City of Carroll

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MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MPW

DATE: June 22, 2017

SUBJECT: Workshop: Housing

One of the action items the City Council set at their annual planning session was to have Amy Haase with RDG review the recently completed housing study with them. Ms. Haase will be at the council meeting on June 26 to complete this review.

Attached to this report is an abbreviated copy of the housing report that mainly excludes material related specifically to other Carroll County cities. The full report is available on the City's website at: http://www.cityofcarroll.com/council-priorities-initiatives and clicking the link at the bottom of the page.

Additionally, staff will review possible housing development incentives with the Council and have a discussion on rental housing inspections.

Attached to this memo are the following documents that will be referenced as part of the workshop:

- Abbreviated copy of the housing report
- What is tax increment financing?
- Property tax abatement (questions and answers about Iowa law)
- Workforce housing tax credits
- Basic information on Code Enforcement and Rental Housing Information
- Sample rental housing inspection forms

CITY OF CARROLL
BUILDING DEPARTMENT
NEW RESIDENTIAL UNITS

Calendar Year	Single Family	Multi Family	Total	Dollar Valuation
1964			61	$857,500.00
1965			64	$9,687,900.00
1966			42	$697,800.00
1967			46	$776,300.00
1968			39	$827,275.00
1969			27	$548,100.00
1970			32	$562,300.00
1971	57	12	69	$1,234,500.00
1972	45	90	135	$1,835,500.00
1973	51	0	51	$1,268,095.00
1974	32	30	62	$1,456,600.00
1975	40	50	90	$1,742,500.00
1976	53	12	65	$1,858,075.00
1977	59	45	104	$2,730,250.00
1978	62	54	116	$3,325,000.00
1979	43	49	92	$2,716,000.00
1980	53	26	79	$2,415,200.00
1981	29	43	72	$1,990,650.00
1982	31	4	35	$1,646,750.00
1983	34	10	44	$2,336,460.00
1984	20	24	44	$2,108,834.74
1985	10	8	18	$1,033,220.03
1986	7	6	13	$779,629.11
1987	15	57	72	$4,297,663.44
1988	6	8	14	$874.00
1989	19	8	27	$2,142,000.00
1990	34	33	67	$4,267,000.00
1991	22	47	69	$3,497,000.00
1992	42	25	67	$4,924,000.00
1993	51	22	73	$6,994,000.00
1994	45	33	78	$5,840,000.00
1995	33	8	41	$5,496,000.00
1996	44	7	51	$5,873,000.00
1997	57	65	122	$10,208,191.00
1998	38	25	63	$6,645,700.00
1999	37	56	93	$7,945,531.00
2000	27	0	27	$4,590,688.00
2001	30	0	30	$4,978,315.00
2002	27	8	35	$4,940,232.00
2003	41	2	43	$7,320,391.00
2004	36	0	36	$6,493,335.00
2005	33	0	33	$6,076,372.00
2006	29	0	29	$6,083,564.00
2007	23	0	23	$5,202,175.00
2008	17	8	25	$3,755,378.00
2009	19	8	27	$5,087,265.00
2010	11	6	17	$2,832,690.00
2011	14	0	14	$3,319,600.00
2012	14	0	14	$3,483,284.00
2013	18	6	24	$5,692,693.00
2014	10	0	10	$3,677,000.00
2015	9	4	13	$2,765,000.00
2016	19	4	23	$6,426,217.00
2017	12	4		$5,336,322.00

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.

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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.

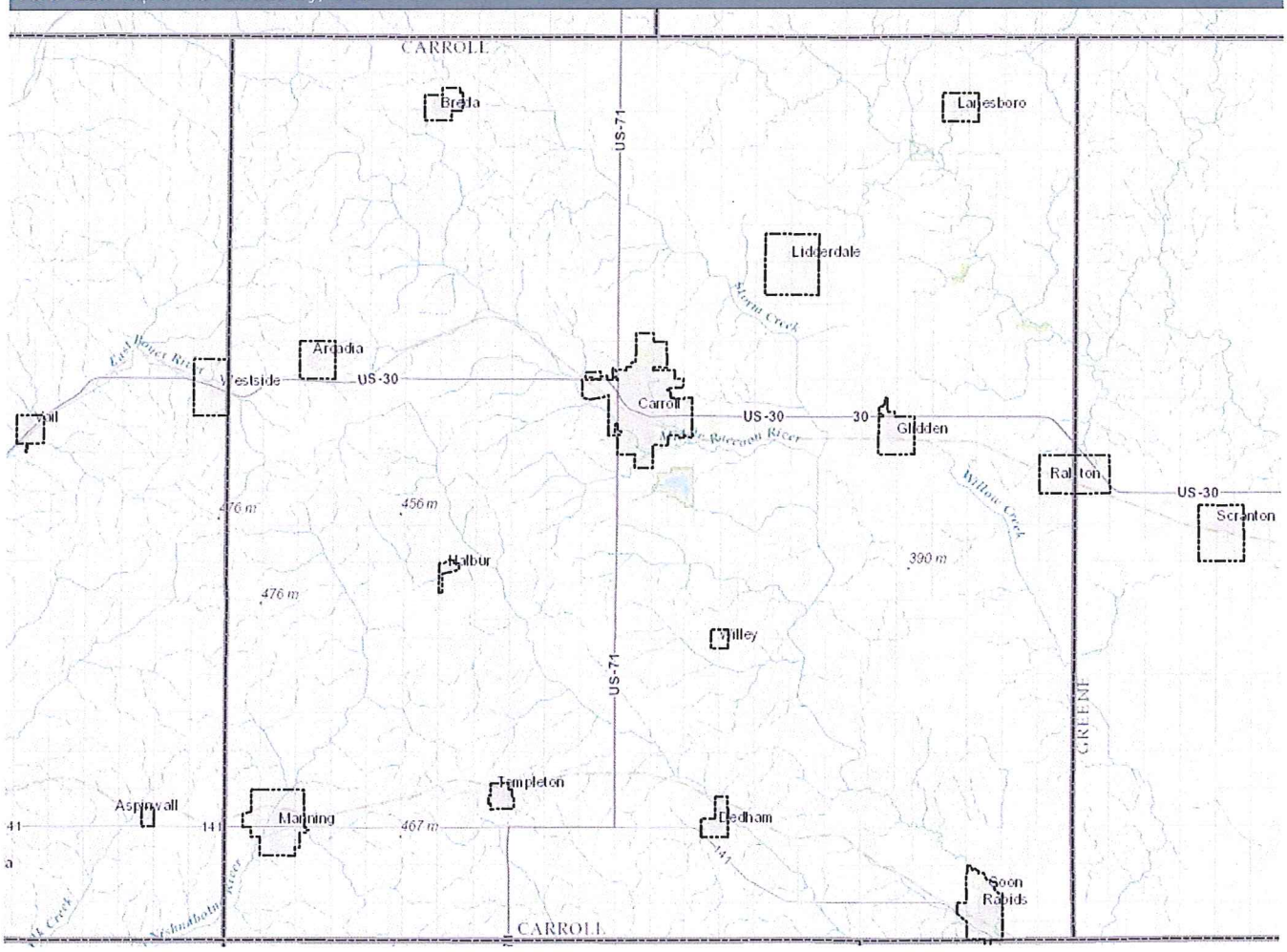
Population Change and Characteristics

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
Arcardia	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

