



# CARROLL COUNTY HOUSING ASSESSMENT



5/7/2016

# ACKNOWLEDGMENTS

The project team would like to acknowledge the contributions of the residents of Carroll County, who gave their time, ideas, and expertise for the creation of this plan. It is only with their assistance and direction that the plan gained the depth necessary to truly represent the spirit of Carroll County and it is with their commitment that the plan will be implemented.

We would also like to thank the partner organizations, Carroll Area Development Corporation, Carroll County, and the City of Carroll who supported this study, financially and through their leadership. A special thanks to everyone involved.

## A SPECIAL ACKNOWLEDGMENT TO OUR PROJECT TEAM, COMMUNITY LEADERS, AND STAFF.

Jim Auen  
Nick Badding  
Carolyn Siemann  
Clay Haley  
Gene Meiners  
Neil Bock  
Shannon Landauer

## CONSULTING TEAM



[www.RDGUSA.com](http://www.RDGUSA.com)



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# CHAPTER 1

## COMMUNITY HOUSING PERCEPTIONS

## INTRODUCTION

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A Housing Needs Assessment is designed to explore, evaluate, and identify strategies to address housing issues throughout the study area. The housing market impacts the quality of life for residents of the region, for people interested in moving to the area, and for businesses seeking to recruit (and retain) employees. To understand the Carroll County Housing Market, the Housing Assessment includes an exploration of demographic trends, construction activity trends, personal observations, and an extensive public engagement process.

The public engagement process was designed to evaluate the diverse and unique housing needs of the communities throughout Carroll County. The process included a series of public meetings and surveys to engage as many stakeholders as possible in a number of ways. In total, the assessment condenses the perspectives from 11 public meetings and stakeholder discussions, 1,395 survey respondents, and 6 meetings of a steering committee specially designed to represent the various stakeholders of Carroll County.

A series of community meetings were held throughout Carroll County including: Carroll; Breda; Glidden; Manning; and Coon Rapids. These meetings included attendance from community leaders, business representatives, and members of the general population.

A series of three surveys were conducted to explore housing issues in Carroll County.

1. The community-wide survey was distributed to reach the general public to better understand their perspective, perceptions, and desires of the housing market.
2. The workforce survey was designed to target those working in Carroll County and its communities to better understand where people are working, living and also the challenges that face businesses trying to recruit labor into Carroll County.
3. The landlord survey was distributed to owners and managers of rental properties to gain their perspective on the rental market in Carroll County.

It should be noted that these surveys are a reflection of the individuals who chose to take the time to complete the survey and were not done in a manner that ensured a random sample of community residents. The purpose of the surveys was to help identify trends and opportunities that are further explored in the community conversations and demographic analysis.

## SURVEYS

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### Community Survey

An engagement tool designed to reach the general population including residents, leadership, and the business community was distributed in the fall of 2015. The survey was well received throughout Carroll County; Map 1.1 illustrates the geographic distribution of those responding to the community survey. Over the three months that the survey was open, 521 people contributed their perspective to the housing assessment.

### *Highlights from the Community Survey*

- » Responses from throughout the county with the highest response rates from the ZIP codes containing Carroll, Manning, and Coon Rapids
- » Survey respondents generally exhibit higher household incomes and higher home ownership rates than Carroll County as a whole
- » Strong interest for apartments (68% of respondents) and townhomes (86% of respondents)
- » Strong interest in independent senior living units (78% of respondents)
- » Desire for more housing diversity than the traditional larger four-bedroom home that is often constructed today, only 37% of respondents felt this would be a successful product while over 60% felt townhomes, apartments, senior units, and smaller affordable homes would be successful
- » With only 37% of respondents feeling that larger four-bedroom homes that are currently being constructed would be successful there is a growing desire for more diversity in the market, as illustrated in the above text
- » Current housing market does not adequately meet the needs of many types of potential homebuyers with the exception of “empty nesters” who are well-served by the market (It should be noted that stakeholder participants felt there is a lack of housing for those interested in downsizing)
- » Respondents felt seniors would be most interested in apartments with services available such as one meal per day or housekeeping (36% of respondents) and owner-occupied homes with shared maintenance (34% of respondents)



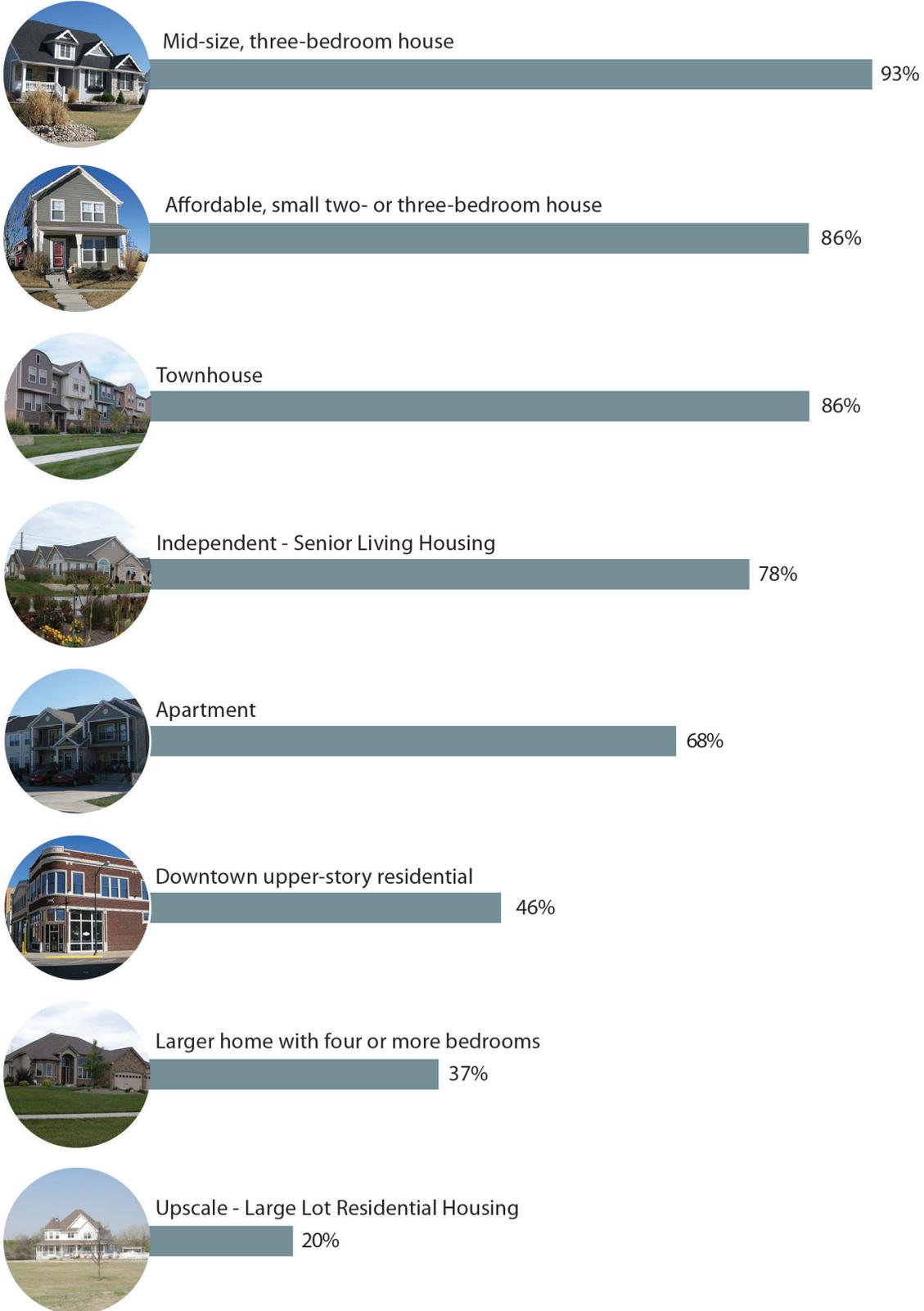


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## NEW HOUSING

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What new housing products do you think would be successful in Carroll County today?

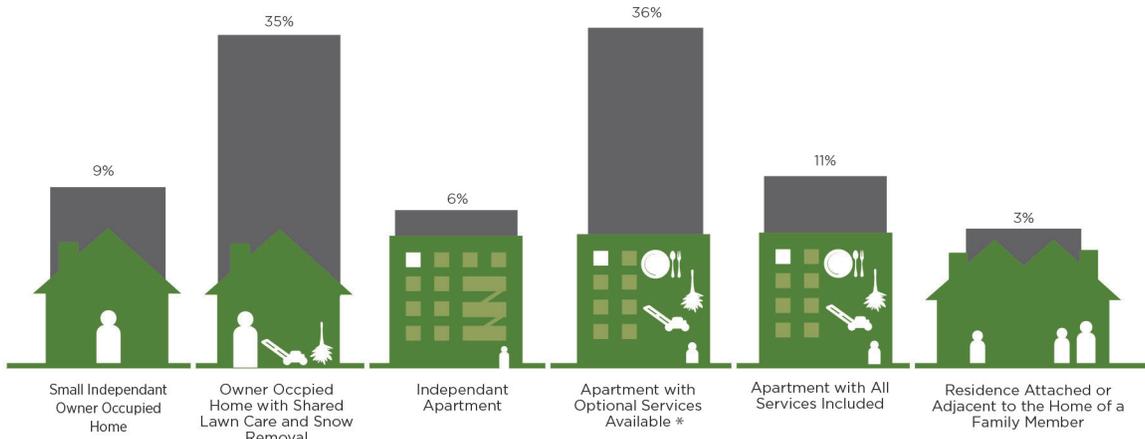


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## SENIOR PREFERENCE

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What type of housing do you believe seniors and the elderly are most interested in?



\*Typical services include lawn service, cleaning, and some meals

## Workforce Survey

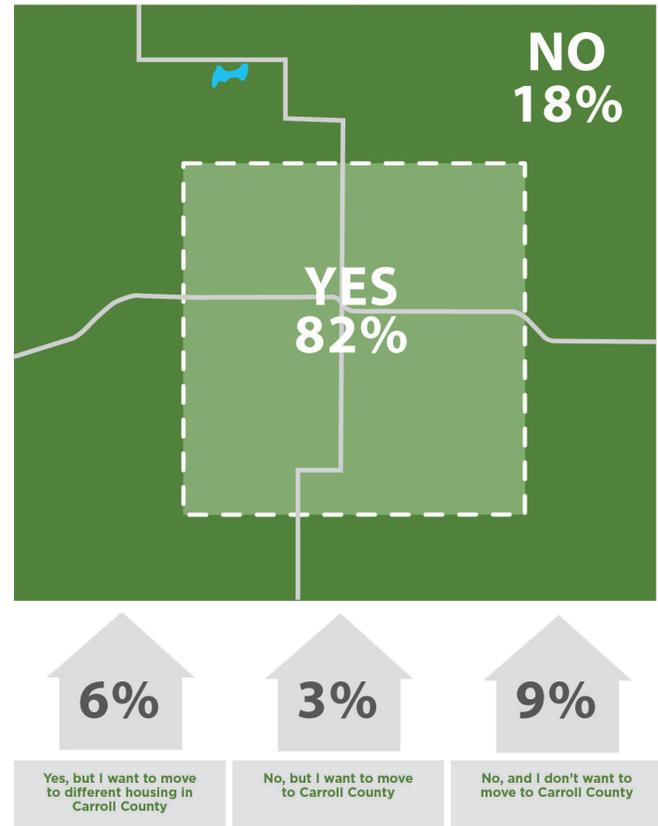
An engagement tool designed to reach the population employed in Carroll County including those living outside of the County. Over the three months that the survey was open, 874 Carroll County employees contributed their perspective to the housing assessment.

### Highlights from the Workforce Survey

- » Survey respondents generally exhibit household incomes and home ownership rates similar to Carroll County as a whole.
- » A majority of respondents felt they could find their preferred housing option (72%); however, this does not reflect an actual attempt to find that option.
- » The majority of respondents live in Carroll County (82%); another 6% of respondents reside in Carroll County but are interested in moving into a different type of housing product. Of the respondents who reside outside of Carroll County, 3% expressed interest in living in Carroll County.
- » When asked “if you want to change housing, please select the type of housing you would be moving from and the type of housing product you would like to move into” a few trends emerged (see page 12).
  - Desire to move up in the housing market with interest in single-family homes, both large - 43% and small/medium - 23%
  - Interest in relocating into townhomes or duplexes (12%)
  - Interest in relocating into senior living facilities (5%)
- » For mortgage and rent payments, 45% of respondents pay between \$400 and \$799 per month. Only 20% of respondents pay less than \$400 and 35% of respondents pay more than \$800 per month.
- » The majority of respondents live within 14 minutes of their workplace
- » A number of questions were designed to target issues especially pertinent to respondents 55 and over (see page 13).
  - 67% of respondents stated that they plan to retire in Carroll County and 60% stated that they were confident that they would be able to find their preferred housing option within the county compared to 72% of all respondents (again it should be emphasized that this is a perception, not an actual attempt to find their preferred housing type)

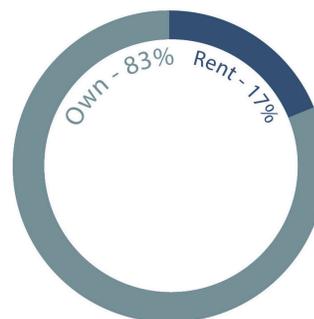
## HOME LOCATION

Do you live in Carroll County?



## OCCUPANCY

Do you own or rent your home?



- Respondents stated that the most appealing housing options include: small independent, owner-occupied homes (36%); owner-occupied home with shared lawn care and snow removal (24%); and independent apartments (17%). This is comparable to the community survey (page 9) that included responses from both seniors and non-seniors

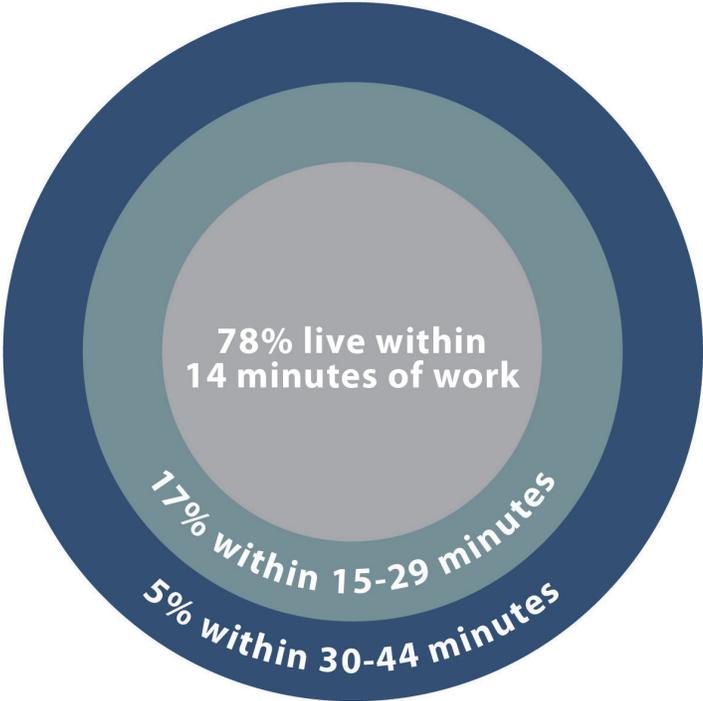


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COMMUTE TIMES

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How long is your commute to work?

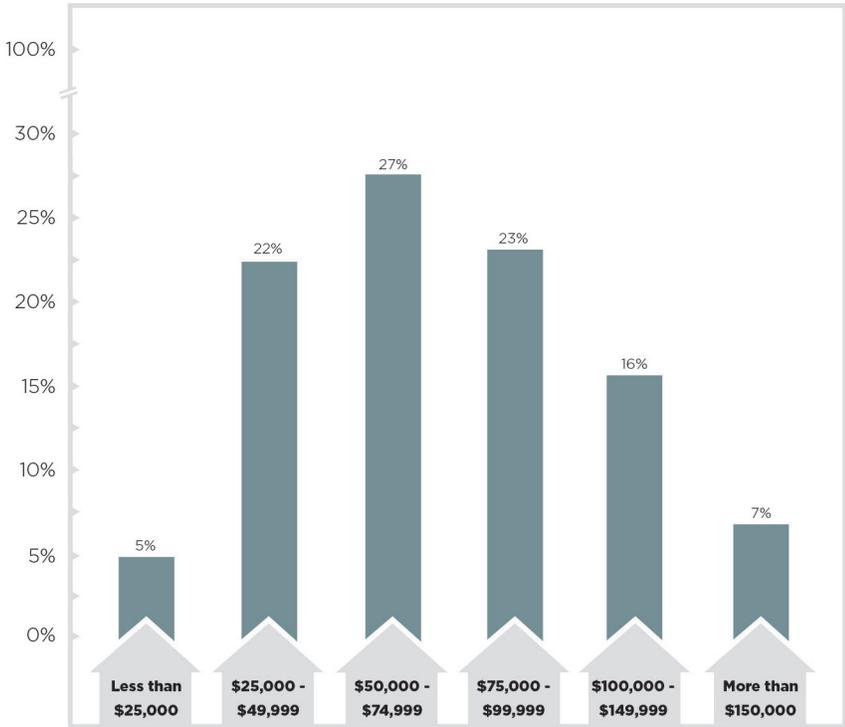


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INCOME PATTERNS

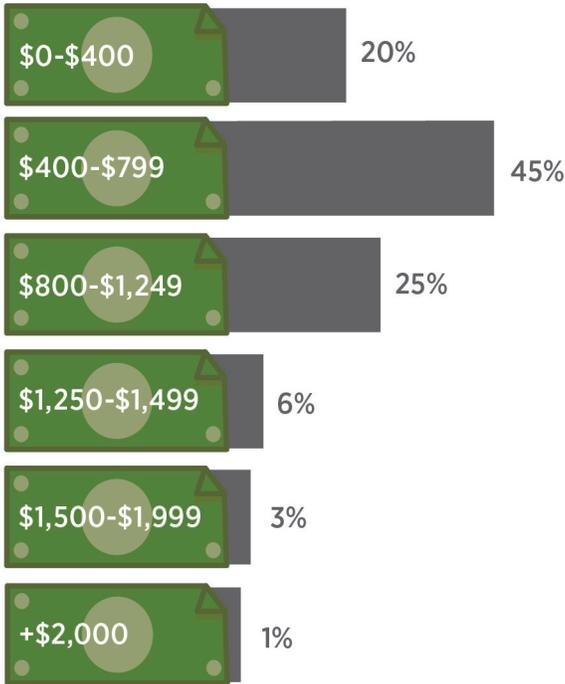
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What is your household's estimated annual income?

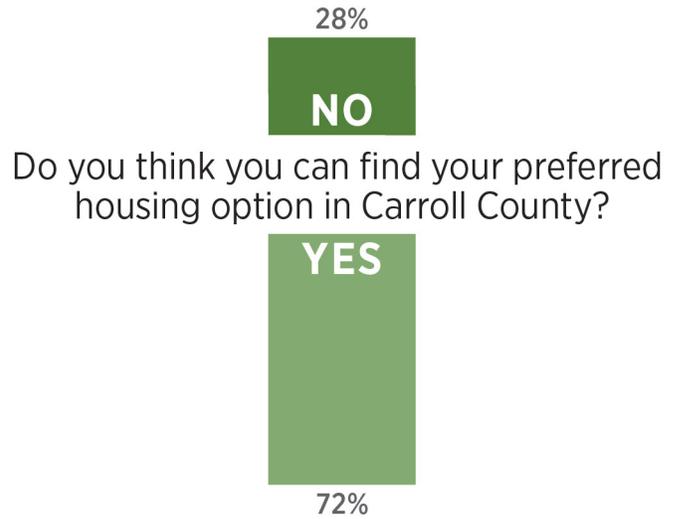


HOUSING COSTS

What is your monthly rent or mortgage payment?

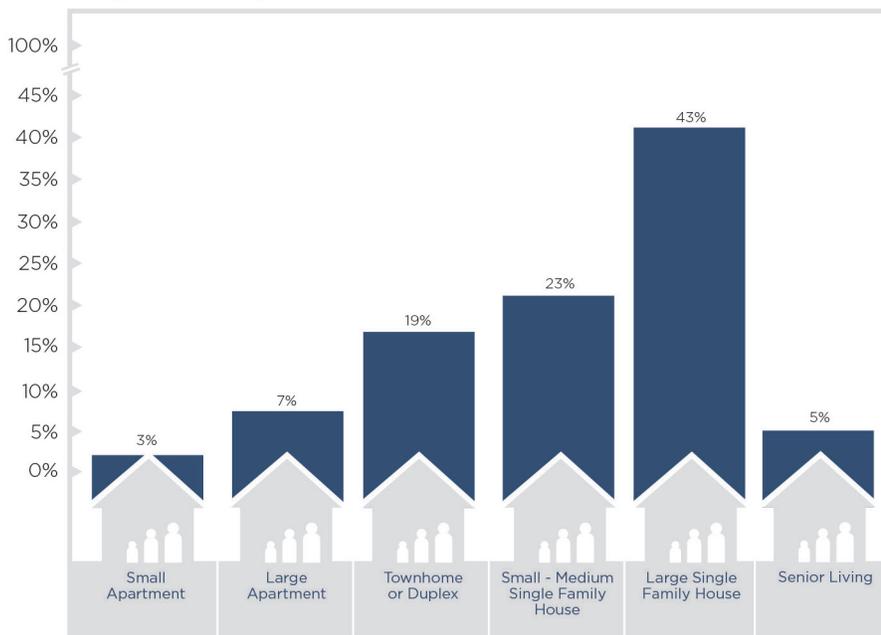


HOUSING AVAILABILITY



CHANGING HOUSING

If you want to change housing, select the type of product you would want to move into?

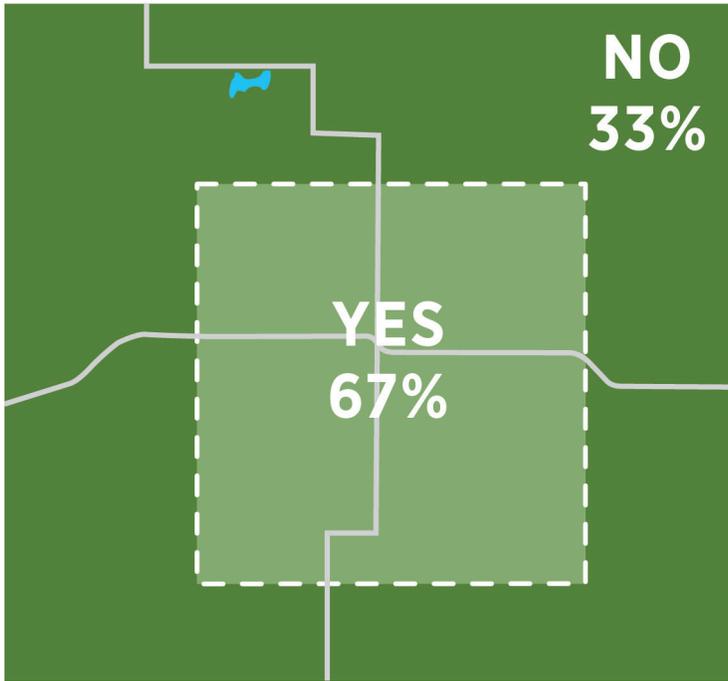


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RETIRE IN CARROLL COUNTY

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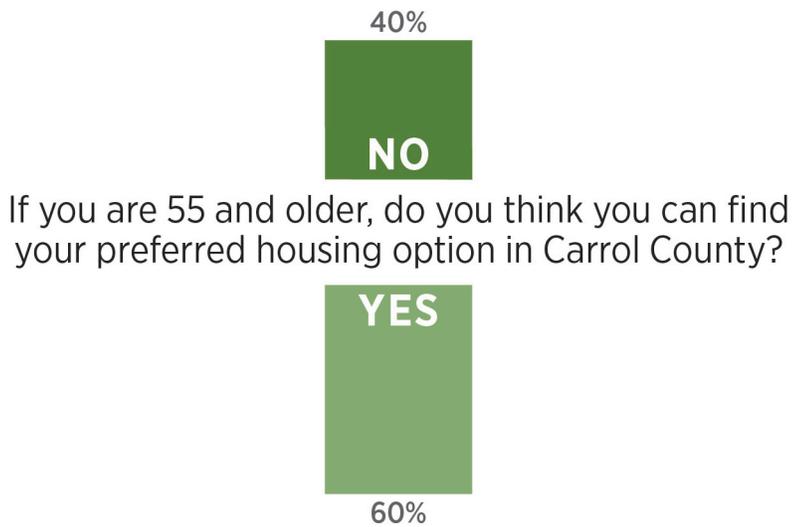
If you are 55 or older, do you plan to retire in Carroll County?



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HOUSING AVAILABILITY FOR RETIREES

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## Landlord Survey

A landlord survey was distributed to gain a better perspective of the rental market in the larger communities of Carroll County. The survey reflects the first-hand experience of 19 landlords representing 316 units with insight into vacancy, housing turnover, rent cost, subsidies, and the number of senior units in the market. These questions tended to be open ended questions that allowed the landlords to share their experiences and perceptions of the market. This section reviews the findings of this survey and interviews.

### *Highlights from the Landlord Survey*

- » Strength of the Rental Market
  - The rental housing market appears to be very strong with a large market for rental housing and a limited supply of units. One landlord noted having a wait list and the majority indicated that turn overs were very fast and units were quickly filled when they became available.
- » Diversity of the Housing Market
  - Respondents noted that there was limited diversity of housing units on the market. This lack of diversity is driven by two factors: (1) the high demand for rental units and low supply creates a very tight market with few choices for those seeking rental housing; and (2) the trend of converting the large supply of smaller single family detached units into rental homes has led to a rental market dominated by these types of units.
- » Quality of Rental Units
  - Respondents indicated that there is a mix of high quality units and low quality units on the market. The high quality units are limited in number but a number of landlords noted that these units are always in demand. The lower quality units on the market suffer from a lack of maintenance.
- » Gaps in the Market
  - Respondents noted a number of gaps in the rental market:
    1. Units for young singles and single parents with more than 2 children
    2. Larger 2-3 bedroom family dwellings
    3. More new, quality units.
  - Many other respondents noted that there is a variety of rental units but an overall shortage of quality rental housing across most housing types and demographic markets and therefore, additional quality units are needed.
- » Time to Fill a Vacancy
  - The majority of respondents (53%) indicated that it typically takes less than one month to fill a vacant units. The second highest response is that it takes between one and two months (11%) to fill a vacancy. Overall, these responses validate the anecdotal notes on the strong demand for rental housing in Carroll County.



