West Union Housing Needs Assessment

2016

Prepared by:

Upper Explorerland Regional Planning Commission

Executive Summary

West Union seeks to support its current businesses by attracting a quality workforce and client base. In addition, community leaders wish to encourage a mixture of housing options that support movement along the continuum of housing dynamics to ensure that households of all age ranges can find a desirable home within the community.

To understand the true housing issues and opportunities within the city, West Union Community Development commissioned a comprehensive housing study.

The goals of the study were to:

- Describe the current housing conditions
- Identify new or existing programs that address housing issues
- Develop strategies for improvement
- Inform developers and community leaders of housing potential
- Utilize as a marketing tool

The Community Development Board, whose members represent local real estate professionals, banking, financial and insurance professionals, attorneys, the school district, large and small local employers, and city leadership, served as the housing task force. The task force met on several occasions to review informational data, discuss issues and opportunities, and identify actions that will be pursued to improve housing in West Union.

Executive Summary, continued

The assessment describes community demographics including population trends and projections; age and gender distributions; and jobs, income and commuting patterns.

The assessment also examines the cost of living in the community. An understanding of the costs associated with housing through average rents or mortgage expenses and taxes can help community leaders assess affordability and develop programs that address the real needs of residents.

The assessment analyzes current housing conditions and household characteristics, forecasts future housing gaps and discusses the community's greatest housing needs. This needs assessment provides the background necessary for the city to develop comprehensive housing policies and incentives that meet the needs of current and future residents.

As part of the study, the task force also conducted a residential survey to learn more about current residents and their future housing expectations. The survey was randomly distributed to nearly 400 households and resulted in a return rate that allowed for a 95% confidence level in the results, with a margin of error of ± 8. To capture further public input, the task force hosted an open house to share what they learned with attendees and collect feedback on their proposed strategies, as well as ask for additional ideas for improving the housing situation within the community.

Executive Summary, continued

Demographic and Housing Trends

The population of the community has dropped nearly 11% since a high point in 1980, but subsequent decennial data has been fairly stable, with the population averaging 2,500 people. The population is well-distributed among age groups. A comparison of decennial data illustrates a net increase in population in the 30 to 34 year age range and a possibly corresponding increase in the 10 to 14 year age range.

With a decrease in overall population, the vacancy rate has grown from 8% in 2000 to 11%, in 2010. A closer look at this decennial data indicates that the increase in the vacancy rate is due to rental vacancies and in fact shows that the homeowner vacancy rate dropped from just 2.5% in 2000 to 1.7% in 2010. It is presumed that there will always be a vacancy rate of some level due to people moving among households; empty, but not-for-sale homes; or uninhabitable homes. The County Assessor's office has rated 2.4% of the homes in the city as being in poor or very poor condition, some of which could be considered uninhabitable.

About 45% of the city's homes were built before1940, and nearly 85% were built prior to 1980. Older homes generally require more maintenance and according to the Department of Housing and Urban Development (HUD), housing units built prior to 1978 contain the highest potential for lead paint hazards.

Executive Summary, continued

Workforce Trends

About 72% of the jobs in the community are filled by workers who commute into the city. Of concern to the community is the aging of the workforce. Over the past decade the number of workers under the age of 54 fell approximately 22% while the number of workers 55 and over rose by 32%. Workers age 55 and over currently constitute about 28% of the workforce filling the community's jobs.

Total job numbers in the community have dropped over the decade between 2003 and 2013 by 213 positions, or 12%. But after a sharp decline from 2009 to 2010, jobs have rebounded somewhat. As of the latest (2013) data, Health Care and Social Assistance stands as the largest employing sector, employing 31% of the city's workforce. This sector has added 126 jobs in the community over the past decade, an increase in sector workforce of 37%. The Public Administration sector employs 14% of the workforce, but has experienced a slight decline in the number of jobs over the past decade. These jobs are attributable to West Union's County Seat status and the number of county departments housed within the community. The Retail Trade sector is the third largest employing industry, holding about 14% of the city's jobs. This sector has also noted a decline over the past decade of about 15%.

Earnings have improved since 2003, as the number of jobs paying more than $40,000 per year has risen from just 13% of the jobs in the community to 30% of the jobs as of 2013. However, the median household income in the community still lags significantly behind the state's median income of $52,716, at only $44,100.

Executive Summary, continued

Housing Affordability

Households that spend more than 30% of their total income on housing costs are considered "cost-burdened" and are a reflection of the housing affordability within a community. Data indicates that renters are more likely to be housing cost-burdened than homeowners. Nearly 40% of young renter households (15 to 24 years of age) are considered cost-burdened. Older renters, age 65 and older, have the next highest percentage of cost-burdened households, at 23%.

Housing Needs

Data indicates that the community currently has a simple shortage of housing of about 40 units. This number does not take into account any perpetual vacancy rate or affordability disparity. A deeper analysis illustrates that there is a significant affordability/availability mismatch within the community. In West Union's housing market there exists an overabundance of homes in the $50k to $99,999/$400 - $799 value/rental range and a shortage of housing in every other affordability category. An excess of low value housing shows a need for impactful rehabilitation projects, or even demolition, in order to develop housing that better meets the existing householders' circumstances. Developing new housing to address the shortage of homes over $100,000 could loosen up the market for those householders potentially "stuck" in the lower value homes.

Executive Summary, continued

Challenges as Opportunities

Housing is an important element to the quality of life that attracts both business and workforce to a particular area. The task force identified three broad areas in which to focus their efforts to ensure attractive and sufficient housing in West Union.

Improve the existing housing stock. The issue of aging, often low-value and/or low-function* housing is a challenge that needs to be addressed in order to support community needs and prevent neighborhood decline. In particular, three areas have been identified as having considerable clusters of low-value/low function/aging homes that could be targeted for rehabilitation programs.

Encourage new housing construction. Not all existing properties can be improved to the point where they will satisfy the gaps in housing stock for the community. Many parcels in the community are of non-conforming lot size, making garage or room expansions unrealistic or impossible. There are several appropriately-sized infill lots among the existing neighborhoods, and additional options within the current city limits for new construction.

Understand and encourage a healthy housing market. The data and information collected indicated a slightly stagnant housing market. Homeowner turnover is low and the inventory available does not fit the needs of those who are seeking housing in the community. The task force identified several strategies to promote market churning.

* *Low Function: Lacking sufficient bedrooms, bathrooms, storage space, garage stalls, etc. for today's family lifestyles and expectations*

Executive Summary, continued

The housing assessment that follows provides detailed data for decision-makers and offers suggestions for actions to be taken within the community. Maps indicating areas targeted for development and/or rehabilitation programs and story boards from the public open house are available for viewing at the West Union Chamber/Main Street office. All planning documents are also available online at:

http://www.uerpc.org/west-union-housing-study.html

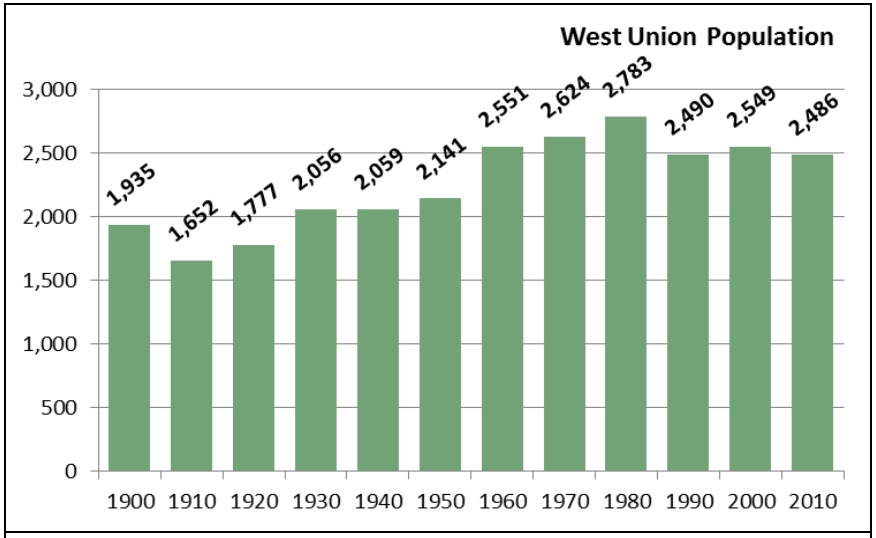
Housing Needs Assessment

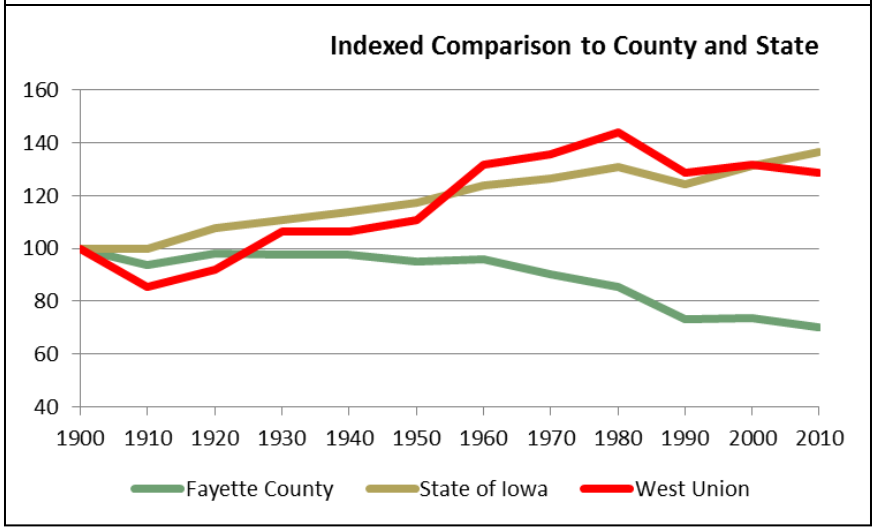
This housing needs assessment is laid out in the following format:

- Data and Data Analysis
  - Population overview & projections
  - Age and gender
  - Jobs, income and commuting
  - Cost of living
  - Housing statistics:
    - Number and age
    - Condition and value
    - Gaps and projections
- Survey Input
- Task Force Input
- Professional Input from Business and Industry
- Actions for Implementation
- Resources for Implementation

Population, Historical

- Since 1900:
  - West Union's population has grown significantly (28%)
  - As a comparison, the county has lost 30% of its population over that time period
  - State population has grown by 37%
- 1980 to 1990 noted the largest drop in population for West Union
- Similar drops for the county and state after 1980 – likely attributable to the farm crisis
- West Union's population has remained close to 2,500 for the past three decennial Census counts.