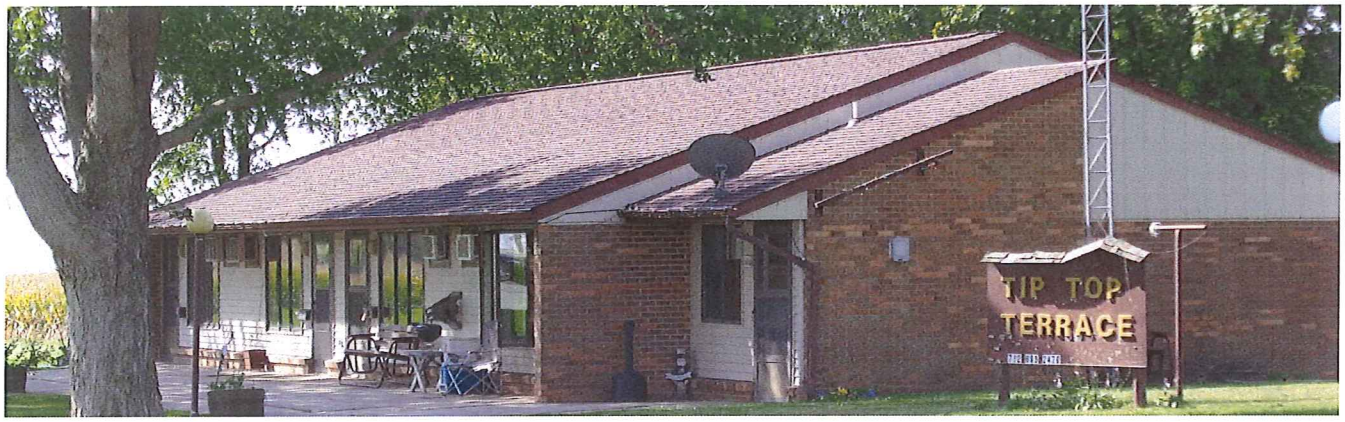


FIGURE 2.3: Predicted Versus Actual Population Change

	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 to19 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;

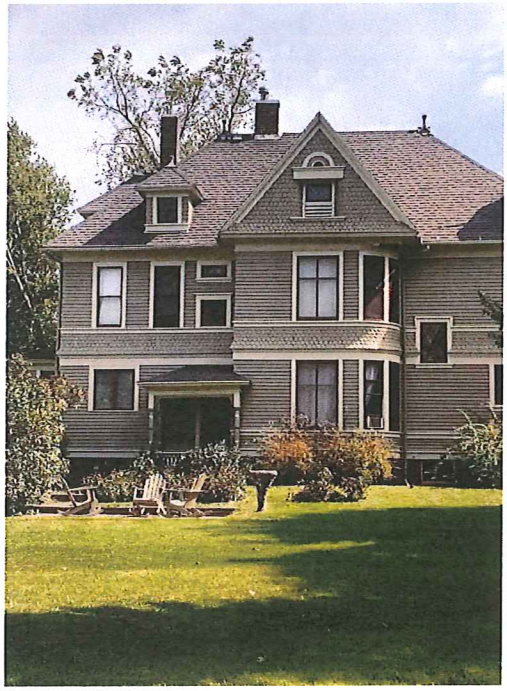


FIGURE 2.6: Employment Trends

	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

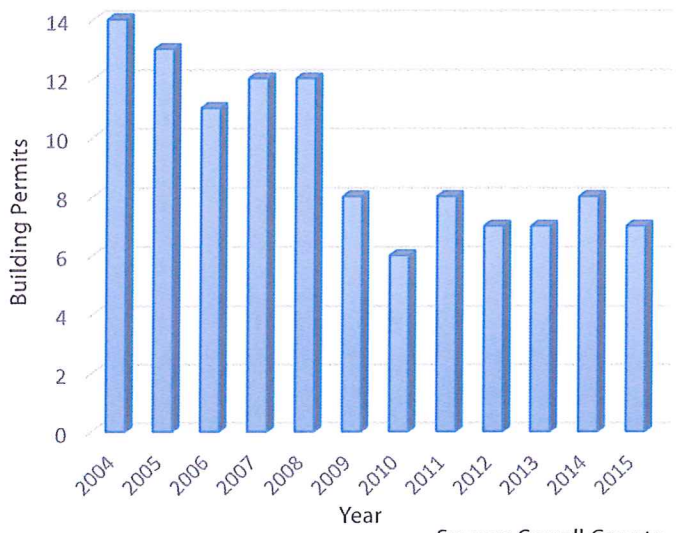
	CARROLL COUNTY	AUDUBON	CALHOUN	CRAWFORD	GREENE	GUTHRIE	SAC
Owner-Occupied	6,496	2,157	3,439	5,147	3,178	3,693	3665
% of Occupied Units	75%	80%	80%	79%	76%	79%	81%
Renter-Occupied	2,165	543	877	1,328	990	976	870
% of Occupied Units	25%	20%	20%	21%	24%	21%	19%
Total Vacant	669	259	565	484	395	1080	921
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 stagnates 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.

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.

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

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

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	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:

- 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.

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

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)

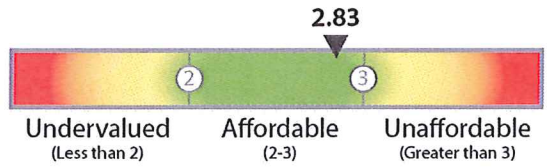
Dominance of Owner Occupied Housing Options

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%

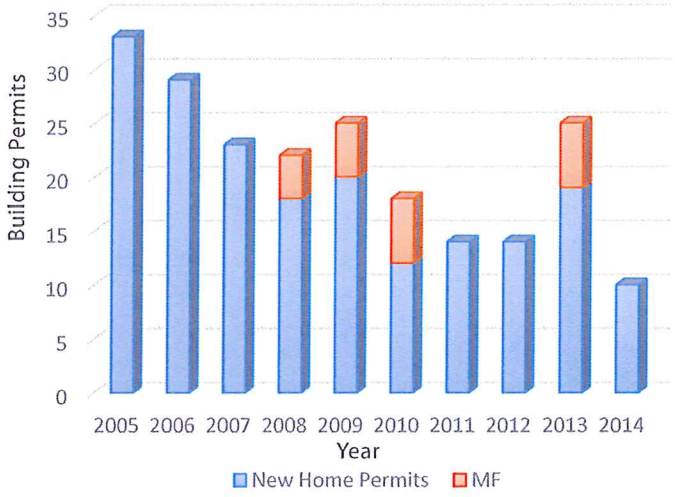
Owner | Renter Occupancy: 70% | 30%

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 2.13: 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 2.14: 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 2.15: 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%	1358	31%	1282	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.

CARROLL

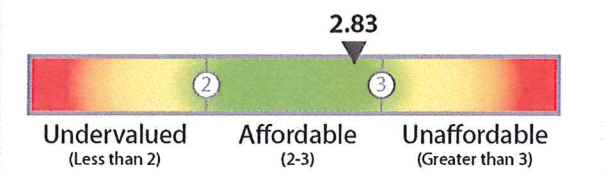
As the largest population and employment center in Carroll County, additional analysis of the trends occurring in the city of Carroll can be found earlier in this chapter. The purpose of this section is to provide a high-level overview of impressions, trends, and recommended programs.