## » Rental Price Points

- The survey asked respondents to identify the rental costs for different size rental units.
  - **One Bedroom Units.** Five respondents stated that they had one bedroom units in their inventory and the requested rent responses follow: \$50-450 based on income; \$250; \$400; \$450 - \$525; \$435. For units with rent not based on income, the average rent for a one bedroom unit was \$393 per month.
  - **Two Bedroom Units.** Seven respondents stated that they had at least one two- to -three bedroom units in their inventory. The average rent for a two bedroom unit was \$522 per month. The highest rent (range) provided was \$625 - \$750 and the lowest (excluding income based) was \$300 - \$375 per month.
  - **Three or More Bedroom Units.** Eight respondents state that they had at least one unit in their inventory with three or more bedrooms. The average rent for a three or more bedroom unit was \$480 per month. The highest rent (range) provided was \$650 - \$675 and the lowest was \$350 per month.

## » Subsidized Units

- The majority of respondents to the survey indicated that they have no subsidized units in their inventory (11 respondents or 61%). A number of subsidized units were represented in the survey with 28% stating that some of their units were subsidized and 11% stating that all of their units were subsidized.

## » Senior Oriented Housing (for respondents with senior units in their inventory)

- The survey asked respondents with senior oriented units about the types of support services that they provide to their residents. A number of respondents stated that their senior units were single-level units that may be ADA accessible. One respondent stated that they offer a van to bring residents to the grocery store and monthly activities in addition to having a staff available for senior meals and home health services. Based on the responses, it seems that the majority of senior options in Carroll County are simply single story units with a number of units that are ADA accessible.

## STAKEHOLDER GROUPS

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- » Over several days a series of small group discussions were held across Carroll County. These discussions, along with the surveys, helped define key housing issues. These groups represented both specific disciplines and communities. Disciplines included financial institutions, builders and developers, real estate agents, major employers, and public sector. Major conclusions from these conversations included:
  - The housing market has remained strong but many of the units on the market are priced below \$100,000. The need for housing priced between \$120,000 and \$180,000 is strong.
  - Households making just above the income limits to qualify for assistance often struggle to find quality housing. Rental units in these ranges are scarce and ownership options often need substantial rehab or have very high utility costs.
- » Scarcity by Price Point
  - The housing market has remained strong but many of the units on the market are priced below \$100,000. The need for housing priced between \$120,000 and \$180,000 is strong.
  - Households making just above the income limits to qualify for assistance often struggle to find quality housing. Rental units in these ranges are scarce and ownership options often need substantial rehab or have very high utility costs.
- » Contractor Capacity
  - There is almost no speculative construction occurring because builders in the area are busy building custom homes.
  - Like other employers, builders are struggling to find quality workers and subcontractors to complete projects.
  - Several participants noted that the wait time for a contractor could be up to a year.
- » Affordable Rental Housing
  - Every community noted the need for additional rental housing with the greatest demand being for lower income households.
  - Participants also noted that young professionals and managerial level recruits discover that it is difficult to find quality rentals.
  - Construction of new units in the smaller communities is very difficult because of the cost of existing housing is so low and the perception that rental rates should be lower than a mortgage, which is infeasible based on construction costs.
- Rental housing across Carroll County depends on traditional single family homes. Often these are older smaller homes in need a substantial repair, maintenance, and weatherization.
- » Lot Development
  - Lot development varies by community. Many of the smaller cities have taken the initiative to ensure that there is an adequate and affordable supply of lots. This is driven by the understanding that construction activity is slow and that private developers cannot afford to hold lots for long periods. For the City of Carroll lot development is done by private developers, this means that lots are substantially more expensive than in the surrounding smaller communities and therefore price points for housing are higher.
- » Senior Market
  - Every community noted a need for more senior oriented housing. These units ranged from nice small units with maintenance included to assisted-living units.
  - Many felt that quality townhomes or duplexes would be appealing to both young professionals and seniors.
  - Participants in the smaller communities saw quality senior housing as a way to “free up” affordable housing that would be appealing to young families.
- » The Role of Employers
  - Recruitment and retention of employees to the area is a major issue across the region and housing is seen as one of the pieces to the puzzle.
  - Discussions regarding the role of major employers varied and the need to see housing as part of a benefit or recruitment package was explored. Employers had varying levels of comfort and interest in being involved with issues related to employees housing needs.
- » Community Image
  - The image and perception of the different communities plays heavily on the cost, scarcity, and quality of housing available in the community. Several communities are perceived to be more appealing making housing more competitive in those markets.
  - Differing perceptions drives housing costs and construction activity and thus will drive housing programs and policies.



## CONCLUDING THEMES

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Carroll County's healthy economy reflects the region's strong work ethic and quality of life. Generally speaking, residents value the quality of their communities and express this value through the care and upkeep of their homes and community institutions. Many of the major themes that were identified through the community engagement process will be further explored and discussed in the following sections of this document. These include:

- » The impact of the strong economy on the region's housing market
- » The need for quality housing within specific price points
- » The role that employers, businesses, and the financial community will need to play in the housing market
- » The low unemployment rate and the effect that has on the building community to find quality tradespeople
- » The need for senior-oriented housing and the delivery of that housing product
- » The interest in more housing variety, specifically for townhome and duplex units that are appealing to both young and old households
- » The demand for quality rental housing and subsequent rental housing issues, including:
  - The scarcity of quality rental housing and the need for rental housing within specific prices and locations
  - The impact that perception of rental costs has on the ability to construct new rental units
- » The need for more entry-level owner-occupied housing and the impact that lot costs have on that market



## CHAPTER 2

# A PROFILE OF CARROLL COUNTY

## CARROLL COUNTY ASSESSMENT

Carroll County is a rich tapestry of Iowa culture and agricultural history. To understand Carroll County, it is important to understand each of the communities that form the fabric of the region.

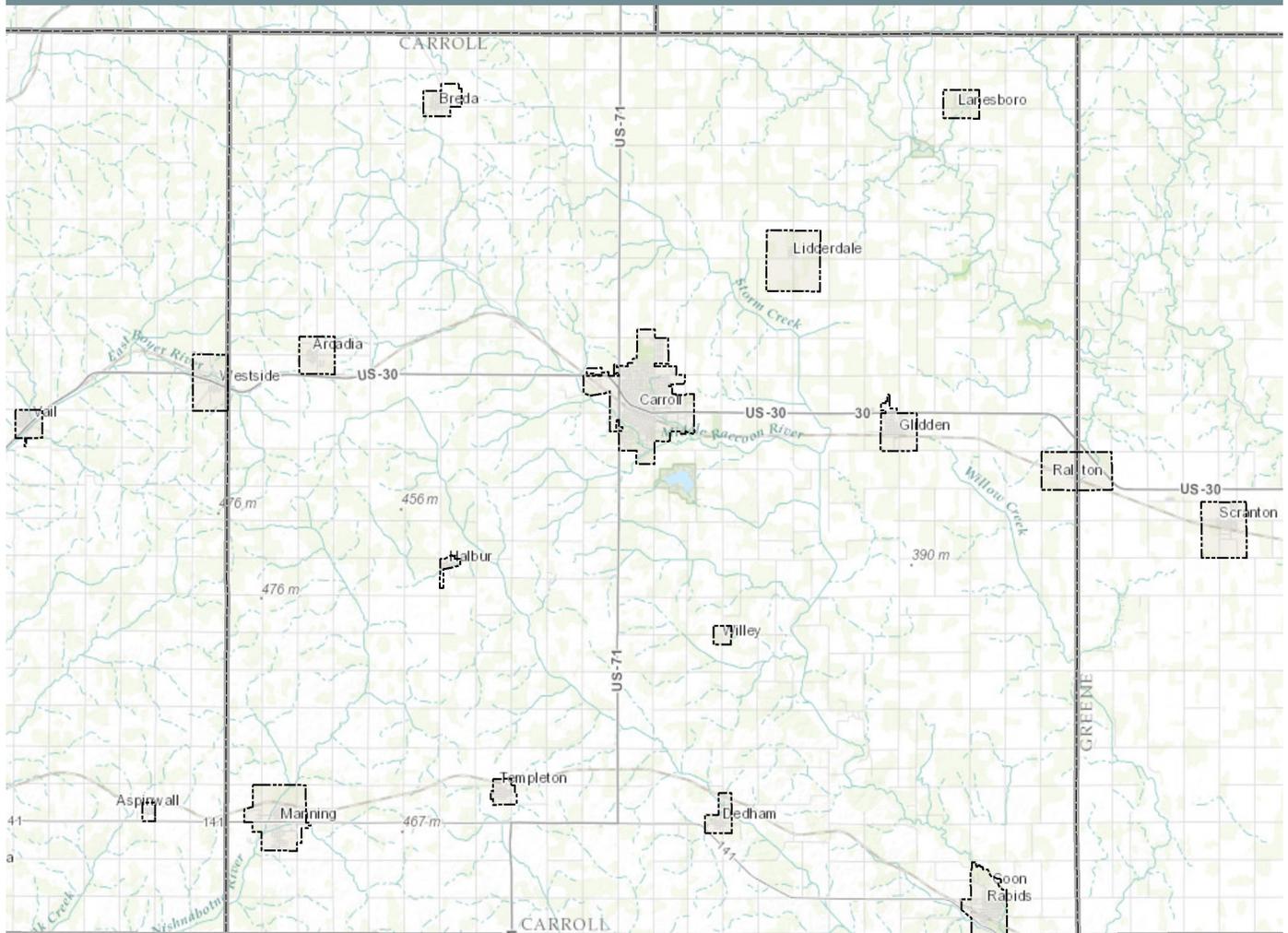
### Population Change and Characteristics

Like many rural counties in the Midwest, Carroll County experienced population loss during the first decade of the new century. Aside from Crawford County, Carroll experienced the smallest decrease in population compared to adjoining counties. Since 2010 the county's strong job market has likely leveled off some of this loss but success for rural areas will not only lie in job growth but in finding ways to attract new residents to the area to fill those jobs. This may result in changing demographics and cultural make-up for some areas, as has been seen in many Midwest communities over the past two decades.

**FIGURE 2.1:** Surrounding Counties Population Change

	2000	2010	2014	CHANGE	PERCENT CHANGE (00-14)
Carroll	21,421	20,816	20,702	-719	-3.47%
Audubon	6,830	6,186	5,935	-895	-15.08%
Calhoun	11,115	9,846	9,980	-1,135	-11.37%
Crawford	16,942	16,951	17,259	317	1.84%
Greene	10,366	9,448	9,232	-1,134	-12.28%
Guthrie	11,353	11,040	10,794	-559	-5.18%
Sac	11,529	10,480	10,162	-1,367	-13.45%

**MAP 2.1:** Map of Carroll County, Iowa



The general population trend in Carroll County and its communities is one of stability and/or slow decline; this can be attributed to the fact that the population is aging. To further understand the impact of the regions aging population, an analysis was completed that compared predicted population to actual 2010 Census population counts. The estimates in Figure 2.3 (page 22) are based on estimated birth and death rates for the population developed by the U.S. Bureau of the Census and the National Center for Health Statistics. The analysis indicates that:

- » A number of the county's communities overcame an aging population and actually experienced some in-migration.
- » In-migration occurs when the cities actual population is greater than the predicted population. This was the case for Arcadia, Breda, Carroll, Coon Rapids, Halbur, Manning and Templeton.

- » Those communities with a negative difference between predicted and actual experienced population loss both due to low birth rates and an out-migration of some residents. Glidden is an example of a community that had a young enough population in 2000 that it should have experienced natural population growth but actually saw a population loss. Proactive lot development by the city may have stabilized this trend since 2010.

**FIGURE 2.2:** Historic Population Change

	1980	1990	2000	2010	2014	DIFFERENCE 2000-2010
Carroll County	22,951	21,423	21,421	20,816	20,702	-605
Arcadia	454	485	443	484	563	41
Breda	502	467	477	483	456	6
Carroll	9,705	9,579	10,106	10,103	10,051	-3
Coon Rapids	1,448	1,266	1,305	1,305	1,408	0
Dedham	321	264	280	266	220	-14
Glidden	1,076	1,099	1,253	1,146	1,403	-107
Halbur	229	215	202	246	231	44
Lanesboro	196	182	152	121	111	-31
Lidderdale	197	202	186	180	213	-6
Manning	1,609	1,484	1,490	1,500	1,554	10
Ralston	108	119	98	79	84	-19
Templeton	319	321	334	362	370	28
Willey	94	78	103	88	71	-15



**FIGURE 2.3:** Predicted Versus Actual Population Change

	2000 POPULATION	2010 PREDICTED	2010 ACTUAL	DIFFERENCE - PREDICTED VS. ACTUAL
Carroll County	21,421	20,972	20,816	-156
Arcardia	443	429	484	55
Breda	477	437	483	46
Carroll	10,106	9,894	10,103	209
Coon Rapids	1,305	1,231	1,305	74
Dedham	280	270	266	-4
Glidden	1,253	1,330	1,146	-184
Halbur	202	205	246	41
Lanesboro	152	145	121	-24
Lidderdale	186	183	180	-3
Manning	1,490	1,354	1,500	146
Ralston	98	95	79	-16
Templeton	334	329	362	33
Willey	103	106	88	-18



**FIGURE 2.4:** Median Age

MEDIAN AGE	2000 MEDIAN AGE	2010 MEDIAN AGE	2013 MEDIAN AGE
Arcadia	37.6	36.3	28.2
Breda	42.2	37.6	38.2
Carroll City	38.8	42	40.7
Coon Rapids	42.9	41.3	45.4
Dedham	36	32.3	29.7
Glidden	40.1	44.8	44.1
Halbur	34	35.4	26.7
Lanesboro	43.3	50.8	36.3
Lidderdale	38	46.5	31.9
Manning	44	45.5	47
Ralston	40.7	40.3	42.6
Templeton	39.3	43.6	49.8
Willey	32.2	32.5	47.5

## Carroll County Economy and Employment

Carroll County's strong economy has a significant impact on housing and housing demand. A basic assessment of Carroll County's economic trends indicates:

- » A higher median household income is driven by established industries and a low employment rate. Quality jobs and housing costs that match wages will be key to attracting new families to the area. Median household income is important for establishing the threshold at which families qualify for assistance. Higher incomes elevate this threshold.
- » Unemployment rates are extremely low, leaving very few qualified individuals to fill new or existing positions. Figure 2.6 illustrates that this is not just an issue for Carroll County but all of the surrounding counties have workforces that are nearly at full employment. This means that cities and counties are competing against each other for a very small pool of potential applicants. To address this issue new residents must be attracted to the region. Housing and community amenities are often an important part to creating an incentive package that attracts workers to a region.
- » Unemployment rates are the highest among residents age 16 to 19 years. This population has the lowest demand for housing, but also has some of the greatest challenges to entering the workforce. Scheduling conflicts with school, skill development, and access or transportation are just some of the challenges this population faces.
- » Occupations focus on management, business, science, and the arts. This focus is true for the larger region with many of these workers being employed in the education and health care industries. As a regional commercial hub, Carroll also has a substantial percentage of residents employed in sales and office occupations.

**FIGURE 2.5:** Median Household Income

	2014 POPULATION	2014 ESTIMATED MEDIAN HOUSEHOLD INCOME	80% OF MEDIAN	50% OF MEDIAN
Carroll	20,702	\$48,998	\$39,198	\$24,499
Audubon	5,935	\$47,566	\$38,053	\$23,783
Calhoun	9,980	\$44,934	\$35,947	\$22,467
Crawford	17,259	\$47,437	\$37,950	\$23,719
Greene	9,232	\$47,255	\$37,804	\$23,628
Guthrie	10,794	\$50,238	\$40,190	\$25,119
Sac	10,162	\$48,581	\$38,865	\$24,291

Source: American Community Survey, 2014;



**FIGURE 2.6:** Employment Trends

	2014 POPULATION	LABOR FORCE*	UNEMPLOYMENT RATE
Carroll	20,702	16,181	2.50%
Audubon	5,935	4,872	2.60%
Calhoun	9,980	8,209	4.40%
Crawford	17,259	13,253	5.30%
Greene	9,232	7,347	6.90%
Guthrie	10,794	8,601	4.50%
Sac	10,162	8,194	3.80%

\* Population 16 years and over

Source: American Community Survey, 2014



### Vacancy Rates - A Note of Caution

In a healthy market some vacancy is necessary to ensure options for new residents and to avoid escalating prices. A healthy balance usually occurs somewhere between 5% and 7%. Vacancy rates can also be very challenging to calculate, especially for rental markets where there are often non-traditional units and demand can fluctuate from year to year. Realtors, employers, and community leaders all noted a lack of quality rentals throughout Carroll County. This is further supported by a survey of landlords that indicated a vacancy rate of approximately 3.0% and units being filled very quickly. Current estimates, which provide a snapshot in time, are not reflecting this trend and therefore, for projection purposes the nominal vacancy rate will be adjusted to levels reflecting survey results.

**FIGURE 2.7:** Percentage of Labor by Occupation

	CARROLL COUNTY	AUDUBON	CALHOUN	CRAWFORD	GREENE	GUTHRIE	SAC
Management	28.0%	34.2%	32.6%	24.8%	32.8%	33.4%	28.1%
Service	19.5%	18.1%	19.0%	16.0%	18.0%	15.8%	17.6%
Sales & Office	23.1%	20.7%	22.2%	19.8%	22.2%	22.9%	24.1%
Natural Resources, Construction, & Maintenance	12.5%	12.0%	13.0%	14.6%	11.6%	14.0%	12.1%
Production, Transportation, & Material Moving	16.9%	15.0%	13.2%	24.8%	15.4%	13.9%	18.0%

Source: American Community Survey, 2014

### Carroll County Housing Trends

In terms of general housing trends Carroll County is most comparable to Guthrie County. While smaller, Guthrie County has very similar household incomes, home values, and rents. Aside from Crawford County, Carroll and Guthrie counties have experienced the most stable population over the past 14 years. Strong economies in these three counties has also resulted in higher home values, while a high demand of quality rentals is likely driving up rental costs across all counties.

### Housing Occupancy

Carroll County provides a greater percentage of rental housing than adjacent counties. This stock of housing is essential when communities are trying to attract young households. Almost all young professionals and even many young families begin their experience in the housing market as renters. A healthy housing market provides housing options at all stages of life, such as quality rental units for those at the beginning of their adult life or for downsizing later in life. Carroll County's strong economy is again reflected in the lower vacancy rate and reflected in conversations with realtors and landlords, who noted a scarcity of housing in specific price points.

**FIGURE 2.8:** Occupancy Status

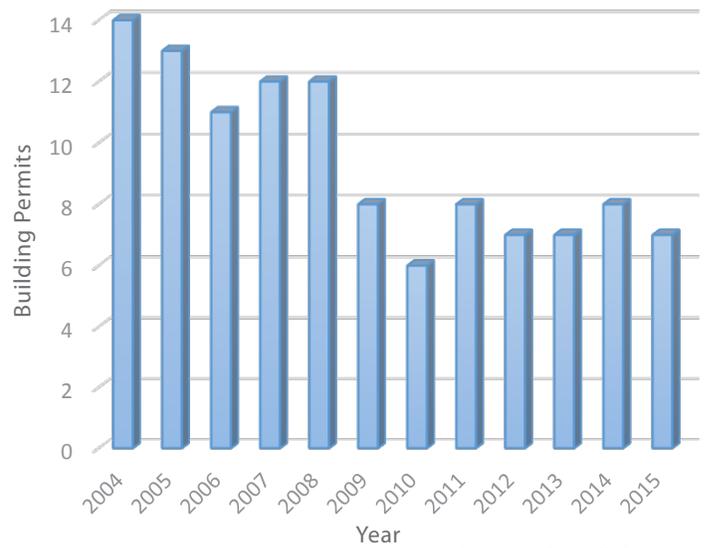
	CARROLL COUNTY	AUDUBON	CALHOUN	CRAWFORD	GREENE	GUTHRIE	SAC
Owner-Occupied	6,496	2,157	3,439	5,147	3,178	3,693	3665
% of Occupied Units	75%	80%	80%	79%	76%	79%	81%
Renter-Occupied	2,165	543	877	1,328	990	976	870
% of Occupied Units	25%	20%	20%	21%	24%	21%	19%
Total Vacant	669	259	565	484	395	1080	921
Vacancy rate	7.2%	8.8%	11.6%	7.0%	8.7%	18.8%	16.9%
Total	9,330	2,959	4,881	6,959	4,563	5,749	5,456

Source: U. S. Census Bureau, 2010

### Construction Activity

Construction activity in Carroll County, outside of the municipalities has focused on single-family construction. With the beginning of the recession and housing crisis in 2008 construction activity declined in response. From a high in 2004, construction in the county was half by 2015. Changes in financing, options within the communities, the rising cost of agricultural land, and availability of contractors have all contributed to the continued slow construction activity. Some of these same factors have also influenced housing construction in the county’s larger communities. It should be noted that some rural options should be available but overall homes within the municipalities can be served by public infrastructure in a much more cost effective manner.

**FIGURE 2.9:** Carroll County Construction Activity



Source: Carroll County

### Housing Affordability

One metric used to determine the affordability of a housing market is to compare median household incomes to median home values. An affordable, self-sustaining housing market, with adequate value and revenues to support market-rate new construction, will typically have a value to income ratio between 2.5 to 3.0. Ratios above 3.0 present significant affordability issues while ratios below 2.0 are significantly undervalued relative to income.

While a market that is unaffordable presents significant challenges to attracting new residents and to enabling residents to move within the housing market, an undervalued market is equally troublesome. An undervalued housing market stag-nates the economy in several ways:

- Purchasing a home is comparatively more affordable than rental options, the median rents are driven lower to a level where it is no longer feasible for new, rental units to be developed
- The lack of new rental units limits the accessibility of the housing market to new residents, employees, and families
- Undervalued markets discourage new construction, especially the construction of speculative housing that cannot be appraised at the cost of construction and thus removing all profits for the builder.



**FIGURE 2.10:** Community Assessments

	MEDIAN HOME VALUE (2013)	MEDIAN HOUSEHOLD INCOME (2013)	VALUE TO INCOME RATIO	MEDIAN CONTRACT RENT (2013)
Arcadia	\$78,200	\$57,321	1.36	365
Breda	\$76,900	\$42,417	1.81	403
Carroll City	\$123,000	\$43,483	2.83	433
Coon Rapids	\$68,800	\$41,979	1.64	326
Dedham	\$62,700	\$48,281	1.30	-*
Glidden	\$85,400	\$50,333	1.70	373
Halbur	\$87,900	\$63,333	1.39	*
Lanesboro	\$35,000	\$31,250	1.12	417
Lidderdale	\$74,400	\$47,813	1.56	*
Manning	\$72,900	\$43,125	1.69	388
Ralston	\$46,100	\$46,250	1.00	*
Templeton	\$90,000	\$46,563	1.93	519
Willey	\$76,700	\$37,083	2.07	*

Source: 2013 American Community Survey

\* Indicates that too few samples were collected to estimate

Carroll County has a fairly healthy ratio, indicating an ability to support new construction and the rehabilitation of existing housing. Many of the surrounding counties are experiencing very low home values, discouraging the development of speculative housing and the construction of new rental housing. Nationally the cost of rental properties is increasing as demand continues to remain high. Lower wages, expectation of more affordable housing in rural areas, and lack of builders comfortable with the rental market all combine to limit the amount of new rental construction activity occurring in the region. Quality, affordable rental units, especially for those households making just above the limits set for housing assistance was a re-occurring concern for many stakeholders. A lack of new construction only drives up housing costs and leaves poor quality units on the market.

## GUIDE TO ANALYSIS TABLES

The following section provides an overview of the demographic, housing, and economic trends in the county's four largest communities. This guide is meant to be a reference for understanding the methodology and make-up of those tables. All data comes from the U.S. Census Bureau or American Community Survey, unless otherwise noted.

### Affordability Gauge

A comparison of median household incomes to median home values to evaluate the affordability of a marketplace. An affordable, self-sustaining housing market, with adequate value and revenues to support new market-rate construction, will typically have a value to income ratio between 2.0 to 3.0.

### Population Projections

A projection for how each community can be expected to grow considering a number of factors related to historic trends and how and why a place grows, or doesn't. Factors include: historic trends; the age/sex of the current population; the expected migration of new residents; and new employment options.

### Occupancy Analysis

An examination of the number of dwelling units that are owner occupied, renter occupied, or vacant and how these trends have changed over time. This information combined with a review of construction activity can shed light on a communities changing housing demand.

**FIGURE 2.3:** Occupancy Analysis

COON RAPIDS	2000		2010		2013		NET CHANGE	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	406	75%	402	73%	424	72%	18	
Renter-Occupied	137	25%	148	27%	163	28%	26	
Total Vacant	28		63		58		30	
Vacancy rate	4.9%		10.3%		9.0%			
Total	571		613		645		74	

### Vacancy Analysis

An examination of the status of vacant units – is the unit vacant because it is for sale or up-for-lease, only occupied seasonally, or is it leased for migrant workers? This analysis provides a glimpse into the vacancy trends and reasons for why these units are vacant.

**FIGURE 2.4:** Vacancy Analysis

COON RAPIDS	2000	2010	DIFFERENCE
Vacant Units	28	63	35
For Rent	4	12	8
For Sale Only	8	14	6
Rented or Sold, Not Occupied	8	1	-7
For Seasonal, Recreation, or Occasional Use	0	10	10
For Migrant Workers	0	0	0
Other Vacant	8	26	18

In the communities of Carroll County, this analysis uses information from the 2010 Census Data to deliver the most reliable picture of housing within the region.

### Housing Affordability Analysis

An assessment of housing costs to incomes that begins to identify gaps in the market. Monthly costs for owner units are generally considered affordable if the overall housing unit costs between 2 and 2.5 times the household's yearly income. This ratio covers all housing costs, including taxes, insurance and utilities. Affordable rental units (including utilities) are considered to have monthly rents less than 30% of the household's monthly gross income. This analysis evaluates the availability of affordable housing and compares the quantity of housing that is affordable to each income group. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage. This analysis is meant to illustrate larger trends and not exact demand in certain price ranges. It does not take into consideration housing quality or mortgage status.

