

# Examining the Housing Needs of Mahaska County



August 2007

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## Introduction

Since 1990, there have been three comprehensive studies of housing within Mahaska County (July 1990, September 1993, and June 1996). These “Housing Needs Assessments” were the products of Mahaska Future View, Inc. (MFV), an organization now defunct. MFV Team Leader, Robert DeCook, spearheaded the studies. The organization was “an information base from which all constituencies of the Mahaska county area can gather facts to help prioritize and implement programs. MFV provides realistic, on-going planning in manageable segments and initiates action when appropriate. Plans are created by the people of Mahaska County area on an issue-by-issue basis.” In addition to studies of housing, MFV conducted several other studies including transportation and health care. Each of the housing studies were beneficial in helping to stimulate segments of the housing market within the Oskaloosa and Mahaska County areas. Various attempts to update the information in the June 1996 study were not successful, as the MFV organization was in a state of flux before finally disbanding.

### *Why Housing Matters*

In 2000 Congress called for the formation of the Millennial Housing Commission. This blue ribbon commission was intended to study the “importance of housing . . . to the infrastructure of the nation, the various possible methods of increasing the role of the private sector in providing affordable housing in the United States, and whether the existing programs of the Department of Housing and Urban Development work in conjunction with one another to provide better housing opportunities for families, neighborhoods, and communities, and how such programs can be improved with respect to such purpose.” The Commission’s report, presented to Congress in May of 2002, stated housing “represents the single largest expenditure for most American families and the single largest source of wealth for most homeowners. **The development of housing has a major impact on the national economy and the economic growth and health of regions and communities.** Housing is inextricably linked to access to jobs and healthy communities and the social behavior of the families who occupy it. The failure to achieve adequate housing leads to significant societal costs.” The report goes on to say:

“Securing access to decent, affordable housing is fundamental to the American Dream. All Americans want to live in good-quality homes they can afford without sacrificing other basic needs. All Americans want to live in safe communities with ready access to job opportunities, good schools, and amenities. All parents want their children to grow up with positive role models and peer influences nearby. And **the overwhelming majority of Americans want to purchase a home as a way to build wealth.**”

The importance of helping more Americans satisfy these objectives cannot be overstated. **Decent, affordable, and accessible housing fosters self-sufficiency, brings stability to families and new vitality to distressed communities, and supports overall economic growth.** Very particularly, it improves life outcomes for children. In the process, it reduces a host of costly social and economic problems that place enormous strains on the nation’s education, public health, social service, law enforcement, criminal justice, and welfare systems.

Beyond its benefits to families and communities, housing is an engine of the national economy and crucial to its strength. **The residential housing stock itself represents more than one-third of the nation's tangible assets.** Just as important, the housing sector—including residential investment, housing consumption, and related spending—consistently generates more than 20 percent of the nation's gross domestic product.

In 2000, investment in home building and remodeling accounted for about 4 percent of GDP. Housing consumption, in the form of payments by renters and equivalent payments by homeowners, contributed nearly another 10 percent. And spending on utilities, furnishings, appliances, and landscaping not otherwise captured amounted to more than 7 percent of GDP.

Housing production stimulates employment growth. In 2001, new residential construction was associated with roughly 3.5 million jobs nationally and \$166 billion in local income. **The National Association of Home Builders estimates that the construction of 100 single-family homes supports about 250 full-time equivalent jobs and \$11.6 million in wages.** The families occupying these new homes (also support) an estimated \$2.8 million in income and 65 jobs to the local economy.

Home building activity also adds significantly to federal, state, and local revenues. **In 2001, home building was the source of about \$65 billion in combined taxes and fees.** Once constructed, housing continues to contribute to local government coffers through the property taxes as well as the income, sales, and excise taxes that homeowners pay.

To reiterate, housing does matter in every aspect of society. For this reason, the Millennial Housing Commission is convinced that investment in housing production, preservation, and assistance will prove to be a cost-effective and life-enhancing investment in the future and particularly for those millions of households who are otherwise unable to obtain decent, affordable, and stable housing. **Housing very much matters to the individual, to the family, to the neighborhood, and to the nation."**

The purposes of this Mahaska County Housing Needs Assessment are: 1) to analyze the present housing situation within the county; 2) estimate the existing and future housing needs in the area; and, 3) to provide a stimulus to the leadership in the region to focus and take action in addressing the housing needs of all persons and families in Mahaska County.

## Area Population Characteristics

According to the most recent U.S. Census of 2000, Mahaska County’s population was 22,335; 10,938 of those residents lived in the county seat, Oskaloosa. The following table illustrates the 1990 and 2000 Census, and 2005 estimated population for each incorporated area, as well as the rural area of Mahaska County:

**Table 1. Population Change Since 1990**

Community	1990	2000	2006 Estimate	Numerical Change from 1990	Growth Rate Since '90	Projected Population 2010
Barnes City	198	201	201	3	1.52%	210
Beacon	509	518	529	20	3.93%	549
Eddyville	188	218	219	31	16.49%	223
Fremont	701	704	687	-14	-2.00%	698
Keomah Village	99	97	93	-6	-6.06%	94
Leighton	142	153	168	26	18.31%	190
New Sharon	1,136	1,301	1,308	172	15.14%	1,356
Oskaloosa	10,600	10,938	11,028	428	4.04%	11,799
Rose Hill	171	205	206	35	20.47%	216
University Park	598	536	524	-74	-12.37%	591
Unincorporated	7,190	7,464	7,335	145	2.02%	7,412
Mahaska County	21,532	22,335	22,298	766	3.56%	23,338
Iowa	2,776,755	2,926,324	2,965,524	188,769	6.80%	3,009,907
United States	248,709,873	281,421,906	296,410,404	47,700,531	19.18%	308,935,581
Iowa as a % of U.S.	1.12%	1.04%	1.00%			0.97%

Source: US Census

**Overall, Mahaska County experienced growth between 1990 and 2000, although at a slower pace than of the state, and Iowa grew at a much smaller rate than the country, as a whole.**

Two incorporated areas, Keomah Village and University Park, experienced declining populations between 1990 and 2000. The 2005 estimates show most of the incorporated areas of the county are increasing their populations since the 2000 Census. Eddyville, Fremont and Keomah Village, however, have shown a slight decline in population since 2000, as has Mahaska County and its unincorporated areas.

## Household Types

### General Characteristics

The 2000 Census indicates there were 9,551 total households in Mahaska County. Of those units, 8,880 were occupied (7 percent vacancy rate). **The home ownership rate in Mahaska County in 2000 was 71.1 percent.** One-person households made up 26.6 percent of the county’s population. See Table 2 for a breakdown on the general housing characteristics of Mahaska County and its incorporated areas. It should be noted, the terminology, “Average Household Size”, is calculated by dividing the number of occupied housing units into the household population, not the total population. People living in group quarters (correctional facilities, nursing homes, group homes, dormitories, etc.) do not count toward average household size.