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)

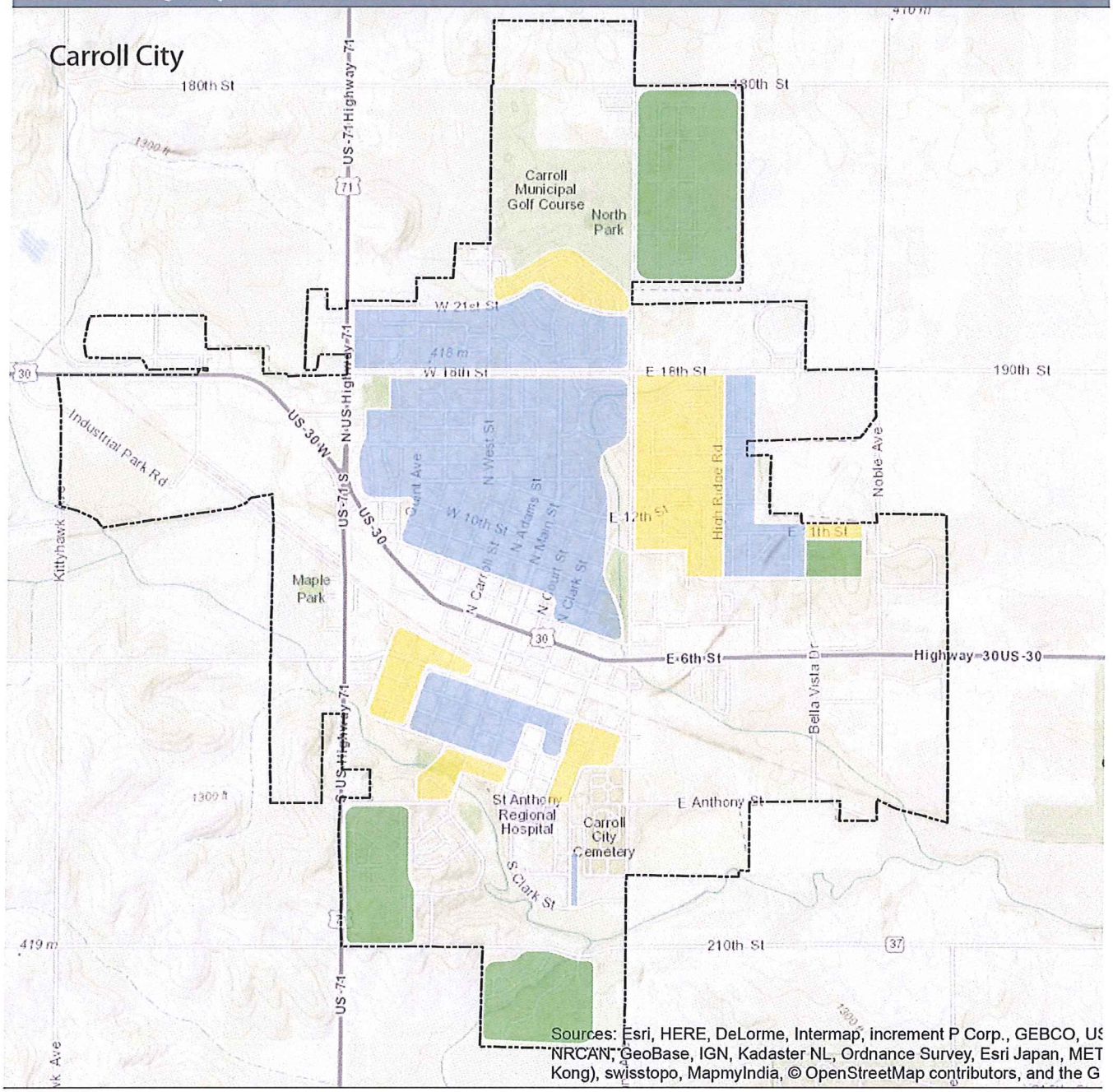
*Estimate. The accuracy of population estimates vary and should be used with caution.

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

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 scare 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

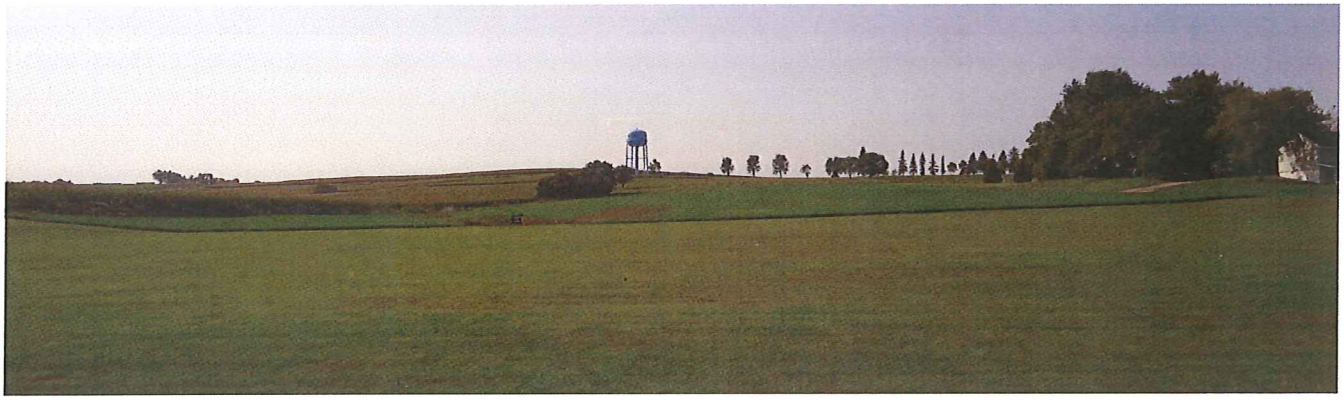
While the City of Carroll has developed some multi-family housing, little to no new rental construction has occurred in the other communities of Carrol County. Easy mortgages during the early 2000s and lower demand in the 1990s made some form of homeownership, affordable or not, seem attainable to most 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

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 filling 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.

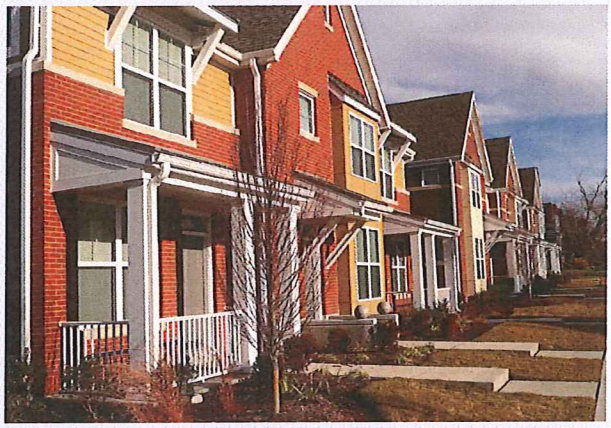
Sioux Center, IA: Moderately-Priced Housing

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.



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.

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.

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.

WHAT IS TAX INCREMENT FINANCING?

Questions and Answers About TIF

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1. Q: What is tax increment financing?

   A: Tax increment financing is a method of reallocating property tax revenues which are produced as a result of an increase in taxable valuation above a "base valuation" figure within a tax increment area. Until the tax increment debt within an area has been repaid, tax revenues produced by property tax levies imposed on the increased taxable valuation by a city, county, school district, area school or any other taxing jurisdiction are all allocated back to the city or county which has established the tax increment area, and must be spent by that jurisdiction for projects within that area.