**FIGURE 2.7:** Housing Affordability Analysis - Coon Rapids, Iowa

Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	Balance
\$0-25,000	60.00%	27.94%	164	\$0-50,000	110	\$0-400	121	231	67
\$25,000-49,999	61-119%	25.21%	148	\$50,000-99,999	191	\$400-800	39	230	82
\$50,000-74,999	120-179%	15.84%	93	\$100,000-149,999	83	\$800-1250	0	83	-10
\$75-99,999	180-238%	8.69%	51	\$150,000-200,000	22	\$1250-1500	0	22	-29
\$100-150,000	239-357%	20.61%	121	\$200-\$300,000	7	\$1500-2000	0	7	-114
\$150,000+	Over 357%	1.70%	10	\$300,000+	11	\$2000+	3	14	4
Median	\$41,979	100.00%	587.00		424		163	587	0



### Housing Demand Model

This analysis builds on the population projections, housing trends, and community conversations to forecast the demand for additional housing. The model is built on the following assumptions with appropriate adjustments made for each communities circumstances.

Population at End of Period	1,338	1,372	1,406
Household Population at End of Period	1,296	1,329	1,362
Average Persons Per Household	2.21	2.21	2.21
Household Demand at End of Period	586	601	616
Projected Vacancy Rate	8.90%	7.65%	6.40%
Unit Needs at End of Period	644	651	659
Replacement Need	5	5	10
Cumulative Need During Period	12	13	25
Average Annual Construction	2	3	2

- » Household population at the end of the period does not include residents living in group care facilities, dormitories, and other institutional quarters. The non-household population does not produce a demand for conventional housing units. For this analysis it is assumed that the proportion of non-household population will remain stable through the planning period.
- » Average people per household is expected to remain constant over the next decade. Some growth may occur as Millennials move into their childbearing years but this forecast focuses on the demand created by this cohort leaving their parents homes and the housing needs they will have.
- » Unit demand at the end of the period is calculated by dividing household population by the number of people per household. This equals the number of occupied housing units.
- » A manageable housing vacancy provides housing choice for new residents moving to a community. In Carroll County’s current economy, a higher vacancy rate likely reflects units that are in poor condition or inappropriately priced. Higher rates do create more demand in the model but are not a positive for the overall perception and health of the market; while falling vacancy rates create less demand in the model and can result in rising housing costs.
- » Unit needs at the end of each period are based on the actual household demand plus the number of projected vacant units.
- » Replacement need is the number of housing units demolished or converted to other uses. Homes in poor condition or obsolete should gradually be replaced in a city’s housing supply. The number of units lost annually is based on both the quantity and quality of a community’s housing stock.
- » Cumulative need shows the number of total units needed between the base year of 2015 and the year indicated at the end of the period.

### Housing Development Program

Building on the Housing Demand Model, the Development Program forecasts production targets for owner and renter occupied units based on the following:

**FIGURE 2.9: Housing Development Program (2015 - 2025)**

COON RAPIDS	2015-2020	2020-2025	TOTAL
Total Need	12	13	25
Total Owner Occupied	7	8	15
Affordable Low: 60-100,000	1	1	2
Affordable Moderate: 100-130,000	2	2	4
Moderate Market: 130-200,000	2	2	4
High Market: Over \$200,000	2	2	5
Total Renter Occupied	5	5	10
Low: Less than 450	2	2	5
Affordable: 450-700	1	1	3

- » The proportion of rental development should be slightly higher than current owner/renter ratios. This is done to address both pent-up demand created by a lack of rental construction over the past twenty years, changes in the lending market leaving households in rental units for longer periods, and the growing number of young households entering the market.
- » Owner-occupied units will be distributed roughly in proportion to the income distribution of households for whom owner-occupancy is an appropriate strategy.
- » Most low-income residents will be accommodated in rental units.

It is important to note that most lower-cost owner-occupied housing will be produced indirectly through a filtering process. For example, a unit that meets the needs of a high-income, empty-nester household may encourage that household to sell their current home to a moderate income family. Filtering processes rarely satisfy an affordable housing need on a one-to-one basis, but they do realistically address part of the market demand.

## COMMUNITY ASSESSMENTS

### City of Carroll – Community Assessment

The most populous city in the county, Carroll is the primary center of employment, retail and service opportunities, education, and healthcare in the region. As a result of its size and regional presence, much of the housing demand throughout the county is drawn to and absorbed by existing and new development within the City of Carroll and its periphery.

#### Primary Themes of Carroll, Iowa

##### **Aging Population**

A significant portion of Carroll’s population is older and outside of their child-bearing years. Without strong in-migration over the next decade, this demographic mix results in a slow decline in population (Figure 2.3 & 2.4). The city and county will have to find new ways to attract young households from varying backgrounds to overcome natural population loss, fill existing jobs, and expand the economy.

The city’s aging population also has a significant impact on the number and type of units that are or will be coming on the market. There are an estimated 1,239 households over the age of 65 and an estimated 893 (72%) of those households live in owner occupied units. A good portion of those households will be looking for housing alternatives in the next ten years creating a demand for new housing options but also potentially supplying housing to young families.

##### **Potential for New Growth**

Over the past 50 years the city has experienced a fluctuating growth pattern. Strong growth in the 1960s and 1970s has been followed by three decades of slow to no growth. To achieve the city and county’s economic development goals growth will need to occur. For the purposes of this study it is assumed that the city will grow at a minimum of 0.5% annually resulting in a 2025 population of 10,578. (Figure 2.13)

##### **Dominance of Owner Occupied Housing Options**

There are an estimated 2,999 owner occupied dwellings in Carroll (Figure 2.15). This represents 70% of occupied dwellings in the community, a comparable proportion to other similar communities. It should be noted that nationally the percentage of owner-occupancy has decreased slightly since 2008. This is due to increased lending requirements and a growing number of young households entering the market that tend toward rental units for their first housing.

Of the total dwelling units that are vacant, there is a marked difference between owner-occupied vacancies (1.5%) and rental vacancies (11.4%) (Figure 2.14). These numbers were in drastic contrast to what realtors, employers and residents were sharing in regards to the rental housing market. A survey of nearly 300 rental units found a vacancy rate closer to 3%.

#### At a Glance

##### Affordability Gauge



2015 Population: 10,063

2025 Population: 10,578 (515 new residents)

##### Affordability Balance:

- » Overall affordability good with a shortage of units for households with incomes below \$25,000 and above \$100,000 annually

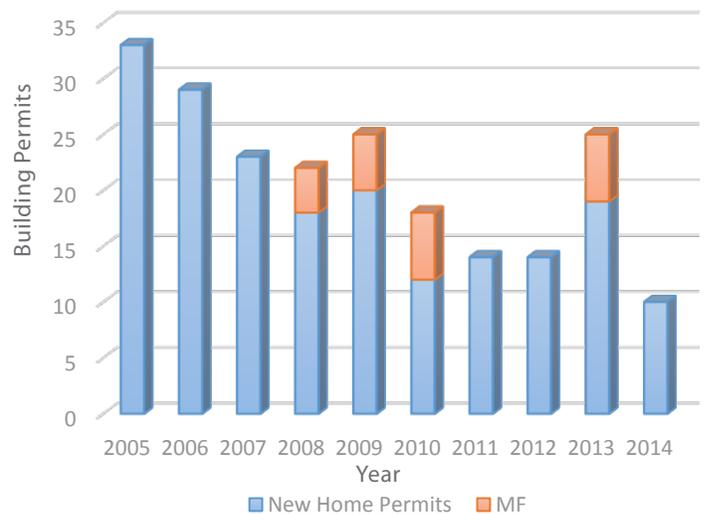
2010 Vacancy Rate: 7.3%

Owner | Renter Occupancy: 70% | 30%

Housing Demand by 2025: 449 units (45 units/yr)

- » Renter Units: 180
- » Owner Units: 269

**FIGURE 2.11:** Carroll Construction Activity



Source: City of Carroll

A word of caution on these numbers – those completing the survey were not likely to own substandard units or units being used for storage. These units do not fill a demand in the market and therefore bringing them up to standard would be similar to adding a unit to the market.



**Housing to Support Existing Residents**

Since 2005 the city has averaged 21 new residential permits annually (Figure 2.11). This level of development has supported a housing market that is driven by an increase in the number of households not by a growing population. Over the past decades the number of people per household has decreased. This is traditionally caused by smaller families and aging populations. What once might have been a single household of four people now may be three households. This creates a demand for new housing but does not increase the city’s population. Projections for future growth assume that by attracting new families to the community the number of people per household will stabilize and create a strong demand for new units to support both new growth and existing households looking to move up to nicer/larger housing.

**FIGURE 2.12:** Historic Population Change

	POPULATION AT DECADE’S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	7,682			
1960-1970	8,716	1,034	13.5%	1.3%
1970-1980	9,705	989	11.3%	1.1%
1980-1990	9,579	-126	-1.3%	-
1990-2000	10,106	527	5.5%	0.5%
2000 - 2010	10,103	-3	0.0%	-
1960-2010		2,421	31.5%	0.6%

**FIGURE 2.14:** Vacancy Analysis

CARROLL CITY	2000	2010	DIFFERENCE
Vacant Units	258	341	83
For Rent	117	176	59
For Sale Only	55	5	-50
Rented or Sold, Not Occupied	26	47	21
For Seasonal, Recreation, or Occasional Use	8	7	-1
For Migrant Workers	0	33	33
Other Vacant	52	73	21

**FIGURE 2.13:** Population Projection

CARROLL CITY	2010	2015	2020	2025
Natural Change	10,103	9,897	9,782	9,711
0.2% Annual Growth	10,103	10,063	10,164	10,266
0.5% Annual Growth	10,103	10,063	10,317	10,578

**FIGURE 2.15:** Occupancy Analysis

CARROLL CITY	2000		2010		2013		NET CHANGE	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	2,926	70%	2,999	69%	3,057	70%	131	
Renter-Occupied	1,247	30%	1,358	31%	1,282	30%	35	
Total Vacant	258	-	341	-	381	-	123	
Vacancy rate	5.8%	-	7.3%	-	8.1%*	-	-	
Total	4,431	-	4,698	-	4,720	-	289	

\* A survey of landlords and realtors indicated a vacancy rate closer to 3.2%. This rate will be used for projection purposes (see page 23 for details)

**FIGURE 2.16:** Housing Affordability Analysis - Carroll City, Iowa

CARROLL CITY

Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	+/-
\$0-25,000	52.00%	23.83%	1,034	\$0-50,000	144	\$0-400	517	661	-373
\$25,000-49,999	53-103%	28.07%	1,218	\$50,000-99,999	902	\$400-800	716	1618	400
\$50,000-74,999	104-155%	9.86%	428	\$100,000-149,999	914	\$800-1,250	21	935	507
\$75-99,999	156-207%	10.97%	476	\$150,000-200,000	620	\$1,250-1,500	0	620	144
\$100-150,000	208-310%	22.01%	955	\$200-\$300,000	314	\$1,500-2,000	0	314	-641
\$150,000+	OVER 310%	5.25%	228	\$300,000+	163	\$2,000+	28	191	-37
Median	\$48,361	100.00%	4,339		3,057		1,282	4,339	0

Source: RDG Planning & Design

**FIGURE 2.17:** Housing Demand Model

CARROLL CITY	2015	2020	2025	TOTAL
Population at End of Period	10,063	10,317	10,578	
Household Population at End of Period	9,737	9,983	10,235	
Average Persons Per Household	2.25	2.25	2.25	
Household Demand at End of Period	4,347	4,457	4,569	
Projected Vacancy Rate	3.2%	4.2%	5.2%	
Unit Needs at End of Period		4,652	4,820	
Replacement Need		10	10	20
Cumulative Need During Period		171	178	349
Potential Additional Demand from Job Expansion		50	50	100
Average Annual Construction		44	46	45

Source: RDG Planning & Design

**FIGURE 2.18:** Housing Development Program (2015 - 2025)

CARROLL CITY	2015-2020	2020-2025	TOTAL
Total Need	221	228	449
Total Owner Occupied	133	137	269
Affordable Low: \$60-100,000	30	31	61
Affordable Moderate: \$100-130,000	22	22	44
Moderate Market: \$130-200,000	31	32	63
High Market: Over \$200,000	50	51	101
Total Renter Occupied	89	91	180
Low: Less than \$450	34	35	69
Affordable: \$450-700	22	22	44
Market: Over \$700	33	34	67

Source: RDG Planning & Design



### ***Defining Housing Affordability***

The definition of affordable housing is determined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

### ***Housing to Support a Growing Job Market***

Carroll County employers all indicated that demand to fill existing positions and the potential to expand their employment base is strong. A recent survey identified approximately 220 unfilled jobs. This combined with unposted positions and interest in expanding operations, the employment demand is likely closer to 500 jobs. Some of this growth is absorbed in the population projected for the city and some of it will be filled by individuals living in surrounding counties. This may leave only one-third (167) of the 500 jobs as additional new residents moving to the county. These individuals will likely spread out throughout the county but over the past ten years, the city of Carroll has accounted for 60% of building activity in the county. This would generate a demand for an additional 100 units over the next ten years in Carroll.

### ***A Need for Housing Affordability***

Quality affordable housing is a challenge for almost every community. For Carroll, the overall market is generally affordable (see Figure 2.16) but there is a shortage of housing in key income ranges. The demand for quality affordable housing is most critical among households making less than \$25,000 annually. While there is a significant shortage of housing for those making more \$100,000 they have greater options because they can always choose to find housing in lower ranges. However, this option also creates an even greater competition for those households in the lower ranges. In these cases lower income households are often forced into the lowest quality housing and low quality housing remains on the market because the demand for anything that can be considered affordable remains high.

It should be noted that some of the demand within the lowest income ranges is generated by older households who live in housing with little or no mortgages remaining. Of Carroll's 893 households over the age of 65 and living in owner-occupied housing, an estimated 537 (43%) of those households have an income less than \$25,000 per year. This is 51% of all households (1,034) making less than \$25,000 per year.

*"A recent survey identified approximately 220 unfilled jobs. Combined with unposted positions and interest in expanding operations, the employment demand is likely closer to 500 jobs... This would generate a demand for an additional 100 units over the next ten years in Carroll."*

### ***Demand for Housing within Specific Price Points***

Residents participating in meetings and surveys indicated a need for housing across many price ranges but especially for households in the moderate to lower ranges. Figure 2.16 would indicate that households in the moderate ranges have a surplus of housing. However, all households live in a unit and many of those units are being filled by residents in higher income ranges. The lack of housing in the highest ranges can also create greater competition for housing, ultimately driving up housing costs. Over the next ten years the city will need to construct, rehab and create filtering opportunities that result in 105 units priced below \$130,000 or below market rate (Figure 2.18). Another 68 rental units will need to be created to support the lowest income households for which ownership is not an option.

## Coon Rapids - Community Assessment

Coon Rapids is a community with significant pride and hope for the future. This is evident in the public investments they have made to welcome visitors as they enter town. Over the last decade job losses have created growth challenges but a strong agricultural economy and a passion for the local school district have sustained the city. The city and its economic development arm have worked hard to support new housing. Continuing to support this development and embracing a more regional view of the job market will help the city avoid further population loss.

### Primary Themes of Coon Rapids, Iowa

#### Aging Population / Stagnant Growth

The population of Coon Rapids is aging. Without in-migrations of new residents, the population is projected to decrease by 90 residents (6.9%) by 2025. New residents are needed to continue to stabilize the population and create demand for housing. In addition to investments in the city's housing stock that ensure quality options for young families, the community will need to continue to find ways to create quality of life amenities that attract new households. This should include high quality schools, parks, and recreation offerings. With these goals in mind the city should strive to grow at a rate similar to that experienced in the 1990s (Figure 2.20). At a 0.5% annual growth rate the city will reach a population of 1,406 by 2025 (Figure 2.21).

#### Aging Housing Stock

Every established, older community has a stock of aging housing. For growing communities this stock is balanced with newer housing to meet the needs of new households. Coon Rapids has seen some new construction over the last decade but not enough to overcome its aging housing stock. Over 53% of the city's housing stock was built before 1940 (Source: U.S. Census Bureau, 2014). Older homes mean a greater need for rehabilitation and energy efficiency upgrades that can sustain a good stock of affordable housing. Lack of repairs and updates to older homes can also be drive up the city's vacancy rate.

#### Undervalued Housing Market

The value of housing in Coon Rapids can be seen as both a positive and a negative. The value-to-income ratio for the city is below 2.00. When values are this low a market is often considered to be undervalued. This means that the city's housing stock is very affordable, which can be appealing for buyers but also un-appealing to those interested in constructing new housing. When a market is undervalued it means that home prices are well below values that could support new construction. For these communities it is often difficult to construct new units or make major investments in existing units since their appraised values are lowered by surrounding properties.

### At a Glance

#### Affordability Gauge



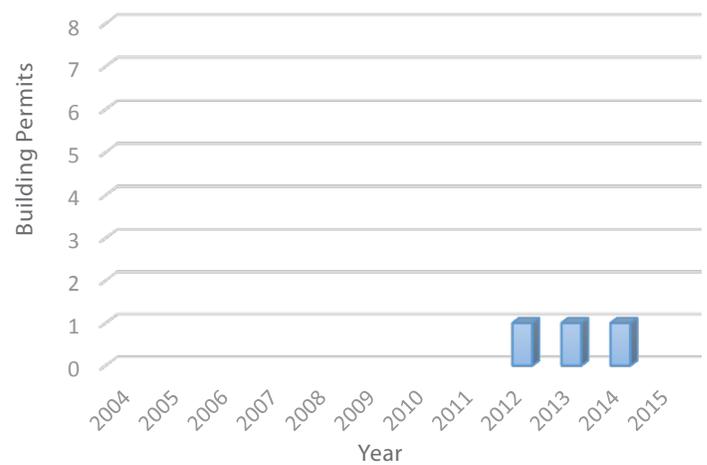
2015 Population: 1,338  
 2025 Population: 1,406 (68 new residents)

#### Affordability Balance:

- » Shortage of housing for households with incomes between \$50,000 and \$150,000 annually.

2010 Vacancy Rate: 10.3%  
 Owner | Renter Occupancy: 75% | 25%  
 Housing Demand by 2025: 51 units (5 units/yr)  
 » Renter Units: 20 units  
 » Owner Units: 31 units

**FIGURE 2.19:** Coon Rapids Construction Activity



Source: City of Coon Rapids

For many rural communities this means that there is almost no speculative construction and no contractors that are looking to do rehab/resale work.



### Rental Demand

Participants in the Coon Rapids public meeting discussed the need for additional rental housing. Most of the rental demand is met by small, older homes that are purchased and rented by investors. Often this means that minimal reinvestment is made in these homes, leaving marginal homes on the market. Development of new rental housing faces the same challenges as construction of new owner-occupied housing. Construction costs mean that new rental units would

have to be priced at least double the median rental rates in the city today. These rates are often higher than mortgage payments on the city's large supply of housing appraised below \$100,000. This leaves many in the banking community concerned and unable to finance new projects.

**FIGURE 2.20:** Historic Population Change

COON RAPIDS	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	1,560			
1960-1970	1,381	-179	-11.5%	-1.2%
1970-1980	1,448	67	4.9%	0.5%
1980-1990	1,266	-182	-12.6%	-1.3%
1990-2000	1,305	39	3.1%	0.3%
2000 - 2010	1,305	0	0.0%	0.00%
1960-2010		-255	-16.3%	-0.4%

**FIGURE 2.22:** Vacancy Analysis

COON RAPIDS	2000	2010	DIFFERENCE
Vacant Units	28	63	35
For Rent	4	12	8
For Sale Only	8	14	6
Rented or Sold, Not Occupied	8	1	-7
For Seasonal, Recreation, or Occasional Use	0	10	10
For Migrant Workers	0	0	0
Other Vacant	8	26	18

**FIGURE 2.21:** Population Projection

COON RAPIDS	2010	2015	2020	2025
Natural Change	1,305	1,264	1,234	1,215
0.2% Annual Growth	1,305	1,338	1,351	1,365
0.5% Annual Growth	1,305	1,338	1,372	1,406

**FIGURE 2.23:** Occupancy Analysis

COON RAPIDS	2000		2010		2013		NET CHANGE	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	406	75%	402	73%	424	72%	18	
Renter-Occupied	137	25%	148	27%	163	28%	26	
Total Vacant	28		63		58		30	
Vacancy rate	4.9%		10.3%		9.0%			
Total	571		613		645		74	

\* A survey of landlords and realtors indicated a vacancy rate closer to 3.2%, similar to Coon Rapids single-family vacancy rate in 2010.

**FIGURE 2.24:** Housing Affordability Analysis - Coon Rapids, Iowa

COON RAPIDS

Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	+/-
\$0-25,000	60.00%	27.94%	164	\$0-50,000	110	\$0-400	121	231	67
\$25,000-49,999	61-119%	25.21%	148	\$50,000-99,999	191	\$400-800	39	230	82
\$50,000-74,999	120-179%	15.84%	93	\$100,000-149,999	83	\$800-1250	0	83	-10
\$75-99,999	180-238%	8.69%	51	\$150,000-200,000	22	\$1250-1500	0	22	-29
\$100-150,000	239-357%	20.61%	121	\$200-\$300,000	7	\$1500-2000	0	7	-114
\$150,000+	OVER 357%	1.70%	10	\$300,000+	11	\$2000+	3	14	4
Median	\$41,979	100.00%	587.00		424		163	587	0

**FIGURE 2.25:** Housing Demand Model

COON RAPIDS	2015	2020	2025	TOTAL
Population at End of Period	1,338	1,372	1,406	
Household Population at End of Period	1,296	1,329	1,362	
Average Persons Per Household	2.21	2.21	2.21	
Household Demand at End of Period	586	601	616	
Projected Vacancy Rate	3.5%	4.25%	5.00%	
Unit Needs at End of Period	608	628	649	
Replacement Need		5	5	10
Cumulative Need During Period		25	26	51
Average Annual Construction		5	5	5

**FIGURE 2.26:** Housing Development Program (2015 - 2025)

COON RAPIDS	2015-2020	2020-2025	TOTAL
Total Need	25	26	51
Total Owner Occupied	15	16	31
Affordable Low: 60-100,000	2	2	5
Affordable Moderate: 100-130,000	4	4	8
Moderate Market: 130-200,000	4	4	8
High Market: Over \$200,000	5	5	10
Total Renter Occupied	10	10	20
Low: Less than 450	5	5	10
Affordable: 450-700	3	3	5
Market: Over \$700	2	3	5



### ***Defining Housing Affordability***

The definition of affordable housing is determined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

### ***Development in Targeted Price Points***

To support new growth and replace dilapidated structures the city should add approximately five units annually, well above the three units that have been added inside city limits in the last ten years. Over the next ten years these 50 units should add to the city's mix of housing options, especially in the form of move up housing. The city has a large stock of housing that is affordable to moderate to lower income households, therefore, preservation of this housing stock will be more important than trying to find ways to construct new units that are priced below market rate. It is possible that some of the approximately 50 units may come from housing that is rehabilitated and not new construction. Conserving the city's existing housing stock will also help strengthen home values and make Coon Rapids a more appealing investment market.



## Glidden - Community Assessment

Glidden is a community of great opportunity and enthusiasm for the future. The efforts that the community has made in the last decades with regards to lot development and housing conservation should be applauded. Community pride and leadership created a “can do” attitude that has brought new families and housing to the city. In the coming decade a positive community attitude combined with strong regional job growth and a quality school district will support continued growth.

### Primary Themes of Glidden, Iowa

#### Aging Population

Like most of the communities in Carroll County, Glidden's population is aging, resulting in natural population decline. The Census Bureau estimates that since the 2010 Census the community has reversed this trend and experienced population growth. A quality school district is essential to the continued attraction of young families to the community and young families are the only way that the city can overcome its aging population.

#### Good Prospects for Growth

A quality school district and strategic location close to jobs makes Glidden's prospects for growth strong. The city has worked hard to create opportunities for new growth. This effort along with initiatives to conserve the city's existing stock of affordable housing will be essential to continued growth. For the purposes of this study it is estimated that the city will continue to grow to an estimated population of 1,444 by 2025.

#### Strong Home Values and Incomes

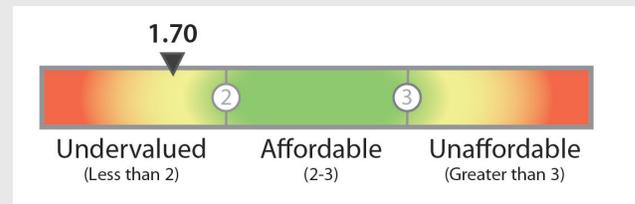
Glidden's value to income ratio remains low, driven mostly by higher incomes. These incomes along with a slightly higher median home value and a reputation as a quality community have allowed Glidden to overcome any perception as a risky investment. While a value to income ratio below 2.0 usually indicates depressed values that can discourage new construction, community members and the banking community indicated little to no concern over investing in the Glidden.

#### Demand for Market Rate Homes

An assessment of the city's current mix of housing indicates a shortage of housing priced above \$100,000 or with rents above \$800 per month. Housing priced below \$175,000 or with rents below \$800 a month will not be developed without assistance. This assistance can come in many different forms including gap financing, tax credits or direct developer assistance. This demand exists in all of the communities and different strategies may need to be applied but efforts to share programs and leverage dollars should be explored. Some of the demand for owner-occupied housing in this market may

### At a Glance

#### Affordability Gauge



2015 Population: 1,150

2025 Population: 1,444 (256 new residents)

#### Affordability Balance:

- » Shortage of housing for households earning between \$50,000 and \$150,000 annually.

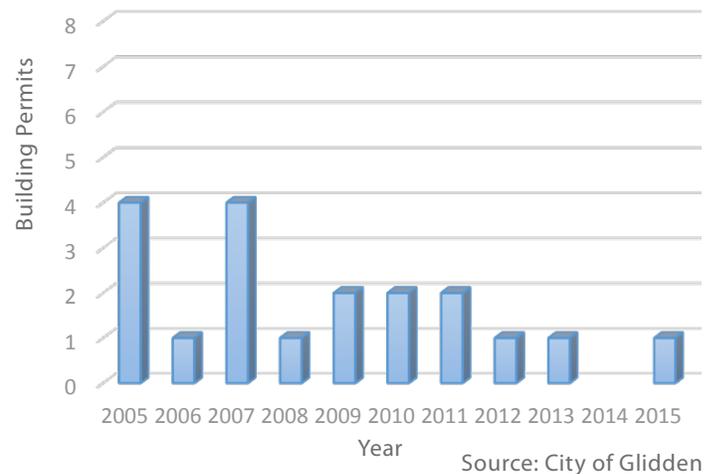
2010 Vacancy Rate: 9.2% but anecdotally noted to be much lower

Owner | Renter Occupancy: 79% | 21%

Housing Demand by 2025: 40 units (17 units/yr)

- » Renter Units: 16 units
- » Owner Units: 24 units

FIGURE 2.27: Glidden Construction Activity



be provided through construction of senior oriented affordable units.