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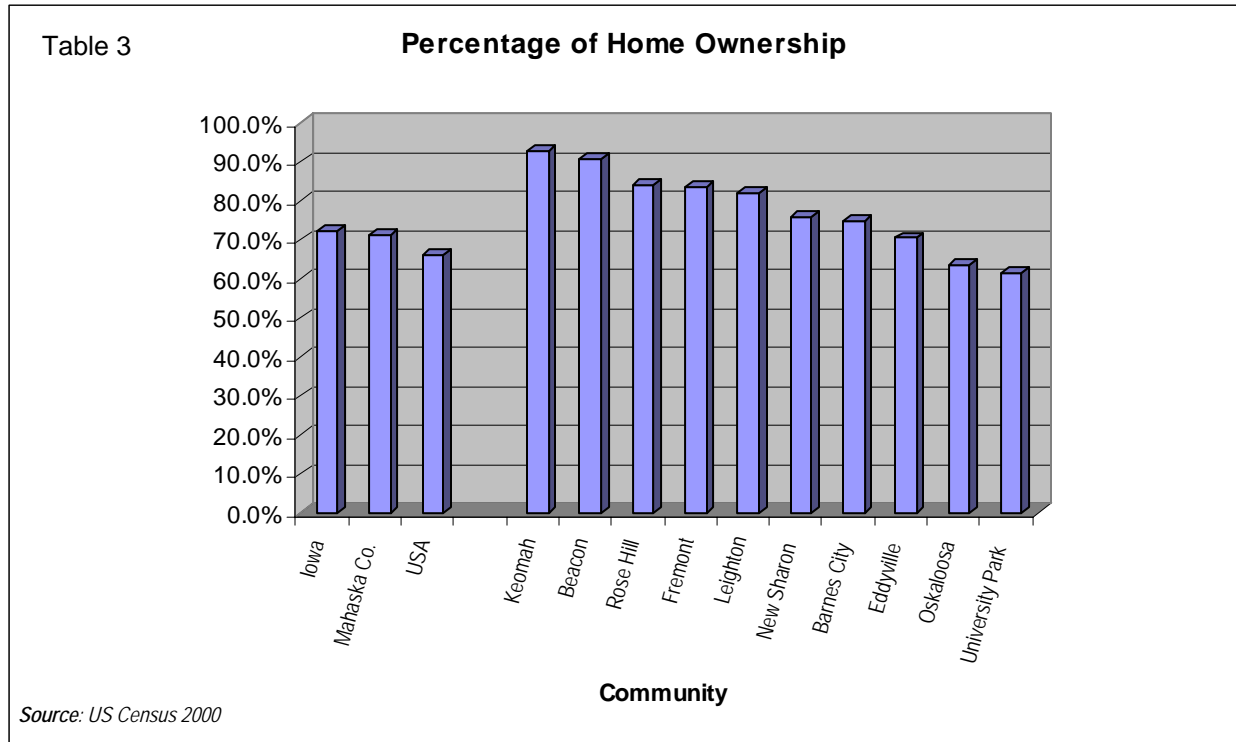
Table 2 General Housing Characteristics for Mahaska County and Incorporated Areas

Community	Total Population	Occupied Housing Units						
		Total	Owner	Renter	Average Household Size	Percent		
						Owner	1-Person Households	Householder 65 years +
Oskaloosa	10,938	4,603	2,924	1,679	2.28	63.5%	32.8%	29.4%
Unincorporated	7,464	2,694	2,146	548	2.77	79.7%	33.0%	37.0%
New Sharon	1,301	540	409	131	2.3	75.7%	30.7%	33.9%
Fremont	704	283	237	46	2.49	83.7%	25.1%	30.4%
University Park	536	195	120	75	2.55	61.5%	21.5%	23.6%
Beacon	518	208	189	19	2.49	90.9%	21.2%	19.7%
Eddyville	218	85	64	21	2.56	75.3%	30.6%	25.9%
Rose Hill	205	82	69	13	2.5	84.1%	25.6%	15.9%
Barnes City	201	92	69	23	2.18	75.0%	37.0%	29.3%
Leighton	153	56	46	10	2.73	82.1%	23.2%	32.1%
Keomah Village	97	42	39	3	2.31	92.9%	11.9%	16.7%
<i>Mahaska County</i>	<i>22,335</i>	<i>8,880</i>	<i>6,312</i>	<i>2,568</i>	<i>2.47</i>	<i>71.1%</i>	<i>26.6%</i>	<i>26.7%</i>

Source: US Census 2000

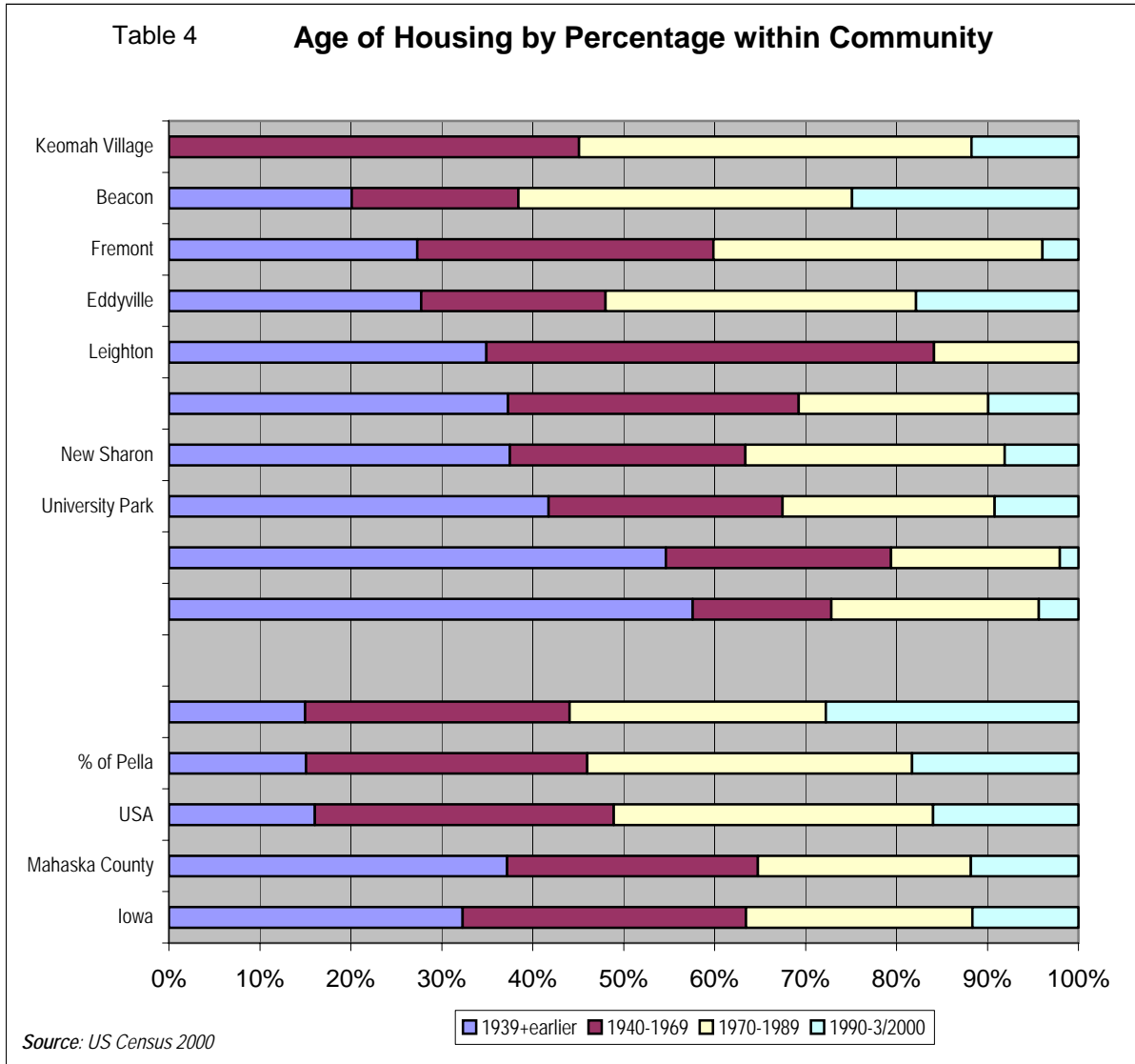
*Homeownership Rates*

**The levels of home ownership within the County show an area of concern for Oskaloosa and University Park who lag behind the County, State and national averages.** Several national studies have shown home ownership promotes such issues as a more engaged voter base, more investment in residential real estate, a more stable workforce and other positive impacts. Table 3 shows the home ownership rates within the county.



