for community clean-ups and housing projects. Yet, Kellerton is a low-income community with limited housing values, limited housing development activities (private and public), and limited tax base. A rehabilitation program is needed simply to help keep the small community viable and secondarily to support the labor needs for employers in Mt. Ayr, Leon, and Lamoni.

### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**









Based on the recent housing conditions survey, the need for substantial rehabilitation in Kellerton is notable. Of the total stick-built single-family homes in Kellerton (122), 32 are currently rated as “severely deteriorated,” meaning the units have a level of rehabilitation need ranging from \$20,000 to \$40,000, including lead paint hazard reduction costs (26.2% of single-family structures). In this way, a very high percentage of the units in Kellerton are in need. Although a small percentage exists, 29.5%, some areas of town have quality homes rated “fair” or better. Just over 31% of the units (38) are dilapidated, with 26.2% (32) being still occupied. These owners may also be interested in rehabilitation, but it is likely the homes would be deemed “beyond repair” during a formal inspection.

A reasonable rehabilitation program would involve 5 “severely deteriorated” homes or 15.6% of the total homes in that condition category. Because we suspect that 50% of such homes are rented or purchased on contract, a 5-unit project would impact at least 30% of the potentially eligible owner-occupied single-family housing stock need.

Existing programs could meet some of the needs, but not nearly all of them. Kellerton’s residents and local government agencies do not have resources to do more than a nominal portion of the projects. In fact, the need is so substantial for Kellerton, SICO would consider the situation critical at this point.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

The city clerk and housing rehabilitation committee discussed various community organizations and projects that have occurred in the past few years. Key projects have been as follows:









-  The City of Kellerton has collaborated with the Kellerton Fire Department to build a new community hall and fire station in 2004-05.
-  The City of Kellerton has had formal cleanup days in the past. They still contract with a small business that comes down annually to collect appliances at low cost to residents and businesses.
-  The City of Kellerton in collaboration with other local leaders and business owners just a few years ago repainted main street businesses, playground equipment, and shelter houses.
-  The Kellerton Fire Department has done demonstration burns of dilapidated buildings over the years; regulations have limited this practices to fewer homes in the past few years.
-  Kellerton’s planning committee organizes the annual July 4<sup>th</sup> activities, including parades and fireworks, and manages the former school building, which is now used for public activities. The former school houses a small childcare facility, bus stop, open gym for youth year-round, and free wireless Internet. Hundreds of local persons and visitors use the building each year for recreation, programs, escaping the cold, and for rental activities, such as wedding receptions.
-  Kellerton Museum Committee has fundraisers each year involving dozens to hundreds of persons to support museum activities and collection maintenance.
-  Southern Iowa Park and Recreation provides park improvements and recreation opportunities in the area and has had fundraisers (fall bazaars) in Kellerton to support park improvements, raising thousands of dollars to support local parks.
-  The City of Kellerton in the past year has undergone training and has developed a system to target and prosecute nuisance violations, targeting tall grass and junk on property but also dangerous buildings. Funding, staff, and resources are limited to date.

The continued efforts in the above activities along with modest population growth since 2000 has made it even more imperative that housing rehabilitation move forward so that the community can support resulting economic development.

### **Analysis and Approved Recommendations**

The town of Kellerton desperately needs a comprehensive housing rehabilitation program. Since SICO met with the city council about this issue in November 2007, numerous homeowners have submitted CDBG housing pre-applications and applications for SICO's emergency repair program, just by the city clerk's word of mouth, with no formal advertising or promotion campaign. The committee agreed that a 5-unit program was warranted in 2008 to target those homes in the worst condition that are owner-occupants.

The committee has presented for this plan the following 8 goals for implementation:

-  Develop a housing rehabilitation program with the funding from the City and CDBG;
-  Continue the existing 5-year 100% tax abatement program;
-  One committee member has a son that is a youth leader in a church outside the area. The son has expressed interest in bringing the youth to town for a paint-a-thon and home repair "work camp," potentially in 2009. Accommodate this opportunity;
-  Work to greater accentuate the retirement community aspect and quality of life of Kellerton;
-  Work to provide more local employment and "mini-mart" type shopping alternatives for Kellerton;
-  Become more educated on nuisance issues and how to enforce them;
-  Re-convene to address substandard homes coming into the community and what options are available to reduce this impact;
-  Market existing programs and new programs to the public to maximize participation.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented conscientiously, an estimated 50% of the existing substandard properties may be impacted over the course of two years.

### **Kellerton's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**




Kellerton has limited staffing resources for a housing rehabilitation program but has dedicated volunteers, elected officials, and paid city clerk that can assist a third-party administrator in the design, marketing, and implementation of a strong program. Kellerton lacks the local policies and permitting processes in place to make maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes. However, Kellerton can largely overcome this fact because the town has a strong relationship with civic organizations, the Housing Rehabilitation Committee, and SICO to ensure that homes are rehabilitated correctly, meeting all local and state requirements and standards.



Kellerton does not have extensive building projects or capital campaigns, but according to the State of Iowa, in 2007 Kellerton has a total obligation amount of \$214,599.59. Further, the City has limited dollars in the general fund that can be invested in housing rehabilitation projects. The tax base is very limited, with neither manufactures nor large retailers, to support significant investments in the housing stock at this time. CDBG funds are essential to the success of a housing rehabilitation project.

## **G. LENOX (TAYLOR COUNTY)**

### **Lenox Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Lenox Housing Rehabilitation Committee:

-  Karen Zabel, city clerk
-  Brent Wise, Council Liaison
-  Deb Miller, lender

 C.B. Adams, business owner  
 Kirk O’Riley, fire chief

**Vital Statistics for Lenox**

*Illustration 44* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Lenox. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 44: Lenox Vital Housing Statistics**

Criteria	Lenox	State of Iowa
Population in 1990	1,303	2,776,755
Population in 2000	1,401	2,926,324
Latest Estimated Population	1,284	2,988,046
Percent Change (2000-06/07)	-8.4%	2.1%
Number/Percent Aged 0-5	89 / 6.4%	188,413 / 6.4%
Number/Percent Aged 65+	338 / 24.1%	436,213 / 14.9%
2000 Mean Household Size	2.33 persons	2.46 persons
Total Housing Units	623	1,232,511
Total Occupied Units	559	1,149,276
Homeowner Vacancy Rate	3.3%	1.7%
Owner-occupied Units	383	831,419
Average Household Size for Owner-occupied Units	2.29	2.57
Percent of Units that are Owner-occupied	68.5%	72.3%
Percent of units built since 1990	3.2%	12.9%
Percent of units built before 1978 *	90.5%	76.3%
Percent of units built before 1940	43.1%	32.1%
Median Year Built	1949	1958
Single-family Stick-built Units / % of Total Units	496 / 80.7%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$46,400	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	48.2% / \$575	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	51.8% / \$201	24.2% / \$268
Median Housing Costs as a Percentage of Income	14.1%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	8 / 2.4%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	21 / 6.3%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$29,958 / 50.9%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$33,800 / \$40,448	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	577	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	14.2%, 11.4%, 22.8%, 5.2%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	1.4	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$185,143	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$129,600	\$128,842
Recorded home sales in 2007	32	---
Recorded home sales mean price in 2007	\$29,382	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Taylor County Assessor, August 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

**Local Market Activity Data**

Lenox has a strong housing market with consistent and steady housing sales and construction activities since the 2000 Census. Housing stock counts, both rental and ownership, continue to grow by a few structures on average each year.

The Taylor County Assessor’s office provided sales data for 2007. There were 32 verifiable home sales in Lenox in 2007 ranging from \$1,000 to \$344,000, with an average price of \$39,382. Of those sales, 4 were \$15,000 or less, 5 were \$15,001 to \$25,000, 16 were from \$25,001 to \$50,000, and 4 were over \$100,000. The three homes ranging in price from \$130,000 to \$344,000 were located outside the infill area and along the fringes of the town. Housing prices in the approved target area are generally lower than in the entire city. Of the 32 sales, 20 occurred in 2007 in the target area. The mean price of these

homes is \$32,317.50. Compared to the entire city’s 7 homes that sold for over \$50,000, only 2 in the target area sold so well. Nine of the 10 homes selling for under \$30,000 are located in the target area.

Heather MacDonald, in her statewide housing study, depicts Lenox as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Lenox’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing. Lenox has in recent years shown the type of growth of a “stable growing” market and should likely be classified somewhere between “stagnant” and “growing”.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 24, 2008, using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 45: Lenox Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	173	31.5%	33.7%
2 Fair to Good	195	35.5%	38.0%
3 Deteriorated to fair	101	18.4%	19.7%
<b>4 Severely deteriorated</b>	<b>29</b>	<b>5.3%</b>	<b>5.7%</b>
5 Dilapidated – occupied	11	2.0%	2.1%
6 Dilapidated – abandoned	4	0.7%	0.8%
Total Rated Units	513	93.4%	100.0%
Manufactured Homes	23	4.2%	--
Group Quarters of all types	13	2.4%	--
Totals	549	100.0%	--

The survey found 8 units noted by signs as “for sale” or “sold,” 1 structure under construction, 0 recently demolished, and 5 clearly vacant, no matter their condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 46: Lenox Targeting Assessment**

Criteria	Suggested for Lenox	Lenox’s Results
Minimum population	1,000	1,303
Minimum number of single-family units	250	496 in Census; 513 in survey
Concentration of need in certain areas	Certain areas have much greater need	Strong concentration directly near downtown area and in the west and south parts of town
Less than desired LMI level in jurisdiction	51.0%	50.9%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>4 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 47: Lenox Target Area Size/Location Assessment**

Criteria	Suggested for Lenox	Lenox’s Results
Actual LMI level of target area	51.0% minimum; 60% desired	Unable to determine
Local housing committee approval	Yes	Yes, on August 20, 2008
Number of single-family units in area per unit to be rehabilitated	25 to 30	210 single-family units in area; 35 units per unit rehabilitated
Percent of single-family units in area with significant rehab need	>30%	11.0%
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD efforts, existing districts	Includes the main city park, city hall, some commercial enterprises, both major transportation routes, and area currently being sewered

		Adjacent to industrial area, downtown, schools, fire station, and the proposed new community center Several homes have been rehabilitated and/or demolished with CDBG and local development group funds in this area.
--	--	--

Based on the population of Lenox, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Lenox have a target area where a City rehabilitation project will take place. The target area would best target housing need by a) meeting the needs where the greatest concentration of single-family units in need of rehab exists, b) impacting areas where we anticipate the lowest income population lives, and c) impacting an area with notable resources that are vital to the long-term success of the community. A target area containing approximately 150 to 180 single-family homes is suggested that includes the west and south 40% of the community. Ultimately and area including 210 single-family homes was chosen.