2. Q: What is the statutory authority for tax increment financing?

   A: Chapter 403 of the Code of Iowa, the Urban Renewal Law. Major amendments to Chapter 403 were enacted in 1994 which changed many tax increment requirements as of January 1, 1995. Most of these are discussed below, along with later amendments which made it more possible for cities and counties to use tax increment revenues to finance public improvements related to private housing development.

3. Q: Which jurisdictions may create tax increment financing areas?

   A: Both cities and counties may exercise general tax increment powers.

4. Q: Why do cities or counties create tax increment financing areas?

   A: Tax increment financing areas are created as a means to maximize property tax dollars within particular areas, in order to pay the cost of public improvement projects (streets, water, sewer, etc.) or to make direct economic development grants or loans to private enterprise as an incentive to locate within the tax increment financing area. The funds must be spent within the area and may not be used by cities or counties to supplement their general operations.

5. Q: What is the difference between tax abatement and tax increment financing?

   A: Property tax abatement (authorized by both Chapter 404 and Chapter 427B of the Code of Iowa) provides an incentive for property owners to make improvements to property by exempting the resulting increase in valuation from property taxation for a period of time. The new valuation is "abated" and is, therefore, not subject to tax. Under tax increment financing, all increases in value are subject to the total consolidated property tax levies of all local taxing jurisdictions, but those revenues which are produced from the increased (or incremental) valuation are allocated back to the city or county which has established the tax increment area, and those revenues must be spent for projects within the tax increment area.

6. Q: May cities or counties have both tax abatement and tax increment areas?

A.: Yes, but, as explained above, the concepts are basically contrary to each other and should be combined only after careful planning and consideration. For example, it will be difficult to repay tax increment debt if all the potential incremental value has been abated.

7. Q: What is the process for establishing an urban renewal/tax increment financing area and obtaining TIF revenues?

A:
a. identify the boundaries or legal description of the proposed area
b. determine if the conditions in the area qualify the area to be designated a "slum," "blighted" or "economic development" area, as defined in Chapter 403
c. prepare an urban renewal plan outlining objectives to be accomplished within the area
d. set a date for a public hearing by the City Council or Board or Supervisors
e. refer plan to the local plan and zoning commission for review
f. send a copy of the plan and the notice of hearing to each of the other affected taxing entities (counties, local schools and area colleges) and schedule a date and time for a "consultation session" with those other affected taxing entities
g. hold public hearing
h. adopt resolution approving urban renewal plan
i. adopt ordinance designating tax increment area
j. incur debt (see question 15)
k. file annual TIF debt certification with county auditor

8. Q: Must a city or a county receive permission from any other governmental entity before establishing a tax increment area?

A: No, under most circumstances. However, a city must receive permission from a county in order to include property in a city tax increment area which is located up to two miles outside its city limits, and a county must receive permission from a city in order to include property in a county tax increment area which is located within two miles of a city's boundaries. In addition, a city or county is required to notify other taxing jurisdictions of its intent to create or amend a tax increment area and to give those jurisdictions an opportunity to comment on a proposed tax increment plan (see 7f above). There is no sign-off required by any State agency for the establishment of a tax increment area.

9. Q. Are there any restrictions on types of property that may be included in an urban renewal area?

A. No, any category of real property may be included in an urban renewal area, but owners of agricultural land, as defined in Section 403.17 of the Code of Iowa, must give specific permission before that land may be made part of a city or county urban renewal area.

10. Q: What is the "base valuation" date for a tax increment area?

A: The "base valuation" date is the starting point from which incremental value is calculated. For tax increment areas created prior to January 1, 1995, the base valuation date is January 1 of the calendar year prior to the year in which the tax increment designation ordinance was adopted. For plans approved after January 1, 1995, the base valuation date is January 1 of the calendar year prior to the year in which tax increment debt is first certified to the county auditor.

11. Q: What is the formula for determining the amount of incremental value which exists within a tax increment area?

A. Incremental values are determined each year by subtracting the taxable valuation which existed on the base valuation date from the taxable valuation on the most recent tax roll. That difference is the incremental value.

12. Q: How are annual tax increment revenues determined?

A: The amount of incremental valuation is multiplied by the consolidated property tax levy (city, county, school district, area college). The revenues produced from local debt service levies must be subtracted, because these are returned to each taxing jurisdiction in order to pay outstanding general obligation debt, and these revenues do not become part of the tax increment revenues. In addition, regular and voter-approved school physical plant and equipment (PPEL) levies are also subtracted and do not become part of the TIF revenues. The remaining revenues are allocated to the city or county which has established the tax increment area.

13. Q: What are the time limits on the collection and use of tax increment revenues?

A: For all tax increment areas established prior to January 1, 1995, and for areas established after January 1, 1995, based on a finding of slum or blight, there is no statutory limit on the period of time for which the revenues may be collected and used. For areas established after January 1, 1995, based on a designation of economic development, tax increment revenues may be collected for no more than twenty years. For housing projects in economic development areas, there is a basic ten year limit, which may be increased to fifteen years (see next question).

14. Q: What are the restrictions on the use of tax increment financing to assist in the development of new housing?

A: For tax increment areas established on a finding of slum or blight (see Question 7 above), there are no restrictions. With some minor exceptions, for tax increment areas established on an economic development finding, tax increment revenues may be used to finance the cost of public improvements related to housing, without regard to the cost of the homes or the income levels of the ultimate owners. However, an amount of funds equal to a certain percentage of the tax increment revenues that benefit a project must be used by the city or county to provide assistance related to housing for families whose incomes do not exceed 80% of the median income in the county. These funds for low and moderate assistance are not restricted to being spent inside the tax increment area but may be spent anywhere in the city or county. For cities or counties above 15,000 population, tax increment revenues from these projects may not be collected for more than ten years. For cities or counties under 15,000 population, collection may be possible for fifteen years, if all other affected taxing entities agree to the extension of time.

15. Q: How can tax increment projects be financed?

A: Various types of debt are possible, including general obligation debt, pure tax increment revenue debt, internal loans between governmental funds and "rebate agreements", in which all or a portion of annual tax increment revenues are paid back to developers. Rebate agreements are particularly useful for residential developments.

16. Q: Does debt payable from incremental taxes count against a city's or county's constitutional debt limit?

A: Yes, it does. While Section 403.9 of the Code of Iowa contains language which states that such debt does <u>not</u> count against a constitutional debt limit, the Iowa Supreme Court ruled in 1975 that tax increment debt <u>must be counted</u> against a city's or county's constitutional debt limitation. However, if an "annual appropriation" clause is included in a bond issuance resolution or a rebate agreement, only annual payment amounts must be counted against a constitutional debt limit.

17. Q: How does tax increment financing affect local school districts?

A: First, all debt service tax levies, as well as regular and voter-approved physical plant and equipment (PPEL) tax levies, are "protected," which means that funds produced from those levies go to the school district and do not become tax increment revenues. Second, because of the state foundation aid program that funds a portion of each local school district's general operating budget, only school districts that have significant general fund tax levies above $5.40 per $1,000 of valuation are likely to be seriously affected by a city or county tax increment financing district.