*Age of Housing*

Age of housing is an issue for Mahaska County and its communities, as well as the State of Iowa. Table 4 shows **Keomah Village, Beacon, and Eddyville are the only communities within Mahaska County having less than 60 percent of their housing constructed prior to 1969.** Maps showing concentrations of housing by age for Oskaloosa and other Mahaska County incorporated areas can be found in Appendixes A and B of this assessment.



With over half of Mahaska County’s housing stock existing within Oskaloosa, perhaps better comparisons for Oskaloosa and the Mahaska County would be how they rate against the State of Iowa, the United States or other Iowa communities. Oskaloosa and Mahaska County have an older housing stock than Iowa, which, based upon US Census Bureau estimates for 2005, ranks 5<sup>th</sup> in the nation for housing constructed in 1939 or earlier. Only Massachusetts, Washington, DC, Rhode Island and New York rank higher (note: These four are all located on the east coast).

*Lead Based Paint*

Over the years, HUD and other federal agencies have completed exhaustive research on lead poisoning. Of particular concern is the poisoning of children, as their blood absorbs up to 50 percent of the lead they ingest, compared to 10 percent in adults. The number one source of lead entering the blood stream is from lead-based paint. The most prevalent ways children ingest lead into their blood system include: household dust contaminating hands, toys, baby bottles and pacifiers; chewing on paint chips or surfaces with lead paint; not washing hands after playing in lead contaminated dirt or sandboxes, and; breathing dust from paint removal operations. Lead was used extensively in paint from the early 1800's through 1978 when Congress limited the amount of lead in residential paints. The prevalence of lead at hazardous levels in the blood streams of Iowa's children is about four times the national average. According to the Iowa Department of Public Health, Lead poisoning affects 1 in 14 Iowa children. One of the key factors contributing to the lead poisoning of Iowa's children is the older housing stock. Elevated blood lead levels are the cause of a number of health related problems including learning disabilities, neurological problems and in some cases even death. Iowa is the only state not located along the east coast to rank in the top ten for percentage of older housing.

*Value of Housing*

There are several ways of looking at value of housing. Table 5 shows property tax values have been holding fairly level in the urban areas with an increase of about \$2.4 million since January 2002, but have seen a significant drop in the rural valuations with a decrease of nearly \$29 million.

Table 5 Net Taxable Valuations Including Gas & Electric Utility Valuations						
Community	Assessment Date					'02 - '06 Difference
	January 1, 2002	January 1, 2003	January 1, 2004	January 1, 2005	January 1, 2006	
Mahaska Co.	\$761,632,460	\$697,713,248	\$713,892,303	\$732,214,501	\$735,202,708	-\$26,429,752
Urban	\$305,945,959	\$290,628,728	\$304,909,874	\$308,839,096	\$308,344,969	\$2,399,010
Rural	\$455,686,501	\$407,084,520	\$408,982,429	\$423,375,405	\$426,857,739	-\$28,828,762

Note: Drop in taxable valuation between 2002 & 2003 is attributed to 2 primary factors:

- \* Lowering of the residential rollback from 51.38% to 48.45% which decreased residential valuations by \$5 million
- \* County-wide commercial property tax re-evaluation lowering commercial property valuations

*Source: 1/19/07 Mahaska County Net Taxable Valuations*

Property value information from the 2000 Census, as shown in Table 6, indicates Mahaska County's communities have significantly lower values on residential owner-occupied properties than our neighbor, Pella. **Property values of owner-occupied units within Mahaska County were dominated by homes valued at less than \$100,000, vs. Pella's being dominated by homes in the \$50,000 - \$200,000 range.** Of particular note was Pella having fewer than 2 percent of its owner-occupied housing valued at less than \$50,000. Half of the incorporated communities within Mahaska County did not have any properties valued at more than \$100,000. Statewide, nearly 86 percent of owner-occupied housing was valued at less than \$150,000. Nationally, nearly 45% of the owner-occupied housing was valued at less than \$150,000.

Table 6

**Value of Owner Occupied Homes**

Source: US Census 2000

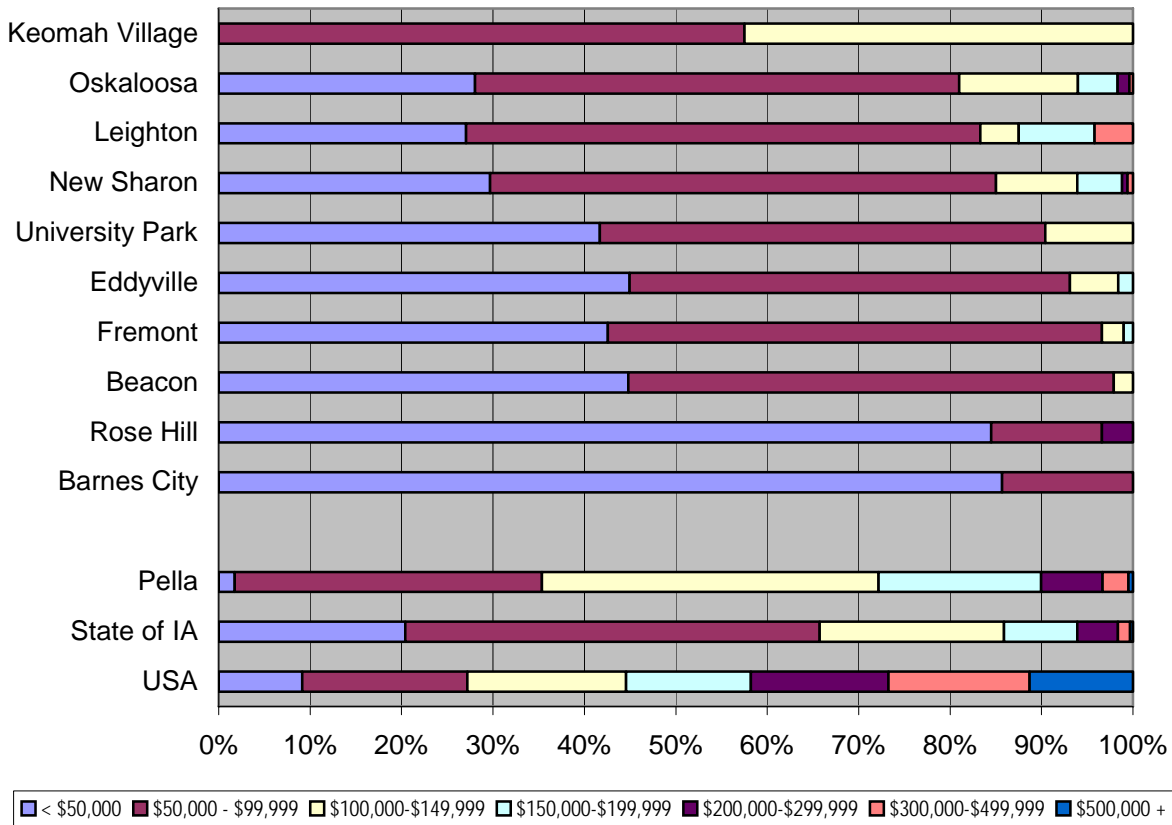


Table 7 **Oskaloosa Multiple Listing Service Sales Data**

Year	Ave. Selling Price	# Sold	Total Selling Price
1996	\$70,021	174	\$12,183,654
1997	\$75,791	194	\$14,703,454
1998	\$80,766	192	\$15,507,072
1999	\$92,454	190	\$17,566,260
2000	\$87,954	156	\$13,720,824
2001	\$88,177	172	\$15,166,444
2002	\$84,583	116	\$9,811,628
2003	\$82,766	198	\$16,387,668
2004	\$85,783	283	\$24,276,589
2005	\$94,568	266	\$25,155,088
2006	\$101,751	228	\$23,199,228
<b>Totals:</b>	<b>\$944,614</b>	<b>2,169</b>	<b>\$187,677,909</b>
<b>11 Year Average</b>	<b>85,874</b>	<b>197</b>	<b>\$17,061,628</b>