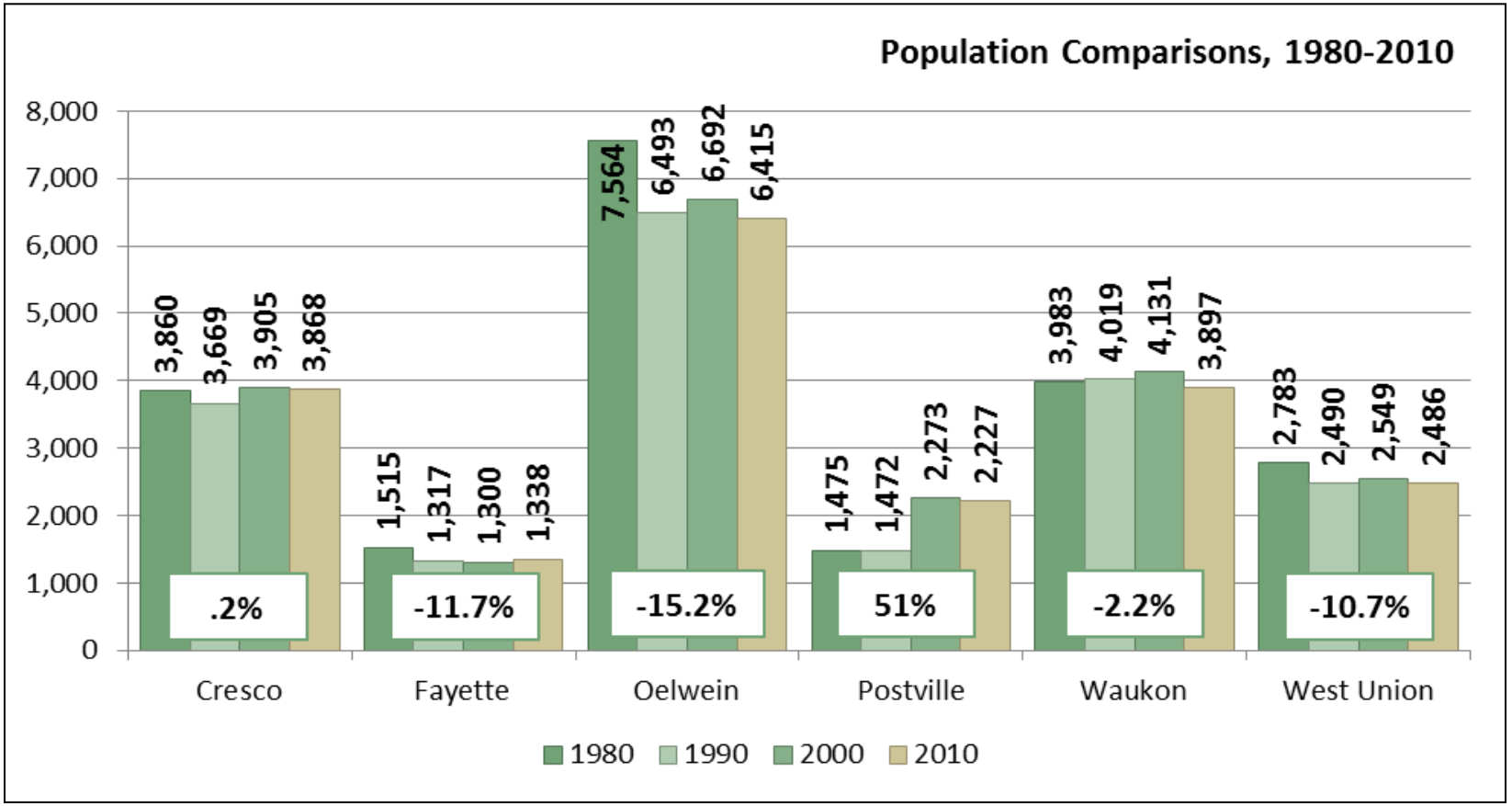




Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa; Indexed by UERPC

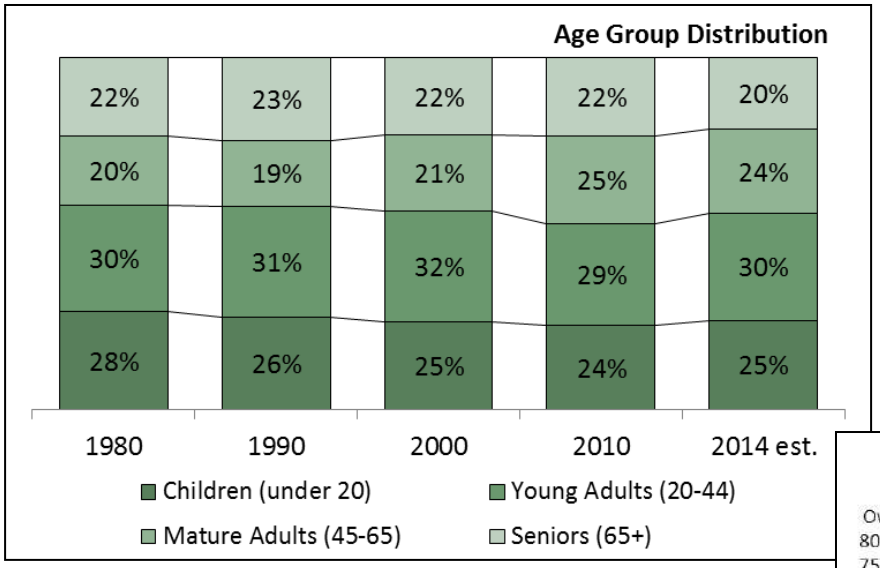
Population, Historical

- A comparison with neighboring and like-size communities
- Population declines comparable to other cities within Fayette County

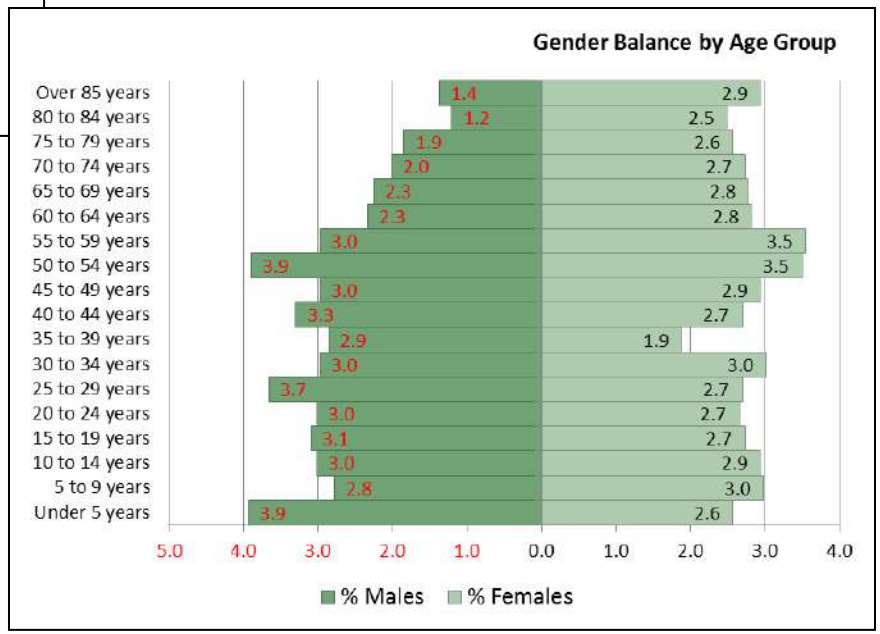


Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa

Age Groups & Gender Balance



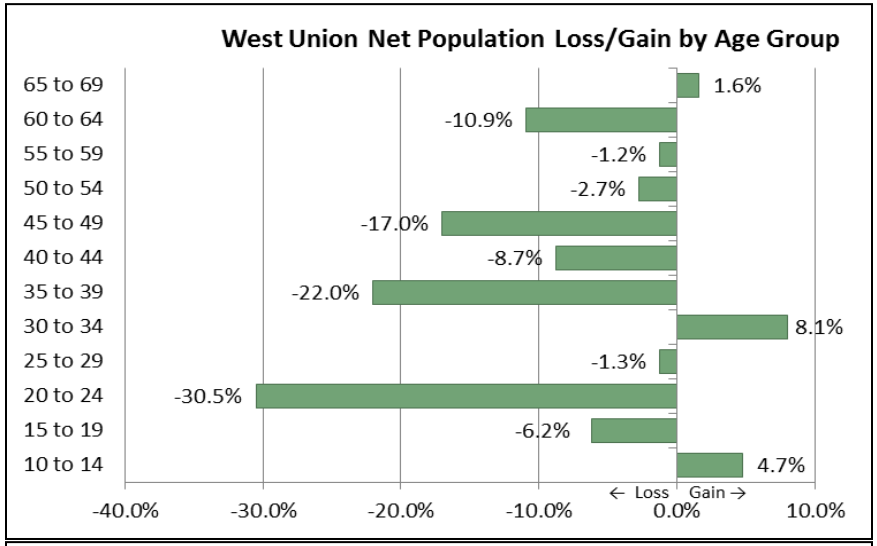
- Well-distributed age grouping
- Good gender balance overall, females more prevalent in older age groups

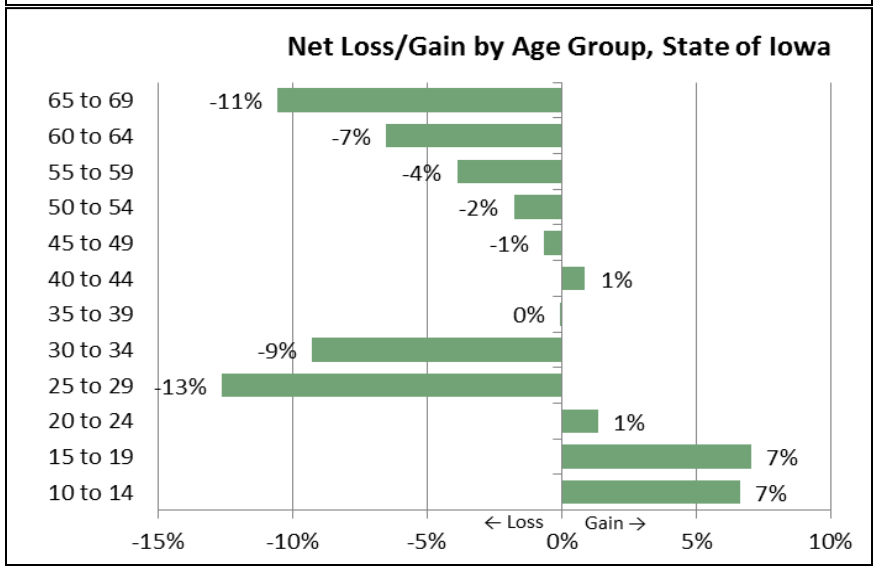


- The existence of housing that fulfills aging residents' needs creates the sustained numbers at the "top" of the population pyramid
- West Union has a strong cluster of housing opportunities for "graceful aging"

Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa

Population, Net Change by Age Group





Net population loss/gain compares the expected population numbers from the 2000 Decennial Census to the 2010 Decennial Census. It shows the age groups in which population was lost or gained due to a migration in or out of the city. In essence, the gains are the age ranges of the community's newcomers, its "brain gain" age groups.

Data shows:

- Newcomers to the city were in the 30 to 34 year age range and 10 to 14 year age range (families with children)
- Although the overall state population rose, nearly all adult age ranges experienced a net loss from a decade ago

Source: U.S. Census Bureau, 2010 Decennial; U.S. Census Bureau, 2000 Decennial

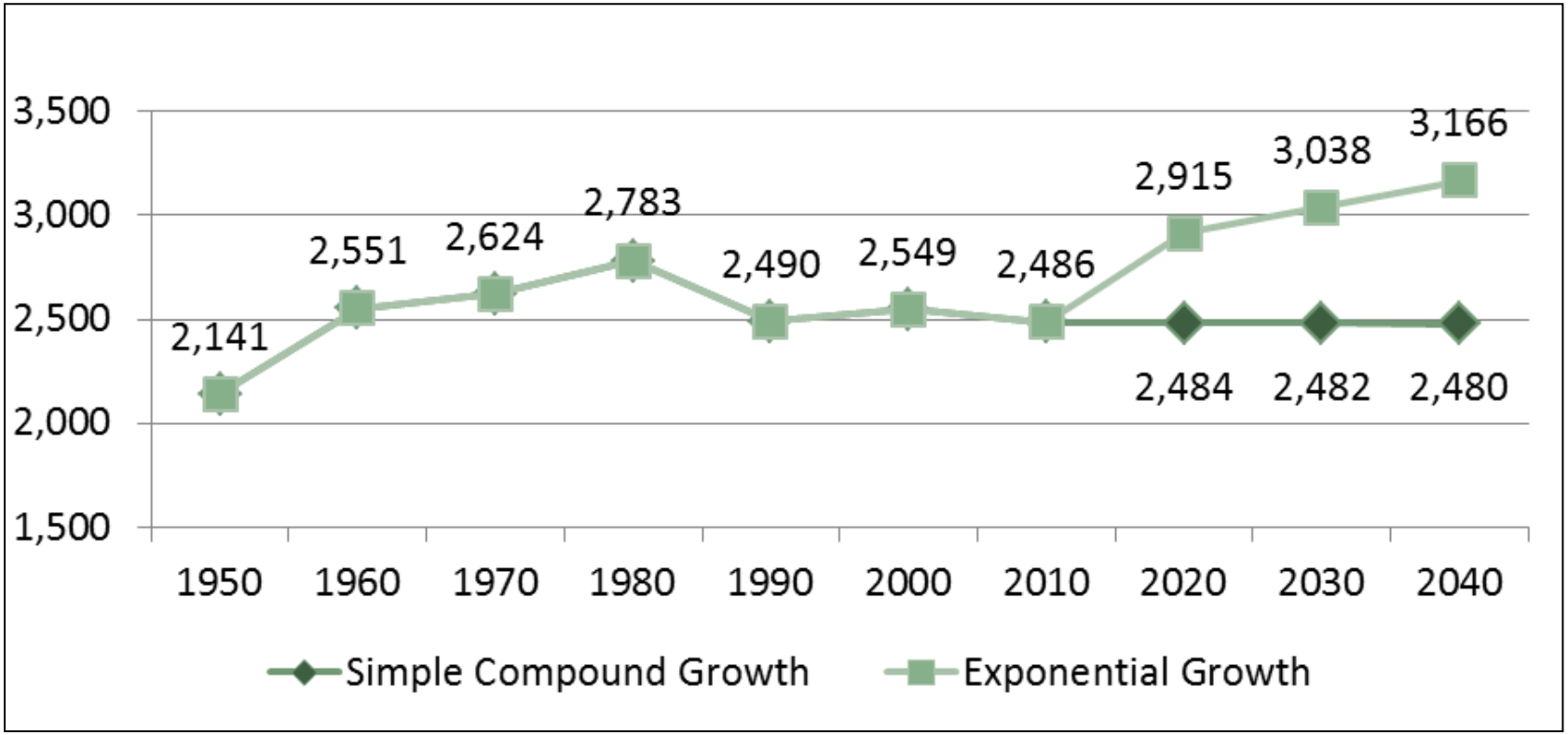
Calculating Population Projections

Two Methods:

- Simple Compound Growth Rate (SCG)
  - Analyst chose growth rate with the least amount of variance over time (for West Union, this is the 20 year growth rate of -.008%)
  - Future Population = *Current Population x Growth Rate*^{y}, where y = number of periods
- Exponential Growth Rate (EG)
  - Plotted the population from 1900 to the present
  - Fit an exponential trend line to the data and used the resulting equation to project future population

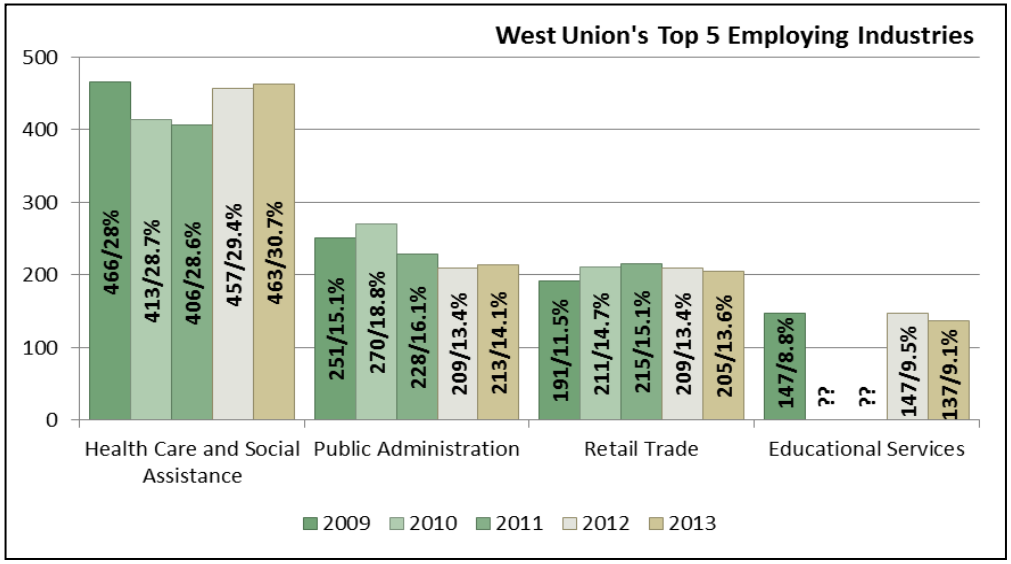
Population Projections

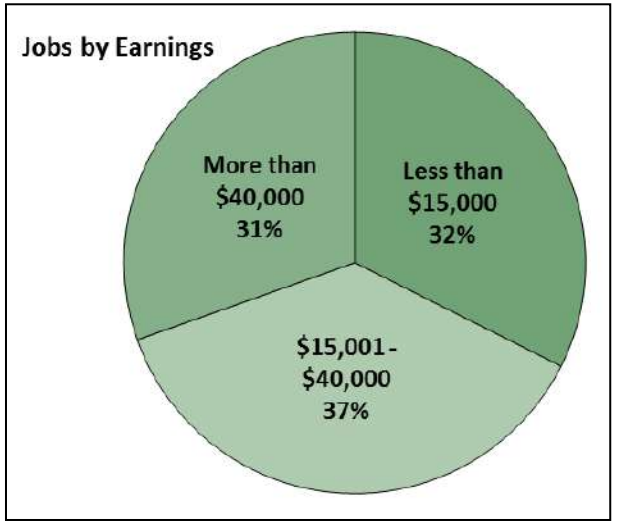
- Projections are mixed, with growth or slight decline possible. It is important to consider that business growth relies on workforce growth. The community can put a priority on ensuring appropriate workforce housing to help increase the population.



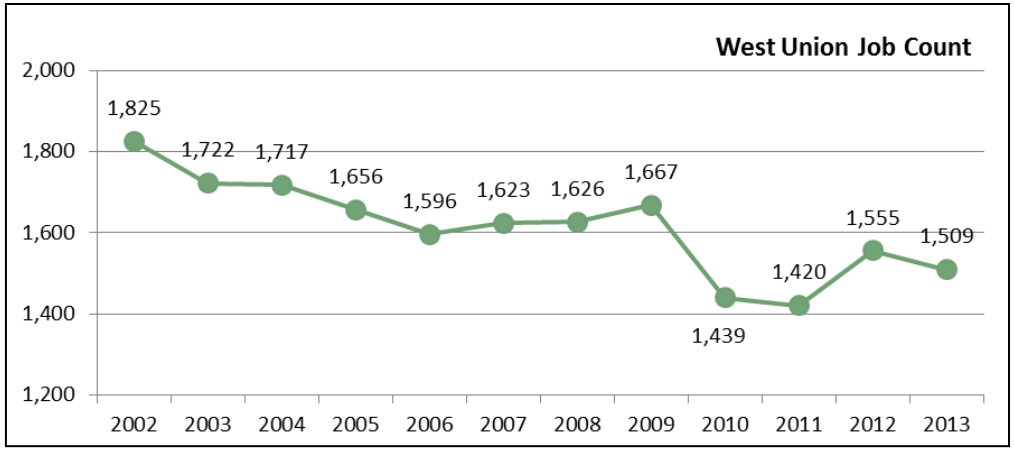
Source: U.S. Census Bureau, 2010 Decennial; State Data Center of Iowa; UERPC

Jobs in West Union



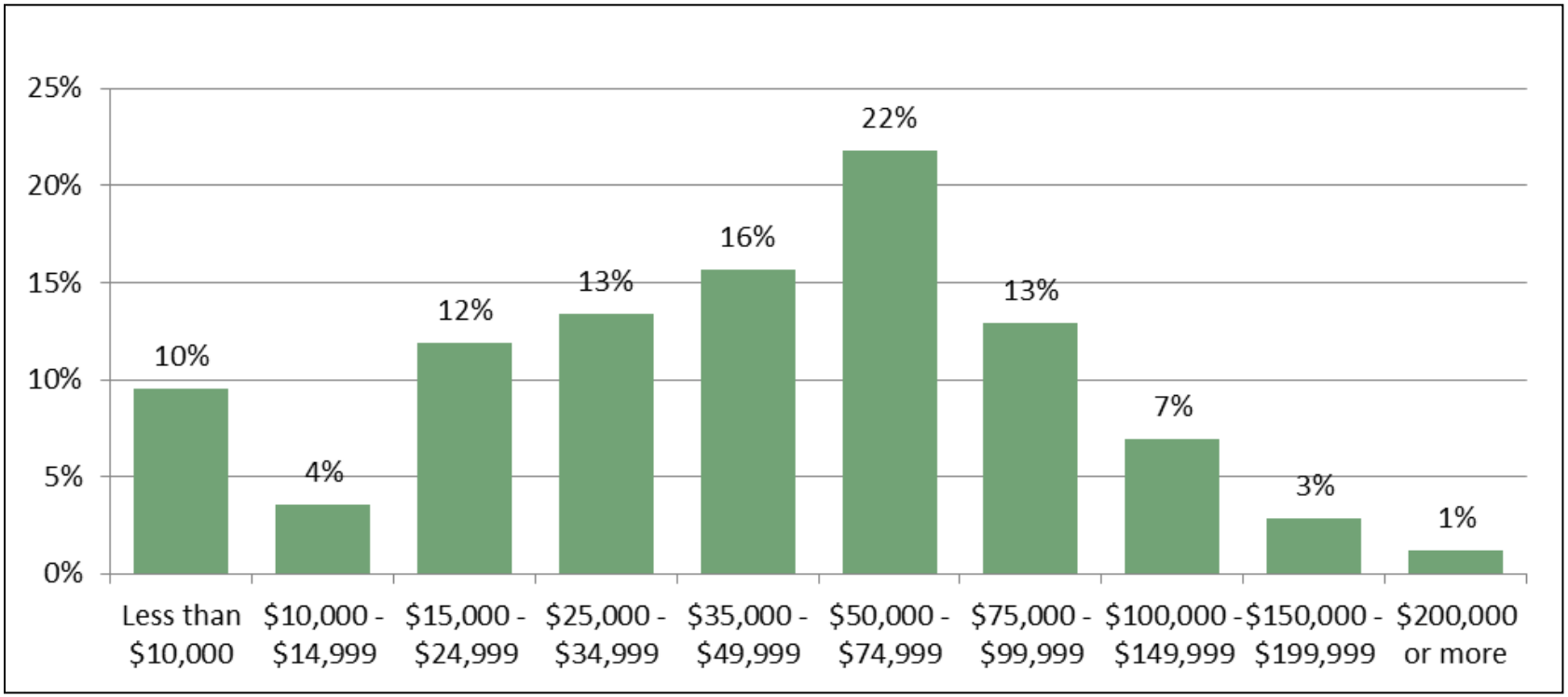


- Most jobs in the health care and social assistance industry
- County government boosts the public administration industry
- About 40% of jobs pay between 15 & 40k



Source: U.S. Census Bureau, Center for Economic Studies, 2013

Income Distribution



- Median household income = $44,100
- 26% of households earn under $25,000
- According to HUD, 4-person families earning less than $49,450 in Fayette County are considered low-income

Source: U.S. Census Bureau, ACS 2010-2014; U.S. Department of Housing and Urban Development, 2015

West Union's Workforce

Commuting in and out of West Union

Where are West Union's workers going?	
Stay in West Union	33.0%
Fayette	4.7%
Postville	4.3%
Waterloo	4.1%
Decorah	3.6%
Oelwein	1.7%
Where are workers in West Union coming from?	
Already in West Union	27.7%
Elgin	3.3%
Clermont	3.2%
Fayette	1.9%
Oelwein	1.8%
Hawkeye	1.7%

- Over 1,000 people commute in to the city for work, over 800 leave for work elsewhere
- Nearly 60% of the city's workforce lives within Fayette County
- As of 2013, West Union supports a total of 2,358 workers – all who live in the community along with those who commute into the city for work
- Offers an opportunity for housing development and/or revitalization

Source: U.S. Census Bureau, Center for Economic Studies, 2013

Housing Statistics

This section will review data collected on housing in the city, and will make some comparisons to nearby or like-sized communities. The data covers general housing and household characteristics, housing conditions and assessed valuations. Some of the data used to compile this report was obtained from the Fayette County GIS Office and the Fayette County Assessor's Office. All data can be publicly viewed on Fayette County's Beacon Website.

The housing data also includes an overview of the area's cost of living. The U.S. Census Bureau measures "Selected Monthly Owner Costs (SMOC)" for both owners and renters. For owners, these costs estimate and include the owner's mortgage, second mortgage and/or home equity loans, real estate taxes, homeowners insurance, condo fees (if applicable), mobile home costs (if applicable), and utilities – electricity, gas, water/sewer, etc. For renters, the costs estimate and include contract rent and utilities.

A disclaimer from the County offices: Fayette County, the Fayette County Assessor, Fayette County GIS Coordinator and their employees make every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or its interpretation. Fayette County and its employees assume no responsibility for the consequences of inappropriate uses or interpretations of the data. Any person that relies on any information obtained from this site does so at his or her own risk. All critical information should be independently verified.