**Survey Results of Target Area**

A target area was selected and approved by the housing committee for Lenox at a committee meeting August 20, 2008. The area contains 219 residential structures, of which 210 are single-family units. The following table shows the specific results of the survey for single-family units only. The target area, which is composed of two separate rectangles of area to the north and south of the main part of the city but not including the extremities of the community, contains 40.0% of the town’s housing stock and 41.1% of the town’s single-family stock.

**Illustration 48: Lenox Target Area Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units	Percent of Structures by Rating in Target Area Compared to Entire City
1 Good to Excellent	44	20.1%	21.0%	25.7%
2 Fair to Good	70	30.0%	33.3%	35.9%
3 Deteriorated to fair	62	28.3%	29.5%	61.4%
<b>4 Severely deteriorated</b>	<b>23</b>	<b>10.5%</b>	<b>11.0%</b>	<b>76.7%</b>
5 Dilapidated – occupied	9	4.1%	4.3%	90.0%
6 Dilapidated – abandoned	2	0.9%	1.0%	50.0%
Total Rated Units	210	95.9%	100.0%	41.1%
Manufactured Homes	4	1.8%	--	17.4%
Group Quarters of all types	5	2.3%	--	35.7%
Totals	219	100.0%	--	40.0%






The survey of the target area 5 units noted by signs as “for sale” or “sold,” 0 units under construction, 0 recently demolished, and 3 clearly vacant, no matter their condition.

**Key Features of the Community and Target Area**

Lenox is a vibrant small town with growing industry, strong local retail, and several quality service and professional offices. Lacking a county courthouse and major highways, the community still does very well due to visionary local leadership. Lenox boasts one of the best Christmas-time traditions, a vigorous development group and municipal utility, and a growing Hispanic population. Through efforts of the development organizations, the City, and the school, several homes have been built in the town since the year 2000, and older homes have been demolished to make way for new homes. Senior and low-income housing have been built via several public-private partnerships. With CDBG and other funds, some of the funds being local, dozens of homes have been rehabilitated to Section 8 standards, causing general neighborhood improvements. In 2004, Lenox built one of the few municipal utility wind turbines in the region, providing a good source of energy for the community. Several civic groups collaborate to help maintain and promote the main city park and pool, one of the nicest around, local

school facilities, community festivals, and the Main Street business district. Despite Lenox' general low-income, most homes and yards are maintained as well as possible. Lenox is a very clean place.

A target area composed of two sections, one on the north part of the city and one on the south part, is created to best target housing rehabilitation programs where need is generally greatest and impact is likely to be the greatest. The area was selected due to the following characteristics:

-  While the area has only 41.1% of the town's single-family homes, it contains 76.7% of the homes classified as "severely deteriorated."
-  The area contains or is close to the schools, proposed community center, parts of the commercial areas, access to the main traveled roads and streets, and the city's parks.
-  The area contains the W. Van Buren sewer construction area, which is to undergo a sewer line extension in the next year, adding 8 homes to the city's sewer. This area will then be primed for infill housing development.
-  Based on the number of severely deteriorated homes in the city, 30, the size and location of the target area best meets the general community needs of neighborhood revitalization.
-  It is suspected that the residents in the area are generally low and moderate-income (well over 50% of the population) and are generally lower-income than the city on average.

The target area was surveyed using an approved method of CDBG LMI survey process. The survey process included questions for all residents in the area, owners and renters, using a door-to-door method. The purpose of the survey was to determine the level of interest and eligibility for CDBG and other rehabilitation programs. The survey was provided to all households and the area, including rental unit residents, but the City was unable to gain the necessary response rate to determine the target area's LMI percentage.

#### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

Of the 210 single-family homes located in the target area, an estimated 147 are owner-occupied (roughly 70%). In this area, 23 homes are identified as "severely deteriorated," meaning they are the best fits for a major rehabilitation project. A 6-unit project is proposed using major funds such as the CDBG program. This would impact 26% of the identified homes. The impact to the total need of owner-occupied single-family homes would be 6 of an estimated 16 (37.5%), assuming only "severely deteriorated" homes are rehabilitated.

#### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

According to the Lenox Housing Rehabilitation Committee members, the city has an abatement program where the City attempts to demolish properties but currently does not have the means to formally acquire them and does not have the budget to complete the numbers of projects desired. The City of Lenox partners with the Lenox Development Corporation and SICOG from time to time to implement housing projects, such as home repair assistance, first-time homebuyer assistance, and demolition projects. Further, in the early 2000s the community, via a City, County, Private venture, funded the construction of Vintage Park Apartments and Taylor Ridge Estates, which is housing for the frail elderly, handicapped, and other special needs populations. In 2008, the City's Low Rent Housing Board applied for SICOG Housing Trust Fund monies for a rental refinance and rehab project in order to keep rents low at the Low Rent Housing site.





#### **Analysis and Approved Recommendations**

The City Council met on June 24, 2008, and discussed various housing priorities, including housing rehabilitation, additional apartment buildings, and other options for low-income persons. This CDBG application is part of the effort to gain funding options for the full gamut of low-income housing needs clearly seen by local officials.

The City of Lenox is now discussing a potential partnership between the Lenox Development Corporation (LDC) and the Lenox Municipal Utilities (LMU) in which the newly formed committee

would take a lead role. While the details are not released, the City and the two initial parties would jointly fund several housing activities, potentially on an annual basis. A committee member during this discussion stated: “Major employers indicate there is no place to rent or own in Lenox.”

The committee members raised other projects and provided the following plan of recommended actions for further consideration:

-  Apply for CDBG funds in 2008 for a rehab program
-  Promote existing community programs and incentives, and consider reintroducing an employer-led housing assistance program
-  Promote SICO, USDA, and trust fund programs that are now available to Lenox from outside
-  Seek funds to demolish properties for infill housing sites and/or acquire land for a subdivision

**Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented, an estimated 25 to 50% of the substandard properties will be impacted in the target area by the end of 2010.

**Lenox’s Capabilities to Implement a comprehensive owner-occupied housing rehabilitation program**







Lenox has limited staffing resources for a housing rehabilitation program but has dedicated volunteers, elected officials, and a very knowledgeable paid city clerk that can assist a third-party administrator in the design, marketing, and implementation of a strong program. Lenox has had 3 CDBG-funded rehab programs already.

According to the state of Iowa, Lenox in 2007 had an outstanding debt amount of \$5,474,710.06, which is very near the maximum the city can borrow. For this reason, and due to the lack of TIF set-aside funds, the City cannot invest much tax dollars into a housing effort at this time.

**H. MOUNT AYR (RINGGOLD COUNTY)**

**Mount Ayr Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Mount Ayr Housing Rehabilitation Committee:

-  Mayor Don Solliday (advisory only)
-  Pam Poore, City Clerk
-  Ted Smith, local Realtor
-  Karen Bender, US Bank
-  Jean Johnson, Deputy County Assessor
-  Judy Hensley, ISU Extension Communities staff professional

**Vital Statistics for Mount Ayr**

*Illustration 49* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Mount Ayr. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 49: Mount Ayr Vital Housing Statistics**

Criteria	Mount Ayr	State of Iowa
Population in 1990	1,796	2,776,755
Population in 2000	1,822	2,926,324
Latest Estimated Population	1,777	2,988,046
Percent Change (2000-06/07)	-2.5%	2.1%
Number/Percent Aged 0-5	98 / 5.4%	188,413 / 6.4%
Number/Percent Aged 65+	562 / 30.8%	436,213 / 14.9%
2000 Mean Household Size	2.21 persons	2.46 persons
Total Housing Units	856	1,232,511
Total Occupied Units	780	1,149,276

Homeowner Vacancy Rate	3.5%	1.7%
Owner-occupied Units	552	831,419
Average Household Size for Owner-occupied Units	2.27	2.57
Percent of Units that are Owner-occupied	70.8%	72.3%
Percent of units built since 1990	7.2%	12.9%
Percent of units built before 1978 *	82.3%	76.3%
Percent of units built before 1940	37.3%	32.1%
Median Year Built	1951	1958
Single-family Stick-built Units / % of Total Units	674 / 78.6%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$52,300	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	48.2% / \$690	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	51.8% / \$244	24.2% / \$268
Median Housing Costs as a Percentage of Income	13.8%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	11 / 2.4%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	54 / 11.6%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$26,893 / 49.1%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$34,063 / \$39,486	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	635	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	13.1%, 16.1%, 14.5%, 8.3%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	3.7	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$429,571	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$115,654	\$128,842
Recorded home sales in 2007	59	---
Recorded home sales mean price in 2007	\$45,728.53	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Ringgold County Assessor, August 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

The housing market is active and reasonably strong in Mount Ayr, with good numbers of homes selling and some homes being built each year. The market characteristics are consistent with what is necessary for a successful owner-occupied rehabilitation program, one that will build upon the economic assets of the community and truly help a low-income neighborhood.

The Ringgold County Assessor provided data on home sales in 2007. There were 59 recorded single-family home sales, of which the mean selling price was \$47,163.66. One property sold twice in 2007. Of these 58 properties, one was a manufactured home and the remaining were stick-built. Thirty (30) of the sales in 2007 were for \$30,000 or less and 5 were for more than \$100,000. In the approved target area, there were 19 home sales involving 19 properties. The average sale price was \$33,638.58 (nearly \$14,000 less than the overall citywide level). The average age of homes sold in the target area is approximately 10 to 15 years older than the entire city's sales. Overall, while homes are selling at a good pace, according to a Realtor and committee member, homes sell in 60-90 days of listing. There are a good number of homes for sale at a given time, 20 currently compared to 53 a year ago. It appears that the selling prices are relatively low for the quality of the home; this may dampen demand for new construction and certain rehabilitation.

The Ringgold County Assessor's office provided a list of residential properties with a valuation of less than \$15,000. In 2007, there were 35 homes listed under \$15,000 and 53 homes assessed for between \$15,000 and \$25,000. There were 16 total residential properties, including home and lot values, at \$15,000 or less. The average lot price for most of the infill areas of town is about \$4,750. Higher values are expected along the fringes of the city, where lots are generally larger and homes are generally newer.

The City reported 15 approved building permits for new construction (1), rehabilitation or additions (6), or garages (8) in 2007. The total amount of improvement value, as estimated in the permits received was \$366,300. There were 14 tax abatements for new construction (3), rehabilitation or additions (8), or garages (3) in 2007. The total valuation of these improvements was \$454,378. The taxes forgiven

during the year 2007 for residential tax abatement was \$324,438, including projects approved in previous years.