18. Q: May urban renewal/tax increment areas be expanded or combined with other areas, and, if so, what are the implications for the original area?

A: New property may be added to existing urban renewal/tax increment areas, and separate areas may be combined or consolidated. It is not necessary that the new property be contiguous to the existing urban renewal area. The same process must be followed as that for creating the original area, including hearing and consultation session with other taxing entities. The areas which are added will be subject to the statutory rules in effect on the date that they are added, but the original district will not be affected. The property which is added will probably have a different base valuation date than the base valuation date for the original district.

19. Q: If a city or county has several separate urban renewal areas, may funds from any area be spent in any other area?

A: Assuming that tax increment areas have not been combined or consolidated, as discussed above, and that the city or county wants its urban renewal areas to remain legally separate, funds must be spent within the boundaries of the urban renewal area from which they are derived, and, if there is more than one urban renewal area, the funds from one area may not be spent within another area.

20. Q: Is interest on tax increment debt exempt from federal or state income taxes?

A: Depending upon the purposes for which the funds are expended, interest income on tax increment debt may be exempt from federal income taxation, as well as from state income taxation. If funds are used to make an economic development loan and/or if security is provided by a private enterprise, in the form of, for example, a minimum assessment agreement, or if TIF funds are not used for public improvements, the interest income may not be exempt from federal taxation, but it may still qualify for state tax exemption.

21. Q: May cities establish tax increment areas outside their city limits?

A: Cities may include property located up to two miles outside their city limits in tax increment areas, but only after obtaining the consent of the County Board of Supervisors and any owners of agricultural land.

22. Q: What are the limitations on the establishment of county tax increment areas?

A: County boards of supervisors may establish tax increment areas for projects in any area which is at least two miles outside the city limits of any city. In addition, with the agreement of a city council, a county board of supervisors may also establish a tax increment area within two miles of the city limits of a city, or inside the city.

PROPERTY TAX ABATEMENT

(Questions and Answers about Iowa law)

Robert E. Josten
Dorsey & Whitney LLP
801 Grand Avenue, Suite 3900
Des Moines, Iowa 50309
(515) 283-1000
josten.robert@dorsey.com

1. Q: What is property tax abatement?
   A: It is a way in which city councils may give property owners an incentive to improve property by providing an exemption from property taxes for all or a portion of the increase in property valuation which occurs from new construction or improvements to existing buildings.

2. Q: What is the statutory authority for property tax abatement?
   A: Property tax abatement may be implemented only in accordance with the statutory provisions of either Chapter 427B (Industrial Property Exemption) or Chapter 404 (Urban Revitalization Act) of the Code of Iowa.

3. Q: What is the primary difference between the two state statutes?
   A: Chapter 427B is applicable to the entire City, but it authorizes abatement only for warehousing, research facilities and industrial properties and limits benefits to a five-year sliding scale, ranging from 75% in the first year to 15% in the fifth year. Chapter 404 is applicable in any parts of the City which have been specifically designated by the Council for tax abatement, and it authorizes abatement for all types of residential, commercial or industrial properties, with abatement schedules which vary depending on the type of property, as discussed below.

4. Q: What is the process by which either statute is implemented?
   A: Chapter 427B abatement requires only a public hearing and adoption of an ordinance by the Council. Chapter 404 abatement requires much more Council action, beginning with a determination of the portions of the City in which property will be eligible for abatement; the development of an "urban revitalization plan" for those areas, including benefit schedules for various types of property; mailing of notice of the public hearing to all property owners in the affected portions of the City and publication of the notice at least 30 days before the hearing; adoption of the plan by resolution and designation of the areas of the City by ordinance.

5. Q: What does Chapter 404 provide for commercial and industrial properties?
   A: A maximum of 100% abatement for three years, or a sliding scale abatement for ten years, ranging from 80% in the first year to 20% in the tenth year.

6. Q: What does Chapter 404 provide for residential properties?
A: The benefits vary, depending upon the type of qualification of the area in which benefits are provided. For an area which meets the criteria of "blight" similar to the urban renewal law, or of historic preservation, residential property new construction may qualify for as much as 100% abatement for ten years. Improvements to existing property are also given special treatment up to a maximum of $20,000. For an area which meets the criteria of "economic development area" as defined in the urban renewal law, these same benefits are available, but only if the residential property is occupied by families of low and moderate income (80% or less of the median income in the county). For an area which meets the criteria of "appropriate for public improvements related to housing and residential development," abatement benefits are limited to 100% of the first $75,000 of value added, for five years.

7. Q: Must an urban revitalization plan under chapter 404 cover the entire City?
A: No. Because it can be difficult to meet the "blight" criteria necessary for eligibility of many areas, most cities have tried to focus abatement for residential purposes on improvements to homes in already developed areas and construction of new homes on vacant lots. With respect to new residential development, most cities have chosen to meet the criteria related to an area appropriate for public improvements related to housing and residential development, thereby giving 100% abatement to the first $75,000 of new value, for a maximum of five years.

8. Q: Must a city follow the statutory abatement schedules without change?
A: No, a city may provide any amount of abatement up to the maximum amount allowed under a particular statutory schedule, but a city may not provide abatement in excess of the maximums allowed by statute.

9. Q: What is the difference between property tax abatement and tax increment financing?
A: With abatement, the valuation related to the new construction or improvement is kept off the tax rolls for a period of time, thereby reducing the amount of property taxes to be paid by the property owner. With tax increment, the new valuation is subject to taxation, but most of the revenues produced by the taxes levied against that valuation by the city, county and school district are allocated back to the City as tax increment revenues, and may be used for economic development activities. Abatement provides a direct benefit to the person who is ultimately responsible for paying the property taxes; increment provides new revenues to be used by the City for public improvements and facilities, as well as incentives to developers.

IOWA economic development

WORKFORCE HOUSING TAX CREDITS

ASSISTING CONSTRUCTION OR REHABILITATION OF HOUSING IN COMMUNITIES WITH WORKFORCE HOUSING NEEDS

This program provides tax benefits to developers to provide housing in Iowa communities, focusing especially on those projects using abandoned, empty or dilapidated properties.

- Total program benefits limited to $1 million per project
- The tax incentives include a refund of sales, service or use taxes paid during construction
- Developers may receive a state investment tax credit of up to 10% of the investment directly related to the construction or rehabilitation of the housing. The state investment tax credit is fully transferable.
    - If the project has any funding from tax credits, grants or forgivable loans, these funds cannot be included for purposes of calculating the investment tax credit
- The tax credit is based on the new investment used for the first $150,000 of value for each home or unit
- This tax credit is earned when the home or unit is certified for occupancy and can be carried forward for up to five additional years or until depleted, whichever occurs first

Eligibility

- Projects must meet one of four criteria:
    - Housing development located on a grayfield or brownfield site
    - Repair or rehabilitation of dilapidated housing stock

  - Upper story housing development
  - New construction in a greenfield (community with demonstrated workforce housing needs)

- Developer must build or rehabilitate at least four single-family homes or at least one multi-family building containing three or more units or at least two upper story units
- Total project costs may not exceed $200,000 per unit for new construction or $250,000 per unit for historic rehabilitation
- The housing project must be completed within three years of award

How to Apply

- Download the application instructions
- Visit iowagrants.gov to apply

External Links

- Workforce Housing Tax Incentive Program administrative rules

Code Enforcement and Rental Housing Information

Most localities maintain code enforcement programs to ensure the safety and welfare of their citizens. Traditionally, these programs, like here in Carroll, are complaint-based; that is, in response to a resident complaint about a substandard housing condition, a municipal code enforcement officer will conduct a housing inspection and, if the complaint is substantiated, the officer will begin enforcement proceedings.