General Housing & Household Statistics

	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
# of Units	**1,272**	1,765	400	3,092	1,023	1,839	9,550
Vacancy Rate	**10.4%**	8.8%	14.0%	10.6%	17.0%	6.8%	11.3%
% Single Unit	**78%**	79%	66%	81%	74%	72%	86%
% 2-4 Unit	**7%**	11%	16%	10%	5%	12%	6%
% Multi Unit	**11%**	11%	15%	6%	20%	8%	5%
% Mobile Home	**5%**	4%	5%	3%	1%	9%	4%
% Owner Occ.	**70%**	69%	59%	69%	61%	70%	76%
% Renter Occ.	**30%**	31%	41%	31%	39%	30%	24%
Average HH Size	**2.17**	2.31	2.26	2.23	2.67	2.16	2.34
% Families - Both Parents Work	**77%**	87%	95%	76%	71%	85%	77%

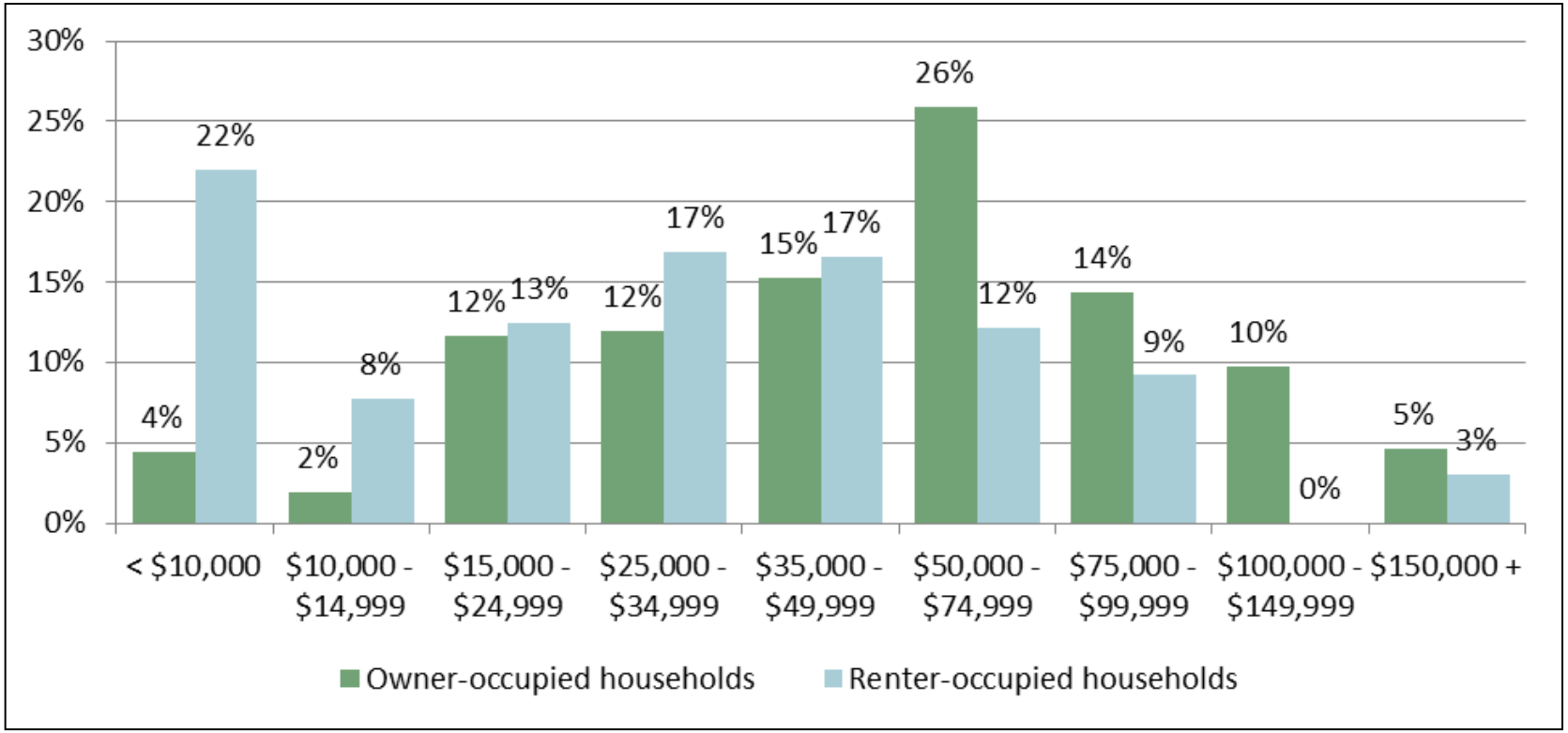
Source: U.S. Census Bureau, ACS 2010-2014

General Housing & Household Stats, continued

% Owner Occupied Householder by Age	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
15 - 34 years	**17%**	12%	8%	8%	23%	17%	11%
35 - 54 years	**32%**	36%	32%	36%	28%	19%	33%
55 - 64 years	**17%**	25%	25%	19%	19%	30%	22%
65 years and over	**34%**	27%	35%	37%	31%	35%	34%
% Renter Occupied Householder by Age							
15 - 34 years	**40%**	40%	51%	37%	56%	17%	37%
35 - 64 years	**26%**	21%	17%	39%	27%	35%	35%
55 - 64 years	**9%**	8%	11%	12%	9%	19%	12%
65 years and over	**24%**	31%	21%	12%	9%	28%	15%
Compared to one year ago:							
% In Same House	**85%**	81%	64%	86%	82%	86%	86%
% Same County	**10%**	13%	14%	8%	9%	7%	7%
% From Elsewhere	**5%**	5%	17%	6%	7%	7%	6%

Source: U.S. Census Bureau, ACS 2010-2014

Household Incomes, Renters vs. Owners



- Median household income for owners: $52,139
- Median household income for renters: $27,946

Source: U.S. Census Bureau, ACS 2010-2014

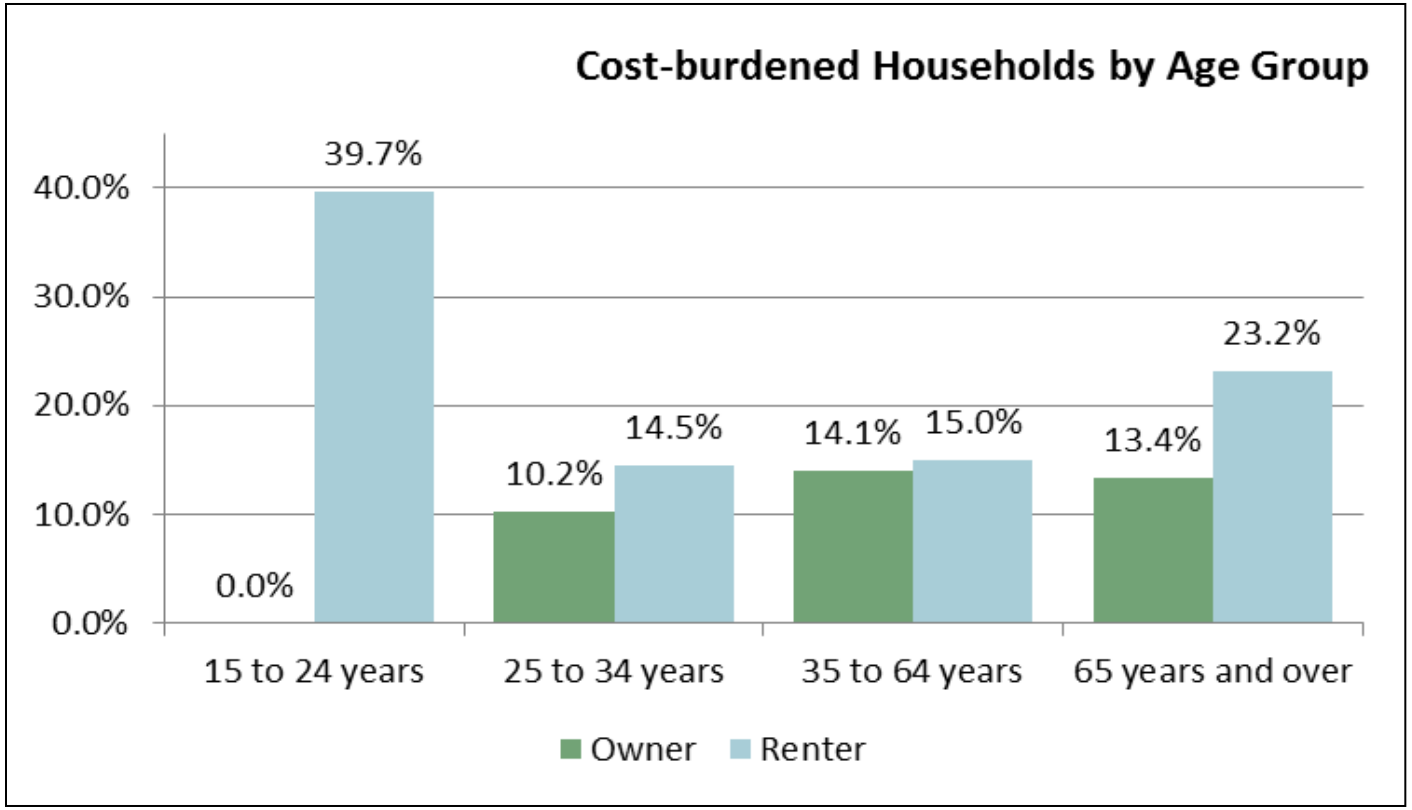
Cost of Living

Owner Occupied	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
% with mortgage	**55.4%**	62.8%	46.6%	48.3%	50.4%	44.7%	50.5%
Median SMOC*, with mortgage	**$856**	$944	$1,096	$877	$963	$969	$962
Median SMOC, no mortgage	**$360**	$394	$392	$362	$415	$367	$395
% of households, SMOC > 30% of income	**13%**	14%	12%	17%	24%	12%	15%
Renter Occupied	**West Union**	**Cresco**	**Fayette**	**Oelwein**	**Postville**	**Waukon**	**Fayette County**
Median Gross Rent	**$488**	$625	$651	$529	$651	$513	$537
% of households, Gross Rent > 30% of income	**25%**	61%	80%	43%	46%	23%	43%

*SMOC: Selected Monthly Owner Costs (see page 19)

Source: U.S. Census Bureau, ACS 2010-2014

Cost of Living



- Households that spend more than 30% of their total income on housing costs are considered "cost-burdened"
- Renters more likely to pay more than 30% of income on housing costs
- A high percentage of very young renters are cost-burdened

Source: U.S. Census Bureau, ACS 2010-2014

Cost of Living

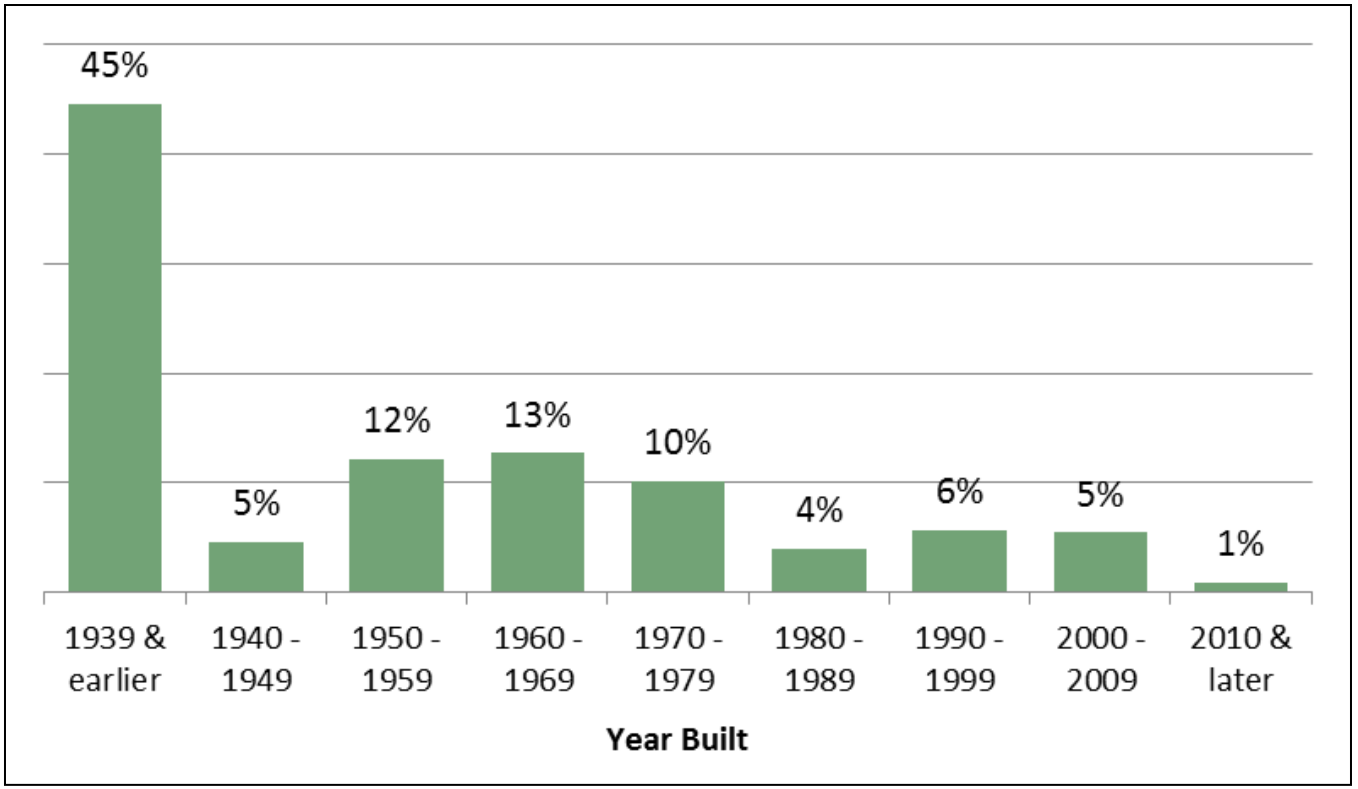
Owner Occupied	West Union	Cresco	Fayette	Oelwein	Postville	Waukon	Fayette County
Property Tax Rate	**15.03815**	18.76005	14.38162	18.12416	15.90119	12.25223	6.49341
LOST	**1%**	1%	1%	1%	1%	1%	1%
Sales Tax	**6%**	6%	6%	6%	6%	6%	6%
Hotel/Motel	**6%**	7%	-	7%	-	4%	-