The city continues to see demand for additional moderate to higher market rate housing. These units are traditionally produced in a community without assistance however, because of the slow build out of subdivisions in smaller communities the city must continue to provide assistance in lot development, as it has done in the past.



**Increased Construction Activity**

Over the past ten years construction of new housing has averaged around 2 units annually. To support additional growth this rate will need to be more consistent and average three units annually. Ideally 14 of the city’s 34 new units should be for the rental market. This allows seniors to downsize and new residents to “try out” the community before purchasing. New construction should be combined with continued investment in existing housing to ensure that quality affordable housing remains an option. Construction of units appealing to seniors, like townhomes or duplexes, may be a strategic initiative for the city that not only provides quality living environments for seniors but allows them to stay in Glidden longer and frees housing for young families interested in moving to the community.

**FIGURE 2.28:** Historic Population Change

GLIDDEN	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	993			
1960-1970	964	-29	-2.9%	-
1970-1980	1,076	112	11.6%	1.1%
1980-1990	1,099	23	2.1%	0.2%
1990-2000	1,253	154	14.0%	1.3%
2000 - 2010	1,146	-107	-8.5%	-
1960-2010		153	15.4%	0.5%

**FIGURE 2.29:** Population Projection

GLIDDEN	2010	2015	2020	2025
Natural	1,146	1,125	1,207	1,326
0.2% annual growth	1,146	1,374	1,388	1,402
0.5% annual growth	1,146	1,374	1,409	1,444

**FIGURE 2.30:** Vacancy Analysis

GLIDDEN	2000	2010	DIFFERENCE
Vacant Units	23	21	-2
For Rent	11	0	-11
For Sale Only	11	5	-6
Rented or Sold, Not Occupied	3	4	1
For Seasonal, Recreation, or Occasional Use	3	3	0
For Migrant Workers	0	0	0
Other Vacant	8	9	1

**FIGURE 2.31:** Occupancy Analysis

GLIDDEN	2000		2010		2013		NET CHANGE	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	372	77%	396	79%	438	82%	66	
Renter-Occupied	109	23%	106	21%	96	18%	-13	
Total Vacant	23		21		29		6	
Vacancy rate	4.6%		4.0%		5.2%			
Total	504		523		563		59	

**FIGURE 2.32:** Housing Affordability Analysis - Glidden, Iowa

GLIDDEN

Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	+/-
\$0-25,000	50.00%	21.72%	116	\$0-50,000	73	\$0-400	55	128	12
\$25,000-49,999	51-99%	24.34%	130	\$50,000-99,999	241	\$400-800	41	282	152
\$50,000-74,999	100-149%	12.36%	66	\$100,000-149,999	66	\$800-1250	0	66	0
\$75-99,999	150-199%	17.79%	95	\$150,000-200,000	35	\$1250-1500	0	35	-60
\$100-150,000	200-298%	16.85%	90	\$200-\$300,000	23	\$1500-2000	0	23	-67
\$150,000+	OVER 298%	6.93%	37	\$300,000+	0	\$2000+	0	0	-37
Median	\$50,333	100.00%	534.00		438		96	534	0

**FIGURE 2.33:** Housing Demand Model

GLIDDEN	2015	2020	2025	TOTAL
Population at End of Period	1,374	1,409	1,444	
Household Population at End of Period	1,374	1,409	1,444	
Average Persons Per Household	2.57	2.57	2.57	
Household Demand at End of Period	535	548	562	
Projected Vacancy Rate	4.00%	4.50%	5.00%	
Unit Needs at End of Period	557	574	592	
Replacement Need		3	2	5
Cumulative Need During Period		20	20	40
Average Annual Construction		4	4	4

**FIGURE 2.34:** Housing Development Program (2014 - 2020)

GLIDDEN	2015-2020	2020-2025	TOTAL
Total Need	20	20	40
Total Owner Occupied	12	12	24
Affordable Low: 60-100,000	2	2	4
Affordable Moderate: 100-130,000	2	2	4
Moderate Market: 130-200,000	4	4	8
High Market: Over \$200,000	4	4	8
Total Renter Occupied	8	8	16
Low: Less than 450	2	2	4
Affordable: 450-700	4	4	8
Market: Over \$700	2	2	4



### ***Defining Housing Affordability***

The definition of affordable housing is determined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

### ***Development in Targeted Price Points***

To support new growth and replace dilapidated structures the city should add approximately three units annually. Over the next ten years these 34 units should add to the city's mix of housing options especially in the form of move up housing.



## Manning – Community Assessment

Manning is strongly respected for its community pride and iconic downtown district. This community pride is evident in its investment in public infrastructure, aesthetics, and community. This pride has supported high quality private investment including the Manning Regional HealthCare Center but many new employees and prospective residents struggle to find housing as little housing development has occurred since 2012. In the coming decade, positive momentum in strong regional job growth and a quality school district will support continued demand for new housing units.

### Primary Themes of Manning, Iowa

#### Strong Growth Prospects

Although the city has experienced overall population loss since 1960 the last two decades have indicated a trend of in-migration. Since 1990 the city has overcome its aging population to attract new residents, stabilize its population and position itself for future growth. Community members and others in the region spoke of the strong interest individuals have in moving to Manning but a lack of housing options. With the right mix of housing reinvestment and lot development within the city, Manning should reach a population of approximately 1,743 by 2025.

#### Housing Options

The city’s current estimated vacancy rate is likely over estimated. Residents, realtors and community officials indicated that finding housing, especially in specific price points is very difficult. Quality housing priced over \$100,000 is in short supply creating greater competition within these ranges but also creating competition within the lower price points. With few options, including very few quality rental units, prospective residents are often forced to look for housing in other communities, both in and outside Carroll County. The high demand for housing over a long period of time may also result in increasing housing costs, creating additional hardship for those in the lowest income brackets, especially those working in the community’s service related businesses.

#### Construction Activity Must Increase

To support new growth the city must find ways to encourage new housing development in the city. To reach a population of 1,659 the city will need to add approximately six units annually, well above the level of construction activity that has occurred in the last ten years. This rate of construction will support new growth but the city likely has a pent up demand from existing households for “move-up” housing or downsizing options. The city also has the opportunity to capture some of the regions potential job growth, that potentially could be higher than historic growth rates.

The city’s new construction mix should also include additional rental options. These may be in the form of traditional multi-

### At a Glance

#### Affordability Gauge



2015 Population: 1,500  
 2025 Population: 1,659 (0.5% annual growth) (159 new residents)

#### Affordability Balance:

- » Shortage of housing for households earning between \$50,000 and \$150,000 annually.

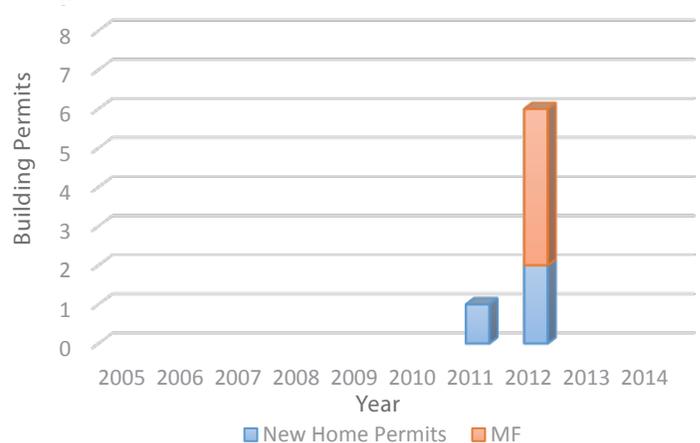
2010 Vacancy Rate: 9.2%

Owner | Renter Occupancy: 76% | 24%

Housing Demand by 2025: 27 units (13 units/yr)

- » Renter Units: 16 units
- » Owner Units: 11 units

FIGURE 2.27: Manning Construction Activity



Source: City of Manning

family structures but could also be accommodated in downtown units and duplex or townhome units. Over the next ten years 40% of the city’s new housing should meet the needs of the rental market (Figure 3.42).



**FIGURE 3.36:** Historic Population Change

MANNING	POPULATION AT DECADE'S END	CHANGE IN POPULATION	% GROWTH DURING DECADE	ANNUAL GROWTH RATE
1960	1676			
1960-1970	1656	-20	-1.2%	-0.1%
1970-1980	1609	-47	-2.8%	-0.3%
1980-1990	1484	-125	-7.8%	-0.8%
1990-2000	1490	6	0.4%	0.0%
2000 - 2010	1500	10	0.7%	0.07%
1960-2010		-176	-10.5%	-0.2%



**FIGURE 3.37:** Population Projection

MANNING	2010	2015	2020	2025
Natural	1,500	1,434	1,390	1,361
0.5% annual growth	1,500	1,578	1,618	1,659
1% annual growth	1,500	1,578	1,658	1,743



**FIGURE 3.38:** Vacancy Analysis

MANNING	2000	2010	DIFFERENCE
Vacant Units	52	66	14
For Rent	14	24	10
For Sale Only	24	10	-14
Rented or Sold, Not Occupied	7	0	-7
For Seasonal, Recreation, or Occasional Use	2	6	4
For Migrant Workers	0	0	0
Other Vacant	5	26	21

**FIGURE 3.39:** Occupancy Analysis

MANNING	2000		2010		2013		NET CHANGE	
	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	Percent of Occupied Units	Number	
Owner-Occupied	496	76%	472	72%	485	73%	-11	
Renter-Occupied	154	24%	181	28%	176	27%	22	
Total Vacant	52		66		68		16	
Vacancy rate	7.4%		9.2%		9.3%*			
Total	702		719		729		27	

\* A survey of landlords and realtors indicated a vacancy rate closer to 3.2%, slightly above Manning owner-occupied vacancy rate.

**FIGURE 3.40:** Housing Affordability Analysis - Manning, Iowa

MANNING									
Income Range	Percent of City Median	Percent of Households	Number of Households in Each Range	Affordable Range for Owner Units	Number of Owner Units Affordable	Affordable Range for Renter Units	Number of Renter Units Affordable	Total Affordable Units	+/-
\$0-25,000	58.00%	18.31%	121	\$0-50,000	115	\$0-400	100	215	94
\$25,000-49,999	59-116%	35.10%	232	\$50,000-99,999	242	\$400-800	71	313	81
\$50,000-74,999	117-174%	13.62%	90	\$100,000-149,999	62	\$800-1250	5	67	-23
\$75-99,999	175-232%	10.59%	70	\$150,000-200,000	37	\$1250-1500	0	37	-33
\$100-150,000	232-348%	18.61%	123	\$200-\$300,000	24	\$1500-2000	0	24	-99
\$150,000+	OVER 348%	3.78%	25	\$300,000+	5	\$2000+	0	5	-20
Median	\$43,125	100.00%	661.00		485		176	661	0



### Defining Housing Affordability

The definition of affordable housing is determined by a household's income. What is affordable to one income bracket is not affordable to another. The cost of housing can also be defined as either market rate or below market rate.

Units that are below market rate require some assistance to be built. The rent or value of these units would be priced below construction costs and therefore builders need assistance to cover the cost of development and construction. These assistance packages vary but ensure that communities have safe and affordable housing for households in the lowest income ranges.

**FIGURE 3.41:** Housing Demand Model

MANNING	2015	2020	2025	TOTAL
Population at End of Period	1,578	1,618	1,659	
Household Population at End of Period	1,499	1,537	1,576	
Average Persons Per Household	2.27	2.27	2.27	
Household Demand at End of Period	660	677	694	
Projected Vacancy Rate	3.20%	4.20%	5.20%	
Unit Needs at End of Period	682	707	732	
Replacement Need		5	5	10
Cumulative Need During Period		30	30	60
Average Annual Construction		6	6	6

**FIGURE 3.42:** Housing Development Program (2014 - 2020)

MANNING	2015-2020	2020-2025	TOTAL
Total Need	30	30	60
Total Owner Occupied	18	18	36
Affordable Low: 60-100,000	3	3	6
Affordable Moderate: 100-130,000	5	5	11
Moderate Market: 130-200,000	4	4	9
High Market: Over \$200,000	5	5	10
Total Renter Occupied	12	12	24
Low: Less than 450	5	5	10
Affordable: 450-700	3	3	5
Market: Over \$700	4	5	9

## HOUSING CONDITIONS & COMMUNITY OPPORTUNITIES

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The county's housing stock is its largest single capital investment and residents generally form their image of a community on the quality of neighborhoods and the housing in the community. The previous sections considered existing and projected housing trends. This section summarizes general housing conditions by community and uses this as the basis for specific community-oriented housing strategies.

### An Analysis of Carroll County's Communities

The following section is based on community visits that were completed in the fall/winter of 2015. A driving tour of each community was completed to identify potential areas for reinvestment, redevelopment and development. These were general assessments and not based on a house by house inventory but on broader neighborhood evaluation.

General conclusions regarding housing conditions:

- » Overall, Carroll County's housing stock is in very good condition. The region's historic pride in ownership is evident in the quality of housing.
- » This same pride of ownership is also evident in the small number of code violations and site condition issues. Residents make the effort to maintain their properties and homes.
- » Outside of the City of Carroll, there are very limited rental opportunities. Most of the communities' rental housing stock is within traditional single-family homes. These homes are often the smallest, oldest, and highest maintenance homes in a community.
- » Traditionally the smallest communities and those lacking a school often have some of the lowest quality housing stock. This is not always the case for Carroll County. Many of the county's small towns have very nice housing and high levels of reinvestment.
- » The decrease in population and employment in the rural portions of the county has had the biggest effect on the county's smallest communities. The loss of this population, and the businesses that they supported, has left some communities struggling to find ways to encourage new growth and therefore investment in housing.

### Community Opportunities

As noted previously, a general evaluation was completed for each community. These assessments were used to identify opportunity areas for each community and are illustrated in a series of maps following this section.

The opportunity categories include:

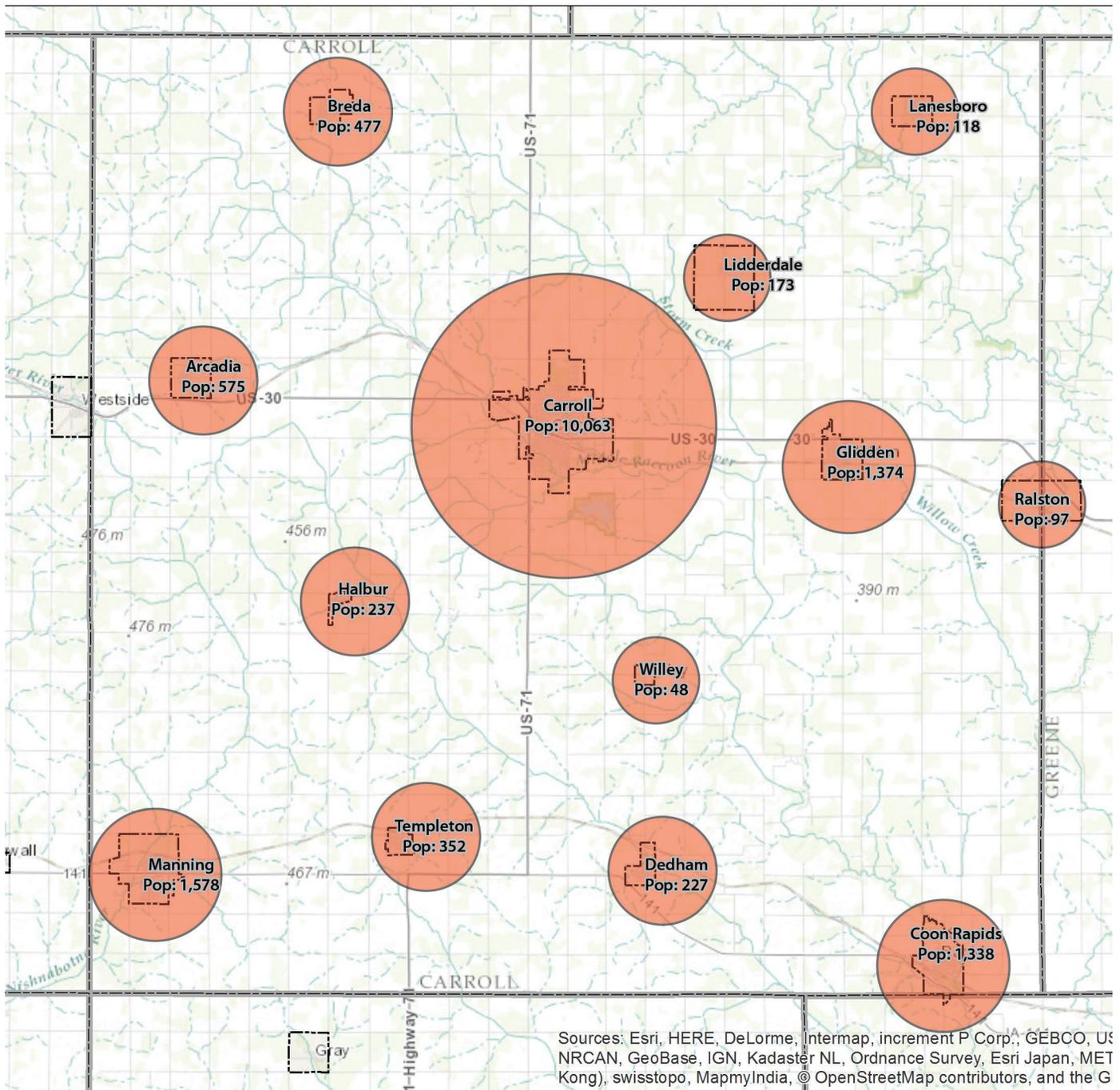
- » *New Development*: Areas adjacent to or within city limits that are potential sites for lot development. Assessment of site conditions and access to water and sewer services would need to be evaluated further to confirm the suitability of these sites.
- » *Infill & Stabilization*: These areas have more serious housing deficiencies and vacant lots. Sites are large enough & clustered enough that a target program to remove deteriorated structures & develop vacant lots will have a major impact.
- » *Neighborhood Conservation*: These areas have a cluster of housing in fair condition. Policies for this area should focus on conserving the existing housing stock through a coordinated rehabilitation strategy.
- » *Redevelopment Opportunity*: These areas have the most deteriorated structures. Infrastructure improvements and removal of deteriorated structures should create safe affordable housing & stronger neighborhoods.
- » *Gateway Preservation and Enhancement*: Entrances to the community where code enforcement and property maintenance should be stressed to provide the best first impression of a community.

Not every one of these categories are applied to a community but they provide a strong foundation for the policies and programs identified in the following chapters of this document.

The following section provides a general overview of key community opportunities.



**MAP 2.2:** Communities of Carroll County, Iowa



## ARCADIA

Arcadia's housing stock is in good condition with limited maintenance and building condition issues. The building stock is comprised of a mix of construction eras with a large number of homes constructed in the 1920s, 1940s, 1960s in addition to some homes less than 20 years old. A few homes with structural issues require major rehabilitation or demolition. A targeted rehabilitation program would be effective in stabilizing neighborhoods.

Distinct architecture and community pride have made Arcadia a desirable place to live. The location on Highway 30 allows residents of Arcadia to reach Carroll in only 15 minutes for employment and other retail or service opportunities.

- **Bedroom Community.** As a desirable community within close proximity to employment, Arcadia has the potential to expand its role as a bedroom community and attract new businesses with a strong workforce. Encourage continued housing development on new lots and infill lots.
- **Quality of Place.** Continued attention to efforts that make Arcadia a distinct and welcoming place to live would make the community more attractive to new residents and business.
- **Targeted Housing Rehabilitation Program.** While the majority of housing in Arcadia is in good condition, a number of homes could be stabilized through a targeted housing rehabilitation program.

### At a Glance

Affordability Gauge:



Median Home Value:	\$78,200
Median Household Income:	\$57,321
Median Contract Rent:	\$365

2000 Population:	443	
2010 Population:	484	(+41 residents)
2014 Population:	563*	(+79 residents)

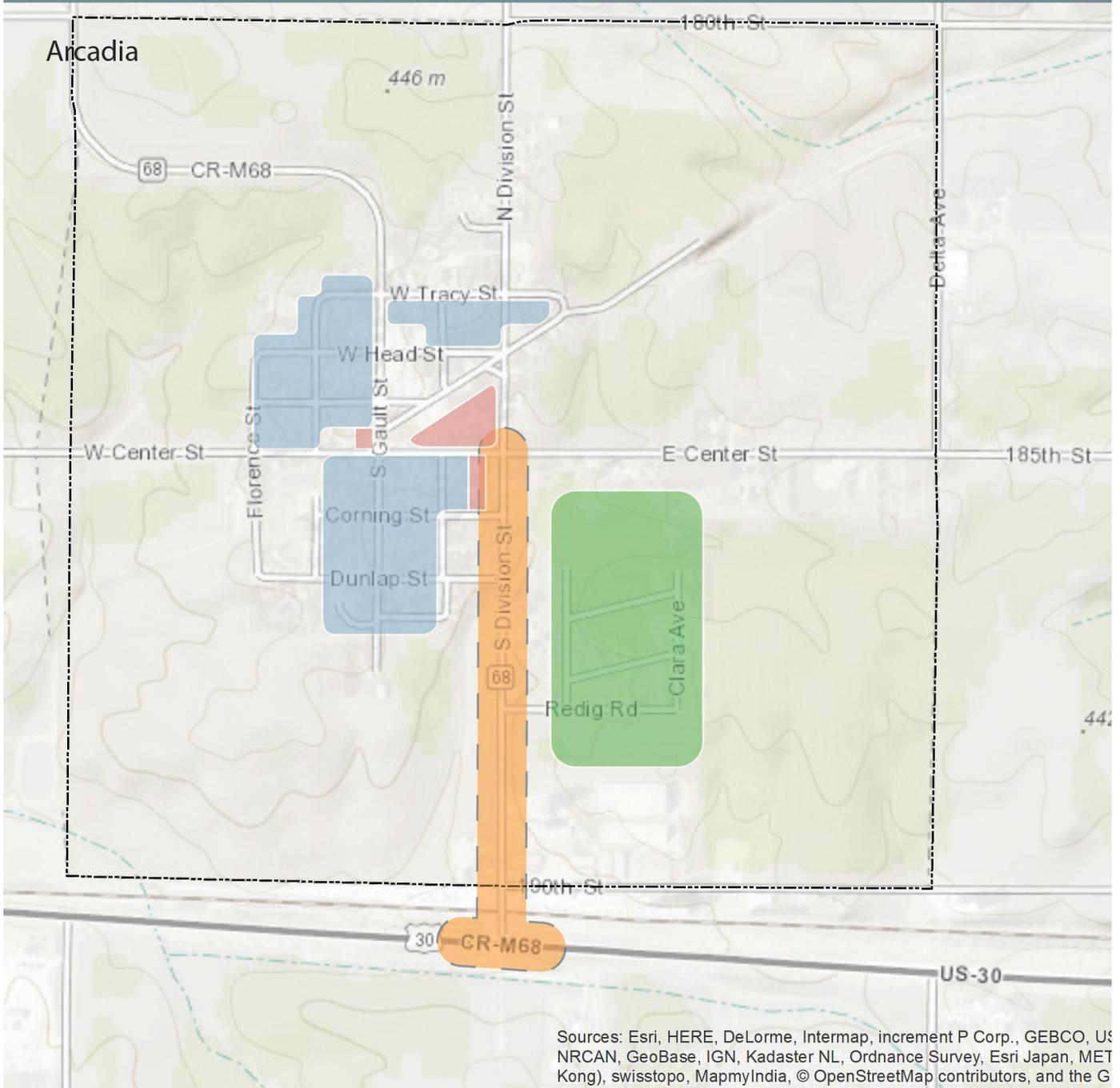
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+55 residents more than predicted. This suggests in-migration of new residents



**MAP 2.3:** Housing Policy Areas - Arcadia, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## BREDA

The overall quality of Breda's housing stock is very good. There is a healthy selection of residential lots but new construction seems to be of higher cost units. The more affordable lots are not being developed with entry level homes. Breda offers its residents good community amenities including multi-use trails and a water park. Significant vacancy in the downtown contrasts with the otherwise vibrant neighborhoods within the community.

### Strong Economic Future

Breda has a strong economy and as a community has made efforts to attract workers to live in Breda. Based on community interviews the number of individuals working but not living in Breda remains high. The limited selection of available units forces many workers to commute to Breda. The city has provided the lots for new construction but housing construction has been slow. Efforts in the coming years will need to focus on increasing production and housing variety.

### Community Marketing

Like many of the communities in Carroll County, Breda has seen the value in supporting housing construction. The city has offered rehabilitation programs and affordable lots but marketing of these offers has been low. The city should work with surrounding communities and the county to develop a marketing plan that is targeted toward potential residents and developers/contractors that can invest in the community and use these resources.

