

## CHAPTER 2: HOUSING



### 2.1 Introduction

Housing Characteristics are related to the social and economic conditions of a community's residents and are an important element of a comprehensive plan. Information in this element will provide data about the current housing stock, as well as identify significant changes in the number of housing units and other housing characteristics. The ability of a community to provide an adequate housing supply for all persons and income levels is key to its economic prosperity and the well-being of its inhabitants.

### 2.2 Existing Housing Characteristics

#### Occupancy Characteristics

In addition to reviewing population statistics, a Comprehensive Plan should review pertinent housing data as well. As is the case in most Iowa communities, the predominant type of housing unit in Decorah is the single-family home. Table 6 on the following page provides general housing information from the 1990, 2000, and 2010 Censuses. It is important to note that while the number of housing units, occupied and vacant, rose between 1980 and 2000, the number of persons per housing unit declined in all these years.

**Table 6: General Housing Information for the City of Decorah**

	1990	2000	2010
<b>Total Persons</b>	8,063	8,172	8,127
<b>Total Housing Units</b>	2,836	2,968	3,121
<b>Occupied</b>	2,702	2,819	2,855
<b>Vacant</b>	134	149	266
<b>Persons Per Housing</b>	2.8	2.8	2.6
<b>Number of Households</b>	2,702	2,819	2,855
<b>Number of Families</b>	1,646	1,563	1,527

Source: U.S. Census Bureau

Table 7 provides a comparison of the total number of housing units between the same selected communities that were shown in Table 2. In reviewing this information, it is important to note that Decorah experienced the largest increase in the number of housing units between 2000 and 2010 which was 153 units. In addition, all but one community reported increases in the number of housing units in that same time period.

**Table 7: Number of Housing Units in Selected Communities**

Community	1990	2000	2010
Calmar	438	482	492
Castalia	83	81	84
<b>Decorah</b>	<b>2,836</b>	<b>2,968</b>	<b>3,121</b>
Fort Atkinson	166	169	170
Jackson Junction	32	24	23
Ossian	333	350	360
Ridgeway	127	137	147
Spillville	179	184	182
Winneshiek County	7,726	8,208	8,721
State of Iowa	1,143,669	1,232,511	1,336,417

Sources: U.S. Census Bureau; American Community Survey (sample data)

As for the number of rental units, Table 8 shows this information for selected jurisdictions. Between 1990 and 2000, Decorah reported a slight increase of 3 rental units. However, between 2000 and 2010, the city reported an increase of 37 rental units. As is shown, not all of the other jurisdictions reported the same trends during this same time period.

**Table 8: Number of Rental Occupied Units for Selected Communities**

<b>Community</b>	<b>1990</b>	<b>2000</b>	<b>*2010</b>
Calmar	106	138	113
Castalia	16	20	7
<b>Decorah</b>	<b>1,025</b>	<b>1,028</b>	<b>1,065</b>
Fort Atkinson	30	33	22
Jackson Junction	13	5	9
Ossian	72	66	61
Ridgeway	40	34	84
Spillville	35	31	26
Winneshiek County	2,103	2,047	1,860
State of Iowa	318,948	317,857	304,318

Sources: U.S. Census Bureau; \* American Community Survey (sample data)

Median rental rates for selected communities are shown in Table 9. Specifically, the table shows that each of the selected jurisdictions, including Decorah, reported significant increases in their median rents between 1990, 2000, and 2010. The fact that the rentals rates have increased so dramatically, coupled with the fact that the number of rental units have also increased in Decorah, may indicate a demand for rental units in the city.