NICC (All)	NF Valley (West Union & Fayette)	Howard-Winn (Cresco)	Oelwein CSD	Postville CSC	Allamakee CSD (Waukon)
.91036	**14.35685**	12.19454	13.32296	13.61474	10.25329

Source: Iowa Department of Revenue; Iowa Department of Management

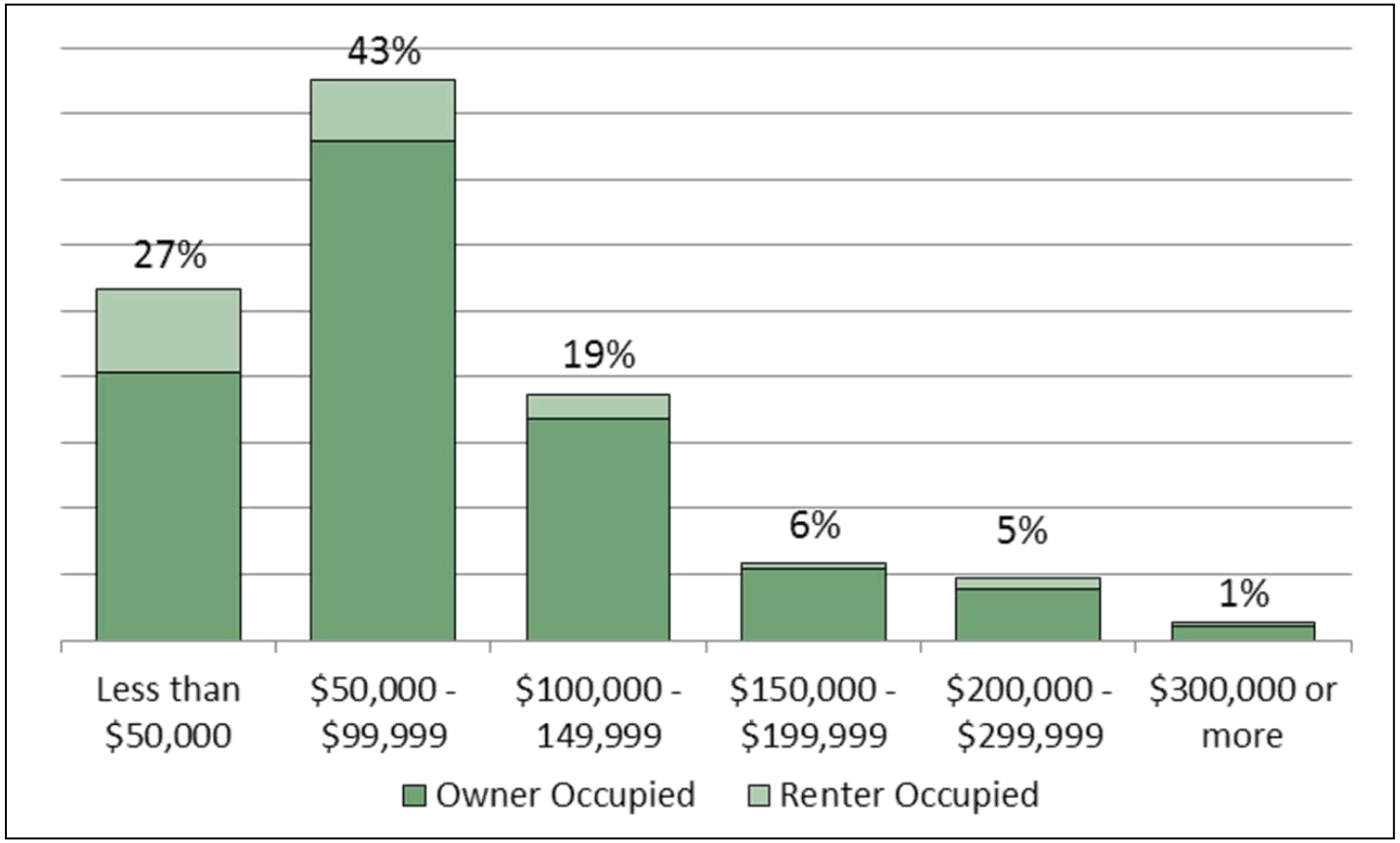
Age of Housing Units

- Majority (45%) of homes were built before 1940
- Average assessed value of theses older homes is $55,930
- 85% were built prior to 1980.
- 107 new units have been added since 2004 (76 in assisted living facilities)



Source: Fayette County Assessor, 2015

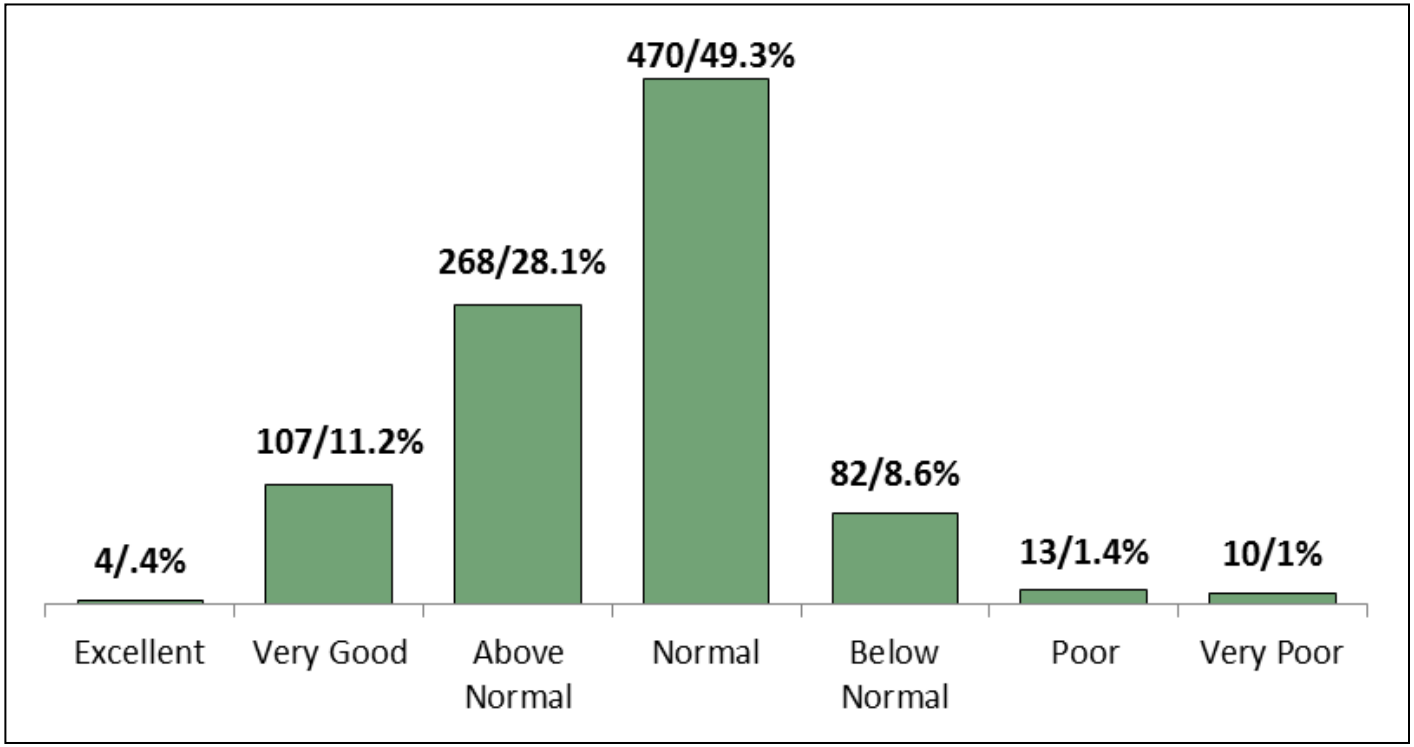
Housing – Assessed Values



- 70% of homes have assessed values less than $100,000
- 27% less than $50,000

Source: Fayette County Assessor, 2015

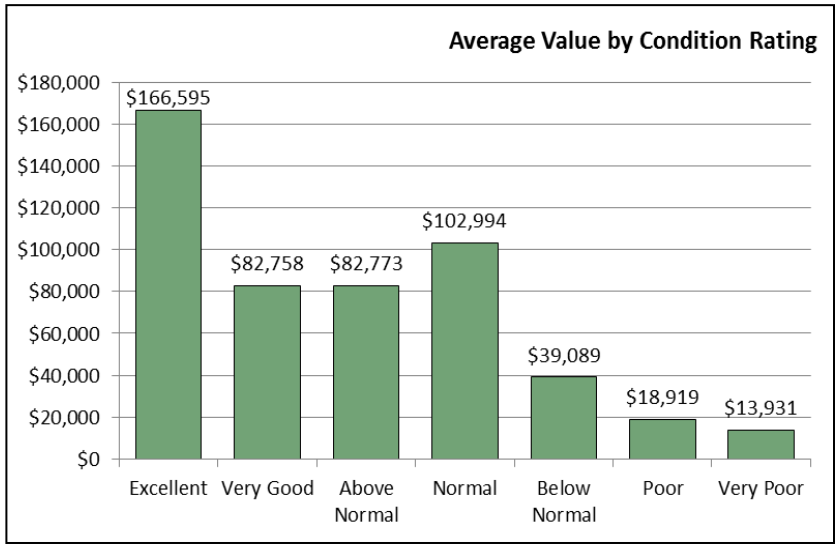
Housing – Conditions
(Given age of home)



- About 11% of homes are rated in below normal or worse conditions
- About 89% of homes are rated normal or better

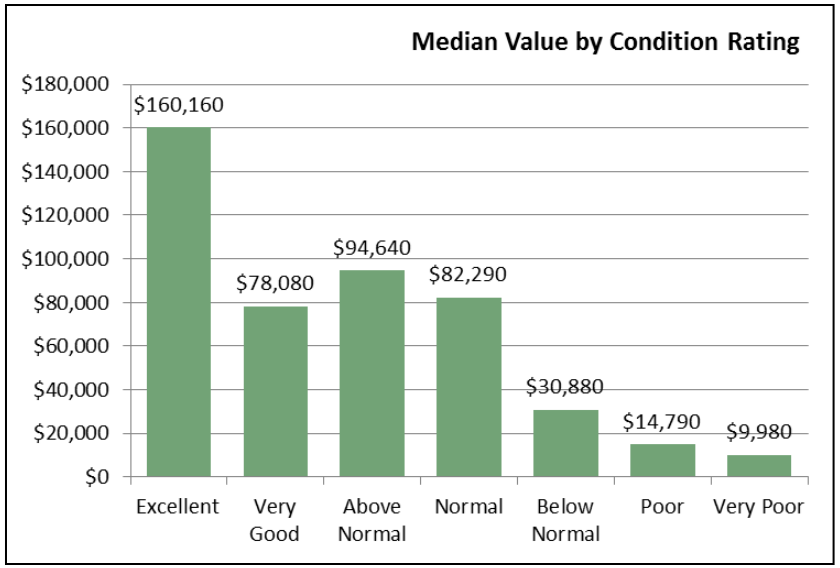
Source: Fayette County Assessor, 2015

Value by Condition



- Average value of homes rated above normal or better: $82,814
- Median value of homes rated above normal or better: $79,030