Heather MacDonald, in her statewide housing study, depicts Mount Ayr as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Mount Ayr’s housing market is dependent more on local economic trends rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable. With the employment rebound and some new housing areas, it appears that the market may now be stronger than the statewide study indicates.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 26, 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 50: Mount Ayr Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	185	25.2%	27.3%
2 Fair to Good	123	16.8%	18.1%
3 Deteriorated to fair	177	24.1%	26.1%
<b>4 Severely deteriorated</b>	<b>125</b>	<b>17.0%</b>	<b>18.4%</b>
5 Dilapidated – occupied	58	7.9%	8.6%
6 Dilapidated – abandoned	10	1.4%	1.5%
Total Rated Units	678	92.3%	100.0%
Manufactured Homes	42	5.7%	--
Group Quarters of all types	14	1.9%	--
Totals	734	100.0%	--

The survey finds 20 units noted by signs as “for sale” or “sold,” 0 units under construction, 4 recently demolished (one burned down), and 15 clearly vacant, no matter the condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 51: Mount Ayr Targeting Assessment**

Criteria	Suggested for Mount Ayr	Mount Ayr’s Results
Minimum population	1,000	1,822
Minimum number of single-family units	250	674 in Census; 678 in survey
Concentration of need in certain areas	Certain areas have much greater need	Strong concentration directly near downtown area and in the north and east sections of town and on S. Webster St.
Less than desired LMI level in jurisdiction	51.0%	49.1%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>4 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 52: Mount Ayr Target Area Size/Location Assessment**

Criteria	Suggested for Mount Ayr	Mount Ayr’s Results
Actual LMI level of target area	51.0% minimum; 60% desired	60.36%
Local housing committee approval	Yes	Yes, preliminary July 17, 2008
Number of single-family units in area per unit to be rehabilitated	25 to 30	159 total single-family units; 26.5 single-family units per unit impacted
Percent of single-family units in area with significant rehab need	>30%	27.0%
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD	In target area: several businesses, historic homes, and low-value homes Within three blocks of target area:

	efforts, existing districts	elementary school, museum, daycare facility, Jr/Sr. high school, downtown, courthouse, major transportation route and highway businesses, cultural amenities, and athletic facilities
--	-----------------------------	---

Based on the population of Mount Ayr, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Mount Ayr have a target area where a City rehabilitation project will take place. The target area would best target housing need by a) meeting the needs where the greatest concentration of single-family units in need of rehab exists, b) impacting where we anticipate the lowest income population lives, c) and impacting an area with limited housing values. A target area containing approximately 160 single-family homes is suggested that includes the area near the downtown with at least some homes outside the current target area and is served by good roads, water, sewer, and other utilities. This area should be surveyed for pre-applications and LMI status.

**Survey Results of Target Area**

A target area was selected and approved by the housing committee for Mount Ayr on July 17, 2008. The target area is described as follows. Starting at West and South Streets, travel east 3 blocks to Pierce Street, follow Pierce Street north to Van Buren Street, follow Van Buren Street west one block to Webster Street, follow Webster Street north 2 blocks to Monroe Street, follow Monroe Street east 1 block to Pierce Street, follow Pierce Street north 1 block to Madison Street, follow Madison Street west 1 block to Webster Street, follow Webster Street north 1 block to Adams Street, and follow Adams Street 4 blocks east to Polk Street, which is on the other side of the central business district. From this intersection, follow Polk Street south 5 blocks to South Street, follow South Street east 6 blocks to Grant Street, follow Grant Street north 3 blocks to Monroe Street, follow Monroe Street west 1 block to Douglas Street, follow Douglas Street south 2 blocks to Van Buren Street, follow Van Buren Street west 3 blocks to Harrison Street, follow Harrison Street north 4 blocks to Adams Street, follow Adams Street east 1 block to Hayes Street, and follow Hayes Street north 1 block plus the first house north of Jefferson Street. This will allow coverage of both sides of Jefferson Street. Then go west 7 blocks on the line just north of Jefferson Street, to Webster Street, follow Webster Street north almost 1 block to Columbus Street, follow Columbus Street west 1 block to Cass Street, follow Cass Street south 1 block to Jefferson Street, follow Jefferson Street 1 block to West Street, and follow West Street south 1 block to Adams Street. Finish the boundary by following Adams Street east 1 block to Cass Street, then follow Cass Street south 2 blocks to Monroe Street, follow Monroe Street west to West Street, and finally follow West Street south to South Street. The target area covers roughly 37-40 blocks of primarily residential properties. Cut out of this area are three blocks or sections of blocks occupied by rental apartment properties.

The area contains 175 residential structures, of which 159 are single-family stick-built structures. The following table shows the results of this area. Note that the target area contains 23.8% of all structures and 23.5% of all single-family structures (159 of 678).

**Illustration 53: Mount Ayr Target Area Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units	Percent of Structures by Rating in Target Area Compared to Entire City
1 Good to Excellent	19	10.7%	11.9%	10.2%
2 Fair to Good	26	14.6%	16.3%	21.1%
3 Deteriorated to fair	41	23.0%	25.8%	23.2%
<b>4 Severely deteriorated</b>	<b>43</b>	<b>24.2%</b>	<b>27.0%</b>	<b>34.4%</b>
5 Dilapidated – occupied	27	15.2%	17.0%	46.6%
6 Dilapidated – abandoned	3	1.7%	1.9%	30.0%
Total Rated Units	159	89.3%	100.0%	23.5%
Manufactured Homes	16	9.0%	--	38.1%

Group Quarters of all types	0	0.0%	--	0.0%
Totals	175	100.0%	--	23.8%

The survey of the target area finds 5 units noted by signs as “for sale” or “sold,” 0 units under construction, 0 recently demolished, and 4 clearly vacant, no matter the condition. The income survey conducted by city officials found 10 units that were not occupied.

**Key Features of the Community and Target Area**

The community of Mount Ayr is a vibrant county seat town of Ringgold County, a rural low-income county with a stable county population. Mount Ayr has strong local community and economic development efforts. The downtown area has been undergoing a nearly \$3 million streetscape and building improvement project, including streets, lighting, historic preservation, cultural development, and courthouse improvement. The town has suffered the loss of two key employers in the past 3 years, but new manufacturers, supported by state CDBG set-aside funds and local RLFs, have moved into the empty buildings. One of those is a new wind turbine firm, which will help build the green energy economy in Iowa. The local school district and many community organizations have brought about many strong projects, including a locally-owned community hotel and conference center and several underway or planned capital projects. The local history museum located in the northern part of Mount Ayr continues to be upgraded and is a strong asset to the county, as is the Princess Theater in downtown. The annual Autumn in the Ayr community festival and other events draw in thousands the county, which is becoming a more notable tourist attraction. These projects, and others, make Mount Ayr a viable town despite the very low-income population in areas and small countywide population.

While few of the above features are directly located in the target area, the committee used specific criteria in selecting the area:

- ☛ The area includes the highest concentrations of homes with values of less than \$15,000, which the committee wants to target for rehabilitation first. The unorthodox shape of the target area is an attempt to target blocks with numerous homes meeting this goal.
- ☛ The area including a half block north of Jefferson Street from Webster to Hayes Streets is added because the homes are outside of the current 2006 program target area and are close to the low-value homes. Including this area allows a suspected LMI area to be targeted that was not included in the past target area.
- ☛ Most of the oldest homes in the city are included. The target area includes most of the original plat; many of the homes are pre-1900.
- ☛ The housing conditions survey found the need was great in this area despite past rehab projects.
- ☛ Schools, the central business district, museums, cultural activities, daycare facilities, and employment are located conveniently close to the target area (within three blocks in many cases).

The target area was surveyed using an approved method of CDBG LMI survey process. The survey process included questions for all residents in the area, owners and renters, using a door-to-door method. The purpose of the survey was to determine the level of interest and eligibility for CDBG and other rehabilitation programs. The survey was provided to all 165 households in 165 occupied units of the target area, of which 135 households responded (81.82%). The LMI percentage of *persons* of the surveyed households is 60.36%. Based on this mean household size of the community, 2.21, we project that the target area has 365 persons, of which 220 persons are LMI. These persons include not just owners but also renters. Considering the level of rehabilitation need in the target area, the percentage of renters versus owners, and the percentage of single-family homes versus other housing in the area, a housing rehabilitation project would have strong impact on the area’s housing stock.

**Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

In the Mount Ayr Target Area, there is identified need for the substantial rehabilitation of 43 single-family stick-built homes, which is 27% of the 159 homes in the target area. A proposed 5-home CDBG rehabilitation request will meet 11.6% of the total need. It is suggested that as much as 40% of the single-family homes are either rented or purchased on a contract, making them ineligible for

rehabilitation. This would mean that an estimated 26 of the 43 homes in need of substantial rehabilitation are likely eligible. The impact of a 5-unit program would be 19.2%. With such expansive needs, it is obvious that existing programs, because they are too limited in scope and funding, will not nearly meet local needs alone.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

The following paragraphs detail some existing programs and efforts that are ongoing or have recently occurred.

The City of Mount Ayr continues to remain engaged in numerous projects. In 2005 the City underwent a major sewer plant upgrade and now has compliant sewer throughout the city, except in one area (North Hayes and North Taylor) that is unsewered. A project to sewer this area is in the planning and funding stage. Mount Ayr has worked with the Ringgold County Chamber and Development office to plan and fund a major streetscape project at the uptown Square. This project, still in progress, has involved the investment by dozens of business owners, building owners, the City, the County, and non-profit cultural groups in the improvements to buildings, sidewalks, recreation facilities, and other developments, totaling well over \$2 million to date, including one CAT grant from the State of Iowa as well as other grants. The Square is part of a TIF development. The City's main investment will be sidewalk replacement, vintage light installation, and incorporating a new brick pathway from 2008-2011. A state-approved Cultural and Entertainment District status has been sought due to the location of several recently restored historic and cultural facilities in the area. The restored historic Princess Theatre has just reopened for local shows, major theatre entertainment, and movies. In 2007, upon the closure of a local industry, the second on three years, the City purchased the building, marketed it themselves, and sold it to a new wind-turbine manufacturer in early 2008. It is the willingness of the City to take on these risks that has allowed them to fill both industrial buildings with viable new or expanded companies. A new industrial park to handle other opportunities is planned.

In terms of housing, the City funds a tax abatement program for housing investment, a \$250-per homeowner sidewalk replacement incentive, and a major cleanup day in September to allow residents and businesses to dispose of large items and yard debris. The sidewalk incentive is budgeted with \$3,000 per year, is used by 5 property owners per year on average, and includes a provision beyond the \$250 local grant whereas the City will dispose of old sidewalk materials free of charge. The City is aggressive in marketing its programs. Finally, the City is aggressive with its nuisance and dangerous building enforcement and has removed dilapidated homes in recent years using these enforcement provisions.

Ringgold County Public Health has a program to help seniors remain in their homes by providing mowing, house cleaning, and other unconventional services.

The MATURA Action Corporation has a very active Neighborhood Center in Mount Ayr that offers heating assistance, clothing, and other assistance to low-income county residents.

Ringgold County ISU Extension has offered programs in recent years. Extension recently completed a 5-year study on the effects of welfare-to-work and its relationship to housing opportunities. Further, Extension completed a program a few years ago to address substandard housing, usually rental. Success was mixed because landlords were unresponsive. Other avenues are being viewed to handling this issue. The Extension Office also helped prepare and promote the "Family Well-being and Welfare Reform in Iowa Survey," which provides useful information and concepts for the community.