Sales data from the Oskaloosa Board of Realtors' Multiple Listing Service (Table 7) paints a slightly different picture on residential property trends. **With sales data dating back to 1996, the MLS reports an increase in average selling price of about 45 percent over the last 11 years.**

Based upon land cost and quality of materials and finish, construction costs can be expected to range from less than \$100/square foot to more than \$140/square foot.

Source: Based on information from the Oskaloosa Board of Realtors or its Multiple Listing Service for the period 1/1/96 - 12/31/2006

*Housing Permit History*

Based upon building and demolition permit history over the past 20 years for the City of Oskaloosa, new single-family housing construction has ranged from a low of seven in 1988 to a high of 34 in 2001. Major multifamily housing construction occurred in 1998 and 1999 with 128 total dwelling units, due primarily to the construction of the 60-unit Southern Hills apartment

Year	Single Family Dwellings	Multifamily Dwellings	Total Dwellings	Total Housing Demos	Net Gain in Housing
1987	13	0	13	12	1
1988	7	0	7	16	-9
1989	14	28	42	16	26
1990	20	0	20	19	1
1991	22	0	22	11	11
1992	27	0	27	16	11
1993	26	28	54	14	40
1994	20	16	36	13	23
1995	20	26	46	11	35
1996	30	4	34	9	25
1997	23	24	47	11	36
1998	21	88	109	12	97
1999	26	40	66	14	52
2000	28	2	30	16	14
2001	34	8	42	14	28
2002	28	2	30	17	13
2003	10	36	46	16	30
2004	25	0	25	19	6
2005	28	4	32	13	19
2006	24	2	26	22	4
<b>Total:</b>	<b>446</b>	<b>308</b>	<b>754</b>	<b>291</b>	<b>463</b>
<b>Average:</b>	<b>22.30</b>	<b>15.40</b>	<b>37.70</b>	<b>14.55</b>	<b>23.15</b>

Source: Oskaloosa City Engineer's Office

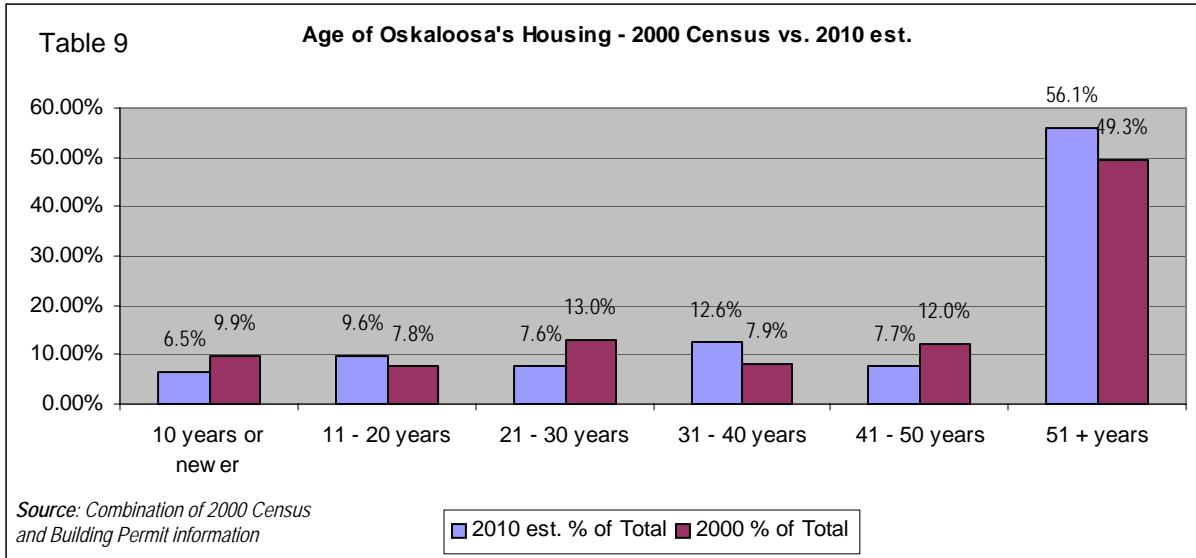
complex for families and the 48 unit Highland Park apartments catering to the elderly population. Demolition activity has ranged from a low of nine in 1996 to a high of 22 in 2006. The city's 1999 comprehensive plan indicated a need for the construction of 67 dwelling units per year between 1990 and 2020 to meet projected growth requirements.

**1998 was the only year within the past 20 where Oskaloosa exceeded the desired growth level**, which indicates if local businesses have been successful in attracting the numbers of employees they needed to make their expansion projects successful, it was probably because new employees are either commuting to work or they

located in nearby communities where construction capacity was able to meet the demand for housing. The lower than desired numbers could also point to an increase in pent-up demand for housing. This demand will continue to work at odds with desired housing levels necessary to sustain growth in the Mahaska County area. A planned survey is anticipated to answer questions about the desirable qualities of housing needed within the community to meet the needs of area employers.

Combining information on the age of housing within Oskaloosa with the trends occurring since the 2000 Census, it appears **Oskaloosa's housing stock will continue to get older unless significant changes occur** (Table 9). Housing 51+ years old is expected to increase from 49 percent to 56 percent by the year 2010. While an older supply of housing is not a problem, coupled with the value issues previously discussed, Oskaloosa's aging supply of housing could become a source of significant concern for the community. The community's ability to direct resources toward reinvestment in older housing could offset this potential loss of tax base.

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From January of 2002 – December of 2006 the City of Oskaloosa issued notices on 341 nuisances (an average of 68/year). The complaints fell into three categories: accumulation of garbage and debris; unlicensed/inoperable vehicles, and; deteriorated/dilapidated structures.

Calendar Year	Category						
	Garbage/ Weeds/ Ice/Debris	Unlicensed/ Inoperable vehicles	Dangerous/ Dilapidated Housing	Total Notices	% Garbage/ Weeds/ Ice/Debris	Unlicensed/ Inoperable Vehicles %	Dangerous/ Dilapidated Housing %
2002	24	12	12	48	50.00%	25.00%	25.00%
2003	34	33	20	87	39.08%	37.93%	22.99%
2004	43	27	24	94	45.74%	28.72%	25.53%
2005	31	13	14	58	53.45%	22.41%	24.14%
2006	27	12	15	54	50.00%	22.22%	27.78%
<b>Totals</b>	<b>159</b>	<b>97</b>	<b>85</b>	<b>341</b>			
<b>%</b>	<b>46.63%</b>	<b>28.45%</b>	<b>24.93%</b>				

*Source: City of Oskaloosa Building Inspector*

So, why do things like home ownership rates, age of housing, value of housing, nuisances, etc. matter? When a community has a low rate of home ownership, coupled with a housing stock not being replenished with new or substantially rehabilitated housing, and housing of low value, the community can expect to see an abundance of run down housing and nuisance complaints. Property owners, neighbors and communities allowing nuisances to exist are affecting their pocketbooks in more ways than one. The National Association of Realtors says, “An eyesore can shave about 10% off the value of a nearby listing. Market-by-market differences affect that percentage, real-estate experts say, as does the situation -- an overgrown lawn across the street is better than a boarded-up property right next door.” These nuisances are, therefore, affecting the owners of the properties as well as other neighbors by reducing property values. The resulting reduction in property values, in turn, affects the tax base and the ability of the taxing bodies to raise the revenue they need to maintain essential government services.