**Table 9: Median Rent for Selected Communities**

<b>Community</b>	<b>1990</b>	<b>2000</b>	<b>*2010</b>
Calmar	\$256	\$341	\$492
Castalia	\$225	\$325	\$131
<b>Decorah</b>	<b>\$292</b>	<b>\$410</b>	<b>\$512</b>
Fort Atkinson	\$288	\$370	\$667
Jackson Junction	\$213	\$325	\$663
Ossian	\$277	\$339	\$297
Ridgeway	\$229	\$270	\$414
Spillville	\$210	\$238	\$318
Winneshiek County	\$276	\$389	\$499
State of Iowa	<b>\$259</b>	<b>\$470</b>	\$607

Sources: U.S. Census Bureau; \* American Community Survey (sample data)

**Housing Permits Issued**

Table 10 provides a breakdown of building permits issued by the city over the last decade. Building permits are issued for the buildings themselves, and total units indicate the number of living quarters within those buildings.

**Table 10: Building Permits**

Type of Housing	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Single Family	21	15	12	10	21	19	13	11	5	5	2
Two Family	1	0	1	4	2	1	2	0	0	0	0
Three or Four Family	0	2	1	0	1	0	0	0	0	0	0
Five or more Family	1	0	1	0	0	0	0	0	0	0	1
<b>Total units</b>	<b>29</b>	<b>23</b>	<b>35</b>	<b>18</b>	<b>29</b>	<b>21</b>	<b>17</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>10</b>

**Residential Construction**

The chart below shows the number of residences built in Decorah each year from 2000-2010. A housing boom is evident in the middle of the decade, with construction tapering off in more recent years.

**Chart 2: Residential Construction in Decorah**



Source: Winneshiek County Assessor

### Home Value Characteristics

A breakdown of the 2000 and 2010 housing unit values for the city are shown in Table 11. In analyzing this information, the number of housing units in Decorah decreased 59 units between 2000 and 2010. Specifically, the number of units valued at under \$50,000 - \$99,999 has declined dramatically between 2000 and 2010. Conversely, the number of units valued between \$100,000 - \$299,999 increased significantly between the two dates shown.

**Table 11: Value of Owner-Occupied Single Family Dwelling Units in Decorah**

Unit Value Ranges	2000		*2010	
	Number	Percent	Number	Percent
Less than	99	6.1	31	2.0
50,000-99,999	778	48.3	328	21.1
100,000-149,999	443	27.5	566	36.5
150,000-199,999	198	12.3	322	20.7
200,000-299,999	82	5.1	233	15
300,000-499,999	2	0.1	64	4.1
500,000 or more	9	0.6	8	.5
<b>Total</b>	<b>1,611</b>	<b>100.0</b>	<b>1,552</b>	<b>100.0</b>

Sources: U.S. Census Bureau; \* American Community Survey (sample data)

In addition the value of the units provides understanding of a community's housing stock and affordability. As in previous tables, Table 12 selects certain jurisdictions and compares their housing values. Decorah had the highest median housing value of the communities shown in 1990, and 2010. It is also important to underscore the fact that all but one of the communities' values increased between 1990, 2000 and 2010.

**Table 12: Median Value of Specified Owner Occupied Units in Selected Communities**

Community	1990	2000	*2010
Calmar	39,800	67,800	101,100
Castalia	25,800	39,600	78,600
<b>Decorah</b>	<b>58,000</b>	<b>96,000</b>	<b>138,700</b>
Fort Atkinson	38,100	70,300	72,900
Jackson Junction	23,800	101,800	67,900
Ossian	38,500	68,300	102,400
Ridgeway	31,800	55,800	89,100
Spillville	29,600	61,100	94,100
Winneshiek County	50,900	86,000	143,500
State of Iowa	45,500	82,500	115,800

Sources: U.S. Census Bureau; \* American Community Survey (sample data)