The Mount Ayr School District has constructed an addition in recent years to support long-term growth. Additionally, the School supports an annual countywide cleanup program involving students and staff, called the Community Service Day. Each class takes a part of the county or a community and does major home repairs, street and right-of-way cleaning, yard work for elderly, and related projects to beautify neighborhoods throughout the county.

Private investors and community leaders joined hands to fund the development of a locally-owned hotel and conference center in 2006, meeting a need of the growing local tourism industry not being met by the private chain market.




Four other local capital projects will also affect housing. The county hospital board has approved a new construction project. The hospital will be located on a larger tract of land along the east edge of Mount Ayr (6 blocks from the target area) to accommodate growth needs and modern medical care practices in an efficient building. A new county jail has been funded and will be constructed in the next two years. The community recently passed a referendum to fund additions to the elementary and high schools. A new \$2.5 million aquatic center/tornado shelter is planned and in the fundraising stage, which will build on the development of a new playground and Little League facilities in the park recently. These projects, while not occurring directly in the target area, affect the need for housing in this area.

### **Analysis and Approved Recommendations**







Mount Ayr would be an excellent community in which to invest CDBG and other funds for housing rehabilitation. The small community continues to show stable or growing population, strong sense of place, good recreational amenities, strong health and educational sectors, and dynamic cultural and historical options. Mount Ayr remains a community in which few yards have trash or junk and most yards are maintained very well. It is a very nice place to live. Yet many people work in other areas of the region, such as Creston, Lamoni, and Osceola, as well as the Kansas City metro area. Because of this, housing rehabilitation is necessary to sustain the quality affordable housing in the area to a) help support the regional workforce and b) grow the local potential for business development and growth as investors see the stable community able to support such opportunities.

At the first housing rehabilitation committee meeting, it was discussed that the target area should reflect areas meeting the most need, not necessary those not covered in the current CDBG-funded rehab target area. Committee member Jean Johnson subsequently provided a map of blocks with homes having very limited values. The committee rationale is that such areas are most in need of rehab, are likely LMI persons based on housing values, and may apply with continued marketing of program availability. Further, the committee determined a target area with 5 homes would best meet long-term needs while providing something that can be completed in 2 years.

The committee provided three (3) broad housing goals:

-  Increase support to families with limited income;
-  Reduce substandard housing;
-  Increase tax base by improving homes.

To help achieve these goals, the following six (6) rehabilitation recommendations were posed by the committee for implementation in the next two years within the target area:

-  Apply for CDBG funds to match local funds for a five-unit owner-occupied rehab program in 2008;
-  Increase marketing of SICO, MATURA, and USDA funds that are available from time to time. Use the housing committee structure to inform residents in the next 12 months of these opportunities, beginning with the target area;
-  Step up nuisance efforts with more funds and staffing to remove up to 5 dilapidated homes in the next two years;
-  Continue sidewalk incentive, cleanup day programs, and tax abatement for years to come;
-  Work to provide solutions for the housing shortage and credit crisis that affect the area;
-  Provide more affordable rental housing options for young people;

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented and affect the target area, an estimated 50% of the substandard properties in the target area may be impacted over the next two years.

**Mount Ayr’s Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**




The City of Mount Ayr has dedicated staff but limited resources for administration and management of a comprehensive rehabilitation program. Right now only \$8,200 is budgeted for the current fiscal year for housing-specific activities. However, along with the expertise and staff of a professional administrator, such as SICO, and the very knowledgeable housing rehabilitation committee members, there are enough resources to collaborate in the rehabilitation effort from the funding applications to the planning to the day-to-day program work, not just on CDBG, but also on the related recommended activities.

The City of Mount Ayr has a limited budget for housing and limited tax receipts to support an expanded budget. For this reason, each initiative proposed will be met by limited or no additional annual funding from the City. Due to major capital upgrades in the city, such as streets, water, and sewer, there is no potential to bond for the recommended projects. According to the state of Iowa, Corning in 2007 had an outstanding debt amount of \$5,081,754.72, which is very near the maximum the city can borrow. Therefore, the committee plans to collaborate with local leaders to implement a smart government approach to maximize funds, volunteers, and information. This is possible with the experienced, dedicated, and knowledgeable the City staff, including clerk and treasurer, lending to a productive and barrier-free implementation process.

**I. ORIENT (ADAIR COUNTY)**

**Orient Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Orient Housing Rehabilitation Committee:

-  Julia Frederick, City Clerk
-  Jolene Neal, Councilmember
-  Larry Lemon, Councilmember

**Vital Statistics for Orient**

*Illustration 54* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Orient. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 54: Orient Vital Housing Statistics**

Criteria	Orient	State of Iowa
Population in 1990	376	2,776,755
Population in 2000	402	2,926,324
Latest Estimated Population	387	2,988,046
Percent Change (2000-06/07)	-3.7%	2.1%
Number/Percent Aged 0-5	22 / 5.5%	188,413 / 6.4%
Number/Percent Aged 65+	76 / 18.9%	436,213 / 14.9%
2000 Mean Household Size	2.41 persons	2.46 persons
Total Housing Units	179	1,232,511
Total Occupied Units	167	1,149,276
Homeowner Vacancy Rate	3.0%	1.7%
Owner-occupied Units	130	831,419
Average Household Size for Owner-occupied Units	2.46	2.57
Percent of Units that are Owner-occupied	77.8%	72.3%
Percent of units built since 1990	7.9%	12.9%
Percent of units built before 1978 *	82.3%	76.3%
Percent of units built before 1940	48.6%	32.1%
Median Year Built	1941	1958
Single-family Stick-built Units / % of Total Units	150 / 83.8%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$45,400	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	58.9% / \$600	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	41.1% / \$226	24.2% / \$268
Median Housing Costs as a Percentage of Income	12.9%	16.2%

Units by Costs as a Percentage of Income of 30-35% (#/%)	4 / 3.6%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	6 / 5.4%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$35,750 / 39.2%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$36,250 / \$37,426	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	734	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	6.5%, 5.6%, 17.3%, 3.2%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	0.7	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$65,000	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$91,000	\$128,842
Recorded home sales in 2007	8 with 7 homes	---
Recorded home sales mean price in 2007	\$53,300	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

Orient is a small community well situated between Greenfield and Creston to allow it to become an excellent “bedroom community with transportation and land features that give it excellent potential for small business development for modern agriculture, alternative energy, and small manufacturing facilities. Orient continues to maintain a school in its own district, which provides economic advantages and, therefore, necessitates affordable housing. The recent housing market trends reflect this need.

The Adair County Assessor provided a list of homes sold in 2007. There were 7 homes sold that year in 8 transactions, with a total value of \$489,584 and sales price of \$428,300. All 7 homes were sold with a deed and not a contract. The July 2008 housing survey shows 4 homes for sale in Orient (2.4% of the single-family housing stock).

In 2008, as of mid-September, there have been 3 new housing building permits approved for new construction. One of the homes is now under construction, as the housing conditions survey map shows. Two others are scheduled for construction (1 home and 1 garage). A request was made in October for a third new home construction. The housing rehabilitation committee indicates this was “better than all of 2007.” Over the years, one new home has been built every 18 months in Orient, mostly by the private sector. However, with funds and assistance from SICO (LHAP monies), the City and Southwestern Community College Building Trades have constructed one home and the private sector built one home following a publicly-funded (SICO and City) acquisition and demolition of two properties (2003).

Heather MacDonald, in her statewide housing study, depicts Orient as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. Orient’s housing market is dependent more on local economic trends (Greenfield and Creston) rather than regional or national economic, financial, and migration trends. Because of this, the risk to this market is more limited, as the local economy has been stable and growing.

### Housing Conditions Survey and Results

The housing conditions survey was completed on July 21, 2008 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 55: Orient Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	13	7.5%	7.9%
2 Fair to Good	62	35.8%	37.8%
3 Deteriorated to fair	45	26.0%	27.4%
<b>4 Severely deteriorated</b>	<b>30</b>	<b>17.3%</b>	<b>18.3%</b>
5 Dilapidated – occupied	10	5.8%	6.1%
6 Dilapidated – abandoned	4	2.3%	2.4%
Total Rated Units	164	94.8%	100.0%

Manufactured Homes	5	2.9%	--
Group Quarters of all types	4	2.3%	--
Totals	173	100.0%	--

The survey finds 4 units noted by signs as “for sale” or “sold,” 1 unit under construction, 0 structures recently demolished, and 5 clearly vacant, no matter the condition.

**Housing Rehabilitation Targeting**

**Illustration 56: Orient Targeting Assessment**

Criteria	Suggested for Orient	Orient’s Results
Minimum population	1,000	402
Minimum number of single-family units	250	150 in Census; 164 in survey
Concentration of need in certain areas	Certain areas have much greater need	No notable concentration
Less than desired LMI level in jurisdiction	51.0%	39.2%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>1 of 5 criteria met</b>	<b>No target area suggested</b>

The entire community is generally in need of housing investment and the town is small enough that a target area would not provide an advantage or adequately increase targeting for maximum impact. An LMI survey to ascertain if the LMI percentage has changed from 39.2% is warranted but has not yet been completed.

**Survey Results of Target Area**

Since there is no target area, citywide data is being used only.

**Key Features of the Community**

Orient is a small town with several key services, including small retail shops, a K-12 school, a branch bank, agri-business enterprises, and good infrastructure. The community has a public daycare facility, convenience store, fire and EMS, and development programming. Volunteers are always found for community clean-ups and housing projects. Orient is located roughly halfway between Creston and Greenfield on Highway 25, making it a key location for small businesses and residential development supporting the larger firms in the two larger towns. Orient has some key new developments. The most notable of these is the proposed and nearly finalized deal to locate dozens of large wind turbines in the immediate area for the provision of power for the region and much of central Iowa. The growth potential is strong in Orient with its progressive civic life, quality properties with few eyesores, and key location. However, there are few available housing units and no lots for sale.

**Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

Based on the recent housing conditions survey, the need for substantial rehabilitation in Orient is notable. Of the total stick-built single-family homes in Orient (164), 30 are currently rated as “severely deteriorated,” meaning the units have a level of rehabilitation need ranging from \$20,000 to \$40,000, including lead paint hazard reduction costs (18.3% of single-family structures). Just over 8% of the units (14) are dilapidated, with 5.8% (10) being still occupied. These owners may also be interested in rehabilitation, but it is likely the homes would be deemed “beyond repair” during a formal inspection.