Proactive rental inspection (PRI) programs are different. Under a PRI program, most covered rental units are inspected on a periodic basis to ensure all rental housing is safe and habitable, and that property values in the surrounding area are maintained. Typically, inspections take place at designated intervals, though they may also be triggered by an event, such as a change in tenancy. While the hallmark of proactive rental inspection programs is that inspections are not complaint-based, localities with proactive rental inspection programs generally conduct complaint-based inspections too.

Please use the following list as a helpful guide as to how the City of Fort Dodge would define "in good repair". This guide is intended to help reduce the number of inspections performed on your property. Please keep in mind, this is a general list, and is not all-inclusive.

"In good repair / safe condition / working order" is being defined by the City of Fort Dodge as follows:

- Sidewalks – No trip hazards, appropriate width, minimal cracking
- Driveways – No trip hazards, minimal cracking, no large potholes
- Porches – Securely attached to the building, no rotten wood, no bare wood
- Stoops & Outside Stairs – No loose steps, no rotten wood, no crumbled concrete
- Balconies & Railings – Securely attached to building, no loose railings or spindles
- Garages & Utility Sheds – No holes in the walls or roof, doors are capable of being opened and closed securely, seems structurally strong
- Decks – No rotten wood, all decking and railings securely fastened
- Fences – No holes in the fencing, no loose boards or loose metal wiring
- Roof & Chimney – no holes in roof, no leaks
- Exterior Walls – No peeling paint, no missing siding
- Trim, Fascia, & Soffit – No bare wood, no rotten wood, no holes
- Windows – No cracked or broken window panes, must be capable of being closed securely, at least one window in each room must open
- Doors – Must close securely, no holes or broken jambs
- Foundation – no open cracks or holes
- Electrical Service - no exposed wiring
- Kitchen – No holes in walls or floor covering, cupboards attached securely, appropriate food preparation area, no peeling paint
- Living/dining room – No holes in walls or floor covering, no peeling paint
- Bedrooms – No holes in walls or floor covering, no peeling paint
- Bathroom – No holes in walls or floor covering, no peeling paint
- Stairways – No loose steps, no loose railings or spindles, no loose floor coverings
- Floor Coverings – No holes, no loose coverings that pose a trip hazard

City of Fort Dodge Inspection Form

Owner/Tenant

Inspection Address _____

	O.K.	N.A.
Exterior		
1. No rubbish or garbage on outside property		
2. Proper ground cover (grass/weeds) - mowed to less than 10 inches		
3. No obvious pest infestation		
4. Porches, Stoops, Stairs, Balconies, & Railings in good repair		
5. Garages, Utility Sheds, Decks, Fences, & Swimming Pools in good repair		
6. Address numbers clearly visible from the street		
7. Roof and chimney do not leak and look to be in good repair		
8. Walls and Trim in good repair		
9. Windows & Doors in good repair		
10. Foundation in good repair (no large holes)		
Common Areas/Utilities		
11. Electrical Service in good repair		
12. Electrical Outlets, Light Switches, and Light Fixtures in proper working order		
13. Basement has a smoke detector and a light		
14. Water heater produces hot water		
15. Heating system in proper working order - maintains temp at 68 degrees minimum		
16. Plumbing fixtures(including drains) are in proper working order		
17. No obvious pest infestation		
Living Areas		
18. All exterior doors have working locks		
19. All windows within 6' of ground level have window locks		
20. There are smoke detectors on each level		
21. Kitchen has working electrical outlets		
22. Living room/dining room each have working electrical outlets		
23. Each bedroom has a working smoke detector and working outlets		
24. Bathroom has working light and electrical outlet		
25. Stairways have handrails/guards, are lighted, & in good repair		
26. All floor coverings are in safe condition		
27. All living areas are sanitary and free of garbage and/or rubbish		

_____ Tenant Signature

_____ Date

_____ Property Owner/Manager Signature

_____ Date

City of Fort Dodge

RENTAL HOUSING INSPECTION DIVISION

Municipal Building, 819 1st Avenue South, Fort Dodge, Iowa 50501

ID NO.

Owner		
FIRST NAME	LAST NAME	
MAILING ADDRESS		
CITY	STATE	ZIP CODE

Manager		
FIRST NAME	LAST NAME	
MAILING ADDRESS		
CITY	STATE	ZIP CODE

Rental Address		# Units
HOUSE NUMBER	STREET	

Rental Housing Registration

This Registration does not indicate or imply that the above property is in compliance or conformance with any requirements of the Fort Dodge Housing Code or any other Code or Ordinance of the CITY OF FORT DODGE, IOWA, except registration.

The registrant is hereby informed that an inspection of the above property will be conducted pursuant to the standard inspection schedule within the next three years and thirty day notice thereof, which will be mailed to you at the address listed above.

The undersigned owner/applicant hereby and herewith consents to the inspection of the above-described rental property for the purpose of Certification by the City of Fort Dodge Housing Inspector(s) pursuant to Section IV of Ordinance No. 2079 of the ordinances of the City of Fort Dodge, Iowa.

Owner or Operator Signature Phone Number Date

Stacey Hamilton

Received By Date

CITY OF FORT DODGE
RENTAL HOUSING INSPECTION FORM

Property Owner/Agent _____ Owner's Address _____ Phone # _____

Inspection Address _____

Exterior

	Approved? YES	NO
1. No accumulation of rubbish or garbage on premises [307]		
2. Proper ground cover (grass/weeds) shall not exceed 10 inches in height [302.4]		
3. Infestation [308.1]		
4. Sidewalks, driveway, porches, stoops, stairs, balconies, and railings shall be in good repair/painted [304.10]		
5. Garages, utility sheds, decks fences, and swimming pools shall be in good repair [304.10]		
6. Every dwelling shall have address numbers at least four inches high, visible from the street [304.3]		
7. Roof and chimney shall be well maintained [304.7,11]		
8. Walls, trim, fascia, and soffit shall be maintained/painted [304.2 & 6]		
9. All windows and doors shall be in sound condition. No cracked or broken glass [304.18,304.13,302.2]		
10. Foundation walls shall be free of cracks [302.2]		

Common Area/Utilities

	YES	NO
11. Minimum 60 amp/240 volt service required [604]		
12. All electrical outlets, switches, and light fixtures shall be in proper working order and covered. Laundry facilities shall have one grounded electrical outlet or a ground fault circuit interrupter [605]		
13. All basements shall have a smoke detector and a luminaire [704,605]		
14. Water heater: vent, PRV with discharge pipe, min. 110°		
15. Heating system shall be propertly installed, and be in good working order, and be capable of maintaining a temperature of 68°		
16. Downspouts, footing drains, and sump pumps shall not be connected to the sanitary sewer system FDMC [13.24.120]		
17. Water supply lines, plumbing fixtures, vents, and drains shall be properly installed and in good working order [505]		

Living Area Apt# _____

	Approved? YES	NO
18. Exterior doors must have locks/deadbolts. All exit doors shall be openable from the inside without the use of keys [304.1]		
19. Operable windows located in whole or in part within 6 feet of ground level or walking surface shall be equipped with a window sash locking device [304.18.2]		
20. Smoke detectors shall be installed on each level [704]		
21. Kitchen - general condition: walls, doors, floors, 7' ceiling, sink, food prep space [305] , Appliances, luminaire, 2 receptacles [404,605]		
22. Livingroom/dining: walls, floors, doors, ventilation, window(s), ceiling 7', 2 electrical receptacles, luminaire [305,605]		
23a. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23b. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23c. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
24. Bathroom: ventilation, privacy, access, stool, lavatory, tub or shower, plumbing, electrical receptacle, and luminaire [403.3,503,404.4.3,502.1,504,605]		
25. Stairs, hall(s), handrails, guards. Properly installed and maintained luminaire, free of materials which could impede an exit [305,306,605,702]		

Remarks:

PASS	
NO PASS	
NO SHOW	

Inspected by: _____ Date: _____

The City of Fort Dodge makes no warranty with regard to the matters noted herein. The City merely certifies that an inspection has been made and no apparent code violations have been detected.