### At a Glance

Affordability Gauge:



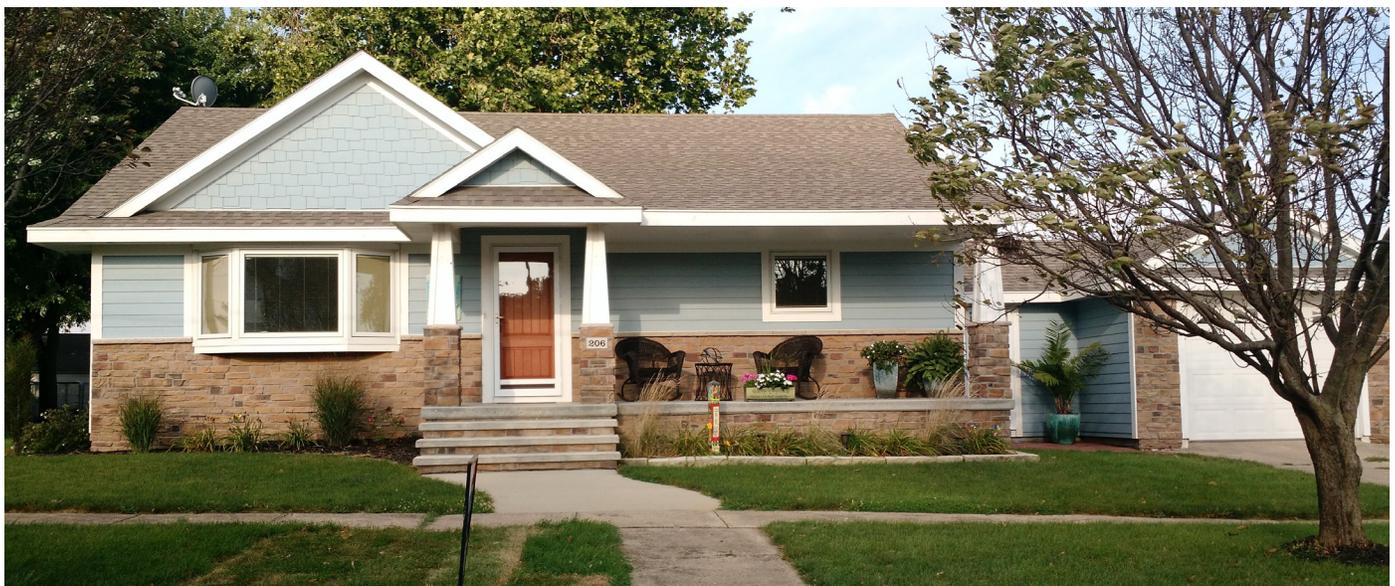
Median Home Value:	\$76,900
Median Household Income:	\$42,417
Median Contract Rent:	\$403

2000 Population:	477	
2010 Population:	483	(+6 residents)
2014 Population:	456*	(-27 residents)

\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+46 residents more than predicted. This suggests in-migration of new residents or a higher birth rate than anticipated



### ***Construction Activity Must Increase***

As described, the economy of Breda as a city is closely linked to the housing market. The ability of employers to recruit and retain employees relies on housing options being available. While a number of homes have been constructed over the past decade, little to no speculative housing has been constructed. The city has led the effort to add affordable lots and this activity should continue with a focus on providing more housing options for new residents and employees. The next step may involve more actively recruiting and supporting construction activity. These types of strategies will be discussed further in the Chapter Four.

### ***Steady Development***

Breda, and as discussed later Templeton, are small communities with strong potential for growth. Traditional demand modeling with smaller communities often does not reflect the true potential of the community. At the same time, this growth should not be overstated. If the 2014 Census estimate of 456 is used as the base population the community would need to grow at three-quarters of a percent annual to reach a population of 491 by 2025. This growth would overcome population losses experienced in the last five years and would have to be driven by new young families moving to the community.

A projected population growth of 491 would likely generate 15 new households. Some of this demand may come in the form of new construction but the city's population is also aging, which will, sadly, open up a unit or two each year. These units may need updates, creating demand for rehabilitation work. The city should not assume that market demand can be met solely through these existing units. A mix of older and new homes will be needed to support growth at rates higher than have been seen in the last several decades.

To ensure a mix of housing options, the city should strive to have at least one speculative house constructed each year and the construction of one to two small rental projects constructed over the next ten years. These units should be appealing to seniors interested in downsizing and to new employees looking for housing that allows them to live in Breda while they explore their housing options.



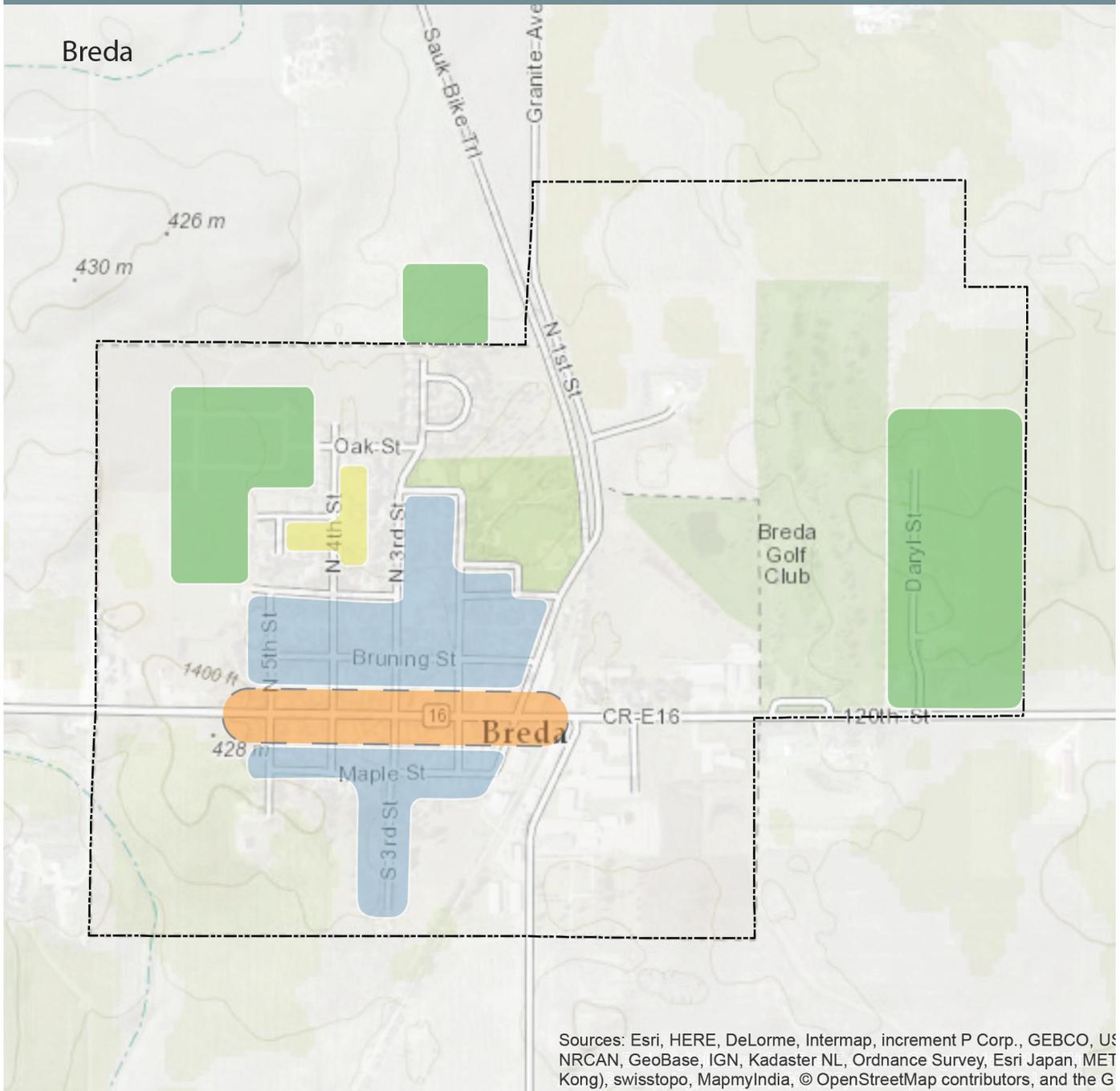
### ***Housing Conditions & Opportunities***

As a stable population center within Carroll County, Breda includes employment for its population. Breda also is located within 18 minutes of Carroll which affords residents convenient access to employment and services.

- **Bedroom Community.** As a desirable community within close proximity to employment in Carroll, Breda has the potential to expand its role as a bedroom community. Encourage continued housing development on new lots and infill lots.
- **Quality of Place.** Continued attention to efforts that make Breda a distinct and welcoming place to live would make the community more attractive to new residents. The revitalization of the downtown district would help attract new businesses and residents to Breda.



**MAP 2.4:** Housing Policy Areas - Breda, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## CARROLL

As the largest population and employment center in Carroll County, additional analysis of the trends occurring in the city of Carroll can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

In Carroll, housing issues tend to concentrate in specific neighborhoods, as opposed to the more scattered pattern that occurs in the smaller communities. Overall housing reinvestment and maintenance is strong. The city's older housing stock will require continued reinvestment especially for the large number of homes constructed in the 1960s and 1970s. For most of the existing city, neighborhood conservation and infill should be the top priority with new development happening immediately adjacent to existing infrastructure.

- Regional Center.** As the regional population and employment center, the city should provide employment opportunities for many residents of the region and serve to be a housing option for those residing, or looking to reside, in Carroll County. To serve the roles as employment and housing center, it is important that Carroll maintain its high quality of life, expand employment opportunities, create new neighborhoods, and stabilize existing neighborhoods. Further, if Carroll's economy (jobs, housing, and overall quality of life) continues to improve, the region will continue to prosper and improve.
- Neighborhood Stabilization.** While much of the housing stock is in good condition, certain existing neighborhoods suffer from concentrated housing issues. Programs to resolve these issues will benefit the neighborhood as a whole.

### At a Glance

Affordability Gauge:



Median Home Value:	\$123,000
Median Household Income:	\$43,483
Median Contract Rent:	\$433

2000 Population:	10,106	
2010 Population:	10,103	(-3 residents)
2014 Population:	10,051*	(-52 residents)

\*Estimate. The accuracy of population estimates vary and should be used with caution.

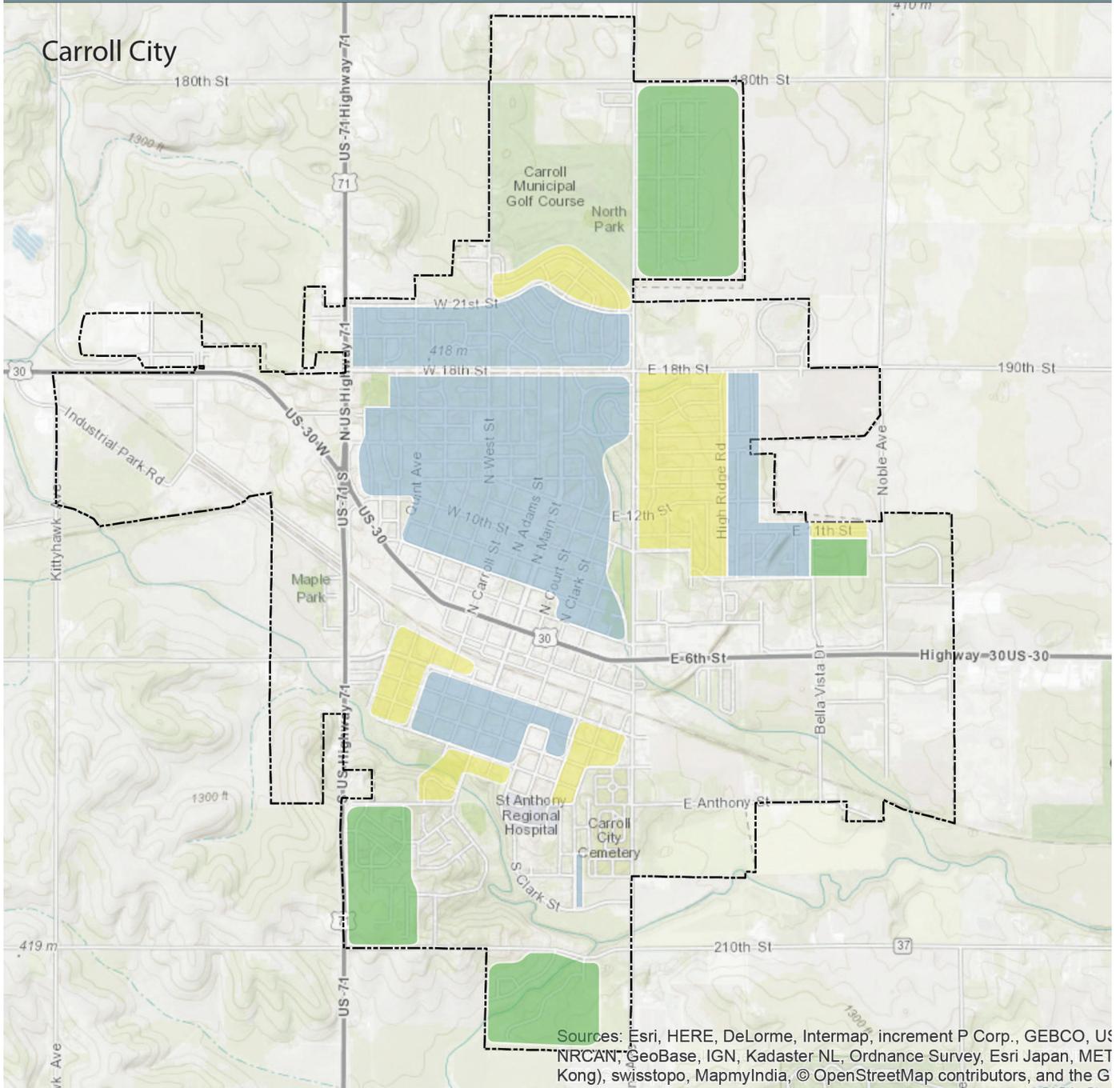
Predicted vs. Actual Population Change (00' to 10)

+209 residents more than predicted. This suggests in-migration of new residents

- New Housing Development.** As described earlier in this chapter (page 33), new housing is needed in Carroll at certain price-points.



**MAP 2.5:** Housing Policy Areas - Carroll, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## COON RAPIDS

As one of the larger population and employment centers in Carroll County, additional analysis on Coon Rapids can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

Coon Rapid's housing stock varies in size, era, and condition including a large number of older and smaller homes that are not often appealing to young families. Many of these homes have been converted to income properties with minimal reinvestment.

Some new construction has occurred on the periphery of the community but has not been a catalyst for improved housing quality or value. There are good opportunities for infill and redevelopment within existing neighborhoods but assistance with site preparation and gap financing may be required. Housing rehabilitation and removal of dilapidated housing will support strong home values and thus encourage private investment by homeowners and investors.

- **Targeted Housing Rehabilitation Program.** As described above, there are a number of houses in existing neighborhoods that require attention ranging from minor to major reinvestment. A targeted rehabilitation program would repair/stabilize participating homes.
- **Demolition Program.** A partner program to the above, a demolition program is appropriate to remove the houses with structural or condition issues that cannot be addressed otherwise.

### At a Glance

Affordability Gauge:



Median Home Value:	\$68,800
Median Household Income:	\$41,979
Median Contract Rent:	\$326

2000 Population:	1,305	
2010 Population:	1,305	(no change)
2014 Population:	1,408*	(+103 residents)

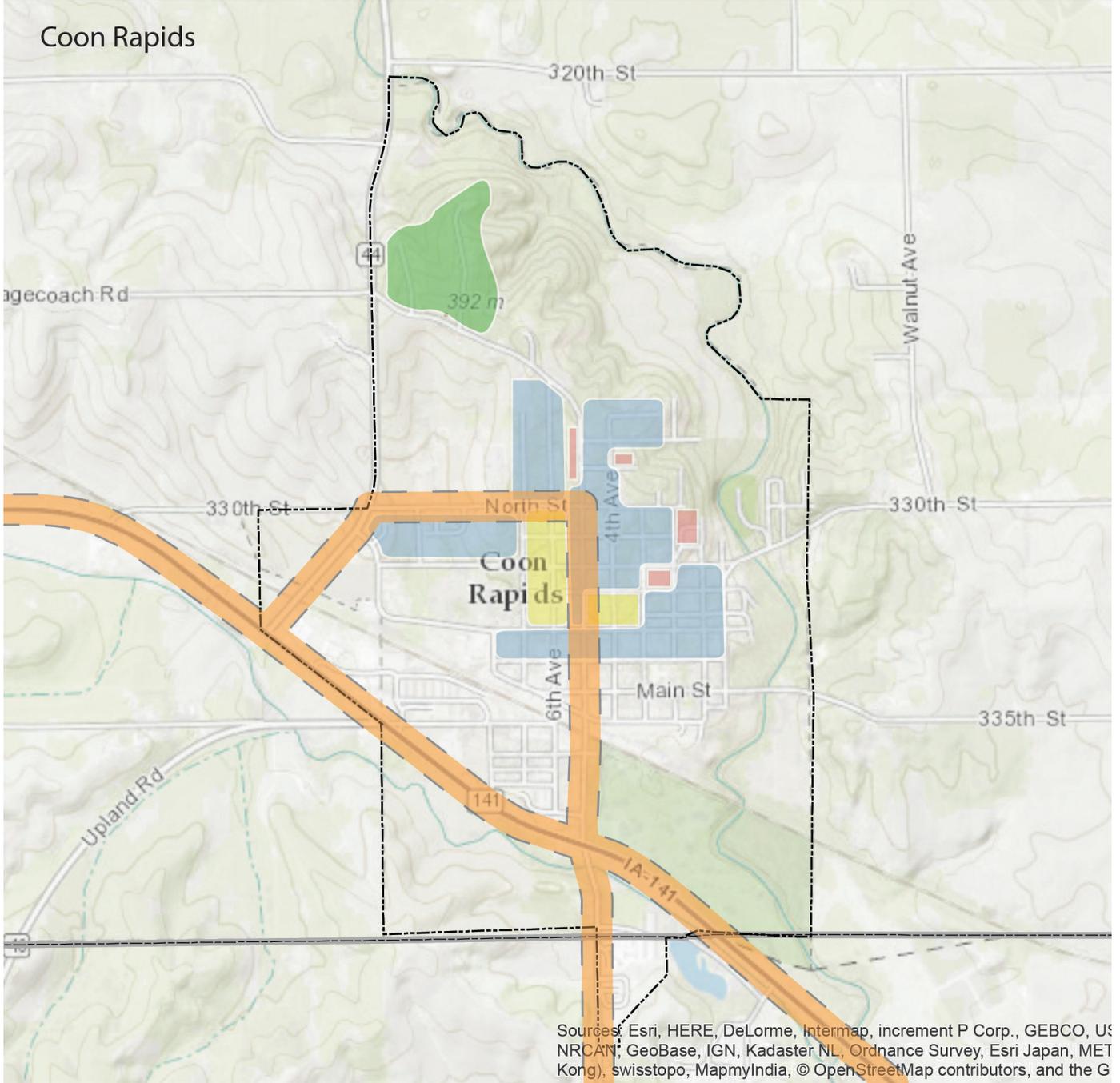
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+74 residents more than predicted. This suggests in-migration of new residents



MAP 2.6: Housing Policy Areas - Coon Rapids, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## DEDHAM

The housing stock in Dedham is in good condition and most properties are fairly well-maintained. Located nearly equal distant between Carroll (18 minutes) and Coon Rapids (12 minutes), there should be potential for Dedham to capture a share of new residents employed in the region.

New development should focus on existing lots and infill opportunities within the city. When appropriate, opportunities to remove deteriorated or outdated structures should be combined with vacant lots to create larger infill lots.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.
- **Targeted Housing Rehabilitation Program.** There are a number of houses in existing neighborhoods that require attention ranging from minor to major reinvestment. A targeted rehabilitation program would repair/stabilize participating homes throughout the community.
- **Demolition Program.** A partner program to the above, a demolition program is appropriate to remove the houses with structural or condition issues that cannot be addressed otherwise.
- **New Housing Development.** While much of the anticipated growth can be accommodated on existing lots, the city should seek to encourage new housing and residential lot development.

### At a Glance

Affordability Gauge:



Median Home Value: \$62,700

Median Household Income: \$48,281

2000 Population: 280

2010 Population: 266 (-14 residents)

2014 Population: 220\* (-46 residents)

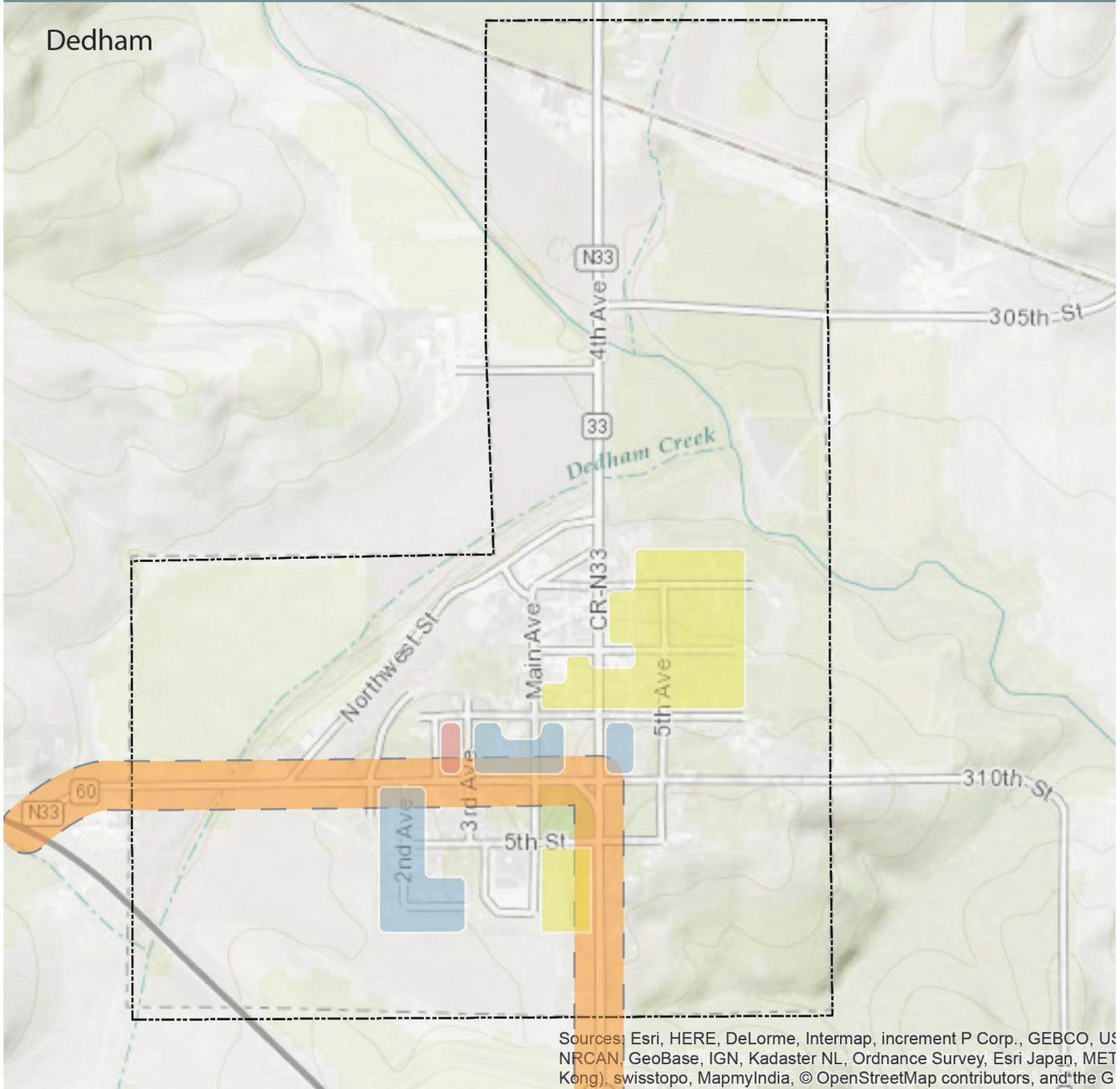
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

4 residents fewer than predicted. This suggests little to no in-migration.



**MAP 2.7:** Housing Policy Areas - Dedham, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## GLIDDEN

Housing quality is fair to good condition with some properties being actively rehabilitated. Attendees at a community stakeholder group in Glidden noted that the community includes high quality support features such as a grocery store, school, and new park. The city’s newest subdivision has been slow to fill because it is viewed by many as an untested development.

The city will need to find a way to initiate the construction of the first houses to establish a sense of neighborhood and investment security. There is some need for continued housing rehabilitation and a program to support this activity would be appropriate. Recent construction activity has been dominated by larger and higher priced homes. New housing in the future should bring more balance and diversity to the housing market.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.
- **Targeted Housing Rehabilitation Program.** There are a number of houses in existing neighborhoods that require attention ranging from minor to major reinvestment. A targeted rehabilitation program would repair/stabilize participating homes.
- **New Housing Development.** While much of the anticipated growth can be accommodated on existing lots, the city should seek to encourage new housing and residential lot development.

### At a Glance

Affordability Gauge:



Median Home Value:	\$62,700
Median Household Income:	\$48,281
Median Contract Rent:	\$373

2000 Population:	1,253	
2010 Population:	1,146	(-107 residents)
2014 Population:	1,406*	(+260 residents)

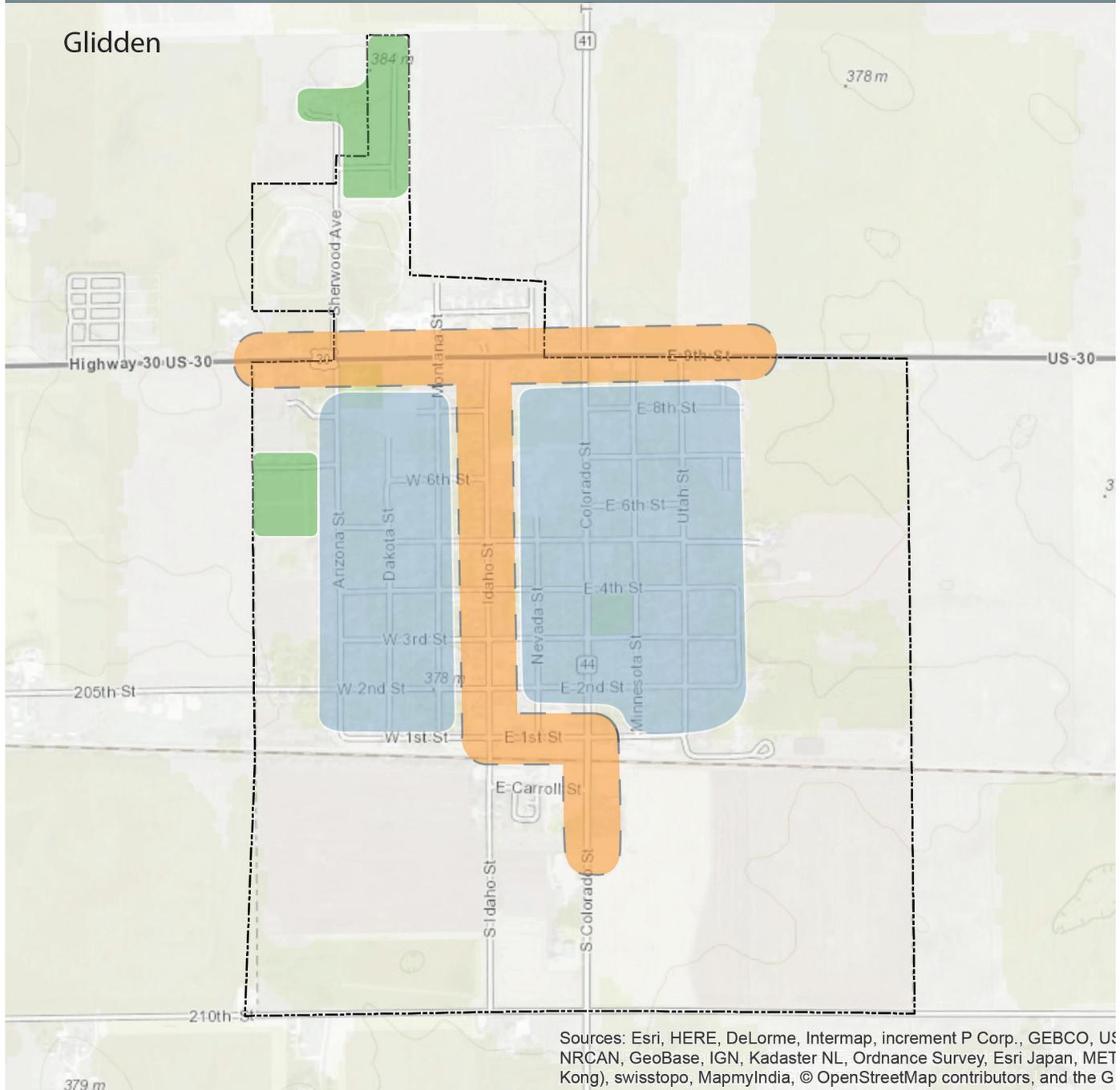
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

184 residents fewer than predicted. This suggests out-migration of residents.