Existing programs could meet some of the needs, but not nearly all of them. Orient’s residents and local government agencies do not have resources to do more than a nominal portion of the projects. The CDBG program is necessary to help solve the housing conditions problem for many of the 30 severely deteriorated homes. A 4-home project would meet 13.3% of the need. Assuming 30% of the 30 structures are rented or owned on contract, the 4-unit program would meet need of up to 19.0% of the 21 estimated eligible structures.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Orient has been active in housing for many years. The City of Orient partnered with SICO (using LHAP funding) to acquire two adjacent dilapidated homes in town in 2002/2003. Within a year, two new homes were built on the lots created in the partnership. One of the homes was built by the SWCC Building Trades class in partnership with Creston and Orient-Macksburg Schools to give high school and college students construction experience. Both lots and homes were sold to LMI buyers.

The City of Orient has successfully rehabilitated 14 homes with previous CDBG awards.

The City provides a local brush and compost pile to allow residents to drop off yard and certain construction/demolition waste free of charge, which helps maintain local properties and encourages improvements. The fire department does controlled burns of dilapidated properties as acquired, whenever possible. With this pile, the City has been successful in acquiring dilapidated buildings using enforcement measures and placing the remains in the pile and burning when lawful.

The City has an incentive for sidewalk improvements. The owner purchases the materials and the City partners with the owner for installation at a net cost of \$250 to the City per property. Several residents participate in a given year.

In early July 2008, the City had a general cleanup day, with volunteers and low-cost disposal of appliances and other large items. The current City nuisance list is being updated to include those that did not take advantage of this opportunity. The City will also send letters to these persons informing them of upcoming opportunities. One of those includes Orient's Trash to Treasures Weekend. During this weekend, the City promotes local garage sales for Saturday and on Sunday people can pick up leftovers. The following week is a special trash pick-up to allow for larger items to be disposed. The City Attorney has been very helpful, the committee reports, in ensuring the enforcement programs run smoothly.


The City of Orient has been involved in community activities affecting housing and the quality of life. In 2005, the City acquired matching grants along with its own funds to construct playground and park improvements in the city park. The community center development, likely in the park, is the next phase, followed by the development of more ball diamonds.





The City partners with other groups, including the fire department, Orient Lion's Club, Women's Club, Men's Club, FFA, and individuals, to complete various projects. Recently, for example, the Men's Club installed street signs, the Men's and Women's Clubs reshingled the mealsite and rehabilitated the kitchen (now a rentable building), the Lion's Club helped with park improvements and programs for elderly, and the fire department helped with various City projects. All groups come together to help with things like the Pumpkin Days, the annual fall festival. Proceeds go to local charities and civic projects. The Fire Department holds a pancake day to invest in fire protection needs. FFA master gardeners helped with city cleanup and beautification events each of the past few years.

### **Analysis and Approved Recommendations**

The housing rehabilitation committee has met twice and discussed housing rehabilitation goals for the City. The committee sees the town as growing and viable. The need is great to protect what is already in the city while helping in the development of new housing options.

The following five (5) recommendations were posed by the committee for implementation in the next two years within the target area:

-  Apply for CDBG funds for a 4-unit rehabilitation program. Four units is selected to ensure the project is completed within 2 years, thereby allowing the town to reapply in 2010.

-  Continue to attract new housing development in the new subdivision so that it will be more feasible to maintain the population base for the school.
-  Step up nuisance efforts targeting dilapidated buildings, dangerous animals, and junk vehicles.
-  Continue sidewalk incentive, cleanup day programs, and tax abatement for years to come.
-  Support the City's continued interest in creating a local economic development board.

**Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented, an estimated 40% of the substandard properties may be impacted over the next two years

**Orient's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**

The City of Orient has dedicated staff but limited resources for administration and management of a comprehensive rehabilitation program. However, along with the expertise and staff of a professional administrator, such as SICO, and dedicated housing rehabilitation committee members, there are enough resources to collaborate in the rehabilitation effort from the funding applications to the planning to the day-to-day program work, not just on CDBG, but also on the related recommended activities.

The City of Orient has a limited budget for housing and limited tax receipts to support an expanded budget. According to the state of Iowa, Orient in 2007 had outstanding obligations totaling \$145,000. The City has some bonding capacity that can be used for housing, but other projects will also need this money. With the limited tax base, the City is unlikely to invest in rehabilitation programs beyond a token grant match and what is already invested in the previously described activities. Due to major street capital upgrades in the city and the planned investment for the community center, it is impossible for Orient to invest heavily in housing at this time. This problem is partly overcome with the dedicated efforts of city leaders who are experienced and knowledgeable with housing programs and financial management, lending to a productive and barrier-free implementation process.

**J. OSCEOLA (CLARKE COUNTY)**

**Osceola Housing Rehabilitation Committee**

The City of Osceola indicated interest in the regional housing rehabilitation plan and in funding for rehabilitation but has not created a rehabilitation committee as of November 1, 2008.

**Vital Statistics for Osceola**

*Illustration 57* contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Osceola. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 57: Osceola Vital Housing Statistics**

Criteria	Osceola	State of Iowa
Population in 1990	4,164	2,776,755
Population in 2000	4,659	2,926,324
Latest Estimated Population	4,783	2,988,046
Percent Change (2000-06/07)	2.7%	2.1%
Number/Percent Aged 0-5	313 / 6.7%	188,413 / 6.4%
Number/Percent Aged 65+	878 / 18.8%	436,213 / 14.9%
2000 Mean Household Size	2.36 persons	2.46 persons
Total Housing Units	2,118	1,232,511
Total Occupied Units	1,945	1,149,276
Homeowner Vacancy Rate	2.0%	1.7%
Owner-occupied Units	1,252	831,419
Average Household Size for Owner-occupied Units	2.47	2.57
Percent of Units that are Owner-occupied	64.4%	72.3%
Percent of units built since 1990	3.7%	12.9%

Percent of units built before 1978 *	78.2%	76.3%
Percent of units built before 1940	34.7%	32.1%
Median Year Built	1961	1958
Single-family Stick-built Units / % of Total Units	1,604 / 75.0%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$67,600	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	57.0% / \$698	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	43.0% / \$258	24.2% / \$268
Median Housing Costs as a Percentage of Income	15.6%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	38 / 3.4%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	87 / 7.9%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$32,701 / 45.1%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$38,813 / \$45,259	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	385	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	7.6%, 13.3%, 7.7%, 5.2%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	20.7	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$1,690,718	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$81,621	\$128,842
Recorded home sales in 2007	102	----
Recorded home sales mean price in 2007	\$84,331	----

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Clarke County Assessor's Office, August 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### Local Market Activity Data

Osceola is a growing city with several areas of new housing, but several areas of town have notable quantities of severely deteriorated homes, most of them likely rental. Further, few homes of good condition are currently for sale. In fact, during the housing conditions survey process, only approximately 20 homes were found for sale along with some townhouse units for rent and about 10 lots for sale. Certainly, there is a notable quality housing shortage. The following paragraphs detail more about the owner housing market.

The Clarke County Assessor provided vital data for housing sales in 2007. In 2007, there were 102 recorded residential sales with an average sales price of \$84,331 and total consideration of \$8,601,773. Ten (10) of the sales were for less than \$30,000 compared to 30 that were for more than \$100,000. Certainly, homes are selling for a good price in Osceola compared to other communities assessed in the region Osceola appears to have a real deficiency of decent homes for sale at an affordable price at any given time. Looking at a third-party housing market study for the city, performed just a few years ago, we concur that homes tend to cost more than they are structurally worth.

In 2007, the City of Osceola approved 6 residential building permits for new construction and major rehabilitation. The total dollar amount of such projects is estimated at \$621,950. In the same year, the City approved 13 tax abatement requests for residential projects. The total approved valuation is \$1,027,754.91. An estimated total of \$13,459.48 in new taxes are to be forgiven in 2008 from the new development of tax abatement projects.

Heather MacDonald, in her statewide housing study, depicts Osceola as a “stagnant” housing market community, with modest growth potential and generally limited market inflation. However, Osceola’s housing market has been in transition for many years. Because of the town’s location at the junction of major transportation routes and its proximity to Des Moines, there is the effect of commuting and migration trends as well as a strong factor of local employment trends, which have fluctuated from rapid growth to rapid decline several times since 2000. During the growth periods, or about half this decade, the market should be classified as “steady growing,” with dozens of homes built and infill development occurring. Yet, the market prices have remained soft in much of the community due to rental and owner deterioration in some neighborhoods and due to the instability of employment declines after the Siemens plant closed just a few years ago.

**Housing Conditions Survey and Results**

The housing conditions survey was completed on June 30, 2008, using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey map.

**Illustration 58: Osceola Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	505	31.4%	33.1%
2 Fair to Good	345	21.5%	22.6%
3 Deteriorated to fair	330	20.5%	21.6%
4 Severely deteriorated	201	12.5%	13.2%
5 Dilapidated – occupied	127	7.9%	8.3%
6 Dilapidated – abandoned	17	1.1%	1.1%
Total Rated Units	1,525	92.0%	100%
Manufactured Homes	77	4.6%	--
Group Quarters of all types	56	3.5%	--
Totals	1,658	100%	--

The survey finds 2% of structures marked by signs as “for sale” or “sold,” 0 units under construction, 0 recently demolished, and at least 25 clearly vacant, no matter the condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 59: Osceola Targeting Assessment**

Criteria	Suggested for Osceola	Osceola’s Results
Minimum population	1,000	4,659
Minimum number of single-family units	250	1,604 in Census; 1,525 in survey
Concentration of need in certain areas	Certain areas have much greater need	Strong concentration of need near downtown, and the north, east, and west sections of the city
Less than desired LMI level in jurisdiction	51.0%	45.1%
Concentration of interest	Certain areas have higher interest	Past pre-applications have been spread throughout the city
<b>Result</b>	<b>4 of 5 criteria met</b>	<b>Target area suggested</b>

Osceola has not yet, as of November 1, 2008, selected a target area to meet these findings of need.

**Survey Results of Target Area**

As of November 1, 2008, no target area was selected; therefore, no specific data can be provided for that area.

**Key Features of the Community and Target Area**

Osceola is a growing, well-located county seat town with good manufacturing, strong retail, and transportation related service economies. With rail, major highway, and Interstate access close to Des Moines and only just over 2 hours from Kansas City, Osceola is an excellent location for business and industry; for this reason, the town is experiencing the development of additional industrial park space, which is being filled in by tenants. The population continues to grow in this city and county as a result of its strategic location. The town contains a large school district, county hospital, nursing and senior housing and care facilities, regional government offices, major daycare facility, recreation options, all forms of financial and professional services, and a branch campus for SWCC. Osceola is generally a gridular designed community with a central downtown area. Osceola has large blocks with dozens of homes on some blocks and a railroad moving through the center. Approximately 10% of the town’s population is Hispanic or other non-White races.

Three target area choices were created in the central, east, and north parts of town, based on need, size of housing stock, area amenities, and likelihood of LMI owners, but no area was approved for further investigation.

### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

The local housing rehabilitation committee has not yet determined the area for evaluation. The community as a whole is too large to show significant impact on the total need. The survey shows 201 units in need of significant rehabilitation in the entire city. Likely over half of these homes are renters, and most are likely LMI persons.

### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Several projects have occurred in Osceola in recent years to help improve the housing stock and make it more likely that a comprehensive rehabilitation program in an affected area would be successful in making the community a better place to live.

Since 1997, Osceola has participated in 2 CDBG housing rehabilitation programs impacting at least 18 homes in various parts of the city.

In 2003-2008, various efforts, some including local government funding and involvement, have resulted in homes being acquired and demolished for new housing. Several new homes are now in place. Work continues at this time in the northwestern part of Osceola.

Midwest Homes built a subdivision in partnership with Clarke County Development Corporation from 2005-2007. The area is still not finished, and with the demise of Midwest Homes, the SICO Housing Trust Fund may help with some of the development efforts. When completed, perhaps 50 new affordable single-family homes will be added in the western part of the city. Midwest Homes also built affordable apartments in this same area about 3 years ago.

Private development projects have been underway in the east and southeast part of the city, adding to the top end of the stock, thereby opening up some existing homes to allow others to move up.

Local banks and Osceola Foods have been active in providing homebuyer and ownership education and counseling to Hispanic and non-English-speaking households to help them with housing needs. This has resulted in more successful housing sales in the area, thereby encouraging young families to stay in Osceola for years to come.

### **Analysis and Approved Recommendations**

The local housing rehabilitation committee has not yet met to make recommendations.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

The local housing rehabilitation committee has not yet determined the likely impact of a series of recommendations.

### **Osceola's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**




The City of Osceola has adequate staff to oversee some elements of a major rehabilitation project but would be best served to hire a third-party administrator, such as SICO, with experience in federal grants management and with a housing rehabilitation specialist on staff. The City's Building Department could provide key assistance in the implementation process by assisting with zoning compliance, providing inspections of updated plumbing and electrical, and by viewing specs. Osceola has the local policies and permitting processes in place to make maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes.

According to the state of Iowa, Osceola in 2007 had an outstanding debt amount of \$16,263,826.09, which is very near the maximum the city can borrow. Therefore, with upcoming plans for a water source lake and sewer plant upgrades, it is very likely that the City will have very little new funding to assist with housing projects.

**K. WINTERSET (MADISON COUNTY)**

**Winterset Housing Rehabilitation Committee**

The following are members of the recently locally-appointed Winterset Housing Rehabilitation Committee:

-  Mark Nitchals, City Administrator
-  Wayne Martens, Executive Director, Madison County Development Group
-  Gina Hackett, Loan Officer, Farmers and Merchants State Bank

**Vital Statistics for Winterset**

Illustration 60 contains a summary of key vital housing rehabilitation-related statistics for the incorporated City of Winterset. Data from Census and related official sources are included. Other more recent local data follows in the narrative for this community.

**Illustration 60: Winterset Vital Housing Statistics**

Criteria	Winterset	State of Iowa
Population in 1990	4,196	2,776,755
Population in 2000	4,768	2,926,324
Latest Estimated Population	4,949	2,988,046
Percent Change (2000-06/07)	3.8%	2.1%
Number/Percent Aged 0-5	327 / 6.9%	188,413 / 6.4%
Number/Percent Aged 65+	1,003 / 21.0%	436,213 / 14.9%
2000 Mean Household Size	2.39 persons	2.46 persons
Total Housing Units	1,998	1,232,511
Total Occupied Units	1,884	1,149,276
Homeowner Vacancy Rate	1.7%	1.7%
Owner-occupied Units	1,285	831,419
Average Household Size for Owner-occupied Units	2.57	2.57
Percent of Units that are Owner-occupied	68.2%	72.3%
Percent of units built since 1990	11.3%	12.9%
Percent of units built before 1978 *	79.4%	76.3%
Percent of units built before 1940	46.9%	32.1%
Median Year Built	1949	1958
Single-family Stick-built Units / % of Total Units	1,540 / 77.1%	940,105 / 76.3%
Median Housing Value of Owner-Occupied Units	\$85,300	\$82,500
Percent of Units Financed by Mortgage/Mean Monthly Costs	64.4% / \$875	75.8% / \$829
Percent of Units Financed with No Mortgage/Mean Monthly Costs	35.6% / \$285	24.2% / \$268
Median Housing Costs as a Percentage of Income	17.5%	16.2%
Units by Costs as a Percentage of Income of 30-35% (#/%)	77 / 6.4%	29,578 / 4.4%
Units by Costs as a Percentage of Income of 35%+ (#/%)	194 / 16.1%	64,152 / 9.6%
Median Household Income / HUD LMI (as provided by IDED)	\$33,142 / 54.5%	\$39,469 / ---
Median Owner Income / Mean Owner Income	\$40,980 / \$50,123	\$46,120 / \$56,109
Rank of Cities for Mean Owner Income (954 places)	237	N/A
Poverty Rates (individuals, age 65+, Age 0-17, families)	8.4%, 8.9%, 14.6%, 5.8%	9.1%, 10.5%, 7.7%, 6.0%
Permit Authorized Residential Housing Units (Annual Mean)	50.4	14,093.0
Permit Authorized Residential Housing Values (Annual Mean)	\$2,892,025	\$1,815,765,267
Permit Authorized Residential Housing Values Mean Per Unit	\$141,568	\$128,842
Recorded home sales in 2007	85	---
Recorded home sales mean price in 2007	\$118,060	---

Source: Iowa Data Center website, [www.iowadatacenter.org](http://www.iowadatacenter.org), 2008; Madison County Assessor's Office, August 2008

\* Percent of homes likely to have moderate to severe lead paint hazards

-- Data not provided or incalculable

### **Local Market Activity Data**

Winterset is a moderately to rapidly growing county seat town in what is now the largest county in the region. Because of this growth, the housing market is very active, with many homes being built and sold in a given year; yet the housing market is very tight with limited options for LMI homeowners, buyers, and renters. When there is full employment in the community, it can be very difficult to find even a modest house for less than \$50,000. When there are vacant industrial buildings, as is the case right now, housing prices can be a bit lower because a few more homes are on the market, but for many people who work in the Des Moines metro, living in Winterset is a bargain; therefore, the town's housing market does not notice local employment fluctuations so much. In fact, the Housing Rehabilitation Committee notes that a major problem in any area needing rehabilitation is the lack of vacant lots available for infill housing. Thus, housing needs must be met elsewhere.

The Madison County Assessor has provided data on 2007 residential property sales. In Winterset, 85 home sales were recorded. The average price was \$118,060 and the range of prices was \$24,900 to \$280,000. Only 11 homes sold for less than \$50,000. Most of the sales under \$50,000 involved a mortgage company or private property investor, indicating undervalued properties not to be used for owner-occupation with clear property title. The recent state-equalized assessed values of each property sold was consistent with the sales price, despite the fact that these same homes in other locations in the region would not have such high value based on the construction methods and materials used and size of homes. The vast majority of homes sold were built since 1950, but even many of the 1800s-built homes sold for over \$100,000. The average lot value for the sold homes is approximately \$20,000. Two of the 85 properties were sold twice in 2007. Of the 83 homes, 78 are single-family frame homes (3 not owner-occupied), 4 are townhouse units, and 1 is a converted two-family home. Only 2 properties were listed as sold on a contract.

Of these sales, an estimated 14 are located in the central target area. The average value of these homes is \$94,548. Three (3) homes sold for less than \$50,000. As can be clearly seen, while there are low-value homes in this area, characteristic with the age of this neighborhood and observed conditions, homes still sell for large sums of money. No section of Winterset is dominated by low-cost or low-value homes.

The late summer 2007 housing survey found no lots for sale except in the new developments along the west edge of the city, where dozens of new lots are available for an average of \$20,000 each.

During the 2007 housing conditions windshield survey, 11 homes were found to be under construction, of which 3 are located in established residential areas and are considered "infill". None of them are located in the approved target area. All new construction at this time is private development.

Over the past six years, there have been 136 residential building permits approved. In 2006 there were 24, and by July 15, 2008, there were 11. The City provided more details on permits authorized in 2007. There were 63 residential permits approved in 2007: 24 for single-family dwelling with total value of \$4,475,000, 2 two-family dwellings with a total value of \$250,000, 9 new garages or accessory buildings with a total value of \$59,000, 12 additions with a total value of \$445,000, and 16 remodeling and deck projects with a total value of \$127,900.

In 2007, 12 of the 23 residential tax abatement applications were single-family, 2 were two-family, 1 was a townhouse, 5 were garages, 2 were additions, and 1 was another building. Three commercial applications were also presented.

Heather MacDonald, in her statewide housing study, depicts Winterset as a "steady growing" housing market community, with steady growth potential and generally moderate market inflation. Winterset's housing market is dependent primarily on the regional economy and commuting/migration trends and on local quality of life characteristics. Because of this, the risk to this market is higher than most communities in the region. However, with risk comes great reward potential. As long as the Des

Moines metro expands west and southwest, Winterset should show increasing trends toward what MacDonald calls a “rapidly growing” market.

**Housing Conditions Survey and Results**

The housing conditions survey was completed in October 2007 using a drive-by windshield process and mapping technology. Only single-family structures were rated, which may include rental properties and those owned on contract. *Appendix B* contains the housing conditions survey.

**Illustration 61: Winterset Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units
1 Good to Excellent	358	21.2%	22.2%
2 Fair to Good	871	51.7%	53.9%
3 Deteriorated to fair	296	17.6%	18.3%
4 Severely deteriorated	87	5.2%	5.4%
5 Dilapidated – occupied	2	0.1%	0.1%
6 Dilapidated – abandoned	2	0.1%	0.1%
Total Rated Units	1616	95.9%	100%
Manufactured Homes	15	0.9%	--
Group Quarters of all types	54	3.3%	--
Totals	1685	100%	--

The survey finds Winterset had numerous units actively for sale, nearly 100, with 2 recently sold, per signs in yards. Many of the homes for sale were still occupied, and a 1.1% vacant for sale rate is anticipated. Eleven (11) units were under construction, 0 were recently demolished, and 5 were clearly vacant, no matter the condition.