## Age Distribution

The Census also tells us 26.2 percent of the households within Mahaska County had a member 65 years of age or older. Table 10 shows a distribution of the population by age and sex.

Table 10 **Age Distribution and Gender**

Age	Number			Percentage			Males per 100 Females
	Both Sexes	Male	Female	Both Sexes	Male	Female	
<b>Total Population</b>	<b>22,335</b>	<b>11,116</b>	<b>11,219</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>99.1</b>
0 - 19	6,409	3,296	3,113	28.7%	29.7%	27.7%	105.9
20 - 39	5,755	3,346	3,024	25.8%	30.1%	27.0%	110.6
40 - 59	5,619	2,870	2,749	25.2%	25.8%	24.5%	104.4
60 - 79	3,429	1,549	1,880	15.4%	13.9%	16.8%	82.4
80 +	1,123	396	727	5.0%	3.6%	6.5%	54.5

Source: US Census Bureau

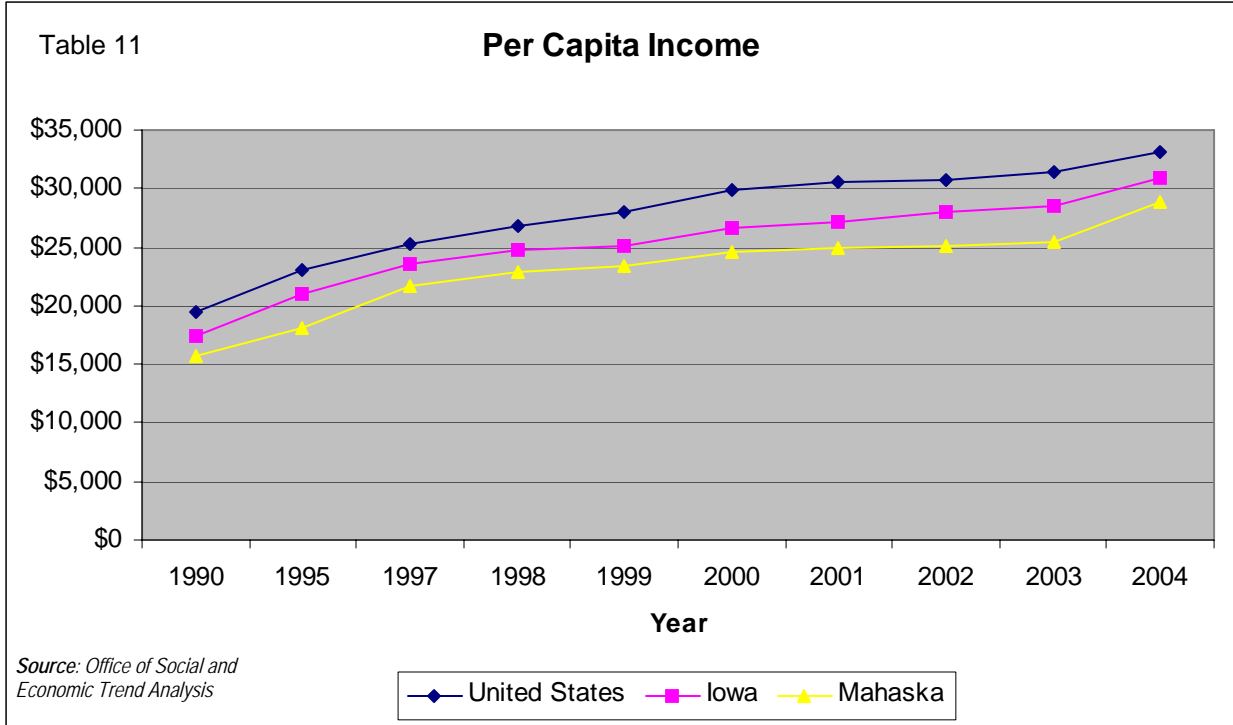
The May 21, 1996, edition of the *Des Moines Register* summarized a Census Bureau report, “65+ in the United States!” This report predicted major shifts in population in the coming decades. For Iowa, **the 65 and older population is expected to grow 25 percent between 1996 and 2020**. Lengthening life spans and entry of the baby boomer generation into retirement will begin in 2011. Persons 85 and over will more than double by 2020, changing demands on everything from health care to housing. This growing elderly population will have fewer relatives nearby to call upon due to rising divorce rates, smaller families and greater mobility. For women, who generally outlive their husbands, this is especially true. The article reported more than half of women age 75 and older living alone have incomes below \$10,000, which presents a big challenge in meeting their housing and personal assistance needs.

A more recent Census publication on aging, “The 65 Years and Over Population: 2000,” issued in October 2001, indicates 35 million people 65 years of age and over were counted in the United States in 2000. This represents a 12.0 percent increase since 1990, when 31.2 million older people were counted. The fastest growing segment of the population in the United States is 80+ years. Nationally, the US Census Bureau, in a March 2007 fact sheet predicted **the percentage of the population over 65 would increase from 12 percent in 2005 to 21 percent in the year 2050**.