White Copy - City of Fort Dodge Yellow Copy - Inspector Pink Copy - Property Owner

CITY OF FORT DODGE
RENTAL HOUSING INSPECTION FORM
Multi-family Dwelling

Property Owner/Agent _____ Owner's Address _____ Phone # _____

Inspection Address _____

Living Area Apt# _____	Approved? YES	Approved? NO
18. Exterior doors must have locks/deadbolts. All exit doors shall be openable from the inside without the use of keys [304.1]		
19. Operable windows located in whole or in part within 6 feet of ground level or walking surface shall be equipped with a window sash locking device [304.18.2]		
20. Smoke detectors shall be installed on each level [704]		
21. Kitchen - general condition: walls, doors, floors, 7' ceiling, sink, food prep space [305] , Appliances, luminaire, 2 receptacles [404,605]		
22. Livingroom/dining: walls, floors, doors, ventilation, window(s), ceiling 7', 2 electrical receptacles, luminaire [305,605]		
23a. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23b. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23c. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
24. Bathroom: ventilation, privacy, access, stool, lavatory, tub or shower, plumbing, electrical receptacle, and luminaire [403.3,503,404.4.3,502.1,504,605]		
25. Stairs, hall(s), handrails, guards. Properly installed and maintained luminaire, free of materials which could impede an exit [305,306,605,702]		

Remarks:

Living Area Apt# _____	Approved? YES	Approved? NO
18. Exterior doors must have locks/deadbolts. All exit doors shall be openable from the inside without the use of keys [304.1]		
19. Operable windows located in whole or in part within 6 feet of ground level or walking surface shall be equipped with a window sash locking device [304.18.2]		
20. Smoke detectors shall be installed on each level [704]		
21. Kitchen - general condition: walls, doors, floors, 7' ceiling, sink, food prep space [305] , Appliances, luminaire, 2 receptacles [404,605]		
22. Livingroom/dining: walls, floors, doors, ventilation, window(s), ceiling 7', 2 electrical receptacles, luminaire [305,605]		
23a. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23b. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
23c. Bedroom___: smoke detector (inside & out) [704], egress [702], walls floors, door(s), window(s), ceiling 7', adequate size room, 2 electrical receptacles [305,404,605]		
24. Bathroom: ventilation, privacy, access, stool, lavatory, tub or shower, plumbing, electrical receptacle, and luminaire [403.3,503,404.4.3,502.1,504,605]		
25. Stairs, hall(s), handrails, guards. Properly installed and maintained luminaire, free of materials which could impede an exit [305,306,605,702]		

Remarks:

Inspected by: _____ Date: _____ Inspected by: _____ Date: _____

The City of Fort Dodge makes no warranty with regard to the matters noted herein. The City merely certifies that an inspection has been made and no apparent code violations have been detected.

White Copy - City of Fort Dodge Yellow Copy - Inspector Pink Copy - Property Owner

CITIZEN'S HOUSING COMPLAINT

Date: _____

Address of Property: _____

Nature of Complaint: _____

_____

_____

_____

_____

Complainant's Name: _____ Phone: _____

Complainant's Address: _____

Landlord's Name: _____ Phone: _____

Landlord's Address: _____

(Tenant: please fill out only the top portion of this form. The information below the dotted line is for the inspector to fill out)

- -

Inspector's Findings: _____

_____

_____

_____

_____

Orders Issued (date): _____

Due Date: _____

Referrals Made: _____ Electrical

_____ Plumbing/Heating

_____ Health

_____ Other

_____

Inspector

CITY OF WAVERLY

RENTAL HOUSING REGISTRATION APPLICATION

City of Waverly
Community Development
200 1st Street NE
Waverly, IA 50677
(319) 352-9208

Rental Property Address _____ # of Units _____

List each unit number (i.e 1A and 1B) _____

Date of Application ____/____/_____

_____ New Rental Registration
OR
_____ Update Information

OWNER INFORMATION

(If different than Responsible Local Manager)

Name: _____ Phone: _____

Address: _____ Cell: _____

Email: _____

If provided, we'll use email for routine notifications and information.

RESPONSIBLE LOCAL MANAGER

This person is authorized to act on behalf of the owner concerning all matters of compliance with local ordinances and to receive all communications from the City and to respond on behalf of the owner.

Name: _____ Phone: _____

Address: _____ Cell: _____

Email: _____

If provided, we'll use email for routine notifications and information.

REGISTRATION FEE: $20 PER STRUCTURE AND $3 PER ADDITIONAL UNIT (No fee for updating information). Please make checks payable to: **City of Waverly**

Send payment with completed registration form to:
City of Waverly
Community Development & Zoning
PO Box 616
Waverly, IA 50677

_____
Signature of Owner or Responsible Local Manager (Required)

*I certify that this information is true and complete to the best of my knowledge and that I have read a copy of the City of Waverly, Rental Housing Code provided on our website at www.waverlyia.com/rental.

☐ Check this box if you are willing to participate as a landlord participant for mediations involving other landlord violations (§91.9).

For Office Use Only: ____ Cash OR ____ Check (ck #_____) Amount $_____ Permit # _____-____

CITY OF WAVERLY

RENTAL HOUSING SELF-INSPECTION CHECKLIST

City of Waverly
Community Development
200 1st Street NE
Waverly, IA 50677
(319) 352-9208

SEPARATE CHECKLIST FOR EACH UNIT

Unit Identification (print legibly)	
Property Address (include unit/apt #):	
Date of Inspection :	
Number of Bedrooms & Size: ☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8	
☐ 1st sq. ft of room _____	☐ 5th sq. ft of room _____
☐ 2nd sq. ft of room _____	☐ 6th sq. ft of room _____
☐ 3rd sq. ft of room _____	☐ 7th sq. ft of room _____
☐ 4th sq. ft of room _____	☐ 8th sq. ft of room _____
Number of Off-Street Parking Spaces (spaces in garage and on parking surfaces – NOT grass):	

Please fill out this inspection form for each unit. If filling out for a duplex or multiple dwelling units building, one checklist for each unit will be required.

For more information regarding egress windows and smoke detectors please review the brochures provided on our website (www.waverlyia.com/rental).

Check the box next to each item ONLY if the item is in compliance. If an item needs attention, please state what is to be done and include the date when the item will be in compliance.