**MAP 2.8:** Housing Policy Areas - Glidden, Iowa



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, US NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, MET (Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the G

- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## HALBUR

The housing stock in Halbur is in good condition and is fairly well-maintained with properties ranging in age. Over the past 15 years, a local developer has constructed eight new homes in the city. Efforts should support continued new housing development contiguous to the city and on infill lots throughout the community, and encourage reinvestment in existing housing throughout the city.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing housing.
- **Targeted Housing Rehabilitation Program.** A targeted rehabilitation program would repair/stabilize participating homes.
- **New Housing Development.** The city should continue to encourage new housing and residential lot development.

### At a Glance

Affordability Gauge:



Median Home Value: \$87,900

Median Household Income: \$63,333

2000 Population: 202

2010 Population: 246 (+44 residents)

2014 Population: 231\* (-15 residents)

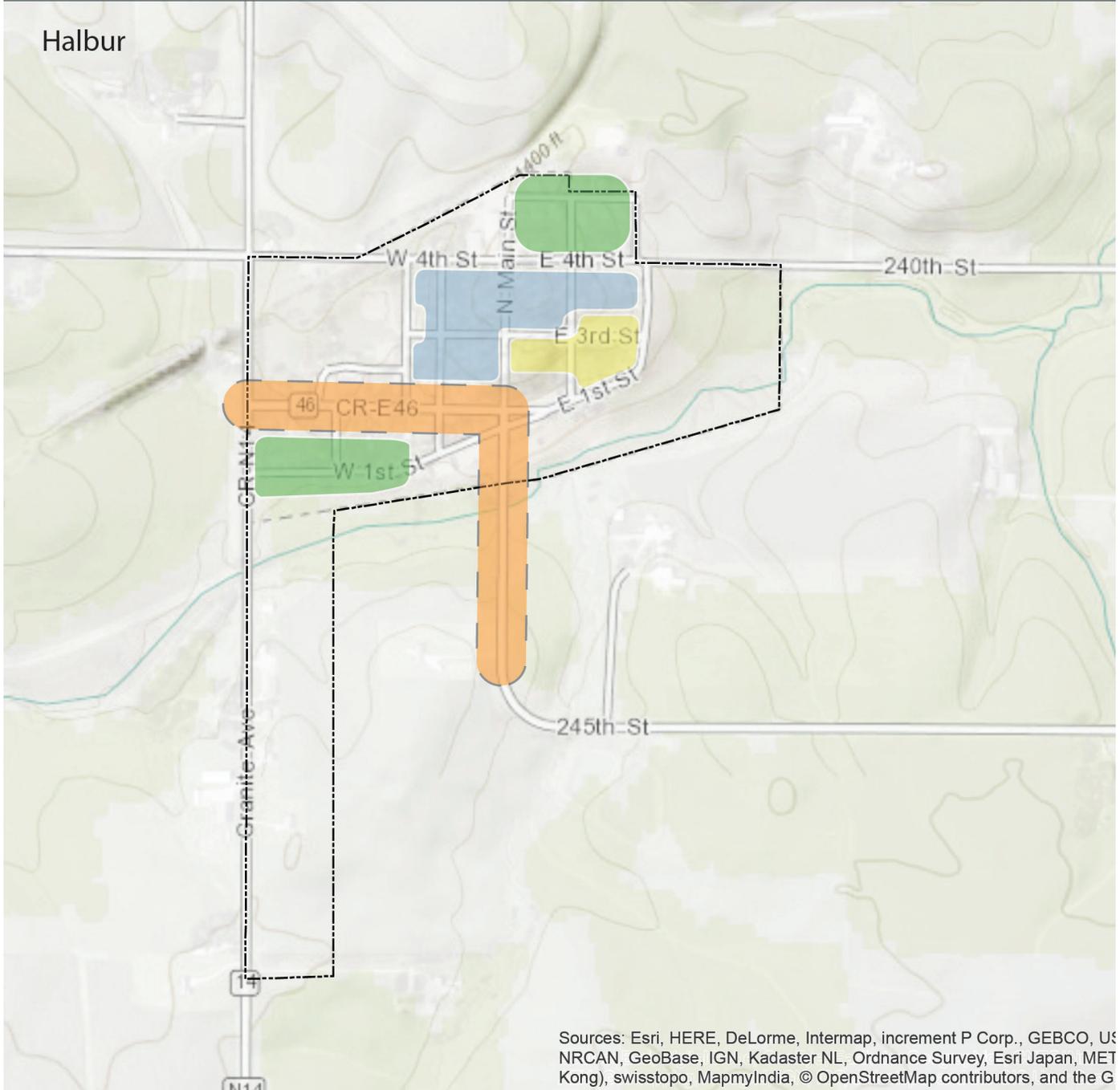
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+41 residents more than predicted. This suggests slight in-migration of residents or a slightly increased birthrate.



MAP 2.9: Housing Policy Areas - Halbur, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## LANESBORO

The housing stock in Lanesboro varies but is generally in fair condition. The vast majority of housing units are single family detached homes. There is a mix of maintenance and structural issues with some that may require demolition. As a result of the decrease in rural employment, little housing demand has existed in Lanesboro over the past decades; therefore, the priority should be to stabilize and maintain the housing stock. By increasing the quality and value of existing housing, it may be possible to create interest for new construction. This should be done through a strong rehabilitation/demolition program and possibly an emergency repair program to keep homes habitable.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community.
- **Targeted Housing Rehabilitation Program.** A targeted rehabilitation program would repair/stabilize participating homes.
- **Depressed Values.** The low value of housing in Lanesboro makes it very difficult to invest in new construction. Values will not support appraisals that match new construction cost, resulting in a loss for the builder. Any new construction will have to come from custom homes and residents that plan to make their home in Lanesboro with no concern over recovering the costs. This situation means that housing rehabilitation and raising the value of existing housing is an essential first step to encouraging new development.

### At a Glance

Affordability Gauge:



Median Home Value:	\$35,000
Median Household Income:	\$31,250
Median Contract Rent:	\$417

2000 Population:	152	
2010 Population:	121	(-31 residents)
2014 Population:	111*	(-10 residents)

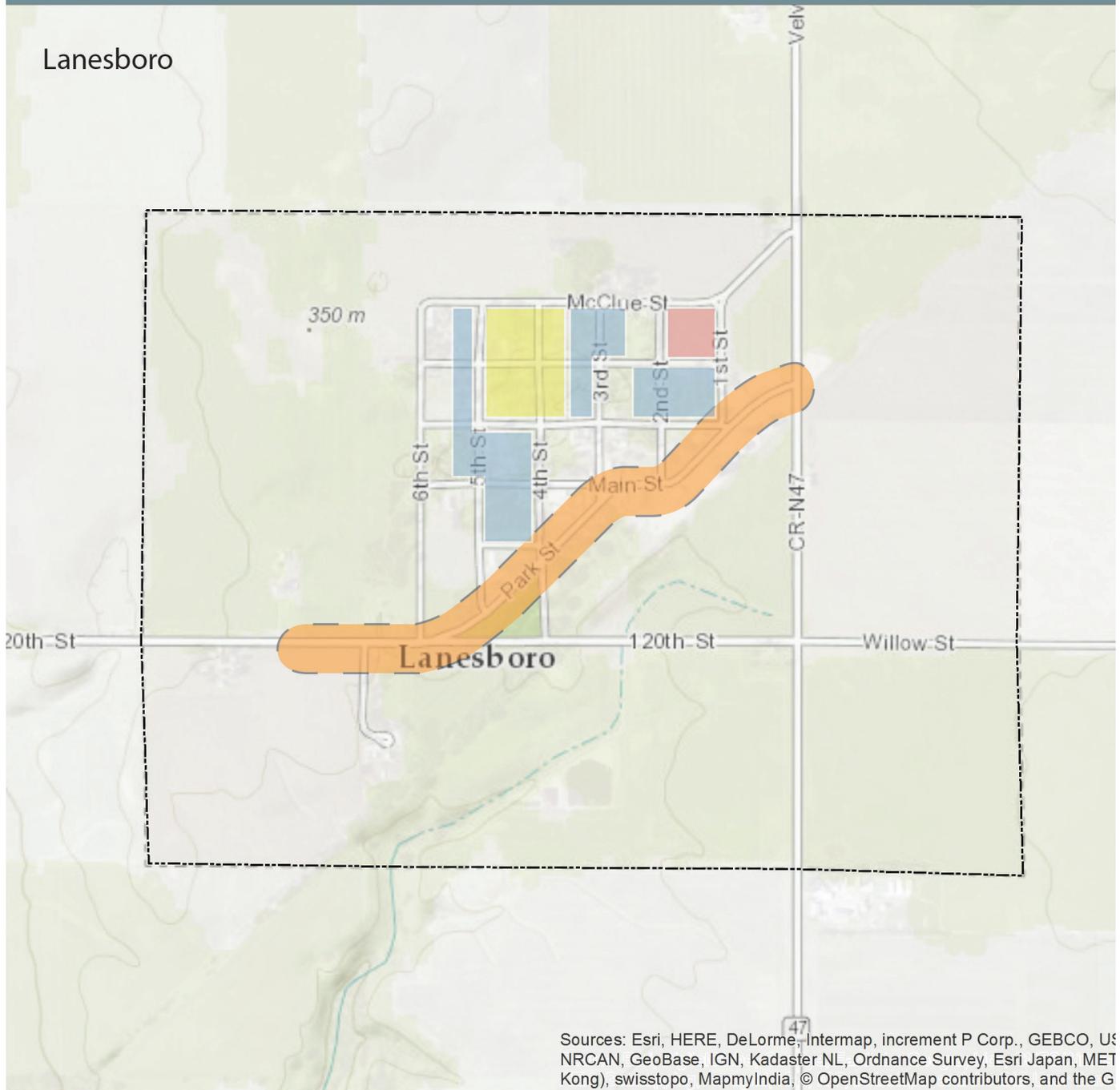
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

24 residents fewer than predicted. This suggests out-migration of residents.



**MAP 2.10:** Housing Policy Areas - Lanesboro, Iowa



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, US NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, MET (Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the G

- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## LIDDERDALE

The housing stock in Lidderdale is approximately a 50/50 mix of well-maintained structures to older homes with significant building condition or property maintenance issues. Housing conditions should be addressed and remedied through either rehabilitation initiatives or, when necessary, a demolition program. The goal should be to maintain and stabilize the housing stock.

A multi-family housing complex with approximately 8-12 units appears to be in fair condition. The majority of new construction has focused on large accessory buildings and not on new living quarters. Like other communities, efforts should be focused on housing reinvestment to improve overall values. Until values increase, there is little to no financial incentive to support new construction.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.
- **Targeted Housing Rehabilitation Program.** A targeted rehabilitation program would repair/stabilize participating homes.
- **Depressed Values.** Census estimates indicate slightly higher values in Lidderdale than Lanesboro but the perception of cost to value is still an issue for Lidderdale. The low values in Lidderdale makes it very difficult to invest in new construction. This situation means that housing rehabilitation and raising the value of existing housing is an essential first step to encouraging new development.

### At a Glance

Affordability Gauge:



Median Home Value: \$74,400

Median Household Income: \$47,813

2000 Population: 186

2010 Population: 180<sup>\*</sup> (-6 residents)

2014 Population: 213<sup>\*</sup> (+33 residents)

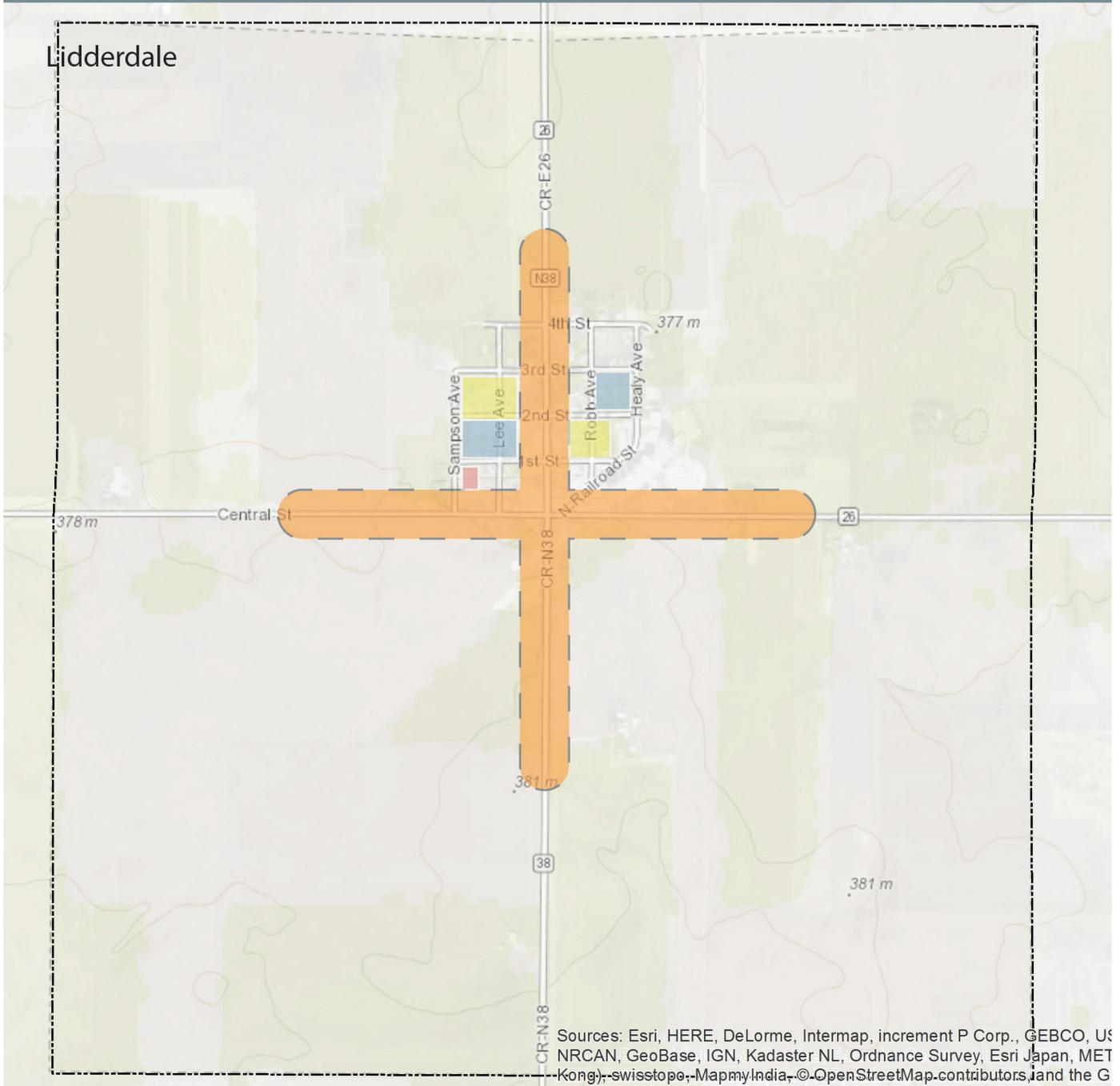
<sup>\*</sup>Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

3 residents fewer than predicted. This suggests little in-migration and a low birthrate



**MAP 2.11:** Housing Policy Areas - Lidderdale, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## MANNING

As one of the larger population and employment centers in Carroll County, additional analysis on Manning can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

Manning has a very strong housing stock and continued reinvestment in existing units. While existing units are well maintained, the lack of building lots has hampered the construction of new units within the city. The quality and vibrancy of the downtown creates good opportunities for downtown residential development both above existing businesses and adjacent to the district. A strong market encourages housing reinvestment; therefore, strategies should focus on ways to develop new lots for new construction and expanding the opportunities for new rental housing.

- **Targeted Housing Rehabilitation Program.** A targeted rehabilitation program would repair/stabilize participating homes.
- **New Housing Development.** The city should continue to encourage new housing and residential lot development.

### At a Glance

Affordability Gauge:



Median Home Value:	\$72,900
Median Household Income:	\$43,125
Median Contract Rent:	\$388

2000 Population:	1,490	
2010 Population:	1,500	(+10 residents)
2014 Population:	1,554*	(+54 residents)

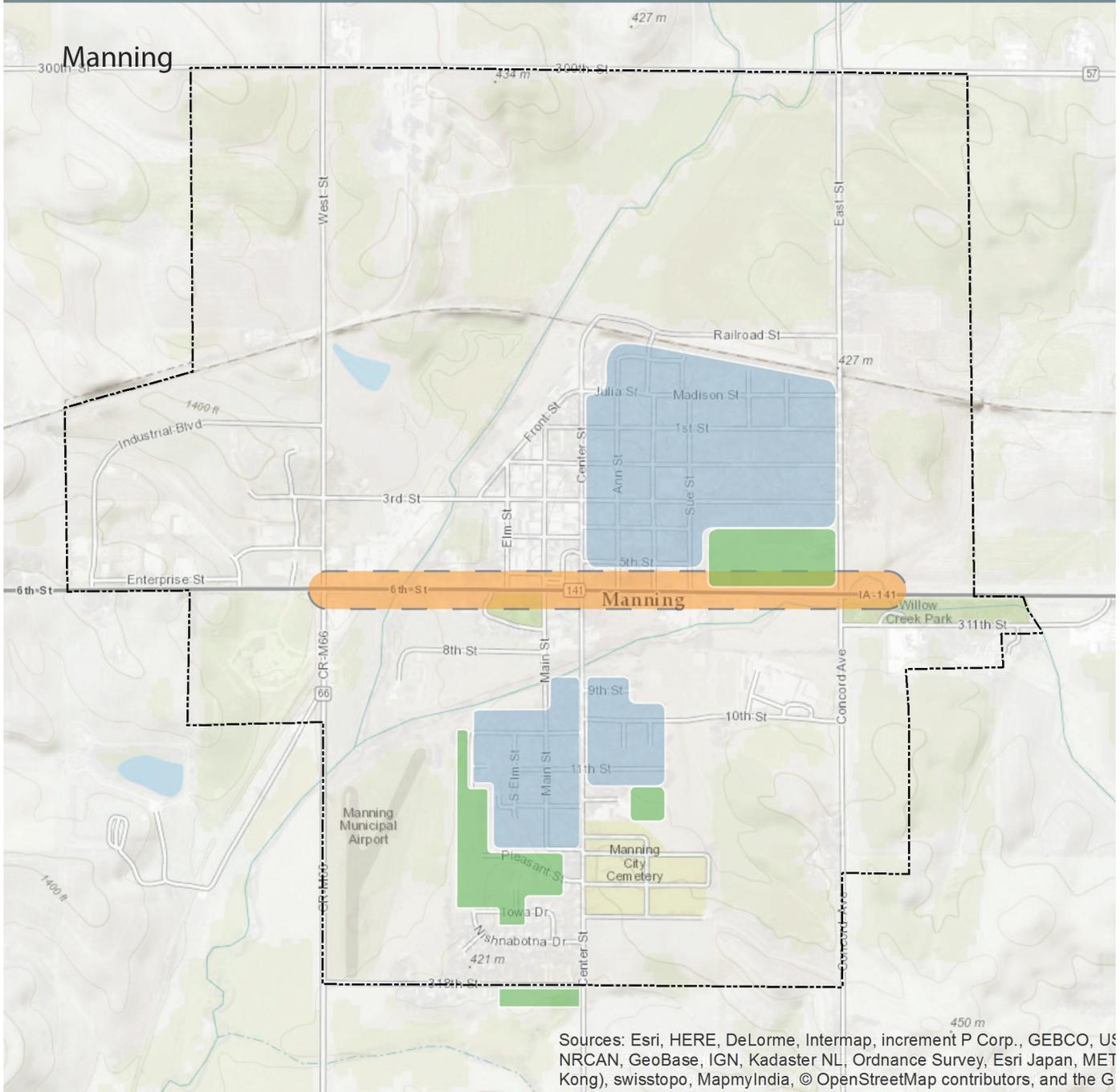
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+146 residents more than predicted. This suggests in-migration



**MAP 2.12:** Housing Policy Areas - Manning, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## RALSTON

The housing stock in Ralston varies but is generally in fair condition. Ralston has a large number of vacant lots with little demand for new construction. Approximately two to three houses may need to be removed and a significant amount of rehabilitation work is needed. Although employers exist in Ralston, there appears to be limited demand for new housing and no new construction. Housing rehabilitation to stabilize the existing housing stock should be a priority. This should increase the quality and value of the housing stock, necessary to support new construction.

- **Infill Development.** The city should seek to encourage new housing on existing lots within the community. This type of initiative helps to stabilize existing neighborhoods.
- **Targeted Housing Rehabilitation Program.** A targeted rehabilitation program would repair/stabilize participating homes.
- **Depressed Values.** Census estimates indicate home values at four to five times below new construction costs. These low values make it very difficult to invest in new construction. This situation means that housing rehabilitation and raising the value of existing housing is an essential first step to encouraging new development.

### At a Glance

Affordability Gauge:



Median Home Value: \$46,100

Median Household Income: \$46,250

2000 Population: 98

2010 Population: 79 (-19 residents)

2014 Population: 84\* (+5 residents)

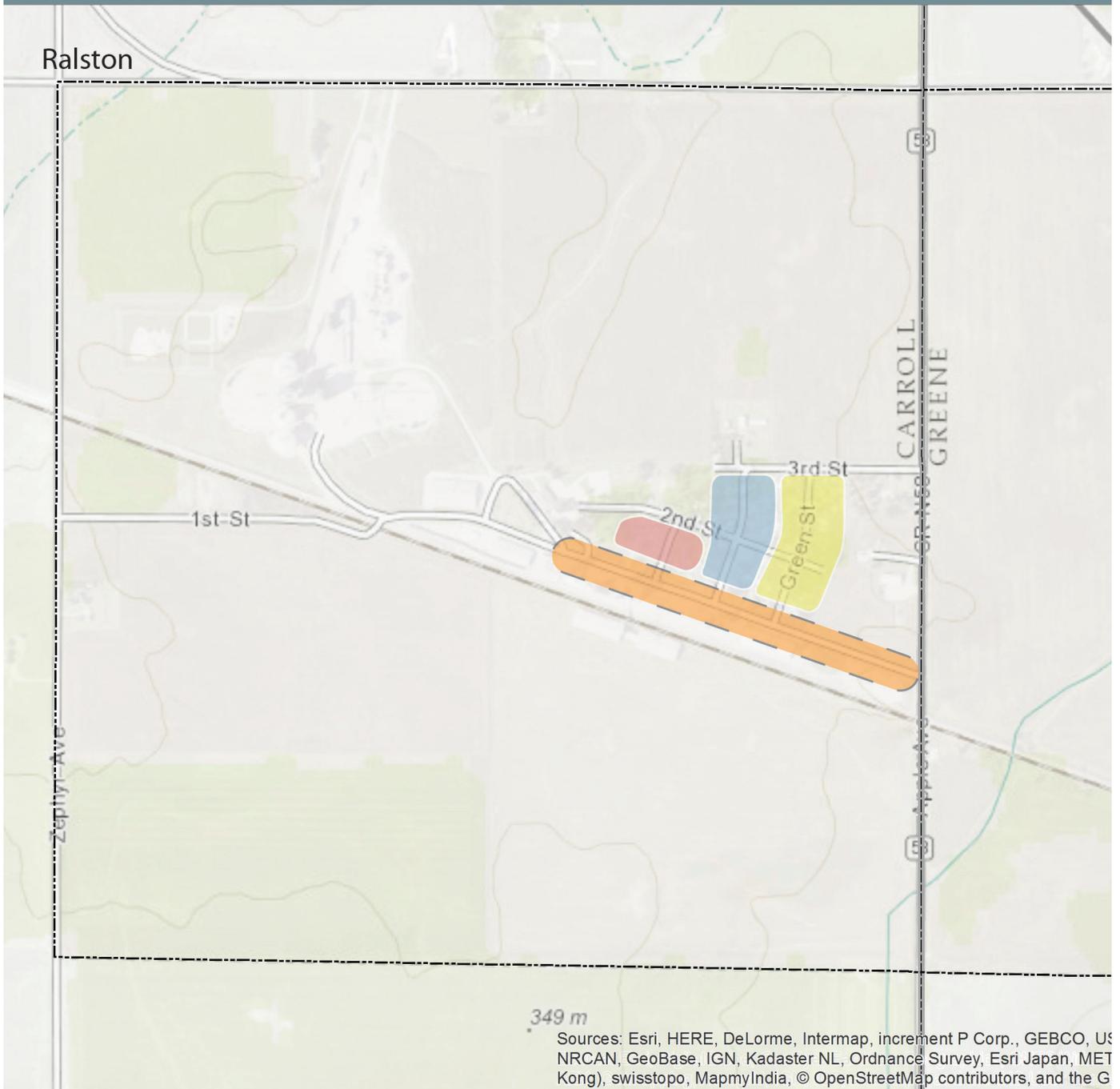
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

-16 residents fewer than predicted. This suggests an out-migration



MAP 2.13: Housing Policy Areas - Ralston, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## TEMPLETON

Templeton is recognized as a small and well-maintained community known state-wide as being the home of Templeton Rye. The stability and growth of this industry has supported new home construction and also reinvestment in existing homes throughout the community. As the economy grows, Templeton will need to provide new housing options including rental options.