**Housing Rehabilitation Targeting**

Using the targeting criteria in this study, the following is found concerning the need for a target area:

**Illustration 62: Winterset Targeting Assessment**

Criteria	Suggested for Winterset	Winterset’s Results
Minimum population	1,000	4,768
Minimum number of single-family units	250	1,540 in Census; 1,616 in survey
Concentration of need in certain areas	Certain areas have much greater need	Strong concentration of need near downtown, but most homes scattered
Less than desired LMI level in jurisdiction	51.0%	54.5%
Concentration of interest	Certain areas have higher interest	In 2007, pre-applications in the center area of the city were spread out in the target area.
<b>Result</b>	<b>3 of 5 criteria met</b>	<b>Target area suggested</b>

**Illustration 63: Winterset Target Area Size/Location Assessment**

Criteria	Suggested for Winterset	Winterset’s Results
Actual LMI level of target area	51.0% minimum; 60% desired	At least 60% but not official
Local housing committee approval	Yes	Yes, on August 6, 2008
Number of single-family units in area per unit to be rehabilitated	30 to 40	235 single-family units in area; 8 homes to be rehabilitated; ratio of 29.4:1
Percent of single-family units in area with significant rehab need	>50%	15.7%
Location in proximity to key amenities	Education, health, social services, recreation, employers, existing housing and CD efforts, existing districts	Includes John Wayne Birthplace; touches the downtown area and elementary school; one block from highway commercial district and Jr. High school; two blocks from history museum and hospital; three blocks from main city park/campground; four blocks from new sports park

Based on the population of Winterset, the number of owner-occupied housing units, the percentage of low- and moderate persons in the community, and the survey results (namely the spatial distribution of deteriorated housing), it is recommended that Winterset have a target area where a City rehabilitation project will take place. The target area would best target housing need by a) meeting the needs where the greatest concentration of single-family units in need of rehab exists, b) impacting where we anticipate the lowest income population lives, and c) impacting an area with notable resources that are vital to the long-term success of the community. A target area containing a range of 240 to 320 single-family homes is suggested that includes sections north, east, and south of the downtown area. The approved area is defined as follows: starting at Summit Street and 1<sup>st</sup> Avenue South, follow Summit Street east 4 blocks to South 4<sup>th</sup> Street, follow 4<sup>th</sup> Street north 12 blocks to Lane Street, follow Lane Street west 3 blocks to John Wayne Drive, follow John Wayne Drive south 1 block to Benton Street, follow Benton Street 1 block west to 1<sup>st</sup> Avenue North, follow 1<sup>st</sup> Avenue south 3 blocks to North Street, follow North Street east 2 blocks around the CDB to 2<sup>nd</sup> Street, follow Second Street south 4 blocks to Washington Street, follow Washington Street west 2 blocks to 1<sup>st</sup> Avenue South, and finally follow 1<sup>st</sup> Avenue South to Summit Street (39 total square blocks). This area should be surveyed for pre-applications and LMI status.

**Survey Results of Target Area**

A target area was selected and approved by the housing rehabilitation committee for Winterset on August 6, 2008. The following table shows the specific results of the survey for single-family units only. The target area contains 241 structures, or 14.3% of the town’s housing stock and 235 single-family units or 14.5% of the town’s single-family stock.

**Illustration 64: Winterset Target Area Housing Conditions Survey**

Rating/Description	Number of Units	Percent of Total Stock	Percent of Single-Family Units	Percent of Structures by Rating in Target Area Compared to Entire City
1 Good to Excellent	7	2.9%	3.0%	2.0%
2 Fair to Good	127	52.7%	54.0%	14.6%
3 Deteriorated to fair	64	26.6%	27.2%	21.6%
4 Severely deteriorated	37	15.4%	15.7%	42.5%
5 Dilapidated – occupied	0	0.0%	0.0%	0.0%
6 Dilapidated – abandoned	0	0.0%	0.0%	0.0%
Total Rated Units	235	97.5%	100%	14.5%
Manufactured Homes	0	0.0%	--	0.0
Group Quarters of all types	6	2.5%	--	11.1%
Totals	241	100%	--	14.3%

The survey of the target area finds 5 units noted by signs as “for sale” or “sold,” 0 units under construction, 0 recently demolished, and 0 clearly vacant, no matter the condition.

**Key Features of the Community and Target Area**

Winterset is a growing community with a strong housing stock. Winterset’s most notable affordable housing problem is that its proximity to Des Moines makes it a “bedroom community” for workers in the metro. These workers drive up the value and purchase price of homes by making the demand artificially high for housing, as Winterset housing is less expensive than metro housing. This results in an overall high quality housing stock (as most owners can afford upgrades), with fewer homes needing repair per capita than other communities, but since housing costs are much higher, many of the homes owned by lower-income families that typically work in Madison County are in need of extensive repair. The target area and much of the eastern half of Winterset have the older housing stock in the greatest need of repair, even though new homes are scattered throughout the city. In summary, the concern is that the housing costs for younger, new buyers is now so high that they cannot afford to both buy and rehab any older home that may be available at a price they can finance.

The area selected has the following characteristics as to the reason for selection:

- 🏠 Located in the target area are: John Wayne Birthplace; Winterset Art Center; a good mix of housing stock types (single-family, duplexes, senior housing, and apartments); John Wayne Drive and Court Street, which are heavily traveled; homes affected by low-income housing incentives and tax abatement projects;
- 🏠 Within one block of target area: Winterset Elementary; historic downtown Winterset and courthouse; North John Wayne Drive/Hwy 92 shopping district;
- 🏠 Within two blocks of target area: Winterset Jr. High; Madison County Historic Museum; Madison County Hospital;
- 🏠 Within four blocks: Winterset City Park and campground; under development major regional sports park (soccer, baseball, softball, etc.);
- 🏠 Within six blocks: Winterset Industrial Park.

In summary, the target area is selected because it is best located and sized to meet the needs of a housing rehabilitation program in an area where need is the greatest overall. While only 14.5% of single-family units are in this area, this area contains 42.5% of structures needing substantial rehabilitation.

The target area was surveyed using an approved method of CDBG LMI survey process. The survey process included questions for all residents in the area, owners and renters, using a door-to-door method. The purpose of the survey was to determine the level of interest and eligibility for CDBG and other rehabilitation programs. The survey was provided to all households in the target area, including those in rental structures. Only about 58% responded; therefore, the survey was invalid. However, based on the actual responses received, it appears the target area has a higher concentration of LMI households than the city overall, likely surpassing 60%.

#### **Total and Percentage of Project Area Single-family Owner-Occupied Housing Needs**

The target area windshield survey results indicate that 37 single-family homes in the target area are in need of substantial rehabilitation based on the rating of “severely deteriorated” condition. It is recommended, based on this need, contractor capacity, and need to complete the project in 2 years, that Winterset complete 8 single-family rehabilitation projects in this phase. Doing this would impact 21.6% of the housing need for this area, assuming all homes targeted for rehabilitation are rated as “severely deteriorated.” Further, it is estimated that 15% of single-family homes in this area are rental properties. Therefore, the likely total number of single-family owner-occupied homes in need of substantial rehabilitation is 31. In this way, a rehab program would meet 25.8% of the need.









Existing programs, because they are too limited in scope and funding, will not adequately meet local needs without the CDBG program.

#### **Existing Community and Housing Development Activities that Affect Housing Rehabilitation Need and Impact**

Winterset has extensive projects occurring in the city that may impact the need for housing in the community.

The City of Winterset has several programs that help make housing better. The City’s tax abatement program provides incentives for owners who wish to rehabilitate a home, build a home, or add to a home. This program is used each year by at least one dozen homeowners. Winterset also has a tax increment financing (TIF) program used extensively to help build affordable new housing on vacant lots where available. Because land is expensive in this area, new affordable housing to meet growing need for housing is not possible without the TIF program to help with infrastructure and services to these areas. The City collected hundreds of thousands of dollars to date from these investments to be used for LMI households throughout the city. The main uses for the TIF LMI set-aside program are for affording road and sidewalk improvements, as well as water and sewer upgrades, in LMI parts of town. Several blocks of sidewalks and streets in the target area (3<sup>rd</sup> Street in 2006) have been upgraded and the special assessments to those owners who are LMI have been offset by this program. Approximately \$50,000 is available in the LMI fund at this time; the City intends to spend much of it on rehabilitation projects.

The City sponsors and is part of several other major projects in the community and target area:







-  Winterset Aquatic Center construction (2004-2006, 12 blocks from target area)
-  Winterset Square streetscape project and historic preservation effort (2004-2009, adjacent to target area)
-  3<sup>rd</sup> Street repaving (2006, in target area)
-  Jackson Building Community Center construction at the fairgrounds (2006-2008, 10 blocks from target area)
-  Support of John Wayne Birthplace Museum and Learning Center development project (2006-2010, adjacent to target area)
-  Support of County Historical Museum expansion (2007-2010, 3 blocks from target area)
-  Support of Winterset Schools expansion (2007-2010, 6 blocks from target area)
-  Development of Winterset Sports Park (tennis, baseball, softball, soccer) (2007-2010, 6 blocks from target area)

The above and many other projects occurring or planned in Winterset only happen with the support of dozens of individuals, financial partners, civic groups, and the chamber/development group. These associated groups invest time and money, with the partnership of private developers, to construct affordable homes, build quality amenities, and keep the community attractive, with very little debris or junk found on properties in town.

### **Analysis and Approved Recommendations**

Winterset is a vibrant growing retail, tourism, and professional community with a small manufacturing base and a somewhat “bedroom community” feel. Quality of life is a premium in this community that focuses more on local recreation and housing than on traditional employment options. For this reason, local private investment in the community is very notable, and major projects and infrastructure development continue. Winterset has a strong but largely unaffordable housing stock for most LMI people. If their homes can be maintained via investment while occupied, LMI persons can continue to live in them, but if they must make expensive repairs or purchase a new home, they will be largely priced out. The housing rehabilitation committee deliberated for some time to come to grips with the issue that investing in an area of town for a housing rehabilitation program would be difficult because all the necessary infrastructure is available and in excellent condition: streets, sewer, water, storm drainage, even most sidewalks. While Winterset focuses on developing overall quality of life projects in areas outside the target area, where land is available, such developments improve the quality of life in the target area, because these developments are close to the target area. Nonetheless, the target area targets the part of Winterset with the greatest bulk of homes needing rehabilitation assistance.

The committee has presented the following goals for implementation as they relate to the target area:

-  Develop an 8-unit owner-occupied housing rehabilitation program with the funding from the City and CDBG in 2008.
-  Continue to target LMI funds from the TIF investments outside the target area into sidewalk replacement and other projects in and near the target area.
-  Continue to proceed with discussions as to the condition and future plans of the existing manufactured home park just north of the target area.
-  Acquire and demolish several noted dilapidated properties in infill parts of the city and sell land for new infill homes.
-  Learn more about other funding options that are available, what impacts they have had, and how to market to the residents in the target area and beyond (USDA, MATURA, SICO, local banks, IFA).
-  Discuss with the Madison County Development Group concerning a potential permanent standing housing committee.

### **Percentage of Community Rehabilitation Need to be Met by Recommended Actions**

If the above recommendations are implemented in the target area, an estimated 30% of the substandard properties may be impacted directly within about 2 years.

