

FINAL DELIVERABLE

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Housing Policy Study

Completed By Elise Cagnard, Grace McClimon, Torie
Thayer, Austin Wang, Rylee Wilson

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Instructor Carrie Schuettpelz

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Iowa Initiative for Sustainable Communities
The University of Iowa
347 Jessup Hall
Iowa City, IA, 52241
Email: iisc@uiowa.edu
Website: <http://iisc.uiowa.edu/>

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Date: December 10, 2021

To: Joshua Boldt, incoming Maquoketa City Manager

From: Elise Cagnard, Grace McClimon, Torie Thayer, Austin Wang, and Rylee Wilson

Re: Maquoketa/Jackson County Workforce Housing Policy Study

SUMMARY

Jackson County, including Maquoketa, will need 350 homes built by 2025 to meet the needs of a rising and aging population. Between 2006 and 2018, only 37 new homes were constructed in Maquoketa. In order to increase housing options for residents it is in Maquoketa's best interest to create more workforce housing options.

BACKGROUND

In the coming years, Maquoketa will need to adapt to an aging housing stock and an aging population. The median year of construction for a house in Maquoketa is 1976, and one-fourth of the homes in the town were built before 1940. Nineteen percent of the residents in Maquoketa are over 65 years of age, and this percentage is expected to rise. The area median income in Maquoketa is \$44,610, meaning that in order for the homes being built to be affordable, specifically defined as less than 30% of total household income, they must be valued in the range of \$90,000-\$150,000. Most of the new housing being built in Maquoketa costs more than \$200,000 due to high construction costs.

The city of Maquoketa has already taken steps to build more diverse, low-to-middle-income housing options. The Bear River Cottages Pocket Neighborhood is a group of 10 homes sold for \$160,000 or less for households making 80 to 100% of the area median income. It offers amenities such as a community garden and playground, and the density of the neighborhood intends to foster a community that is close to schools, other neighborhoods, etc. Although the pocket neighborhood is a newly finished project, the completion of the project was seen as a success in providing more workforce housing to Maquoketa using grants and a land donation from the county. By relaxing zoning regulations, empty plots of land and lots can be turned into communities for workforce housing.

Four apartments were developed as a part of the Upper Story Housing Rehab project, which turned vacant upper stories in downtown Maquoketa into housing units. The total estimated cost was \$990,000, which was considerably cheaper than the \$2.4 million Pocket Neighborhoods Project. A considerable amount of funding for this project was granted through the Community Development Block Grant (\$500,000) through the State of Iowa. These smaller, cheaper, and closer units would be useful for a younger workforce moving into Maquoketa. Additionally, private developers are undertaking projects, including a project on the corner of Western and Summit that could potentially add up to 56 new low to moderate income housing units from 28 parcels of land.

BEST PRACTICES

- **Newtown Hotel Maytag** - In Newton, Iowa, a town of 15,000 in central Iowa, an abandoned hotel was converted into an apartment complex. Of the complex's 45 units, 36 units are available for renters making 60 percent or less of the median income. The building's developer, the Hatch Development Group, used affordable housing and historic preservation tax credits to help pay for the \$16 million dollar renovation. The city also contributed \$2.9 million dollars for constructing the project. The building is a mixed-use development, which houses a movie theater, bar, and two salons. These buildings can be used for senior housing options for a growing older population.
- **Harpswell Aging at Home** - Maine is the nation's most rural state and has the largest proportion of adults over 65 years old (17.1% of total population). Harpswell, Maine, a town of less than 5,000, founded Harpswell Aging at Home, which works with Habitat for Humanity and other local organizations to recruit volunteers to repair the town's aging housing stock, with projects such as installing storm windows and insulation. They also install equipment like handrails and wheelchair ramps that make it more feasible for senior citizens to age in place. This organization has the added benefit of giving opportunities for community members of different generations to connect.
- **Alexandria, Minnesota** - After conducting a survey, this town found that over 90% of its senior citizens preferred to stay in their home as they age rather than moving to an assisted living community. This town of 13,000 received a grant from Habitat for Humanity that allowed them to send a nurse to the homes of its seniors to assess what renovations need to be made for them to live more comfortably and safely. They then pair the residents with a contractor who makes these changes. The pilot program started with 5 homes in 2017 and has expanded to 20 homes this year.

POLICY RECOMMENDATIONS

- **Collect data about the housing needs of the workforce** — To keep a current and representative view of the housing situation, we recommend that there are annual surveys sent to residents and workers in Maquoketa county. Those surveys should have questions such as:
 - How content are you with your current housing situation?
 - Did your commute factor into choosing your housing location?
 - Is your housing sustainable for you in the coming years (i.e. too many stairs)?
 - Are there tasks you are unable to complete in your housing situation (i.e. snow removal, yard maintenance)?

The goal is for these to be filled out by every household in Maquoketa but the most significant answers are the elderly and the teaching population. This information is essential in understanding new housing trends and seeing if they are changed to address.

- **Rehab older dilapidated homes** — Some older homes in Maquoketa are in disrepair and need sufficient work to keep them livable for future generations. Improving and maintaining homes is less expensive than building new ones so we recommend efforts be made to do the rehabilitation of these homes. This can either be by helping citizens obtain loans and necessary funding to do the funding themselves, or by the city doing the work directly. By providing resources to your citizens these homes will not sit vacant or continue into disrepair. Many of these older homes are owned by senior citizens so as they move out and find other housing, the newly available homes can be improved to provide places to live for future generations. The USDA Rural Development offers the Section 504 Home Repair Program, which offers up to \$20,000 in low-interest loans (1%) for families making less than 50% of the area median income. Seniors ages 62 and older can qualify for grants of up to \$7,500 for home repairs to update their homes through this program as well.
- **Rehab/demolish hospital to use vital space** — In February 2021, the Jackson County Regional Health Center moved to another location in Maquoketa, leaving behind 127,000 square feet building on 12 acres of land. We believe this land will be critical to fulfilling the future housing needs of Maquoketa. Concerns have been raised about asbestos in the building, and it was built with accommodations, such as thick walls, that will make it expensive to renovate. We recommend that the city utilizes the money set aside for demolition costs to tear down this hospital and use this land to create independent and assisted living options for older residents of Maquoketa. Having a space for the residents that cannot function in their current home will be beneficial to them and free up housing for others. The Iowa Workforce Housing Tax Credit provides tax benefits of up to \$1 million per project to developers that provide affordable housing in Iowa, with a focus on projects dealing with dilapidated and vacant properties in the 88 most rural counties of the state. Local government entities can also qualify for the USDA Rural Development's Multifamily Housing Loan Guarantees. These loans allocate funding to create and provide the necessary infrastructure for complexes of at least 5 units to rural towns of less than 35,000.

NEXT STEPS

- Create a catalog of recent and future housing projects, including any city-owned properties.
- Have a conference of city leaders to discuss possibilities of survey and other projects.
- Find funding options potentially through Housing and Urban Development and Habitat for Humanity.

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