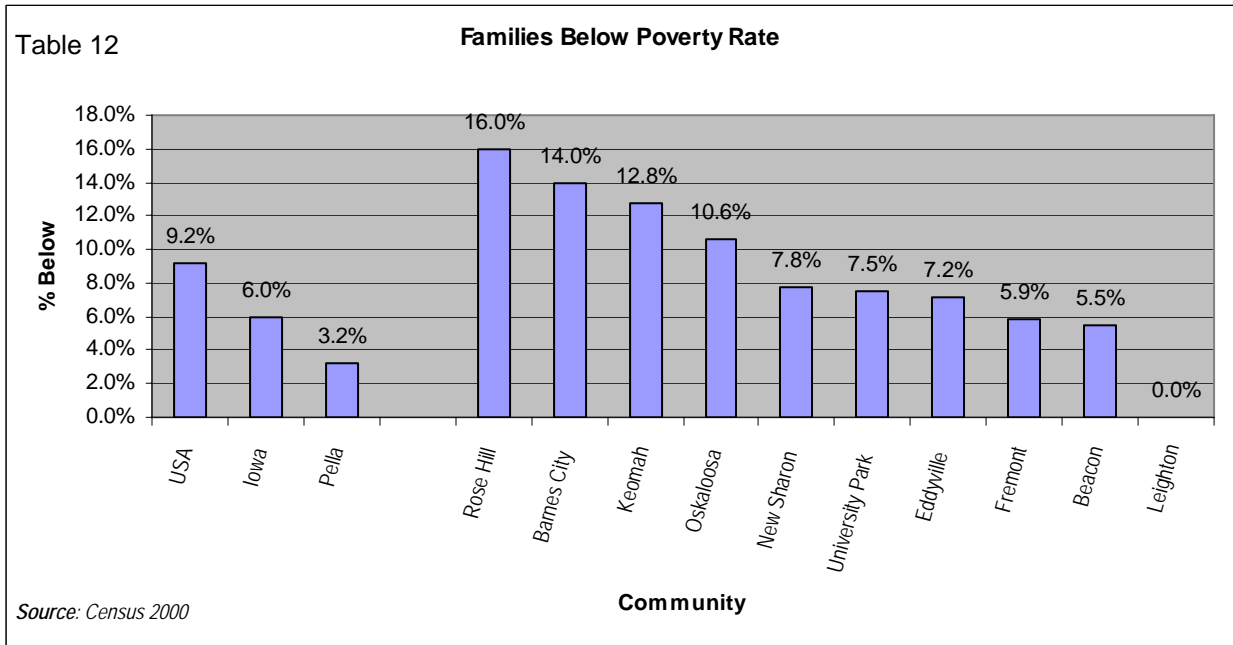
## Income

Based upon information from the Office of Social and Economic Trend Analysis (Table 11), incomes within Mahaska County have continually lagged behind those of the State of Iowa and the United States. Over the 15-year period, the income gap between Mahaska County has been consistently about 20% lower than those of the United States and Mahaska County has tracked about 10% behind the State of Iowa.

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According to 2000 Census data, 40.7 percent of the families in Mahaska County had family incomes equal to or greater than \$50,000. There were 7.5 percent of the families classified at poverty level. Where no husband is present, 32.8 percent of the female-headed households were living at or below poverty level (246). Of Mahaska County's total population, 9.8 percent of the residents were living at or below the poverty level in 1999, which represents a 3.2 percent decline from the 13 percent poverty rate in 1989.



## Employment

### *Labor Force History*

A review of “Iowa Workforce Development Labor Force Data” for the past 10 years indicates there has been a general **trend of a growing labor force over the past 10 years**. There was, however, a decrease in the labor force and number of those employed during 2003, primarily as a result of layoffs at Vermeer Manufacturing in nearby Pella. By 2006 the labor force had rebounded to match the year 2002 numbers. Unemployment rates have varied from a low of 2.1 percent in 2000 to 4.8 percent in 2003.

Mahaska County Labor Force	Iowa Workforce Development Labor Force Data									
	Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Labor Force	11320	11260	11570	11240	11730	11910	11450	11590	11720	11910
Employed	11000	10990	11310	11000	11340	11370	10910	11050	11210	11470
Unemployed	320	270	260	230	400	540	550	530	510	440
Unemployment Rate (%)	2.8	2.4	2.2	2.1	3.4	4.5	4.8	4.6	4.3	3.7
<i>Source: Iowa Workforce Development</i>										

A 2007 Laborshed Survey and Analysis conducted by Iowa Workforce Development indicates within an approximate 50-mile radius of Oskaloosa there is a total labor force of 103,788. Of the total, there were 22,753 (about 22 percent) people willing to accept employment within Oskaloosa for the right position. Over 90 percent of those indicating an interest in taking employment within Oskaloosa live within 10 miles of Oskaloosa.

### *Projected Employment*

A survey of existing employers within the area indicates employment should increase within Mahaska County by about 330 by the end of the year 2010 (Table 14). An additional survey of

Wage Level			New Employees	Approximate Added Payroll
<\$10/hr.	<\$20,800			
\$10 - \$14/hr	\$20,800	\$29,119		
14 - 18	\$29,120	\$37,439		
18 - 22	\$37,440	\$45,759		
22 - 26	\$45,760	\$54,079		
26 - 30	\$54,080	\$62,399		
30 - 34	\$62,400	\$70,719		
34 - 38	\$70,720	\$79,039		
38 - 42	\$79,040	\$87,360		
42 - 46	\$87,361	\$95,679		
46 - 48	\$95,680	\$99,839		
48 +	\$99,840+			
<b>Total Employees:</b>				

*Source: Personal interviews by Randall Irwin*

Mahaska county employers is underway with resulted expected in early 2008. Job growth is expected to continue through, at least, 2016. Area businesses will have two choices to be successful: 1) Depend upon the local market to meet their growth demands; or, 2) turn to marketing their company to potential employees outside Mahaska County. Based upon the 10-year unemployment rates shown in Table 13, it is safe to assume only about 150 employees could be expected to come from the ranks of the unemployed. Businesses resorting to recruitment of local talent will, in turn, create a need for other businesses to hire replacement employees.

Hanna: Keelan Associates, P.C., a consulting firm from Lincoln, Nebraska, who have compiled over 170 housing studies, indicated in a December 1995 report on housing in the Newton area, “all economic (job creation) efforts are somewhat futile, if housing is not done in conjunction with employment development.” They go on to indicate a community should have a goal of securing residents from at least 60 percent of the jobs being created. **Based upon the survey of employers, Oskaloosa should, therefore, plan to create housing for about 200 incoming households by the year 2010.** Anticipating not all new hires will want to live within Oskaloosa, a reasonable goal for the outlying areas within Mahaska County would be to capture an additional 20 percent (66) of those new hires.

In addition to the added property values generated by the housing to be built and/or rehabilitated to meet this demand, **these new employees will add significantly to the economy of the Mahaska County community with their expected \$15.3 million payroll.** The added payroll will create a demand for additional purchases of goods and services within the community leading to additional jobs, and investment.

Based upon the model presented in the introduction of this housing needs assessment from the Millennial Housing Commission, if Oskaloosa and Mahaska County are successful in producing housing to accommodate the expected new hires, the area could easily expect to see an additional 160 full-time employees (200 homes over 3 year period = 67 per year divided into 250 jobs/100 homes built) with a \$5 million payroll (160 jobs @ \$31,000/yr salary). These numbers are not reflected in Table 14. **The full economic impact of successfully attracting these 330 plus the spin-off 160 employees to the Oskaloosa area could, therefore, have the ability to increase employment within Mahaska County by about 490 employees (about a 4 percent increase in the workforce) and adding over \$20 million in payroll per year.**

### **Housing Options for Lower-income and Special Needs Clients**

Based upon the information contained within Table 15, there are several rent assistance options for the elderly/disabled households and families within Mahaska County. Rent assistance is available to assist a total of 505 households within Mahaska County. The rental assistance comes from one of two primary sources - the Department of Housing & Urban Development (HUD) or the United States Department of Agriculture (USDA). Additionally, there are 146 income-restricted dwelling units with reduced rents. **These 651 dwelling units marketed to the lower-income households of Mahaska County constitute slightly more than 25 percent of the county’s rental housing stock.** The Oskaloosa Municipal Housing Agency (OMHA) administers the Voucher and Tenant Based Rental Assistance (TBRA) programs. They provide rental assistance to low-income households within the City of Oskaloosa renting houses and apartments from landlords who do not have their own subsidy program from HUD or the USDA. In exchange for receiving assistance on behalf of the tenant from the OMHA rental assistance programs, the participating landlords are required to maintain reasonable rents and meet minimum housing quality standards.