- Average value of homes rated below normal or worse: $34,195
- Median value of homes rated below normal or worse: $24,780



Source: Fayette County Assessor, 2015

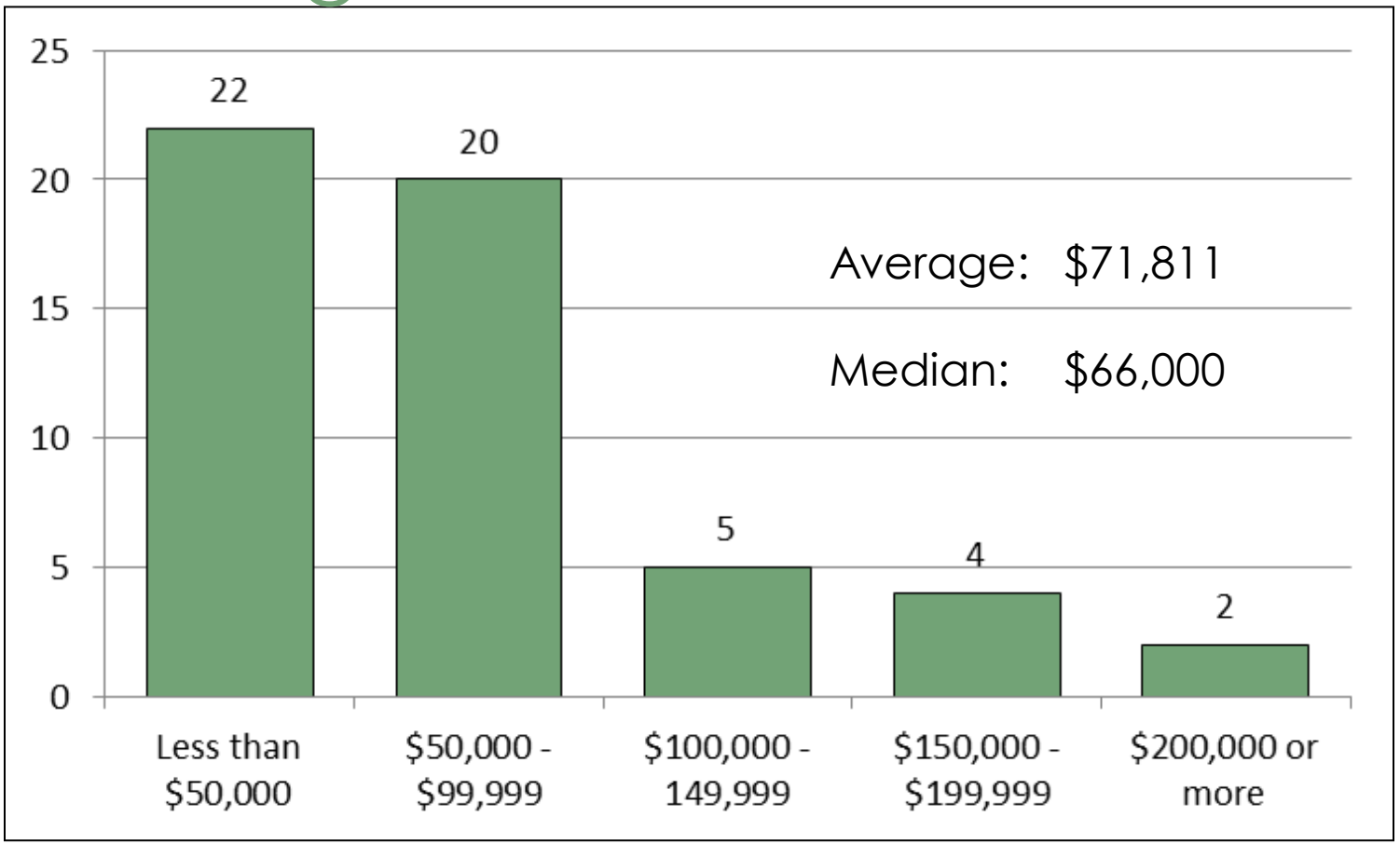
Housing – Built in Last Decade

Bldgs./ Units	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Single Family	8	2	2	3	3	3	2	2	0	1	3	29
Two Family	0	0	0	0	0	0	0	1	0	0	0	0
3 to 4 Family	0	0	0	0	0	0	0	0	0	0	0	0
5 + Family	0	0	1	1	0	0	0	0	0	0	0	2
Total	8	2	38	43	3	3	2	4	0	1	3	107

Note: Assisted Living Facilities in 2006 & 2007

Source: Fayette County Assessor, 2015

Housing – Sales Over Past Year



- 53 recorded sales
- Prices ranged from $4,000 to $221,000

Source: Fayette County Assessor, 2015

Beyond the Data

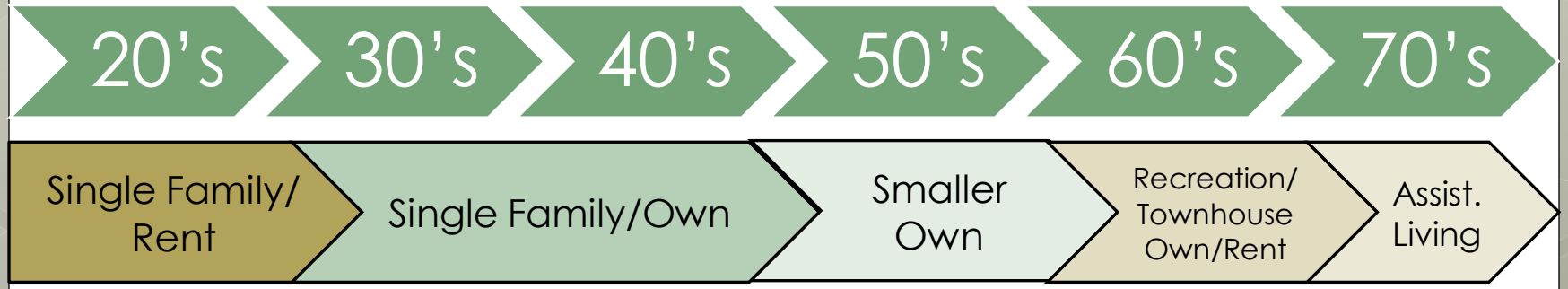
Task Force members as well as business and industry professionals provided additional information that helped understand the housing scenario in West Union. Along with the secondary information provided by the data collection, this experiential information was used to develop the actions as laid out in this plan.

Insights from the Task Force:

- People are fixing up their houses recently – perhaps because the cost of a new home is too high and fixing up an existing home is the only option
- Student loan debt is preventing younger people from saving for a down payment – or having the ability to squeeze another monthly payment out of their budget
- Many potential homebuyers have poor credit histories
- Bank lending regulations will be tightening even more in the coming months

Beyond the Data, continued

- There is a lack of suitable housing in the $100k to $150k range
- The 34% of homeowners in the "over 65" age range may be an opportunity for newer maintenance-free housing, and allow for movement along the continuum of residential dynamics:



- We need to improve the quality of life in order to attract people – and subsequent housing improvements. Movie theater? More retail options?
- To encourage rehab or construction, develop incentives for homeowners and contractors

Beyond the Data, continued

Insights from real estate professionals:

- The demand for housing is less than the supply
- Prices have remained steady
- A lack of qualified buyers is the factor having the most impact on the market – followed by the manufacturing economy
- There is too much inventory in the $50 to $100k price range – and too little in the $100 to $150k price range
- The number of days on the market is about 6 months
- Out of town buyers look for good schools and the availability of shopping, dining and social opportunities
- Buyers want a two car garage and a roof in good repair
- Buyers look for newer windows and more open floor plans
- Barriers for buyers include poor credit and an inability to come up with a down payment
- Quality of life makes (or breaks) the sale!
- May have a shortage of decent rental property
- Jobs don't pay enough to support home-buying

The Resident Survey

In addition to secondary data and the industry knowledge gathered from the housing task force and the local real estate professionals, the task force conducted a random survey of residents. Surveys were distributed over the spring of 2015. Initially, 280 surveys were distributed across all neighborhoods, with a return goal of 167 surveys. When the initial returns fell short of the goal, the committee randomly distributed another 100 surveys to community households. In total, 121 surveys were returned. This return allowed for a 95% confidence level with the results within a margin of error of ± 8. The surveys represented 259 individuals in the following age groups:

- Under 20: 19%
- 20 – 34: 11%
- 35 – 44: 9%
- 45 – 54: 9%
- 55 – 64: 22%
- 65 and over: 30%

And the following income levels:

- Less than $25,000: 17.8%
- $25,000 - $34,999: 11.9%
- $35,000 - $49,999: 14.9%
- $50,000 - $74,999: 27.7%
- $75,000 - $99,999: 12.9%
- $100,000 and over: 14.9%

The survey results are summarized on the following pages.

Resident Survey Returns

- Nearly 50% own property free and clear
- Over 40% have lived in the same home for over 20 years
- Over 30% of respondents have householders who work outside of West Union
- 44% of those seeking housing find limited numbers of affordable homes for sale – and 42% say the available affordable homes are too small or of poor quality
- 42% feel that too much poor dilapidated housing is a major problem
- 29% indicate a major problem is too much vacant/abandoned housing
- 66% have no desire to move – 44% would like to move (3 to 5 years was the most often given response)
- Only 16% have tried to move in the past year
- 80% want to own their next home
- 95% of respondents said they would be looking for a garage with their new home, 90% want energy efficiency, 77% want a one-story
- 92% satisfied or very satisfied with their current housing situation

Resident Survey Returns

- 42% have no garage (13%) or just one stall (29%)
- 73% say the size of their home is "just right"
- When asked to rate the following aspects of living environment, respondents said:

	Excellent	Very Good	Good	Fair	Poor
House structural condition	35%	40%	19%	7%	0%
Exterior appearance of home	32%	42%	19%	5%	2%
Yard/lot size	49%	30%	11%	9%	1%
Adequate heating	57%	29%	10%	2%	2%
Sanitation and safety	50%	38%	9%	3%	1%
Security from crime	34%	36%	22%	4%	4%
Quality of neighborhood	50%	21%	19%	7%	3%
Distance from work	51%	27%	13%	7%	3%
Occupancy costs	28%	38%	23%	9%	2%

- 45% of respondents receive retirement income
- 39% have investment income
- 57% have income from a salary or wages

Housing Gaps and Projected Need

Developing projections about future housing needs requires that certain assumptions are made, and that limitations to the projections are clearly stated. The assumptions and limitations to the projections used in this plan are as follows:

- Assumptions:
  - Household size slowly decreases
  - Population projections based on Simple Compound Growth (most conservative)
  - Year built data trends from Assessor indicative of future construction – assisted living units were not included
  - Annual losses due to fire or demolition will occur and by 2025, will be equivalent to the number of units currently rated as in "very poor" condition

Housing Gaps and Projected Need

- Assumptions, continued
  - Vacancy rate remains the same
  - Percent of people living in group quarters remains the same
  - Housing unit count from the Fayette County Assessor is an accurate figure for current housing supply
  - New construction will continue at the same average annual pace as in the past decade
- Limitations:
  - Projections based on past performance can be wrong in predicting future patterns
  - Local employers' potential workforce expansions or reductions unknown
  - Some data fields from Assessor incomplete

Housing – Projected Need

Housing Supply & Demand

West Union	2010	2015	2020	2025
Population	2,486	2,484	2,482	2,480
Population in Group Quarters	137	137	137	137
Population to be Housed	2,349	2,347	2,482	2,480
Number of Households	1,108	1,118	1,129	1,140
Preliminary Housing Demand	1,108	1,118	1,129	1,140
Demand with 11% Vacancy Rate	1,230	1,241	1,253	1,265
Replacement Need		3	3	3
Average New Construction		13	13	13
Potential Housing Demand	1,230	1,232	1,244	1,256
Housing Supply	1,175	1,215	1,236	1,252
Shortage	55	17	8	3

Income and Affordability

The following pages document the availability of housing at varying affordability levels. The analysis will help community leaders understand whether the existing housing is compatible with the households that live in the community.