### **Strong Economic Future**

Templeton's strong economy has created a number of high quality, new jobs over the past decade. Based on stakeholder meetings and interviews, it is anticipated that there is potential to create even more jobs in the near future. Like many employers, and frankly many communities, it can be difficult to recruit and retain young professionals and skilled employees. To enable the expansion of industry in Templeton, it is important to provide new housing options including single family units and multi-family rental options to enable new employees to enter the housing market.

### **Low Vacancy Rate**

Templeton has a very low vacancy rate (2.5%). While this is typically considered a positive, it also indicates that the housing market is not accessible to new residents interested in living in Templeton. Further, if a new employee is unable to live near their employer it is much more difficult to retain the employee for the long term; this is a direct limitation to the ability of a company to grow because the cost of training a new employee is one of the highest operating expenses.

The creation of new housing options would enable new employees to access the housing market in Templeton and improve the ability of employers, and the community, to retain young professionals and skilled workers.

### **Construction Activity Must Increase**

As described above, the economy of Templeton is very closely tied to accessibility of the housing market. The ability of employers to recruit and retain employees relies on housing options being available. While a number of homes have been constructed over the past decade, little to no speculative housing has been constructed. The city has led the effort to add buildable lots and this activity should continue with a focus on providing more housing options for new residents and employees.

### *At a Glance*

Affordability Gauge:



Median Home Value:	\$90,000
Median Household Income:	\$46,563
Median Contract Rent:	\$519

2000 Population:	334	
2010 Population:	362	(+28 residents)
2014 Population:	370*	(+18 residents)

\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

+33 residents more than predicted. This suggests in-migration





### *Steady Development*

Templeton, like Breda, has the potential to grow but this growth should not be overstated. At a 1% annual growth rate the city would add just under 20 residents to the city's overall population over the next five years. This would equate to roughly ten or fewer new households or about two units a year.

Some of this demand may come in the form of new construction but the city's population is also aging, which will, sadly, open up a unit or two each year. These units may need updates, creating demand for rehabilitation work. The city should not assume that market demand can be met solely through these existing units. A mix of older and new homes will be needed to support growth at rates higher than have been seen in the last several decades.

In summary the city should strive to have at least one speculative house constructed each year and the construction of one to two small rental projects constructed over the next ten years. These units should be appealing to seniors interested in downsizing and to new employees looking for housing that allows them to live in Templeton while they explore their housing options.



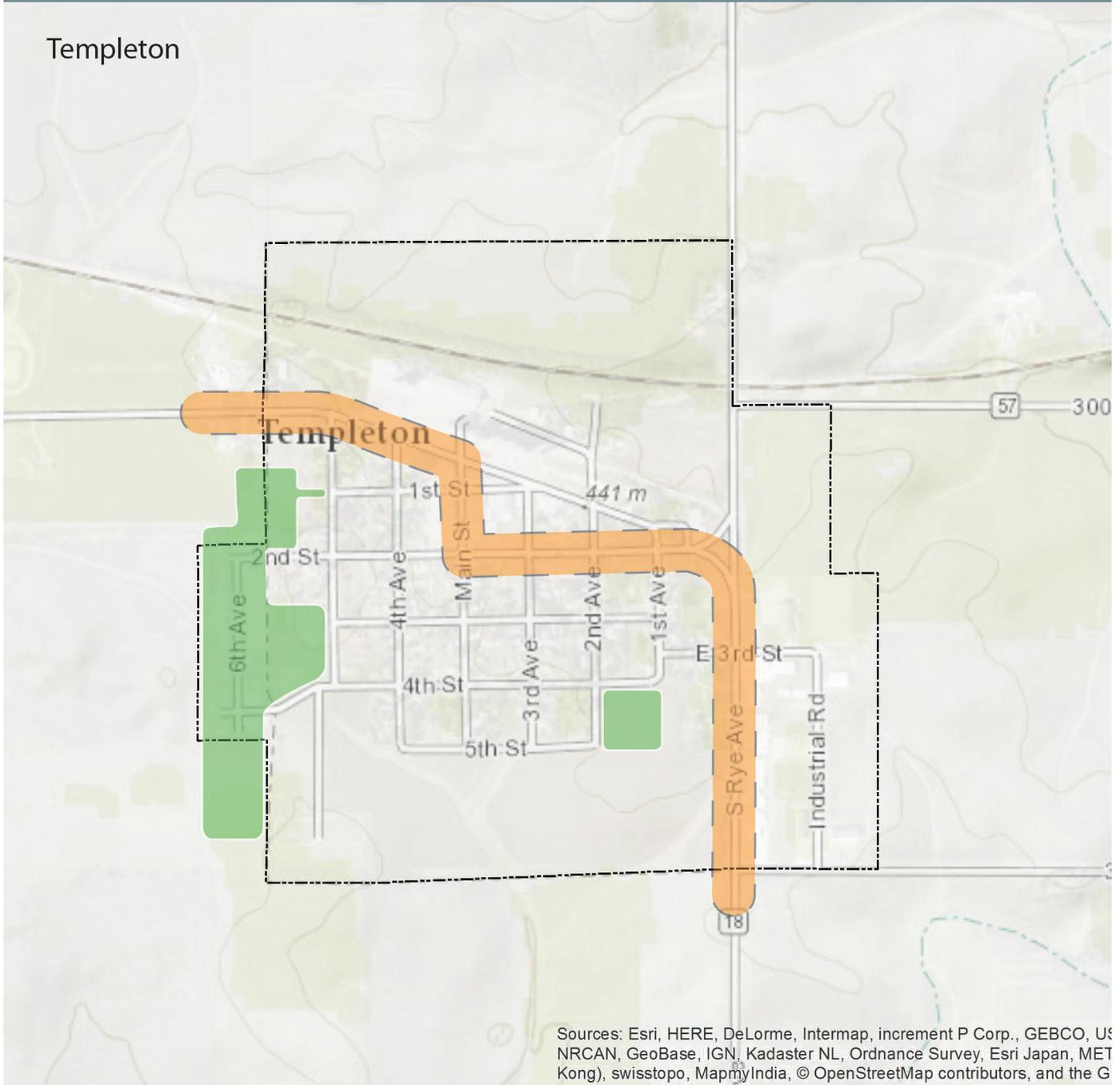
### ***Housing Conditions & Opportunities***

Templeton has a very strong housing stock and an image as a strong community. The demand for housing is created by a strong employment base and this demand remains high. This market demand has supported the financial return on housing rehabilitation. The housing market is very tight and demand for new housing remains high. The city has found ways in the past to support new lot development but the build out of those lots has been slow. Additionally there has been no new rental construction. New employees to the community have very limited options. Top priorities for Templeton include:

- **New Housing Development.** The city should continue to encourage new housing and residential lot development.
- **Short-term Construction Rates.** Over the next five to ten years the city should identify strategies for increasing construction rates along with existing lot development initiatives. Strategies will be further explored in the following section.
- **Rental and Senior.** Rental options are needed for new residents to the community and as an alternative for single seniors looking to downsize. A small number of townhomes or duplexes could fill a demand created by new recruits to Templeton Rye or seniors. A community the size of Templeton would likely not support a large project but 4 to 6 units would likely fill quickly.



MAP 2.14: Housing Policy Areas - Templeton, Iowa



Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, US NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, MET (Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the G

- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement

## WILLEY

Despite its distance from a significant highway, the community has remained strong with significant housing reinvestment. The demand for new housing will likely remain low because of the community's size but interest in the existing housing stock will remain high because of the excellent quality and proximity to Carroll. Efforts should focus on continued maintenance of the towns pride in ownership.

- **New Housing Development.** The city should continue to encourage new housing and residential lot development.
- **Infrastructure Maintenance.** Maintenance of the towns roads and infrastructure will be a selling point for the community but also a challenge. Costs to replace infrastructure will not decrease and therefore maintenance will be essential to avoiding taxing situations that are unappealing to future buyers and to protecting home values.

### At a Glance

Affordability Gauge:



Median Home Value: \$76,700

Median Household Income: \$37,083

2000 Population: 103

2010 Population: 88 (-15 residents)

2014 Population: 71\* (-17 residents)

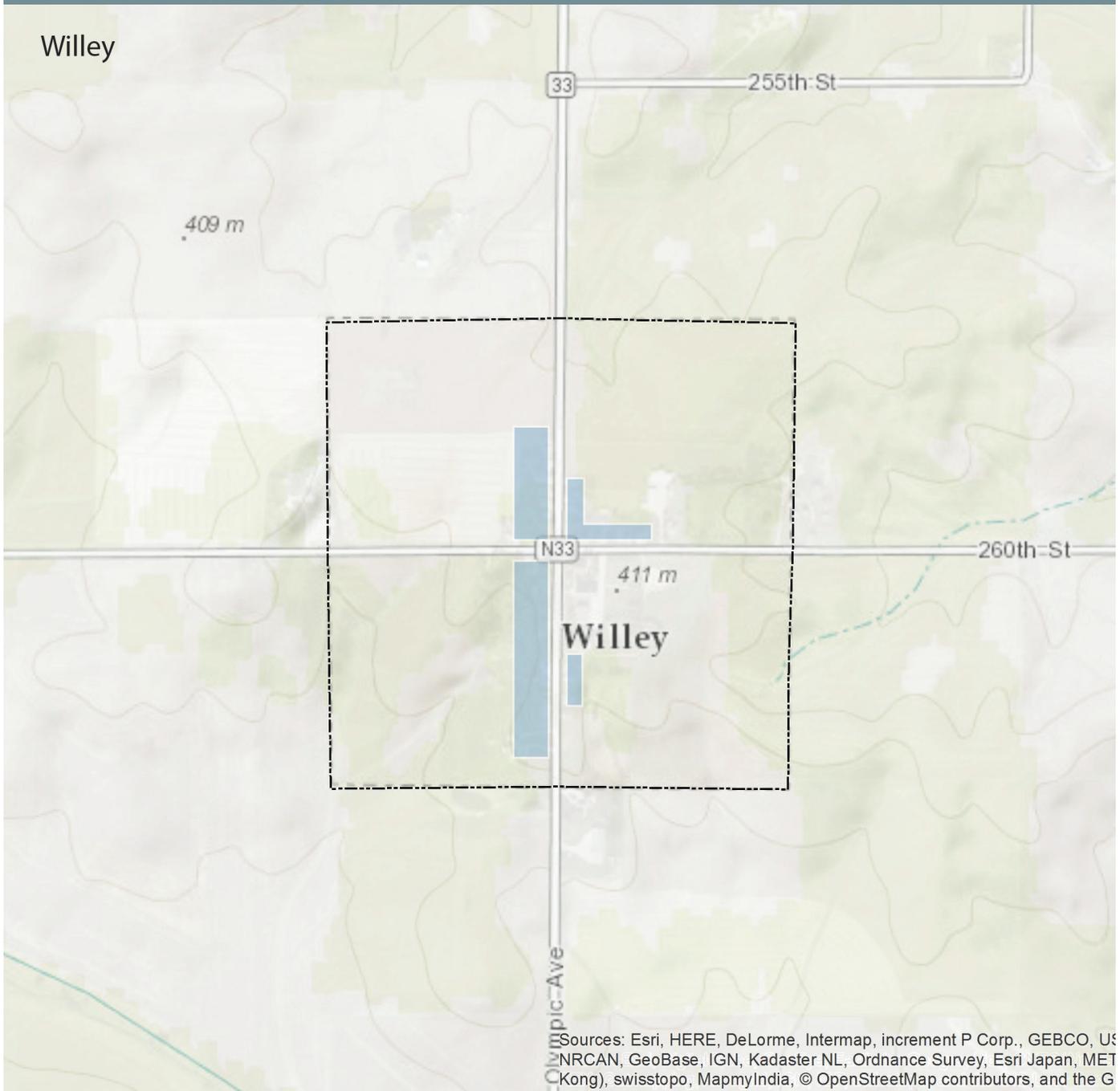
\*Estimate. The accuracy of population estimates vary and should be used with caution.

Predicted vs. Actual Population Change (00' to 10)

-18 residents fewer than predicted. This suggests out-migration.



**MAP 2.15:** Housing Policy Areas - Willey, Iowa



- New Development
- Infill and Stabilization
- Neighborhood Conservation
- Redevelopment Opportunity
- Gateway Preservation and Enhancement



**CHAPTER 3**

**DEFINING HOUSING  
ISSUES**

## DEFINING HOUSING ISSUES

The information, analysis, and community engagement process presented in the previous two chapters indicated a number of key issues and opportunities that face Carroll County as it considers its capacity to meet housing needs during the next ten years. The purpose of this chapter is to articulate the specific issues and opportunities to drive the county's housing goals and priorities. The following chapter will provide the policy framework and program directions for addressing these priorities.

### Housing Resources and Assets

Like many places, the cities of Carroll County can become overwhelmed by the difficulty of the housing challenges they face. However, Carroll County's communities have taken many positive steps and have key resources and assets with which to build a successful housing program. These include:

#### *Strong Job Market*

Carroll County has one of the lowest unemployment rates in the region. At an estimated 2.5%, the county is nearly at full employment and employment demand would appear to exceed recruitment capacity. A recent survey indicated that there are roughly 220 unfilled jobs. This is likely a conservative number and does not reflect the potential to expand operations if employees were available. Employers suggested that there is demand to expand their operations and hire additional workers but that those workers are not available in Carroll County. All are aware of the need to attract and retain new, talented workers to the region. New residents look for many features when considering a move – good paying jobs, quality schools, recreation and quality of life amenities, and affordable living with quality housing. These attributes are what also keeps new employees in a community. Carroll County is a highly attractive environment to live and raise a family but the first impressions and experiences have to be positive, and this also includes a good experience within the housing market.

### *Continued Demand*

Natural population growth, smaller households, employment expansion, and replacement needs continue to generate a strong demand for housing. Despite aggressive strategies by several communities to increase the lot supply and increasing construction rates for custom built homes in Carroll, demand continues to exceed construction activity. As a result and despite what current Census Bureau estimates indicate, many of the cities have vacancy rates that indicate almost full occupancy of habitable units. As such, communities like Glidden, Coon Rapids, and Breda cannot afford to relax their efforts to create new lots and other cities may need to find ways to more aggressively encourage new development.

### *Construction Community*

Carroll County has a core group of contractors who are engaged in the communities. Many of these contractors have gravitated toward the more secure custom build market since the 2008 recession. Communities also realize that these builders have limited capacity and have been willing to work with builders from outside the region to meet the construction demand. Future policies and programs should engage these builders and limit their risk.



### ***High Quality Housing Stock***

One of Carroll County's greatest strengths is the quality of the existing housing stock. The culture of pride in ownership is evident in many of the communities in Carroll County and results in higher home values and lower turnover rates. This quality is evident across the board for many of the communities and includes housing and neighborhoods from a number of development periods. Some pockets of disinvestment exist and are most noticeable in the rental market. Much of this is related to the age of the county's rental housing stock. For many of the smaller communities the rental market is dependent on small, older single-family homes that can be picked up cheaply as investment properties. While many are nicely maintained there are also a number that have reached their life expectancy and lack the modern construction and insulation features to make them affordable housing options. Newer rental options, mostly in the form of 2 to 4 unit projects are in good condition with high demand for these units at any price point.

### ***Quality Communities and Schools (family friendly)***

For those communities that have some of the best housing stock the same level of investment is put into community services, business, and public spaces. These environments are highly valued and attractive to young residents wanting to raise families in positive and healthy environments. Quality schools are also an essential component to a healthy and vibrant community. A strong school district is essential to attracting new young families. For those communities that have lost their schools over the years attracting and retaining residents becomes even more challenging. Carroll County also offers strong educational options, a unique feature not found in most rural areas.

### ***Local Business and Banking Support***

The banking community is an essential partner in any housing development program. Local dollars are essential to the process and can provide much greater flexibility. Having a strong and diverse banking community also means that more partners can be brought to the table to share the risk on more non-traditional projects that diversify the housing market. More and more the business community, outside of financial institutions, are becoming involved in the housing market. They have come to realize that quality housing options are essential to attracting new employees. Positions cannot be filled and operations cannot be expanded without housing for those workers. Carroll County's businesses understand this dilemma and are open to being part of the housing solution.



## Housing Challenges and Issues

Although Carroll County has numerous assets, the cities do have some clear challenges that they must face to ensure a housing market that meets market demands. These include:

### ***Demand for Scarce Price Point***

The greatest demand for housing in Carroll seems to be homes priced in the mid-hundred thousands and for market rate rentals. For owner-occupied units there is a scarcity of quality units priced between \$120,000 and \$180,000. At current lot prices and building costs these units are not being constructed. Even for those communities that are offering very affordable lots, construction costs remain at a level that is resulting in the average new home being priced well over \$200,000. On the rental side of the market, the demand for quality, non-subsidized structures remains high. It should be noted that the need for quality housing for those households in the lowest income ranges is still substantial but often they are competing for housing with those who could possibly pay more if the option was on the market. Additionally finding quality housing that allows individuals to move up from subsidized housing remains an issue. The bottom line is that with very few real estate listings, low vacancy of habitable units, and a very low inventory of quality rental units without income limits, new arrivals are left with few options. This is ultimately a problem for both civic and economic health.

### ***Products for Seniors & Young Professionals***

Carroll County is an appealing destination for seniors, given its access to health care, quality of life, and community activities. However, there is a need for maintenance-free independent housing and congregate living. This housing type not only attracts new seniors to the market from outside but also helps address local housing demand. When a retiree chooses to downsize to something smaller or with less maintenance, they are often leaving a home that is directly within those scarce price points. This often can be the best way to add units indirectly to the market that are otherwise difficult to build. On the other end of the spectrum, lower-maintenance units are also often very appealing to young professionals. Many in this age-range are looking for lower maintenance options or rental units that provide quality housing while they build up equity to enter the buyer's market.

## ***Slow Construction Market***

Many factors have come together to slow construction activity. Following the housing crisis in 2008 financing for both the builders and home buyers become much more stringent. Many builders during this time period were nearing retirement age and viewed the recession as a sign to leave the business. For the builders remaining in the community the margins are much higher on the custom home side and demand is high enough that there is little incentive to construct speculative homes. Additionally the risk in the speculative home market is much higher for smaller communities, where absorption rates may be slightly longer, or at least perceived to be longer. Finally, labor shortages mean that builders have a back log of work and are unable to build more units.



### ***Lack of Rental Construction***

While the City of Carroll has developed some multi-family housing, little to no new rental construction has occurred in the other communities of Carroll County. Easy mortgages during the early 2000s and lower demand in the 1990s made some form of homeownership, affordable or not, seem attainable to most entrants into the housing market. Yet, there has been a significant change since 2008. Tighter underwriting standards and downpayment requirements have increased rental demands, especially for younger households. It should be noted that the last major push for new rental construction in many cities occurred during the 1970s, just as many Baby Boomers were establishing themselves in the housing market. Communities are now beginning to see this same demand from the children of Baby Boomers. This large generation is interested in staying in rentals longer, whether that is due to lending requirements, greater college loan debt, or just a more cautious nature following the recession. Despite this demand they are finding few quality options that meet their needs and communities have few builders/owners familiar with the multi-family market.

### ***Perception of Rental Costs***

The perception of rental costs can have a significant effect on the construction of new rental housing. Often residents, both long-time residents and new arrivals, have a perception that rental prices should be much lower in a rural community. This is often the case but the cost of construction and maintenance are not different, and some times higher in rural areas than in larger cities. Additionally, many do not realize that rents can and often have to be higher than monthly mortgages. Income assessments indicate a demand for additional market rate rentals but long held perceptions that higher rents are in low demand leave little incentive to construct new rental options.

### ***Builder Capacity***

Carroll County has a number of quality builders but the demand for new and different housing outpaces their capacity. Carroll County is not developing enough housing to meet demand. The slow construction activity and little to no new rentals creates a backlog demand that is often very difficult to calculate. Not only is there a demand for new housing to support growth, but a demand for housing by long time residents that have not moved because the options are not available. Additionally, there is a growing demand for different housing types, such as townhomes, downtown living, or units oriented to seniors. These are not the type of units that local builders are often familiar with and they continue to have great success with traditional single-family homes, leaving little incentive to try new market types. These builders are also struggling with labor shortages which limits their capacity.





## STRATEGIC HOUSING GOALS

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As Carroll County looks ahead to the next decade it appears poised to grow at a record pace. Yet, a strong community future depends on the ability of the cities to maintain a sustainable level of growth. Analysis of both the assets and issues suggest the need for a housing and community development strategy for Carroll County that:

**1. Increases the number of quality market rate rentals.**

As noted above the lack of new rental construction over the past 20 years has left the market with few quality rental options. Many rural communities, outside of Carroll County, have seen some tax credit projects being built but that has not necessarily been the case for Carroll County. This leaves both higher and lower income households competing for the same units. Many residents noted the lack of good quality market rate rentals for families and young professionals. Providing better options for this market will free up housing for lower income households and drive the lowest quality units either off the market or force them to improve their product.

**2. Increase builder capacity.** Just as other markets are looking at ways to recruit and retain employees the building trades need the same assistance. Ways to attract individuals back to Carroll that have this expertise or to train individuals that want to stay in the community should be explored.

**3. Expand the lot supply.** Many of the smaller communities have made great strides to ensure available lots exist within their corporate limits; these efforts must continue. Private developers cannot afford to pay for the upfront costs of infrastructure for lot development and every reasonable effort should be made to ensure that lots are available in all of the communities of Carroll County.





**4. Increase the appeal of rehabilitating housing.** Carroll County's housing stock is generally in very good condition but faces some challenges. Young buyers looking for "move-in ready" housing and a lack of contractors doing rehabilitation work results in housing that sells slowly or deteriorates further. Many structures need maintenance or rehabilitation while others are obsolete and sometimes too small to meet contemporary needs. In older neighborhoods, one or two poor houses on a block can also affect the marketability of the entire area. The rehabilitation of these homes essential to providing quality entry level housing in any community and continual maintenance and rehabilitation is a high priority.

**5. Expand housing options, especially for the senior market.** New partnerships will need to be developed to spread the risk associated with housing types that are less traditional in Carroll County. These types will have to include lower-maintenance options for empty-nesters and young retirees looking to downsize. The next chapter will discuss several strategies for addressing this market gap.

**6. Develop moderately-priced "gateway" housing.** Programs and policies should find ways to expand the number of gateway or entry level housing units that allow residents to build equity in the community. These strategies may include efforts to construct new housing at entry level price points combined with rehabilitation and maintenance of existing housing.

**7. Share risks to meet needs that the private market cannot satisfy alone.** This strategic direction ties closely with many of the above strategies. Gateway housing, new multi-family, and non-traditional housing options will not occur without some risk-sharing by all players in the local housing market. This includes the cities, financial institutions, economic development agencies, and even employers to find new ways to address gaps in the private market. All of these players may have different roles but all need to be at the table.

**8. Increase the number of affordable lots in Carroll.** The lot supply within the City of Carroll is not a serious issue but the lack of more affordable lots is a problem. Current practices require that all of the cost of development goes into cost of the lot, with a small percentage for profit. This means that most lots in Carroll are priced well-over \$30,000. At these prices more affordable housing cannot be built. For a healthy market a good variety of lot types and prices should be available.

**9. Improve options for households in the lowest income ranges.** The demand for quality, affordable housing cannot be overlooked, especially in the City of Carroll. New affordable housing should provide better, safer options and ensure that all residents have a quality place to call home.



# CHAPTER 4

## DIRECTIONS FORWARD

## DIRECTIONS FORWARD

### Components of a Housing Study

Without quality housing, Carroll County will not be able to accommodate the people needed to move forward. As indicated in the previous sections, there is a connection between economic development and housing—indeed housing development is economic development. This section identifies strategic policies and programs that will support these efforts and the goals outlined in Chapter 3.

### Carroll County Housing Program Focuses

Carroll County’s housing strategy should have six primary focuses:

1. Housing Partnerships and Financing Mechanisms
2. Targeted Programs
3. Neighborhood and Community Reinvestment
4. Neighborhood Conservation
5. Lot Development
6. Senior Housing

Some of these strategies can be applied county-wide while others may be adjusted to a community’s specific needs. Most importantly, no one program or approach will address the issues and goals identified in Chapter 3. A combination of projects, programs, and policies will need to be combined to create a strong housing market. These combinations may vary from community to community but, whenever possible, resources should be shared to leverage more capacity and funding.

### Housing Partnerships & Financing Mechanisms

Carroll County should develop a partnership with the flexible capability to address specific housing needs around the county.

An effective community housing partnership should provide project development, financing, and marketing capabilities. The components of a Carroll County Housing Partnership should include:

- » Housing Development Corporation
- » The Cities and County
- » Carroll Area Development Corporation and Major Employers
- » Builders & Realtors
- » Financing Mechanisms and the Financial Community



### ***Housing Development Corporation***

A housing development corporation is a nonprofit developer governed by a board of directors and operating in the same entrepreneurial way as a conventional developer. The difference between a development corporation and a traditional developer is the market they serve and the risks they are willing to take. As a non-profit, their mission should be focused on providing housing to those markets that private developers cannot effectively serve. This may include entry level price points for owner-occupancy and housing rehabilitation that does not provide the profit margins necessary for a successful private business.

Housing development corporations often grow out of established organizations that have identified housing as vital to their work. In places like Dodge City, Kansas and Wayne, Nebraska, these organizations have been local economic development groups who increasingly saw the connection between housing development and community vitality. In Omaha these organizations have included community organizations such as churches, human service groups, and community action agencies that identify housing as a critical need.

### ***Cities and County***

Cities generally have the responsibilities of providing and maintaining urban infrastructure and municipal services, and, under the Iowa Redevelopment Law, can initiate community redevelopment projects. Consistent with these responsibilities, Carroll County's cities should: finance capital improvements using techniques that reduce and/or defer the front-end cost of lots; assemble or acquire property for development or redevelopment as needed; and act to promote other projects or remove obstacles to developments that provide entry level housing and units that accommodate the county's lowest income households. The role of each of the cities in the housing partnership may vary by community but could include:

- » Acquisition and site preparation of infill redevelopment sites
- » Financial assistance through CDBG, TIF and other programs
- » Subdivision development with infrastructure
- » Funding and management of energy saving programs through their local utilities
- » Funding and management of any residential incentive loans

A number of Carroll County's communities are already using one or more of these tools but the opportunity to combine these with an organization that is focused specifically on fill-



ing gaps in the market, has not existed in the past.