### Housing Age Characteristics

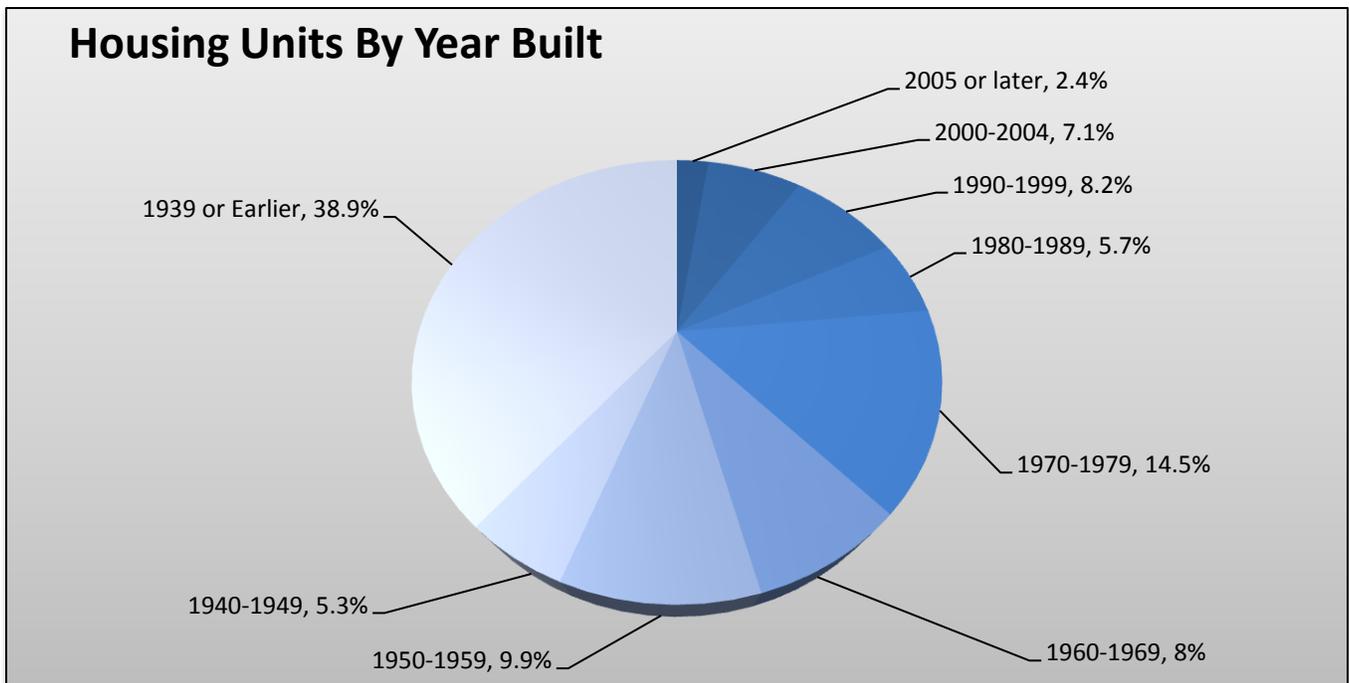
One factor that may provide insight into a community’s housing stock is the actual age of the existing units. Table 13 and Chart C show the age, in Census-defined age categories, of existing housing units for Decorah, Winneshiek County, and the State of Iowa. Decorah has a slightly smaller percentage of houses built before 1940 than does Winneshiek County. Conversely, the city has a higher percentage of units that were constructed between 1940 and 1989.

**Table 13: Age of Housing Units in 2010**

Year Unit was Built	*Decorah		Winneshiek County Percent	State of Iowa Percent
	Number	Percent		
2005 – later	70	2.4	2.5	2.4
2000-2004	207	7.1	7.3	6.6
1990-1999	239	8.2	10.9	11
1980-1989	165	5.7	6.9	7.6
1970-1979	420	14.5	13.4	15.5
1960-1969	232	8.0	5.7	10.6
1950-1959	289	9.9	7.1	11.2
1940-1949	153	5.3	4.0	6.4
1939 - earlier	1,131	38.9	42.3	28.9
<b>Total</b>	<b>2,906</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sources: U.S. Census Bureau; \* American Community Survey (sample data)