Overall the data indicates that there is an overabundance of homes with values in the $50-$100k range and a general shortage in every other housing value range. It may be assumed that eventually, some of the lower-value homes will drop in affordability enough to satisfy gaps for the lowest income households. This, however, does not serve to improve housing conditions within the city. Households that can afford higher value homes are presumably "stuck" in lower value homes for lack of suitable housing within their desired price range. Adding housing that creates some churning in the market could be a way to satisfy some of the gaps noted in the $100k plus value ranges.

Community leaders may want to consider ways to support the lowest income families, such as down-payment assistance programs, to afford the housing available in the $50-$100k range. This will help prevent a decline in valuations, which in turn impacts city property tax revenues. Leaders can also support projects and programs that improve the $50-$100k housing stock to meet the shortage of homes in the $100-200k valuation range.

Income and Affordability West Union

Income Range	% of House-holds	# of House-holds	Afford-able Range	# of Owner Occ. Units	Affordable Range of Renter Units	# of Renter Units	Total Afford-able Units	Balance
$0 - $25,000	25%	**286**	$0 - $50,000	117	$0 – $399	95	**212**	-74
$25,000 - $49,999	29%	**332**	$50,000 - $99,999	391	$400 – $799	195	**586**	254
$50,000 - $74,999	22%	**249**	$100,000 - $149,999	131	$800 – $1,249	10	**141**	-108
$75,000 - $99,999	13%	**147**	$150,000 - $199,999	102	$1,250 - $1,499	0	**102**	-45
$100,000 - $149,999	7%	**79**	$200,000 - $299,999	43	$1,500 - $1,999	0	**43**	-36
$150,000 and over	4%	**47**	$300,000 and over	19	$2,000 and over	0	**19**	-28

Source: U.S. Census Bureau, ACS 2010-2014

Income & Affordability Summary

Unit (gap)/surplus

Value/Gross Rent per month*	West Union
Less than $50k/ Less than $400	(74)
$50k - $99,999/ $400 - $799	254
$100k - $149,999/ $800 - $1,249	(108)
$150k - $199,999/ $1,250 - $1,499	(45)
$200k - $299,999/ $1,500 - $1,999	(36)
$300k and over/ $2,000 and over	(28)

*Source: U.S. Census Bureau, ACS 2010-2014; *Gross Rent includes utilities, etc.*

Conclusions

Information gathered from primary and secondary sources demonstrates an overall need for housing within the community of West Union. The population has remained fairly stable over the past few decades with the potential for growth to support existing employers' workforce needs.

The mismatch between the existing housing stock and the desires of householders is very apparent. Both in terms of affordability and function, the existing stock falls short of the needs and wants of current and potential householders. As examples, nearly 20% of the existing single family houses have no garage, and about 38% have just two bedrooms or less. The median income for owner-occupied households in West Union is $52,139, which would allow for half of all the owner-occupied households to reside in homes in the affordability range over $100,000 – yet just 37% of the owner-occupied housing in the community are at that level. The task force identified two basic courses of action to address these issues – rehabilitation, or demolition of existing housing stock and new housing development.

In addition to the previous issue is the lack of "churning" in the housing market. Nearly 35% of the owner-occupied householders are 65 and older, stalling the availability of housing for those seeking to move along the continuum of housing. The housing task force noted possible opportunities in building on the existing momentum of senior housing within the community to create an industry cluster that would house West Union's senior population as well as potentially attracting new residents to the community.

Actions for Implementation

The following pages outline the actions identified by the task force as reasonable and feasible activities that can be undertaken by the City and its community development partners. Rehabilitation maps and potential development maps are included as Appendix A of this plan, and large printed maps are available for viewing at the Chamber/Main Street/Community Development office at 101 North Vine Street in West Union. Maps can also be viewed online or downloaded at the following links:

- http://www.uerpc.org/west-union-housing-study.html
- www.westunion.com

Appendix B lays out an Action Plan for implementation that assigns a responsible party to each action and a potential cost and timeline for implementation. The responsible party serves as the "caretaker" of the action, but is not necessarily the party carrying out the action. The City and its community development partners will work together on many of the actions and can take advantage of the numerous resources as identified in the resource section of this plan.

Actions for Implementation

1. Improve Existing Housing Stock.

   The issue of aging, often low-value and/or low-function housing is a challenge that needs to be addressed in order to support community needs and prevent neighborhood decline. Residents and owners have numerous programs from which to seek assistance for rehabilitation and repair projects. The City itself can also seek funding assistance to develop programs within the community. Three areas within the community have been mapped and identified as having considerable clusters of low-value/low function/aging homes that could be targeted for specific rehabilitation programs. The task force identified the following actions to pursue to improve the existing housing stock:

   - Develop a low-interest revolving loan fund for housing rehabilitation projects
   - Apply for a targeted CDBG for Owner Occupied Rehab – select areas based on values, size, age and condition of homes
   - Consider an increase of the City Franchise Fee and dedicate the funds to a housing rehabilitation program
   - Develop an informational brochure to inform citizens of the housing programs available to assist them and actively promote the programs throughout the community
   - Seek out and take advantage of programs that provide energy efficiency assistance for residents (Alliant Energy, Iowa Green Corps, etc.)

Actions for Implementation

2. Encourage New Housing Construction

Not all existing properties can be improved to the point where they will satisfy the gaps in housing stock for the community. Many parcels in the community are of non-conforming lot size, making garage or room expansions unrealistic or impossible. There are several appropriately-sized infill lots among the existing neighborhoods, and additional options within the current city limits for new construction. The task force identified several actions to promote new housing construction within the community:

- Keep a list of available infill lots for developers and promote the existence of grayfield tax incentives to potential developers
- Encourage the development of city incentives for new construction, including:
  - Limited Tax Abatement
  - Reduced or waived permit fees
  - Reduced or waived hook-up fees
  - Other rebates as feasible (culvert, sidewalks, landscaping, etc.)
- Develop and distribute promotional materials for developers

Actions for Implementation

3. Understand and Encourage a Healthy Housing Market.

The data and information collected indicated a slightly stagnant housing market. Homeowner turnover is low and the inventory available does not fit the needs of those who are looking for housing in the community. In addition, task force members discussed the possible issues that exist for people trying to get into the housing market within West Union. Young households and non-resident workers may face different issues when seeking housing, and the task force is seeking ways to help these families find suitable housing in West Union. The task force identified several strategies to promote movement in the housing market and develop new homeownership opportunities in the community:

- Conduct a non-resident employee survey to understand potential interest in relocating
- Promote market "churning" by supporting senior housing projects
- Monitor houses on small lots for potential future change
- Host homebuyer education classes on a regular basis
- Develop promotional materials to attract residents
- Celebrate homeowner efforts to improve properties by creating a program that recognizes projects that have a visible impact to the property's aesthetics

Partners in Implementation

- Many agencies (federal, state and local) have housing programs that can help homeowners directly, community governments and nonprofit agencies, as well as private developers. They include, but may not be limited to:
  - United States Department of Agriculture (USDA)
  - United States Department of Housing and Urban Development (HUD)
  - Iowa Finance Authority (IFA)
  - Iowa Economic Development Authority (IEDA)
  - Federal Home Loan Bank
  - Local Agencies:
    - Upper Explorerland Regional Planning Commission
    - Local Housing Trust Funds
    - Northeast Iowa Community Action Corporation
    - Cities
    - Counties

Resources for Implementation – Programs for People

- **The Fayette County Local Housing Trust Fund** serves Fayette County households with incomes less than 80% of the statewide median family income (currently $54,000 for a family of four). Up to $10,000 per project is available to address repair and rehab issues in the aging housing stock (i.e. plumbing, electrical, roofing, structural, energy efficiency, lead paint issues and handicap accessibility)
- **USDA Rural Repair and Rehabilitation Loans and Grants** program provides direct loans or grants to very low-income homeowners to repair, improve or modernize their dwellings or to remove health and safety hazards.
- **USDA Rural Housing Direct** Loan program provides direct loans to help low-income individuals or households purchase, build, repair, renovate or relocate homes in rural areas.
- **USDA Rural Housing Guaranteed Loan** program supports local participating lenders in financing home purchases for rural families with incomes up to 115% of the area's median income.
- The **Iowa Finance Authority's (IFA) FirstHome & FirstHome Plus** programs offers first-time home buyers affordable, fixed rate mortgages as well as the convenience of working with a local lender. The FirstHome Plus grant provides up to $2,500 to help eligible borrowers with entry cost assistance, such as down payment and closing costs.

Resources for Implementation – Programs for People

- **IFA Homes for Iowans & Homes for Iowans Plus** programs may assist both repeat and first-time Iowa home buyers. The programs provides the benefit of a safe, affordable, fixed interest rate mortgage, paired with the convenience of working with a local lender. The Homes for Iowans Plus program provides up to $2,500 in cash assistance to help eligible borrowers with entry cost assistance, such as down payment and closing costs.
- The **IFA Military Homeownership Assistance Program** provides eligible service members and veterans with a $5,000 grant that may be used toward entry cost assistance, such as down payment and closing cost assistance on a qualifying home purchase. Eligible service members may access the Military Homeownership Assistance Program to be used with a qualifying mortgage or cash purchase transaction. Grant subject to a one-time use.
- The **IFA Take Credit Mortgage Credit Certificate Program** allows eligible borrowers to receive a Mortgage Credit Certificate (MCC) from IFA, which can be used to reduce a household's federal tax liability every year for the life of the mortgage. The Take Credit allows a participating home buyer to claim 30% of their mortgage interest, up to a maximum of $2,000, as a federal income tax credit each year for the life of the mortgage, up to a maximum of 30 years.

Resources for Implementation – Programs for People

- The **Weatherization Assistance Program (WAP)** through NEICAC provides many Northeast Iowans with the means to remain in their homes in safety, comfort and affordability. Services include a cost effectiveness energy audit, air leakage checks, insulation and all combustion appliances inspection for repair or replacement.
- **Section 8 Rental Assistance** is HUD's federally funded program to provide rental assistance to low-income families to secure decent, safe, sanitary and affordable housing in a non-discriminatory manner from the private rental market. The Section 8 Housing Program in Fayette County is administered by the Regional Housing Authority through Upper Explorerland Regional Planning Commission (UERPC) in Postville.
- **Lease Purchase Affordable Housing Program** is a rent to own program through Northeast Iowa Community Action Corporation (NEICAC). The program selects two to three communities annually through recommendations from a county housing committee to construct homes for income qualifying families. The homes have three bedrooms and are rented for one to three years by a first-time homebuyer family before the purchase is completed. After taking the required Homebuyer Education Classes, the renter can buy the home for about half the cost of construction.

Resources for Implementation – Programs for People

- **Homeless Prevention and Rapid Re-Housing Program (HPRP)** provides assistance to those individuals who, without this assistance, would be homeless. To qualify, household income must be 50% or less of the average median income for the county. Income is determined at current monthly gross income projected forward for 12 months. An application may be made through any Family Service office.
- **The Home Energy Assistance Program (LIHEAP)** assists qualifying low-income Iowa households (homeowners and renters) in the payment of a portion of their residential heating costs for the winter heating season. In addition, the program can provide energy crisis assistance and weatherization and other energy-related home repairs.

Resources for Implementation – Programs for Local Jurisdictions & Agencies

- **IEDA Housing Fund (CDBG)** offers communities the opportunity to apply for funding that supports owner-occupied rehabilitation projects for low to moderate income, single-family, owner-occupied housing households.
- The **IFA HOME** Program is the largest federal block grant designed exclusively for state and local governments to create affordable housing. The HOME program works to provide decent, affordable housing to lower-income households, expand the capacity of non-profit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private sector participation. IFA provides HOME funding for rental, tenant-based rental assistance and home buyer programs
- The **Competitive Affordable Housing Program (AHP)** through the Federal Home Loan Bank Des Moines is a competitive grant program that encourages member financial institutions to partner with local housing providers (nonprofits, governments, housing authorities and other qualifying organizations) to secure funds for the purchase, construction or rehabilitation of affordable owner-occupied or rental housing units.