Table 15 Assisted Housing Within Mahaska County			
Project Name	Total # of Units	Total # of Units w/ Subsidy	Type of Housing
Santa Clara	40	40	Family
Inglenook	34	30	Elderly
Norwich	48	48	Elderly
Oskaloosa Park	22	22	Elderly
Oskaloosa Retirement	60	30	Elderly
Meadowbrook	16	6	Family
Southern Hills	60	0	Family
Highland Park	48	48	Elderly
OMHA Vouchers	230	230	Undesignated
OMHA TBRA	25	25	Undesignated
New Sharon Prairie Homes	47	17	Elderly
Barnes City Pleasant Homes	11	9	Family
Leighton Leisure Living	10	0	Family
<b>Total:</b>	<b>651</b>	<b>505</b>	
<b>Total Family Units:</b>	<b>137</b>	<b>55</b>	
<b>Total Elderly Units:</b>	<b>259</b>	<b>195</b>	
<b>Total Undesignated:</b>	<b>255</b>	<b>255</b>	

*Source: OMHA & USDA*

While Table 15 designates the assistance as being family or elderly, the assistance is generally available to disabled and single non-elderly households, as well. The assistance programs at each of the facilities are generally the same and allow income eligible households to pay rent in the amount of 30 percent of their adjusted income with HUD or the USDA picking up the balance of the rent to the owner/landlord. Factors coming into play in adjusting income include family size and medical expenses.

It should be noted the Area XV Regional Housing Authority in Agency, Iowa operates a Voucher program similar to the OMHA's within Mahaska County. Area XV's Voucher program is available

to assist participants anywhere within their 10 county area, except within the city limits of Oskaloosa and Ottumwa. Because their assistance within Mahaska County is not tied directly to being utilized within Mahaska County, their numbers have not been included.

In addition to the rental assistance programs available through HUD and USDA, housing help is also available to special needs groups such as the developmentally disabled through Imagine the Possibilities. **Imagine the Possibilities (formerly Mahaska Diamond Shelter) has been assisting with the needs of the developmentally disabled for over 25 years.** They provide housing services based upon the need of their clients and can assist with intensive level support through their facility-based program (ICFMR), as well as through their Home and Community Based Services (HABS) program. Imagine the Possibilities assists approximately 80 people with their programs.

**Crisis Intervention Services of Mahaska County provides temporary shelter to victims of domestic violence, as well as long-term housing assistance through their transitional housing assistance program.** The transitional housing program consists of two new duplexes constructed in 2005. Both housing programs provide counseling and support groups to augment their housing services.

**Mahaska County Habitat for Humanity has been empowering families through their faith-based housing program since 1995.** The group generally helps one or two families each year with the construction of their new home.

Long-term nursing care, an issue in previous housing studies, has seen significant progress since the writing of the 1996 housing needs assessment. Maple Ridge has facilities to support the assisted living needs of Mahaska County area residents. Two new facilities are under construction in Oskaloosa creating 132 nursing home beds (see description located within the “Planned or Existing Housing Developments” section). The Iowa Department of Public Health website indicates a need for 362 “Long Term Beds” (nursing home and assisted living beds) including 241 “Skilled Nursing Home Beds” within Mahaska County by 2011 with 68 assisted living beds and 155 nursing home beds currently being available.

### Planned or Existing Housing Developments

Table 16 <b>Developable Lots Within Existing Subdivisions</b> (October 2007)	
<b>Subdivision Name</b>	<b># of Lots Available</b>
Fox Run (Oskaloosa)	17
Arbor Trace (Oskaloosa)	13
Park View (Oskaloosa)	10
*Maple Woods (Oskaloosa)	6
Marje (Oskaloosa)	3
Overview 2 (Oskaloosa)	3
Clay Court (Oskaloosa)	2
<b>Subtotal City:</b>	<b>54</b>
West Lake (County)	5
Otter Hills (County)	8
Deerfield (County)	5
Timber Creek (County)	4
Evans (County)	4
Burdock (County)	4
Northland Lanes (County)	3
<b>Subtotal County:</b>	<b>33</b>
<b>Total:</b>	<b>87</b>

\* Lots are not actively for sale

*Source: Building Inspector & Hawkeye Real Estate*

Currently there are 54 lots within Oskaloosa’s new housing subdivisions available for development and 33 lots in subdivisions located within the rest of the county (Table 16). As new homes are constructed in these subdivisions, as well as on other in-fill type lots, it is realistic to expect additional existing homes will become available for resale within the Mahaska County real estate markets.

In addition to the potential for new construction, there are several other projects underway or planned having an impact on the housing needs within Mahaska County. Included within these are the **Care Initiatives and Oskaloosa Care Center projects creating a total of 132 nursing home beds**. As of October of 2007, it was unclear what will be done with the nursing home in New Sharon once the facility becomes vacated.

**Community Housing Initiatives, Inc. (CHI) has plans for creating 29 units of elderly housing within Oskaloosa through the conversion of Lincoln (15 units) and Grant (14 units) Schools.** The Grant

School project is one component of a larger planned

project including a new senior citizen’s center located within the east portion of the building and a neighborhood park located on the north side of the school.

### Progress Toward Meeting Housing Needs

In January of 2001, the Oskaloosa Housing Trust Fund (OHTF) began its operations. The OHTF was originally capitalized through contributions from several area businesses, individuals, and organizations. These funds were utilized as leverage to secure several grants and loans over the years to address housing needs within Oskaloosa. Through June of 2006 the OHTF was able to impact 517 households (nearly 10.5 percent of the housing stock of Oskaloosa) with the investment of slightly more than \$2.3 million in nine core programs. These investments generated a total investment of more than \$19.3 million. The OHTF had assets of nearly \$2/3 million. Breaking down the investment activity into categories reveals:

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1. 58 renter households were affected with total expenditures of \$194,787.
  2. 51 new homes were constructed on properties with assistance of the OHTF in the amount of \$969,212. These figures reflect the demolition of 42 dilapidated housing structures.
  3. 220 households were assisted in becoming home owners within Oskaloosa with the expenditure of \$425,664. These 220 households purchased over \$14.5 million in housing within the city.
  4. 177 households were provided \$725,825 in funds to improve their owner-occupied homes.
- For a more detailed report on activities of the OHTF an annual report is available on-line at <http://www.oskaloosaiowa.org/housing/housing.php>.

Activity	Actual # of Units	OHTF \$ Invested	Total \$ Invested	Outstanding Loan Value
Rental Rehabilitation	13	\$40,140	\$80,280	\$29,235
Tenant Based Rental Assistance	45	\$154,647	\$154,647	NA
Affordable Housing Construction Loans	11	\$220,000	\$1,200,000	\$0
Demolition *	33	\$120,452	\$1,721,550	\$36,692
Acquisition/Redevelopment **	15	\$556,760	\$556,760	\$190,000
1st-time Home Buyer ***	220	\$425,664	\$14,509,574	\$349,750
FHLB Home Owner Rehabilitation ****	150	\$668,797	\$682,862	NA
IFA Home Owner Rehabilitation	27	\$57,028	\$57,028	\$57,028
New construction Forgivable Loan	3	\$72,000	\$368,999	NA
<b>Total:</b>	<b>517</b>	<b>\$2,315,488</b>	<b>\$19,331,700</b>	<b>\$662,705</b>

**Notes:**

\* Total \$ Invested reflects the total assessed value after redevelopment on properties approved since January 1, 2001. Outstanding Loan Value includes only those properties not redevelopment as of June 30, 2006.

\*\* Outstanding Loan Value reflects the anticipated selling price of 1003 Green Street plus the revenue from the sale of Lincoln and Grant Schools.

\*\*\* The 1st-time Home Buyer Program made its first loan in June of 1998. The figures reflect activity from January 1, 2001 – June 30, 2006 only.

\*\*\*\* No Outstanding loan value is shown for FHLB Home Owner Rehabilitation, as the FHLB funds have been utilized for this activity. The loans are a 5-year forgivable loan. All repaid funds are required to be returned to the FHLB.