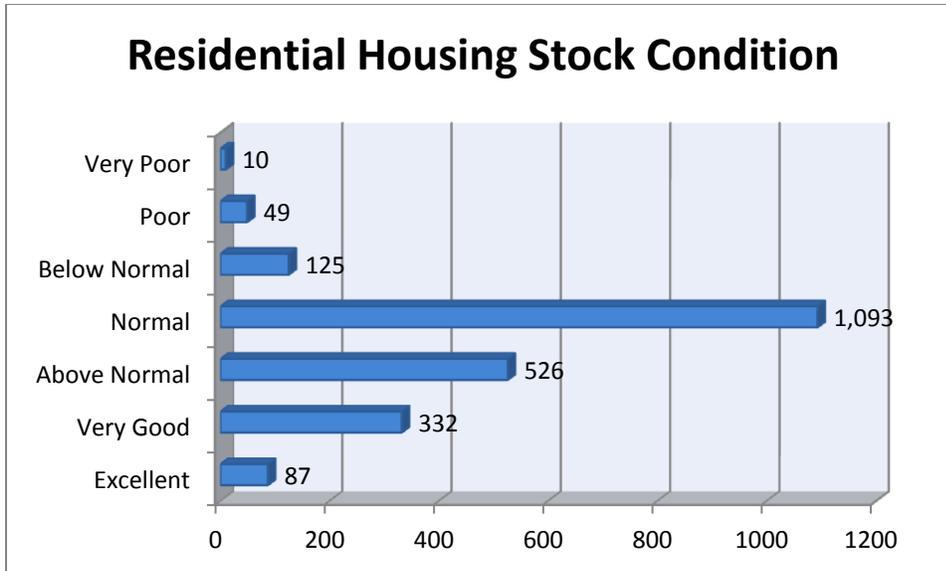
**Chart 3: Housing Units by Year Built**



### Structural Characteristics

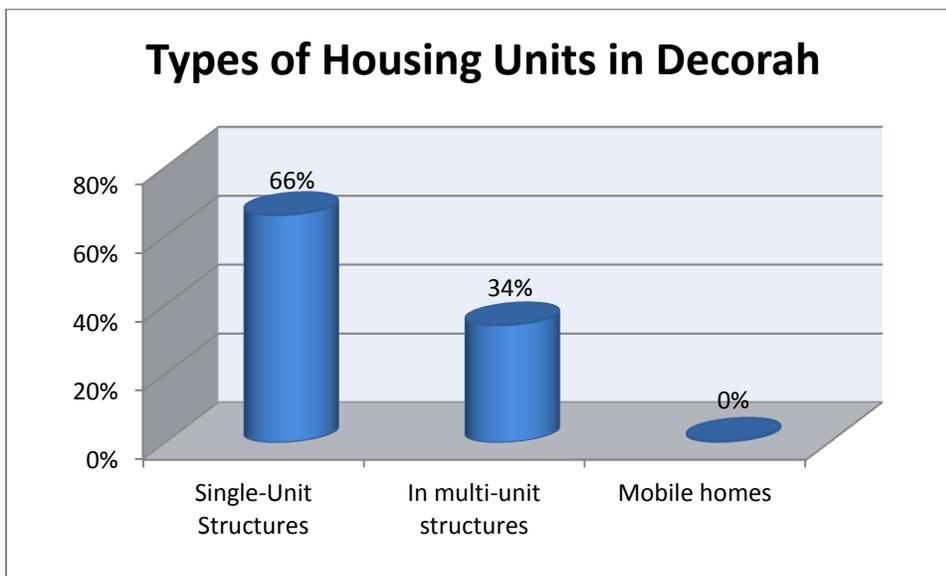
Decorah has 2,222 assessed residential properties (12 of those have no structure on the property). Chart D shows the condition of residential housing in Decorah as determined by the Winneshiek County Assessor. While most residences are in normal condition or better, 184 properties do not meet the minimum standards for normal condition of a residential structure.

**Chart 4: Residential Housing Stock Condition**



Source: Winneshiek County Assessor

**Chart 5: Types of Housing Units in Decorah**



Source: Community Survey (sample data) and U.S. Census Bureau

Using the community survey data, Decorah has roughly 2,900 housing units, 10 percent of which were vacant. Of the total housing units, 66 percent are single-unit structures, 34 percent are multi-unit structures, and less than 0.5 percent are mobile homes, as shown in Chart E.