### ***Carroll Area Development Corporation and Major Employers***

CADC and the region's major employers can play many different roles. CADC may be the home for a development corporation but should at the least be a conduit between the private development community and the municipalities. They may also play a vital role in marketing and promotion of housing and community resources.

Major employers can also play a variety of roles. This may include:

- » Working with the development corporation to ensure adequate housing for employees
- » Providing financial support to one or more of the potential funding mechanisms discussed below
- » Expanding employee benefits to include some type of housing benefit. This may include:
  - Moving and relocation support
  - Employer assisted housing through programs that provide matching funds for a downpayment
  - "Corporate" unit(s) that can be used by interns or top management that are relocating to the area. This type of unit(s) could even be shared among different employers

### ***Builders & Developers***

Builders' and realtors role in the housing partnership will be as the contractors and the marketers of new or rehabilitated housing.

## ***Financing Mechanisms and the Financial Community***

Creative approaches to financing should continually be explored but two of the core mechanisms include:

**Lending Consortium.** Many of the county's housing strategies must have a source of financing including the housing development corporation. Such a financing program should be designed for maximum leverage (in the language of community development, leverage is the ability of program dollars to generate private investment in response); shared risk; and quick turnover rather than long-term financing. The development of a housing partnership should include a "lenders consortium;" a cooperative venture among lending institutions active in the Carroll County market to spread individual risk. In addition, these cooperative ventures can attract the support of other agencies such as the Iowa Finance Authority (IFA), the Federal Home Loan Bank, and the Iowa Economic Development Authority.

A lending consortium is an ideal instrument to provide short-term financing or "patient financing" for builders and contractors in the community, and to provide interim financing for projects developed by the housing partnership, cities or even the county.

**Housing Trust Fund.** A housing trust fund provides a source of seed capital, unconstrained by program regulations, for a city or development corporation to use for the purpose of developing needed housing types. The popularity of trust funds can be attributed to their inherent flexibility. For Carroll County, these dollars could be used to support construction of new entry level housing, rehabilitation of existing housing, or development of new rental housing. Trust funds can be funded in several ways, including dedication of a specific share of local option sales tax, fees, local revenue bond issues, or grants and charitable contributions. Through charitable contributions to a trust fund, the county's employers could play a vital role in housing quality and choice in the county.

## ***Region XII Housing Programs***

Region XII Council of Governments is involved in implementing and operating housing programs. Programs are designed to benefit low and moderate-income residents throughout the region and member communities.

### **(HPL) Revolving Loan Fund**

Loans to income-qualified homeowners in member communities for repairs to eliminate health and safety hazards including windows, doors, roofs, furnaces, etc.

### **Rehabilitation Programs**

Developed in communities where poor housing conditions and the need for rehabilitation has been identified. Income-qualified homeowners can receive assistance to complete substantial repairs and assistance is provided as a part loan / part forgivable loan.

### **Down Payment Assistance Programs**

Developed in communities that have identified insufficient down payments as a barrier to homeownership for low and moderate-income families. Assistance as a loan and/or forgivable loan to potential homeowner as gap financing between loan amount and the cost of the home. A regional down payment loan program is also available.

### **Rental Projects**

Assist in the development or rehabilitation of rental projects. Staff can help develop a financial package utilizing a variety of funding sources.

### **New Construction**

Staff members to help with the development of new single family homes and subdivisions, providing technical assistance in grant writing, financial packaging, and marketing.

### **Speculative Financing Revolving Loan Fund**

Funding to make partial construction loans to contractors for new spec homes. Contractors or developers can receive a loan of up to \$20,000 for construction at a low interest rate for homes that may sell for up to \$110,000.

### **Lead-Based Paint and Asbestos Inspection and Abatement**

Region XII's housing inspectors are certified in lead based paint and asbestos inspection, and can assist in abatement programs for both materials.



## Targeted Programs

Carroll County and its communities should focus on programs that provide: affordable equity housing, affordable and high quality rental housing options; expanding housing variety; and reinvestment in the regions existing housing stock.

**Affordable Equity Housing.** Many of the programs listed in the next pages will assist residents in building equity in the community but a more direct housing program may also be needed in Carroll and Manning especially, but also in any of the communities. New entry level, owner-occupied housing can strengthen a city's housing stock by attracting new households that are looking to build equity in a community. New housing may be built either in existing subdivisions or on infill lots within built-up areas. While many communities have found ways to provide affordable lots, the homes built on these lots are often not affordable to those first entering the market, tending to be higher price point homes.

New housing in a variety of styles (single-family, single-family attached, and townhomes) may be built in either contiguous developments or on clustered infill lots within built-up areas. The cost of housing may be controlled through a mixture of techniques. One potential scenario: the housing trust fund may provide recoverable, front-end funding for such items as project design; the cities may acquire property or develop infrastructure through TIF or revenue bonds; the housing development corporation would act as the master developer holding contracts with private builders for home construction; and the lenders consortium would provide interim financing for the development corporation. A number of the Carroll County's communities, including Glidden and Templeton, have been doing lot development through property acquisitions, TIF and/or general funds, but have not had the resources or mechanisms to deliver either housing variety or housing at prices points that meet the moderate income housing demand.

Region 12 can also play an important role through their funding sources which include downpayment assistance programs. Realtors may also participate by reducing commissions on selected projects. Potential target markets for new affordable units may include younger households, people with stable incomes, and downsizing empty-nesters.

It should be noted that many of the communities have a strong demand for market rate housing priced above \$200,000. These types of units have a much lower risk to the private development community and increasing production of these units can be addressed in ways discussed later in this section, specifically through expanding builder capacity and ensuring an adequate lot supply.



### *Sioux Center, IA: Moderately-Priced Housing*

Using a community land development corporation, capitalized by purchase of shares by citizens of Sioux Center, a new moderately-priced development was initiated. The program builds three to six speculative homes at a time, maintaining an available inventory. The proceeds of sales are then used to build the next increment of houses. The development group develops the lots from land purchased from the city. The housing is focused on the construction of moderately-priced housing and started the program with homes priced around \$120,000. Over the years this has increased to \$180,000 but efforts in 2016 are focused on keeping the cost closer to \$150,000.

**Rent-to-Own.** Rent-to-own projects provide a middle-ground approach between ownership and rental occupancy, giving new residents who cannot afford homeownership at present an avenue to build equity in a community. In the rent-to-own program, the development corporation may build houses using the Low Income Housing Tax Credit. A portion of the family's rent is placed in an escrow account for a future downpayment. At the end of a specific period, the residents can then use the accumulated downpayment escrow to purchase either a new house or an existing unit. Rent-to-own programs have the advantage of providing rental housing to residents, while incorporating aspects of owner-occupancy.

Communities and counties in Nebraska have worked together with developers that specialize in or are familiar with this type of product to share project financing. The financing and resources are split between the two communities with a set number of homes being built in each community.

**Rental Housing & Housing Variety.** Rental construction over the past two decades has been slow but changes in financing and a large young adult population are increasing the demand for quality rental options. In Carroll County, demand for rental housing crosses all income ranges. New rental housing and

owner-occupied attached units should include market-rate rentals for professionals, workforce housing, housing for people with urgent needs in the lowest incomes, and seniors interested in downsizing. All of these options should expand the mix of housing choices in Carroll County.

Funding sources such as a lending consortium and housing trust fund can be used to develop new inventory, and tax credits may be employed to address the needs of lower income households. Tax Increment Financing, CDBG/HOME funds, and tax credits can also help create affordable multi-family housing. The housing partnership and lending consortium should be active participants in the financing of multi-family housing developments by distributing the risk of projects across several lenders.

Marketing and recruitment of rental housing developers may be necessary to expand the market. While Carroll County has a number of quality builders and developers, most of them are not familiar with or interested in rental or multi-family development. Through a strategic effort communities can identify appropriate sites and appraise developers to ensure the needs of Carroll County's lowest wage earners are met.

The need for quality rental housing cannot be overstated. New arrivals to a community often use rental housing as a way to become familiar with a community, eventually becoming homeowners. If a new worker cannot find quality rental housing that is appropriately priced, they will often move on to the next closest town or county, settling in as future home-buyers.



### *Saint Louis: Live-Work*

Rental development in large cities like Saint Louis provide lessons that could be imported by smaller cities like those in Carroll County. Rental housing does not have to be in apartment complexes. New approaches to housing can combine living and working spaces to attract young people and create opportunities for greater economic activity.





**Acquisition/Rehab/Resale.** In this program concept, houses are acquired and sold in a rehabilitated or “turnkey” state to owner-occupants. It recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. This program works best when candidate houses can be purchased at relatively low cost – a common condition in some parts of Carroll County. Under the program, a development corporation purchases existing houses, rehabilitates them, and resells them to new homebuyers. The lending community may participate cooperatively in this effort by providing interim financing. Mortgage financing for low- and moderate-income buyers may be assisted by Region XII and/or CDBG or HOME “soft-second” loans. Realtors may also participate by reducing commissions on selected projects.

By using local dollars, the development corporation may be able to target those dollars to households at or above the area median income. These households are much more likely to be bankable and based on realtor input have the hardest time finding quality housing. There may also be the opportunity to expand the number of houses eligible for the program.

**Builder Capacity.** Workforce development is a significant issue across many industries and the building trades are no different. As part of the work already being done around workforce development a program should be designed and implemented to train the next generation of professionals and craftspeople for the building trades. “Leadership transition” should also be a component of this program. Many of the county’s current builders and specialty trades people are nearing their retirement years with well-established businesses and no one to sell or hand-off their business to. Through small business loans, young crafts-people can purchase an established business and the retiree can capture the equity that they have built into their business over the years.

The workforce development program should market the career satisfaction and economic rewards that the construction industry offers young people. Partners in the program may include:

- » Des Moines Area Community College. In the past, DMACC has assisted in a trades program that should be continued with an eye toward the retention of the best and the brightest that complete the program.
- » Area School Districts. Many school districts over the years have moved away from traditional building trade classes and focused more on college preparation. With the demand for skilled trades people this trend is changing but will need support from the broader community. Working with the school districts, programs should be put in place that include architecture and drawing, focused on English/communication and math learning, construction skills, and business education.
- » The Building Community. Through internship programs students can learn first-hand experience. An introduction session may need to be developed that prepares students for their internships to create an asset to the builders rather than a burden.
- » Cities, County and Private Sector. Through resources, funding and internships, all of these groups should play a role in expanding the areas workforce.

**Employer Assisted Housing.** Housing assistance by employers was briefly discussed above, including several of the most common types of assistance. Employers may need to push beyond these more common approaches to attract and retain talent and consider housing assistance as part of an overall benefits package. In addition to those noted above, employers may consider:

- » Investment in the equity for affordable housing developments financed under the Section 42 Low-Income Housing Tax Credit Program. These investments receive substantial tax advantages making them an attractive and financially rewarding investment option for some individuals and corporations.
- » Downpayment assistance programs that may be patterned after 401(K) programs. This program would permit employees to withhold a set amount of their salaries for deposit in an interest-bearing account. These employee contributions would be matched by a contribution from the employer. The downpayment matching program would continue for a specified period (up to three years) and/or a specified maximum amount. Under another scenario, the employer could advance downpayment loans, repaid on the same basis.
- » Targeted employer assistance programs are very similar to the downpayment programs but provide incentives to employees considering home purchases in areas of special interest to the employers. For Carroll County this may be for the purchase or construction within a specific community or any community in Carroll County or within a targeted redevelopment area.



### ***Housing Incentives at Saint Louis University***

Saint Louis University has provided a housing benefit to its employees through an Employer Assisted Housing Program (EAHP). The EAHP provides three benefits for the University employees:

1. Housing information and education on home ownership
2. When available, preferred rates and reduced closing costs on mortgage and refinancing costs through partnering institutions.
3. When available, forgivable loans for eligible employees, applicable towards the purchase of a home located in the designated neighborhoods new campus.

This program applies to all current, full-time faculty and staff members. Properties eligible for the forgivable loan program must be located with specific revitalizations areas. For Carroll County a program could be focused on a redevelopment area, specific community in the county, or anywhere within Carroll County. In the SLU program the percentage of the loan that is forgiven increases with the number of years of employment after origination of the loan, up to 100% of the loan after five years of employment.



## Neighborhood and Community Reinvestment

Carroll County has an excellent housing stock and high quality older neighborhoods. Often the smallest communities, with populations below 1,000 struggle with housing quality but Willey is just one great example in Carroll County where that is not the case. That does not mean that Carroll County's communities have not experienced some disinvestment.

To protect and sustain the county's stock of older housing (an important affordable housing resource) and use existing infrastructure in the most efficient manner, Carroll County communities should implement conservation and reinvestment programs.

**Land Assembly.** One of the biggest hurdles to transformative infill development is the assembly of land or lots. Most developers do not have the capital, time, or other resources to assemble lots from multiple property owners. Using the strategy areas identified in Chapter 2, communities and/or the development corporation should assemble lots in the most strategic way possible. Infill sites should be located in areas that are substantially sound and attractive, albeit older, neighborhoods that will sustain and benefit from the higher cost of new construction. Ideal infill sites are clustered together, giving a new development project the critical mass necessary to provide security for buyers and increase values in the surrounding neighborhood. An infill program may include the following components:

- » A geographic inventory of vacant lots and deteriorated houses completed by each of the communities. This will assist the development company and city in defining target sites for new construction
- » An aggressive program to acquire and demolish houses that are so deteriorated that rehabilitation is not feasible
- » Negotiation with property owners to acquire targeted vacant lots
- » In areas with a concentration of infill sites, preparation of a redevelopment plan that can guide developers and builders
- » Where a concentration of infill sites cannot be done in one community the resources of multiple close communities may be combined to make the lots more appealing to a developer looking for using their resources to build more than just one house at a time.

**Downtown Housing.** Communities of all sizes have proven the popularity of downtown living and its ability to play an important role in business district reinvestment. Downtown housing can also take advantage of specific incentives such as historic tax credits that provide additional equity in projects. Downtown Carroll has the potential for both new construction of vacant or under-utilized spaces and upper story conversion. Downtown Manning has already seen some interest in both upper story housing and adjacent high-density senior housing.

The use of upper stories for residential is one of the most effective ways to enliven and energize a downtown district. Residents in the district bring people to the streets after traditional office hours. For a district like Carroll the retail and dining options remain strong and attractive to potential residents. However, there are some challenges that must be addressed, including:

- » **Parking.** All of Carroll County's communities have adequate downtown parking. However, parking needs for residential units is a different than parking for businesses. Parking for housing does have to be adjacent to the building or even enclosed to be attractive to most prospective residents.
- » **Access.** Meeting fire codes can be a challenge in some upper story conversions but life-safety has to be a priority. These code requirements may impact the number and layout of apartments. Modifications to buildings, such as additional exits, must also be balanced against the design integrity of the building and the downtown district.
- » **Façade Improvements.** Façade improvements should be done in a manner that is sensitive to the historic features of the building, elevating the quality and feel of the entire district and making units more appealing from both the interior and the exterior. Exterior building improvements will also support the appeal and leasing rates necessary to support downtown conversions.

## Neighborhood Conservation

Neighborhood conservation programs should strengthen neighborhoods and small communities housing stock and create an environment of reinvestment. A comprehensive approach should eliminate substandard housing and create an atmosphere of property reinvestment. Generally speaking this atmosphere and pride of ownership exists in most neighborhoods and communities but there are pockets of disinvestment around the county.

Carroll County communities should continue to leverage Region XII funds and expand those opportunities through a variety of techniques for both owner and renter occupied units.

### Owner Assistance

A coordinated rehabilitation strategy, both within and between communities, should be operated on a reliable, multi-year basis. A rehabilitation program, appropriate to the respective needs of individual communities, may include:

- An Emergency repair program. For very low-income residents, an emergency repair program should be established. This type of program is usually funded through Community Development Block Grant (CDBG) funds in the form of grants or forgivable loans. Emergency repair programs are designed to meet critical individual needs, but also to keep viable housing from deteriorating further. Thus, when funds are limited, assistance should be focused on fundamentally sound structures.
- Direct rehabilitation loan program. Region XII administers a loan and forgivable loan program that could be further leveraged by the communities. This program is most appropriate to low-income homeowners who are not otherwise bankable. These efforts should generally be focused in strategic areas where loans support other area investments, such as substantial infill development.
- Acquisition/rehab/resale programs. As discussed on page 93, a purchase/rehabilitation/resale program is particularly useful in adapting older houses. Several development corporations have extensive experience with this type of program, including Wayne (Nebraska) Community Housing Development Corporation, who could provide guidance on these programs.

- Energy efficiency loans. Funding may be leveraged through the local utilities to provide loans that improve the energy efficiency of older homes. These low-interest or no-interest loans can be used to replace windows, heating and cooling systems, or any other upgrades that improve the energy efficiency of the home. Region XII already provides funding for repairs that eliminate health and safety hazards through a revolving loan fund, but again these types of programs can always be leveraged further on the local level.

Advertisement and marketing is often one of the biggest challenges for these programs and also a very important component. Communities will see limited use of these programs due to a lack of public awareness, however if they can be combined with a code enforcement effort, they can act as an incentive for bringing structures up to a reasonable standard.



### Rental Rehabilitation

The cities should also consider a rehabilitation program focused on rental properties that provides leveraged loans combined with code enforcement. With limited (complaint-driven) code enforcement and a tight rental market there is often no incentive for rental property owners to make improvements. For most of the communities in Carroll County the rental market is found in small single-family homes. These homes tend to be some of the oldest housing and the least energy efficient units. This program provides financing for the improvement of sound rental properties in need of rehabilitation.

Rental rehabilitation must include housing code enforcement to ensure that units meet minimum housing standards. The reluctance of tenants to file complaints can seriously hamper effective life-safety enforcement. Some communities have instituted rental registration or licensing programs. These programs apply to all rental units, exclusive of type or cost. Here, all rental units must register to be certified for occupancy. Registration requires a life-safety inspection and compliance with minimum standards. The potential of loss of revenue, combined with available financing, can induce participation by property owners in this type of program. These programs can be effective, but are staff-intensive and must be administered to avoid displacing low-income households. The issues of cost and staffing may be addressed by several communities coming together to share staff and resources.

Mechanically, the foundation of a rental rehabilitation program should be private financing. An individual institution or development corporation, acting as a referral agency, may take a leading role in marketing the availability of rehabilitation loans to small rental property owners. Working with Region XII, the cities could provide blended loans when some form of subsidy is needed.



### Lot Development

The policies and strategies for lot development is directly impacted by a community's lot absorption rate. For a city like Carroll, where more units are constructed annually; and therefore lots can be absorbed more quickly, lot development can be less of a financial risk. However, when lot development is driven by the development community, as it is in Carroll, a stock of affordable lots can be an issue. This is not the fault of the developer, they are for-profit businesses needing to recover their costs for infrastructure design and development. For smaller communities, with much slower absorption rates, the private market is often much more reluctant to become involved in lot or subdivision development. This creates two different issues with regards to lot development in the county and therefore requires different policies.



### Carroll

The supply of lots in the City of Carroll is not a tremendous issue. Over the years local developers have periodically expanded their subdivisions to add new lots to the city's stock. The challenge for Carroll is that the cost of these lots, roughly starting at \$45,000 and up, is too high to support the construction of housing priced below \$200,000. In the final sale price of a home, the cost to develop the lot – construction of streets, water, sewer, and stormwater lines – has to be factored into the final price. The higher the cost of creating the lot, the greater the subsidy on the actual construction of the house would need to be. One of the most effective ways to lower the final price in a new development is to bring down the cost of the lot.

Infill lots can be one way to provide affordable lots since the initial development costs of these lots has long been recuperated through property taxes. However variety is also needed in any healthy market. In addition to assembling infill lots, as discussed above, the city may partner with a private developer or development corporation to develop more affordable lots. Potential programs or approaches include:

- » Infrastructure investments for a share of costs. The public share might be from 30% to 50% of construction cost. For Carroll, the city should require that units on these lots fall within targeted price points that provide moderate priced entry level housing. Repayment is derived from the added property taxes created by new development.
- » Special Assessments. In many communities, special assessments are used to finance infrastructure. While assessments reduce the initial purchase price of the house, they are repaid through monthly payments, and therefore add to the monthly and overall cost of the house.
- » Subordinate payments. Here, the city front ends a portion of public improvements, repaid over a longer period through a second mortgage on the property. This reduces payments over special assessments by extending the loan term and reducing the principal.
- » Deferred payment. Here the city finances the infrastructure as a deferred loan. The infrastructure loan is paid back upon sale of the house. The repayment represents the same percentage of the sale proceeds that the initial infrastructure loan made up of the original price.
- » Grants. Grants from the Federal Home Loan Bank, USDA, or state-administered Federal programs such as CDBG or HOME can also help with infrastructure financing. It should be noted that the funds are often highly competitive.
- » Tax Increment Financing (TIF). In Carroll County's smaller communities, TIF has been a significant tool for land acquisition and development financing. TIF uses the added tax revenue created by the development to finance project-related costs such as land acquisition and public improvements.



### ***Webster City, IA: Subdivision Development***

Needing homesites and faced with a lack of interested or capable developers, Webster City developed the highly successful Brewer Creek Estates subdivision as a city project. The existing lots are almost fully built out and the city is looking to expand the development.



### ***Dodge City, KS - Infrastructure Development***

Dodge City has successfully used a Kansas program called Rural Housing Incentive District to develop infrastructure without relying entirely on private financing or special assessment. Structured much like a TIF district, it reduces the lot cost and has been an essential tool for development of lots and housing in general for Dodge City.



**Carroll County Communities (outside of the City of Carroll)**

For many of Carroll County’s communities like Manning, a scarcity of lots is the greater issue. For some communities including Glidden, Templeton, Breda and Coon Rapids, the city or economic development groups have taken the lead to develop lots. Many of these techniques have been successful. Approaches in these communities have included the use of TIF, community development organizations, and direct lot development by the city.

Most of these communities have rightly not been concerned about recovering the cost of the lot but rather see the long term tax and community benefit to adding housing.

Based on the market analysis conducted in Chapter 2, many of the county’s communities have a shortage of moderate to higher market rate housing. For many small communities, the biggest hurdle to getting this housing built is the need for lots. It should be noted that it is unlikely that new lots will create much of a filtering effect in the smaller communities but will attract new residents. Senior housing, discussed below may create a greater filtering effect. Rather than pushing housing priced below \$200,000, Carroll’s smaller communities may want to consider:

- » Strong marketing plans that may combine efforts of several communities, letting residents in the region know that lots are available
- » Requiring or seeking out a developer interested in doing attached units or a small four-plex rental project on a city lot or infill lot
- » Leveraging a county-wide lending consortium or housing trust fund to assist developers with development costs

**Senior Housing**

During discussions with almost every community, the lack of housing that seniors and empty-nesters would find appealing was frequently noted. It was also observed that many of these units would be appealing to young-childless professionals. Carroll County offers an excellent environment for seniors and empty-nesters, including regional medical services and a vibrant social community. In 2010, 31% of Carroll County’s population was over the age 55. This population will only continue to grow as the youngest Baby Boomers turn 55 in the coming years. Figure 4.1 illustrates the growing number of empty-nesters and seniors both due to aging Baby Boomers and in-migration. Specifically:

- » To determine how older adults moved into and out of the county, the population over the age of 55 predicted by natural population change (based on survival rates determined by the Bureau of the Census) is compared with the county’s actual 2010 population
- » The difference between the actual and the projected shows a net migration
- » Between 2000 and 2010 the county experienced an in-migration of approximately 14%

If the migration rates of the 2000s are applied to a 2025 projected population:

- » The county would have almost 7,600 residents over the age of 55.
- » If the average household size among this population ranges between two and 1.25, they would account for 4,660 households.
- » If just 1% to 0.5% of these households demand alternative independent housing settings, a demand for 38 units would be created

**FIGURE 4.1:** Population Ages 55 and Over, Predicted versus Actual

	2010 PREDICTED	2010 ACTUAL	DIFFERENCE	% DIFFERENCE
Population 55-64	2,500	2,545	45	1.8%
Population 65-74	1,563	1,676	113	7.2%
Population 75 and Over	2,093	2,198	105	5.0%
Total 55 and Over	6,156	6,419	263	14.0%

Source: U.S. Census Bureau; RDG Planning & Design

**FIGURE 4.2:** Projected Senior Population by Cohorts, Carroll County

	2025 PROJECTION (NATURAL CHANGE)	2000-2010 MIGRATION FACTOR	2025 POPULATION WITH MIGRATION	PEOPLE PER HOUSEHOLD	HOUSEHOLD DEMAND	CAPTURE RATE	UNIT DEMAND
55-64	2,628	1.79%	2,675	2.00	1,338	1.0 - 5.0%	13 - 67
65-74	2,626	7.21%	2,815	1.75	1,609	1.0% - 5.0%	16 - 80
75 and Over	2,043	5.0%	2,146	1.25	1,716	0.5%	9
Total 55 and Over	7,297		7,636		4,663		38 - 156

Source: RDG Planning & Design

For many of the communities, a smaller townhome or single-family attached project might make a significant difference in the overall housing market. By providing independent living options for seniors, retirees, or empty-nesters a quality entry level or family-sized home is often also brought to the market. As noted above Carroll County is a very appealing market and may attract residents from a larger region with the right product. These units would be low maintenance and designed with accessibility in mind, often referred to as universal design, allowing seniors to remain in their home communities for longer.

Different approaches can be taken to address this market need.

- » Using many of the techniques outlined above, lots or redevelopment sites can be designated for housing types that would be more appealing to seniors. These should include units with common maintenance, smaller square footage, and universal design standards. The cities or county may have to recruit and work with outside developers to promote these types of projects.
- » Additional assisted living may be needed in Carroll. Efforts should be made to reach out to developers that specialize in these types of units. These need to be balanced against the overall supply across the county including some of the newer units in Manning.
- » Affordability problems are often most severe among fixed-income elderly. The cities should continue to work closely with residents to identify programs and needs among the elderly population, and to investigate innovative approaches to developing affordable senior housing. Under one concept, the housing development corporation could purchase the resident’s existing house for rehabilitation and resale to a young household, and apply all or part of the purchase proceeds to rent or equity in the new senior setting. This combines the purchase/rehab/resale program with a senior oriented development.

- » Downtown living can also be a great option for empty-nesters and newly retired professionals. The demand for this type of unit by the nation’s aging Baby Boomers is only growing. These more “urban” settings allow for low maintenance and high access to community amenities. These units are not necessarily marketed to this demographic but provide one more option within the overall market.