Resources for Implementation – Programs for Local Jurisdictions & Agencies

- **USDA Housing Preservation Grants** program provides grants to local nonprofit organizations to fund the repair or rehabilitation of low- and very low-income housing.
- **USDA Rural Housing Site Loans** are made to nonprofit agencies to provide financing for the purchase and development of housing sites for low- and moderate-income families.
- **USDA Rural Rental Housing** program provides loans to a variety of owners to provide affordable multifamily rental housing for families, the elderly or persons with disabilities.
- **USDA Guaranteed Rental Housing** program guarantees loans to support local participating lenders in financing the development of multi-family housing facilities in rural areas.
- **USDA Rural Community Development Initiative (RCDI) Grants** provide funding to help non-profit housing and community development organizations support housing, community facilities, and community and economic development projects in rural areas. The funds may be used to train sub-grantees to conduct home-ownership education

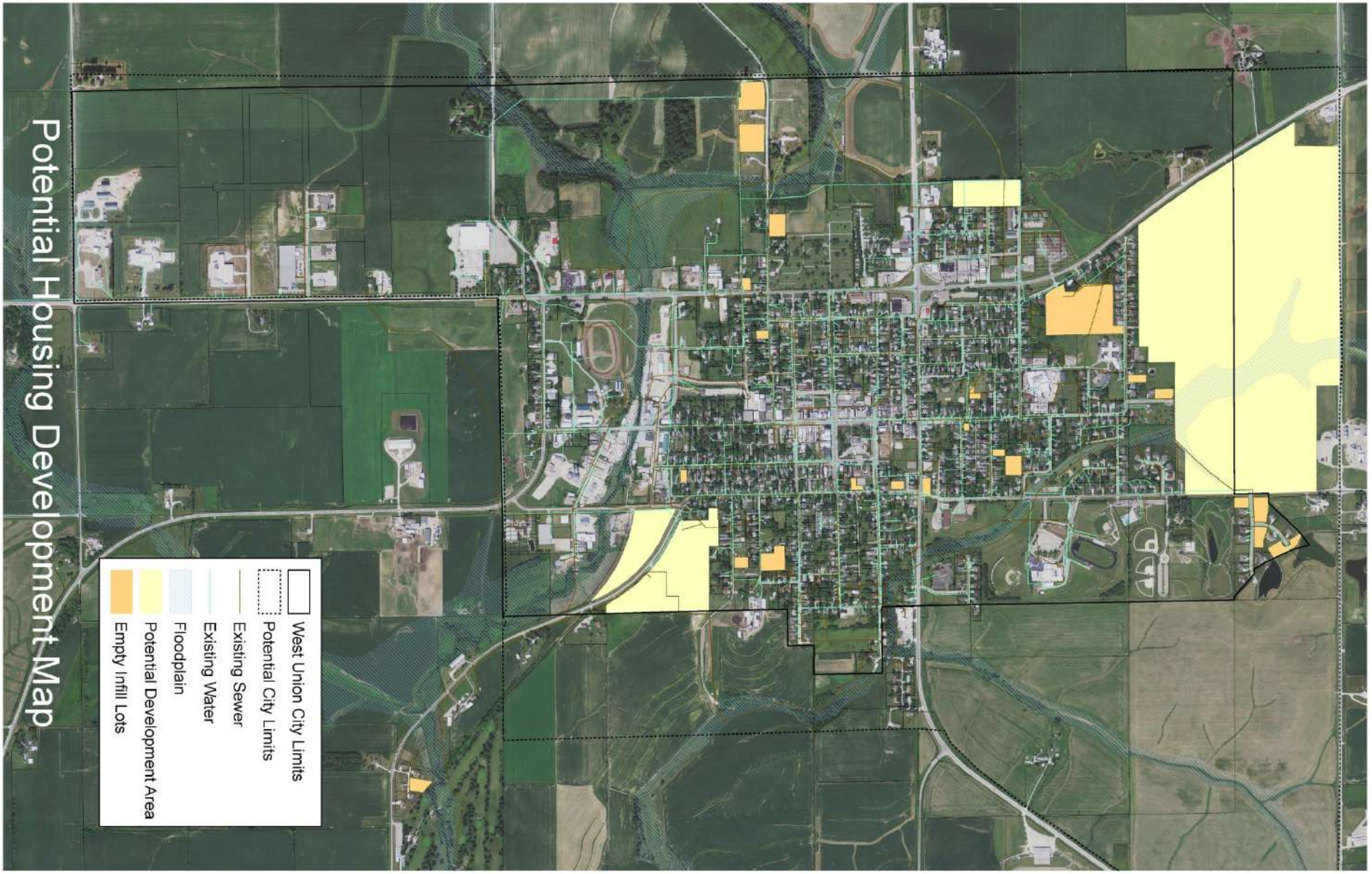
Resources for Implementation – Programs for Developers

- **IEDA Workforce Housing Tax Credits** are available to developers and contractors building or rehabilitating housing in a grayfield or brownfield site, engaged in the repair or rehabilitation of dilapidated housing stock, an upper story project or developing new construction in a community with demonstrated workforce housing needs. Developers may apply to receive state tax incentives such as a refund of state sales, service or use taxes paid during construction and an investment tax credit of up to a maximum of 10% of the investment directly related to the construction or rehabilitation of the housing.
- **Housing Tax Increment Financing (TIF)** can be used to pay the cost of streets, water, sanitary and storm sewers and related public improvements for new housing development. When TIF is used for housing development, a percentage of the future tax increment revenues from the project must be used to provide housing assistance to low- and moderate-income families.
- **Local Tax Abatement** can be offered by cities for a designated period of time in urban revitalization areas.

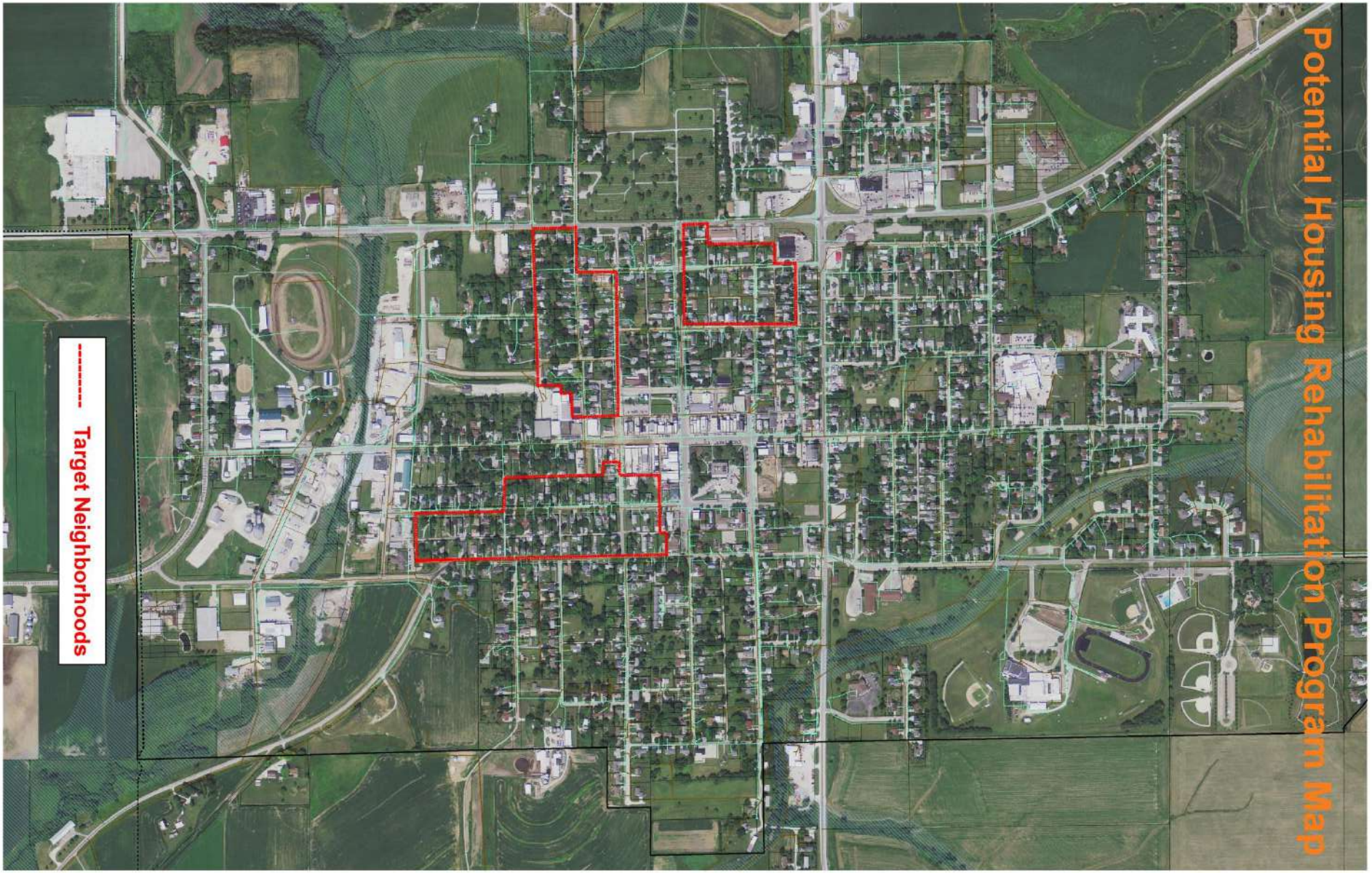
Resources for Implementation – Programs for Developers

- The **Main Street Mortgage Loan Program** provides funds to Main Street communities in Iowa for community development projects. The program offers loans for the rehabilitation of upper floor housing or commercial properties or for new construction on infill lots in downtown areas of communities that participate in the Main Street Iowa program.
- The **IFA Multifamily Housing Loan** provides a variety of affordable financing options to multifamily property owners and developers to assist in the preservation of existing affordable rental units and to foster the production of new affordable units in Iowa.
- The **IFA Housing Tax Credit Program** is an incentive for Housing Tax Credit project owners to invest in the development of rental housing for individuals and families with fixed or limited incomes. The Housing Tax Credit, rather than a direct federal subsidy, provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income for a 10-year period. Tax credit interest may be syndicated or sold to generate equity for the developments.

Appendix A – Maps



Appendix A – Maps



Appendix B – Action Plan

Improve Existing Housing Stock	Cost:	Responsible Entity:	Implementation Target Date:
Develop a low-interest revolving loan fund for housing rehabilitation projects	$40,000 to $50,000	Community Development	2017
Apply for a targeted CDBG for Owner Occupied Rehab – select areas based on values, size, age and condition of homes	Match for grant app,	City of West Union	2017
Consider an increase of the City Franchise Fee and dedicate the funds to a housing rehabilitation program	Minimal	City of West Union	2017
Develop an informational brochure to inform citizens of the housing programs available to assist them and actively promote the programs throughout the community	Minimal	Community Development	2016
Seek out and take advantage of programs that provide energy efficiency assistance for residents (Alliant Energy, Iowa Green Corps, etc.)	Minimal	Community Development	2016

Appendix B – Action Plan

Encourage New Housing Construction	Cost:	Responsible Entity:	Implementation Target Date:
Keep a list of available infill lots for developers and promote the existence of grayfield tax incentives to potential developers	None	Community Development	2016
Encourage the development of city incentives for new construction, including: • Limited Tax Abatement • Reduced or waived permit fees • Reduced or waived hook-up fees • Other rebates as feasible (culvert, sidewalks, landscaping, etc.)	None upfront	City of West Union	2017
Develop and distribute promotional materials for developers	Minimal	Community Development	2016

Appendix B – Action Plan

Understand and Encourage a Healthy Housing Market	Cost:	Responsible Entity:	Implementation Target Date:
Conduct a non-resident employee survey to understand potential interest in relocating	Minimal	Community Development	2016
Promote market "churning" by supporting senior housing projects	None	Community Development	2016
Monitor houses on small lots for potential future change	None	City of West Union	2016
Host homebuyer education classes on a regular basis	Minimal	Community Development	2016
Develop promotional materials to attract residents	Minimal	Community Development	2016
Celebrate homeowner efforts to improve properties by creating a program that recognizes projects that have a visible impact to the property's aesthetics	Minimal	Community Development	2016

This housing needs assessment was made possible with support from:

West Union Community Development

Black Hills Energy

Alliant Energy