### **Winterset's Capabilities to Implement a Comprehensive Owner-occupied Housing Rehabilitation Program**

The City of Winterset has adequate staff to oversee some elements of a major rehabilitation project but would be best served to hire a third-party administrator, such as SICOG, with experience in federal grants management and with a housing rehabilitation specialist on staff. The City's Zoning Department could provide key assistance in the implementation process by assisting with zoning compliance, providing inspections of updated plumbing and electrical, and by viewing specs. Winterset has the local policies and permitting processes in place to make maximize the CDBG investment and to ensure greater local compliance with homeowner maintenance of the improved homes. Winterset has a strong relationship with civic organizations, the Housing Rehabilitation Committee, and SICOG to ensure that homes are rehabilitated correctly, meeting all local and state requirements and standards.

Winterset has adequate funding for some aspects of a major rehabilitation project and could contribute a relatively high percentage of a project's cost, using its LMI TIF funds. However, CDBG funds are essential to the success of a housing rehabilitation project. The reasons for this include overextended general obligation debt (the State of Iowa indicates in 2007 Winterset had obligations totaling a staggering \$19,082.312), the need for additional water source(s), and the need for more energy supply. The water and energy issues are very costly. Recently approved school taxes and city taxes for the aquatic center have made many wary of new taxes and bond issues, as exemplified in two failed bond issue referendums to improve the historic county courthouse.

### **L. SUMMARY**

Each of the studied communities in this report have strong need and viability for the type of housing rehabilitation programs described and approved by the local communities. *Appendix B* contains housing conditions maps for each community and of the target areas of those communities that have chosen to participate.









Approval is provided by adoption resolution, a copy of which is in *Appendix C*.

### **PART 4: HOW THE PUBLIC CAN USE THIS NEEDS ASSESSMENT**

This housing needs study provides extensive useful data to plan for programs and seek funding for them. This part of the report indicates ways in which SICOG, as the primary regional provider of assistance for owner-occupied housing, is implementing a regional plan for rehabilitation and other activities.

#### **How SICOG Will Use Data to Implement Housing Rehabilitation Programs**








SICOG will use this study to do the following in terms of implementation of local housing assistance:

-  SICOG will operate as a grantsmanship organization for local governments to secure funds for local housing needs. SICOG will help plan for, organize, write, and submit applications that have active support from active local housing committees.
-  SICOG will educate local housing committees of funding options, housing needs, applications processes, and program implementation processes.
-  SICOG will help set up permanent housing committees where desired.
-  SICOG will guide local governments to other outside resources to staff and implement non-grant projects that are individually identified as a need.
-  SICOG will maintain funding as a local housing trust fund (LHTF) for rehabilitation activities.
-  SICOG will promote availability, training, and use of local contractors and worker training options.
-  SICOG will maintain lead paint certifications necessary to implement programs.
-  SICOG will attend appropriate training and conferences as needed to serve our members.

#### **SICOG Housing Trust Fund Housing Assistance Plan**

The SICOG Housing Trust Fund Housing Assistance Plan (HAP) was adopted in 2006 and updated in 2007 and 2008 to comply with Iowa Finance Authority's State Housing Trust Fund requirements.

The following goals and activities have been set out for the SICO Housing Trust Fund. Areas of greatest need in the region, documented in needs assessments and in the MacDonald study, are those we will address in this next few years of operations. Generally, for 2008-2009, all funds in the SICO Housing Trust Fund will be limited to the following activities (estimated percentage of funds in parenthesis). The priority of funding uses is generally as follows, with the first ranked highest:

-  **OWNER-OCCUPIED REHABILITATION AND REHAB IN SUPPORT OF PURCHASE (20%)**  
 A major goal is to provide financing to low and moderate-income families for general rehabilitation activities. Efforts will be concentrated on major health and safety issues including repairs such as furnaces, electrical work, plumbing, roofs, and energy efficiency items (windows, insulation, weatherproofing, etc.). Using SICO HTF funds for general home rehabilitation activities will compliment other programs that currently exist in the area for home repairs. Need exists for owners that do not qualify for other funds or that have needs not covered by other more stringent programs.
-  **HOMEBUYER ASSISTANCE/FIRST-TIME BUYER FUND (17.5%)** A revolving loan fund and potential other LHFT monies to do general first-time homebuyer assistance.
-  **EMERGENCY HOUSING, ASSISTED LIVING, AND SPECIAL NEEDS HOUSING (15%)**  
 Housing needs of these underserved persons is a growing concern as more and more people are hitting retirement age and programs focus more on in-home care. Transitional housing is also needed for those affected by adverse life circumstances.
-  **RENTAL AND MULTI-FAMILY CONSTRUCTION, CONVERSION, AND REHAB (15%)** A growing need for rapid financing and local match exists for senior and family housing, particularly seniors that need services. The focus will be driven by the demand of communities acquiring Federal properties that are no longer suitable quality units. In that case, rehab and possibly resell will be an issue. Private new development may be supported with loans in markets showing a strong demand for low-income rental properties. Historic preservation is also a focus.
-  **CONSTRUCTION FINANCING, LAND DEVELOPMENT, AND INFRASTRUCTURE (12.5%)**  
 The need exists from time to time to acquire properties in danger of becoming unaffordable. The region lacks investment capital to ensure development of affordable housing for the future.
-  **LEAD HAZARD REMEDIATION (12.5%)** A primary goal is to work towards eliminating lead based paint hazards in homes with low-income families, in addition to funds used to rehab homes with lead paint. Primary emphasis will be given to households with young children, particularly those tested to be lead poisoned. Lead hazard remediation has become an important issue for federal agencies, as HOME, CDBG, and USDA program rules have been changed to ensure that homes are lead safe when assistance is provided to help homebuyers buy or repair homes or renters who occupy units financed with these funds. SICO has two staff trained in lead paint inspection. SICO recently received for a grant to fund a lead hazard remediation program in homes with children having elevated blood levels (EBLs) of lead. Local public health agencies report a measurable gap in funding for remediation.
-  **DEMOLITION AND LOT PREPARATION (7.5%)** More cities and development groups now request assistance with dilapidated housing. Lot preparation needs include infill infrastructure and site improvements along with marketing.

The need for all these projects/programs continues. SICO has developed several stand-alone programs and has seen increasing demand and popularity of our programs. The goal of the housing trust fund is to continue the good parts of these programs and to have a flexible means to move funds from one program to another as a particular need arises. With our current work in owner-occupied rehab on dozens of homes per year in six or seven CDBG-funded cities, dozens of annual first-time homebuyer loans, and dozens of emergency repair grants annually, SICO has become “THE” housing group in this region for local governments, development groups, and residents.

**Further Study**

Further study is needed to answer specific questions in the grant application process for each community as application questions change or become more diverse. SICO has the staff in place to assist in any and all future study.

**What Can be Included in Grant Applications?**

Most or all the data in this study, including analysis, can be directly incorporated in most grant applications. SICO provides assistance to local governments in reviewing application processes and writing narratives for programs.

**Funding Sources Available for Program Implementation**

Funding is available from various sources for owner-occupied housing rehabilitation programs. The following table illustrates the types and uses of funding sources available to this region:

**Illustration 65: Funding Sources for Owner-occupied Housing Rehabilitation**

Source	Program	Type of Program	Eligible Applicants	Eligible Fund Uses	Funding Levels
Iowa Dept. of Econ. Dev.	CDBG Housing Fund	Grant	Local governments	Substantial rehabilitation	\$24,999/unit \$700,000 max.
Federal Home Loan Bank	Affordable Housing Program	Grant	Any organization through member banks	Minor to substantial rehabilitation	\$1,000-\$20,000/unit \$500,000 max.
SICOG HTF	Housing Trust Fund	Terms vary	Organizations in Area 14	Minor to substantial rehabilitation	Undetermined, decided on case basis
SICOG	Emergency Home Repair	Grant	Individual homeowners	Minor rehabilitation (roofs, furnaces, water heaters)	\$4,700 max grant plus owner contribution
Wells Fargo Housing Foundation	Housing Foundation Grant Program	Grant	Varies by RFP	Minor rehabilitation	Varies by RFP
USDA Section 502-504 program	Owner-occupied rehab loans and grants	Loan for most people; grant for low income elderly	Individual homeowners	Minor to major rehabilitation	Depends on need, income, and appropriation
MATURA or SCICAP	Weatherization Program	Grant	Individual homeowners	Weatherization work	Depends on need, income, and appropriation
USDA Section 533 Program	Housing Preservation Grant	Grant	Local non-profit organizations	Minor rehabilitation	Depends on award for specific grants
County Endowment Foundations	See individual counties	Grant	Local non-profits and governments	Varies but usually minor rehabilitation	Typically max grant is \$10,000 for organization
Dekko Foundation	Grants program	Grant and Technical Assistance	Organizations in Clarke, Decatur, Ringgold, Union	Varies by grant proposal offered – programs must impact youth	Varies by grant proposal offered

The above programs and opportunities are strong and viable but are not by any means the only opportunities available. SICO should be consulted when a project is being created so that SICO staff can help direct the community to the best sources.

**PART 5: FUTURE STUDY PLANS AND PUBLIC COMMENT**

**Public Comment**

The final plan is to be given comments by SICO staff and executive board and each impacted city not later than March 2009 in preparation for final approval by each governing body.

**Revisions**

Revisions and completions are necessary for cities that to date have not participated fully in the process to the level of their commitment. Such revisions should proceed through the SICO planning staff and the plan can and should be updated as needed through 2009 and beyond until the plan is fully updated.

### **Future Study Plans**

This assessment and individual town housing studies will be updated again in 2010 and then again bi-annually as long as interest remains by local governments to implement owner-occupied rehabilitation programs.

### **Summary and Conclusion - SICO's Regional Action Plan Concept**

SICO has several concepts in mind for assisting in implementing successful projects over the next five years. The following concepts represent a regional action plan of a comprehensive nature, of which housing rehabilitation is a top need identified by many communities, not just in terms of housing, but in terms of all forms of community development.

#### ***1. Multiple Housing Needs.***

There are multiple critical housing needs in the SICO Housing region. Having completed a regional assessment and local plans, a great effort to address the needs of all spectrums of the housing continuum is now in order.

#### ***2. Plan for the Future***

In addition to the housing needs that are already identified and those to be identified in the comprehensive assessment, it is important to look for ways to secure long-term, committed funding for the LHTF. This will include advocacy to government sources for permanent funding and working with potential partners to secure matching funds.

#### ***3. Experienced Staff in Place***

The staff members necessary for a successful LHTF are already in place at SICO. Many years of expertise in running housing programs and identifying needs ensures that the LHTF will help address the housing needs of the region. Hiring a planning intern in 2009 will help meet these goals.

#### ***4. Interface Between State and Local Housing Organizations***

SICO is also a front-line networking group with local developers and housing providers (public, private, and non-profit) and can distribute funds to these organizations as needs arise, thus reducing reliance upon outside sources for urgent and sudden change in needs and reducing the flood of local applications to outside sources for special community projects. SICO was created in part by state and federal officials to act as an interface between all levels of government.