A. Sanitary Facilities	Comments
☐ 1. Dwelling unit has properly operating sanitary facilities.	
☐ 2. The bathroom has a flush toilet in proper operating condition located in a private room.	
☐ 3. The dwelling unit has a properly operating sink and shower or tub with hot and cold running water.	
☐ 4. The facilities utilize an approved public or private disposal system.	
B. Food Preparation and Refuse Disposal	**Comments**
☐ 1. Dwelling unit has suitable space and equipment to store, prepare and serve food in sanitary manner.	
☐ 2. Adequate facilities/services for the sanitary disposal of waste/refuse, dumpsters or garbage receptacles.	
☐ 3. Dwelling unit has adequate space and utility hook-ups for oven, stove/range and refrigerator, and equipment is in properly operating condition if supplied by Landlord.	
☐ 4. The kitchen has a properly operating sink that has hot and cold running water that drains in to an approved public or private system.	

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C. Space and Security	Comments
☐ 1. Dwelling unit contains at least one of each: living room, kitchen, bathroom and compliant sleeping room.	
☐ 2. Windows and exterior doors that are accessible from the outside are capable of being opened and locked.	
D. Thermal Environment	**Comments**
☐ 1. Dwelling unit is capable of maintaining a thermal environment healthy for a human body.	
☐ 2. There is a safe and properly operating system that provides adequate heat, either directly or indirectly, to each room.	
☐ 3. Dwelling unit does not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.	
E. Illumination and Electricity	**Comments**
☐ 1. Each room has adequate natural or artificial light.	
☐ 2. Dwelling unit has sufficient electrical sources. The electrical fixtures/wiring ensure safety from fire.	
☐ 3. At least one window is in the living room and each sleeping room, unless egress window is not required.	
☐ 4. The kitchen and bathroom each have a permanent, properly operating ceiling or wall light fixture.	
☐ 5. The kitchen has at least one properly operating grounded electrical outlet.	
☐ 6. The living room and each bedroom have at least two properly operating electrical outlets.	
F. Structure and Materials	**Comments**
☐ 1. Dwelling unit is structurally sound with no threat to the health and safety of occupants, and will protect the occupants from the environment and rodents.	
☐ 2. Interior ceilings, walls and floors do not have any serious defects.	
☐ 3. The roof is structurally sound and weather-tight.	
☐ 4. Exterior wall structure and surfaces do not have any serious defects (holes, open siding, etc.)	
☐ 5. Interior and exterior stairs, halls, porches, walkways, etc. are maintained so there is no danger of tripping and falling.	
☐ 6. Handrails are installed on all stairs with four or more risers.	
☐ 7. Porches and balconies more than 30" high have guardrails with openings not more than 4" wide.	
☐ 8. Gutters and downspouts are not missing, loose or disconnected.	

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☐ 9. Elevators, if present, must be working and safe.	
G. Interior Air Quality	**Comments**
☐ 1. Dwelling unit is free from dangerous levels of air pollution, carbon monoxide, sewer gas, fuel gas, dust and other harmful pollutants.	
☐ 2. Dwelling unit has adequate air circulation.	
☐ 3. Bathroom has at least one operable window to the outside or other adequate exhaust ventilation.	
☐ 4. Sleeping rooms have at least one operable window unless no egress window is required.	
H. Water Supply	**Comments**
☐ 1. Dwelling unit is served by an appropriate public or private, sanitary water supply.	
I. Lead-Based Paint	**Comments**
☐ 1. Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856) and implementing regulations at part 35, subparts A, B, M and R of this title apply to dwelling units under this Code. Pamphlet to be provided to lessee for structures built prior to 1978. Pamphlet available for download at www.waverlyia.com or by contacting the Waverly Community Development Office.	
J. Access	**Comments**
☐ 1. Dwelling unit is able to be used/maintained without unauthorized use of other private properties.	
☐ 2. Building has an alternate means of exit in case of fire (fire stairs, egress through window).	
☐ 3. All sleeping rooms above grade have an operable egress window for escape compliant with size requirements in building code, unless such room was designed and built as a sleeping room and was compliant at the time it was constructed.	
☐ 4. Sleeping rooms in the basement have operable egress window(s) compliant with size requirements in the current building code unless it meets such code because of sprinkling and means of access to the outside.	
K. Sanitary Condition	**Comments**
☐ 1. Dwelling unit and its equipment are in sanitary condition, and free of vermin and rodent infestation.	
☐ 2. Garbage and recycling containers are supplied.	

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L. Smoke Detectors	Comments
☐ 1. Each dwelling unit has at least one battery-operated or hard-wired operating smoke detector on each level of the unit, including basements.	
☐ 2. Smoke detectors are installed in accordance with a meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). See www.waverlyia.com	
☐ 3. If the dwelling unit is occupied by any hearing-impaired person, the smoke detectors have an alarm system designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).	
M. Occupancy Limitations	**Comments**
☐ 1. Sleeping rooms have a minimum ceiling height of 7 feet.	
☐ 2. Sleeping rooms occupied by one adult contain a minimum of 70 square feet, or 120 square feet for room occupied with two adults.	
☐ 3. No more than two adults in a one-bedroom unit or four adults in a two-bedroom unit. Units with three bedrooms or more have no more adults than the number of sleeping rooms plus one. An adult is someone who is 18 years or older and not in high school. No limitation for children.	
N. Accessory Structures	**Comments**
☐ 1. Garages, sheds and other accessory structures are maintained in good condition.	
☐ 2. Walkways and sidewalks are maintained in good repair.	
O. Off-Street Parking	**Comments**
☐ 1. A maximum of one third of a front yard lot width is used for required off-street parking (ie: if 66 feet wide, can use up to 22 feet wide improved parking area).	
☐ 2. Unit has sufficient off-street parking. **Please check which of the following apply.**	
○ i. Single/duplex dwelling units have a minimum of two spaces for each unit; three spaces for units with three bedrooms and four spaces for units with four or more bedrooms.	
○ ii. Structures with multiple dwelling units have one space for each efficiency (studio) unit; one and one-half space for each one bedroom unit; two spaces for each two or more bedroom unit.	
○ iii. Multiple dwellings for the elderly and disabled have three-quarters space per unit.	
☐ 3. There is no practical space or alternative for the off-street parking required [owner may apply to the Board of Adjustments for a variance of this section. See Section 91.3. (f)]. (**Describe hardship**)	

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I certify that I have inspected the aforementioned unit and that the information above is true and correct to the best of my knowledge.

Name (Please print): _____ **Phone Number:** _____

Relationship to the Property: _____

Signature: _____ **Date:** _____

CITY OF
WAVERLY

COMPLAINT ON RENTAL PROPERTY CONDITION

To file a complaint, fill out this form email to zoning@ci.waverly.ia.us or mail to Community Development, 200 1st Street NE, Waverly, Iowa 50677

To: City of Waverly Community Development Office (zoning@ci.waverly.ia.us, 319-352-9208)

House Location/unit number: _____

Owner/Manager: _____

Owner/Manager Phone Number: _____

Occupant: _____

Occupant Mailing Address: _____

Occupant Phone Number: _____

Describe complaint in detail. Include correspondence with owner/manager if available:

Signature of Person Making Complaint: _____

Printed Name of Person Making Complaint: _____

Phone Number of Person Making Complaint: _____

Today's Date: _____

Rev. 11/9/15 BK