*Source: Sept. '06 Urban Renewal Department Annual Report to the City Council*

### Determining Housing Needs

Evaluation of the need for housing was determined utilizing a formula developed by the Iowa Department of Economic Development in 1994 to help communities plan for future housing needs. The formula involves a series of calculations starting with calculating the growth rate between 1990 and 2005 for each incorporated community, as well as the unincorporated area of Mahaska County. This percentage was then utilized to determine expected populations prior to considering any growth as a result of planned expansion projects.

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As indicated in the Employment section of this report, employers with announced expansions within the Oskaloosa area were surveyed to determine the number of potential employees expected to be hired by the end of December 2010. The survey revealed four businesses expecting to hire an additional 330 employees by the end of the year 2010. A survey of other businesses without announced expansions indicated stable employment levels could be anticipated. Utilizing a 60 percent capture rate for Oskaloosa and a 20 percent capture rate for the rest of the county, population projections were established for each entity for the year 2010.

Knowing household size has been shrinking over time due to the aging of Iowa's population, as well as households having fewer children, a calculation was made of each entity's household size at the time of the 2000 Census and then .06 (difference in Iowa's household size between 1990 – 2000) was subtracted to provide the estimated Household size in 2010. A calculation has then been made to determine the projected number of housing units each community would need.

Community	2010 Projected Population	Estimated 2010 Household Size	Proj. Housing Units Needed	.05 Vacancy Rate	Total Units Needed by 2010	# of Housing Units in 2000	Units Beyond Repair	Subtotal - Current Units	Ant. Units to be Const. '00 - '10	Units Available by 2010	Added Units Needed by 2010
Barnes City	210	2.12	99	1.05	104	97	12	85	2	87	17
Beacon	549	2.43	226	1.05	237	229	36	193	2	195	42
Eddyville	223	2.5	89	1.05	94	89	0	89	4	93	1
Fremont	698	2.42	288	1.05	303	304	35	269	4	273	30
Keomah Village	94	2.25	42	1.05	44	51	2	49	0	49	-5
Leighton	190	2.67	71	1.05	75	63	0	63	0	63	12
New Sharon	1,356	2.52	538	1.05	565	568	17	551	8	559	6
Oskaloosa	11,799	2.32	5086	1.05	5340	4938	304	4634	396	5030	310
Rose Hill	216	2.44	89	1.05	93	92	23	69	1	70	23
University Park	591	2.69	220	1.05	231	206	39	167	1	168	63
Unincorporated	7,412	2.41	3076	1.05	3229	2914	0	2914	94	3008	221

*Notes: \*Units beyond repair were taken from the 1996 Housing Needs Assessment windshield survey. It is assumed little net gain has been made on addressing dilapidated housing except in Oskaloosa, where demolition permits can be tracked and programs exist to encourage the removal of dilapidated housing. The 1996 windshield survey for Eddyville did not designate the number of housing units within the Mahaska County section of the city. There was no windshield survey completed in 1996 of the housing units within the unincorporated area of Mahaska County. Estimated Household size was determined by subtracting .06 (difference in household size between 1990 - 2000) from the 2000 Census average household size to reflect expected smaller families by 2010.*

*Source: Table based upon a formula developed by the Iowa Department of Economic Development in 1994*

Healthy real estate markets generally have at least a 5 percent vacancy rate to allow potential buyers/renters choices where they live without compromising the price of the home.

When the last Mahaska County Housing Needs Assessment was completed in 1996, a windshield survey was conducted of housing units within the incorporated areas of the county (except Eddyville and the unincorporated area of the county). These surveys identified the number of dilapidated housing structures.

Building and demolition permit information was only available for Oskaloosa. Therefore, it was assumed the other communities probably did not make significant headway on removal of dilapidated housing. Some units may have been removed, but due to the age and value of housing within Mahaska County, it is assumed additional units may have fallen into the dilapidated category over the past 11 years. These dilapidated units were then subtracted from the number of housing units identified through the 2000 Census. An estimate was made of the anticipated number of dwelling units based upon the construction history since 2000. A determination of the number of new units necessary to be constructed above and beyond what the marketplace is addressing could then be calculated.

**Based upon the calculations, it appears housing construction within Oskaloosa will need to nearly triple over levels experienced during the past 20 years to meet the expected demand.**

It should be noted, the negative figures for Keomah Village reflects its current negative population trends. These “extra” units will likely help fill the gaps created by the rest of the incorporated communities not meeting their anticipated needs for new housing.

### **Concluding Discussion Questions for Implementation**

Armed with knowledge of what the existing condition of housing is within Mahaska County, the community now needs to decide how it wants to utilize this information. To help citizens in putting together an action plan to address housing needs, several questions have been developed to help form the basis for this conversation.

### **Information Gaps**

1. Is there additional information you feel is needed before you can assess the situation and make recommendations on how to proceed?
  - a. Is there a need to conduct another county-wide windshield survey of all housing units? If so, how should it be accomplished?
  - b. Should a county-wide housing survey be developed?

### **Prospective Housing Needs**

2. What constitutes decent housing?
3. Potential types and prices of housing for prospective employees:
  - a. Preference? (It should be noted Musco is working on a survey of team members, which upon completion, should provide partial insight into this question)
  - b. Affordability based on the wages being proposed?
4. What kinds of housing investment would be feasible?
5. How much should households be expected to pay for decent housing?

### **Existing Capacity**

6. What can the market feasibly provide?
7. What can private markets NOT do without assistance?
8. To what extent do programs of the Oskaloosa Housing Trust Fund meet the needs?
  - a. Are the programs delivered in the right forms?
  - b. Are the programs delivered with appropriate amounts of subsidy?

### **Potential for Partnerships**

9. Can new partnerships, approaches, or other strategies be pursued?
10. How can more effective partnerships among the community, developers, employers, and public agencies be formed to maximize housing's impact on economic development?
11. How else can we expand our capacity to ensure appropriate housing for our current and potential residents?

### **Community Involvement**

12. How could the Mahaska community be involved in providing input into the assessment?

## **Funding for the OHTF activities has come from:**

Ajinomoto USA, Inc	Auld Investments
Bank Iowa	Heather Brown
Bates Funeral Home	Cargill Inc.
Carter's Int. Material Handling	Church & Dwight
City of Oskaloosa	Clow Valve Company
D&S Siding	David & Patricia Dixon
Earl May Nursery & Garden Center	Edgetowne Furniture
FannieMae Iowa Partnership Office	Federal Home Loan Bank
First National Bank Midwest	Garden & Associates, Ltd.
George Daily Family Trust	Glaco Mid-West, Inc.
Phil Griffin Insurance	Hawkeye Lumber Company
Hawkeye Real Estate	Horizon Bank
Hunt, Kain & Assoc.	Ind. Insurance Agents of Mahaska Co.
Iowa Dept. of Economic Development	Iowa Finance Authority
Dr. Tony & Joan Kunz	Mahaska Title - Johnson Abstract
Malcom Lumber & Hardware	MidWestOne Bank & Trust
MUSCO Charitable Foundation	Dr. & Arlene Nuckles
Oskaloosa Board of Realtors	Oskaloosa Chiropractic Clinic
Oskaloosa Food Products	Oskaloosa Vision Center
Palmer & Palmer Law Office	Interpower Corporation
Pella Rolscreen Foundation	Dr. Paul and Cynthia Riggs
Pat Russell	Smith-Wake Ag Group
Stevens Concrete	True Value Hardware
USDA Rural Development	Vermeer Charitable Foundation
Aaron Ver Steeg	Wells Construction Co.
Drs. Matt & Anne Whitis	