### 2.3 Projected Housing Characteristics

Tables 14 &15 show the number of housing units that would be necessary to accommodate the population projections as calculated in Tables 4 & 5. The figures in Tables 14 &15 were determined by dividing the population projections in Table 4 by the persons per housing unit ratio of 2.6, which is documented in Table 6. In order to estimate the demand for future housing units in the community, it should be noted that there were 3,121 housing units reported by the Census Bureau in 2010. In addition to assuming that the persons per housing unit ratio (2.6) is suitable for making projections, this study also assumes that the figures in Tables 14 &15 are not affected by vacancy rates and that all of the units existing in 2010 are safe, habitable structures.

**Table 14: Housing Unit Projections for the City of Decorah**

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Population Projection</b>	8,647	9,200	9,789	10,415	11,082	11,791	12,546	13,349	14,203	15,112
<b>Housing Projection</b>	3,326	3,538	3,765	4,005	4,262	4,535	4,825	5,134	5,463	5,812

Based on a Estimation of 15,000 people by 2020

**Table 15: Population and Housing Projections to 2030**

Year	Population Projection	Housing Projection
2011	8,159	3,138
2012	8,192	3,150
2013	8,224	3,163
2014	8,257	3,176
2015	8,290	3,188
2016	8,324	3,202
2017	8,357	3,214
2018	8,390	3,227
2019	8,424	3,240
2020	8,457	3,253
2021	8,491	3,266
2022	8,525	3,279
2023	8,559	3,292
2024	8,594	3,305
2025	8,628	3,318
2026	8,663	3,332
2027	8,697	3,345
2028	8,732	3,358
2029	8,767	3,372
2030	8,802	3,385

Based on the Growth Rate of the Previous 30 Years

## 2.4 Housing Programs

The City of Decorah utilizes several federal and state housing programs to serve its residents.

**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.

**Homeless Assistance** is provided through the Emergency Shelter Operating Grant and the Community Services Block Grant. This program provides cash assistance for rent, deposits and utilities. This program is administered through local Family Service offices.

### **Future Development**

Northeast Iowa Community Action Corporation (NEICAC) Housing is currently developing housing resources in all seven counties they serve. Their newest endeavor involved creating housing advisory committees in each county. These committee findings will be used to determine what is missing as part of each county's affordable housing scenario. NEICAC's Board of Directors will then evaluate these findings to guide the Housing program towards its next project.

### **NEICAC Rent to Own**

These are three bedroom homes that are rented for one-three years by a first-time homebuyer family who meets the program's income guidelines. These homes are being built for families who are at an income level that does not exceed 60% of the local average monthly income (AMI). Then, after taking the required Homebuyer Education Classes, the renter can buy the home for about half the cost of construction. The construction cost for one of these homes is about \$140,000.

### **Homeless Prevention and Rapid Re-Housing Program (HPRP)**

Homeless Prevention and Rapid Re-Housing Program (HPRP) provides assistance to those individuals that 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 a Family Service office.

### **Low Income Home Energy Assistance Program (LIHEAP)**

LIHEAP is designed to aid qualifying low-income Iowa households (homeowners and renters) in the payment of a portion of their residential heating costs for the winter heating season, to encourage regular utility payments, to promote energy awareness and to encourage reduction of energy usage through energy efficiency, client education, and weatherization. All clients applying for this program will simultaneously be making an application for weatherization assistance as required by state law.

### **Northeast Iowa Regional Housing Trust Fund**

The Trust fund allows the region to secure necessary resources and funding to address low income housing needs that are currently unassisted. Specifically, the Northeast Iowa Regional Housing Trust Fund is being formed to assist residents in the four-county region with incomes less than 80% of Iowa Statewide Median Family Income (MFI)

### **Weatherization Assistance Program**

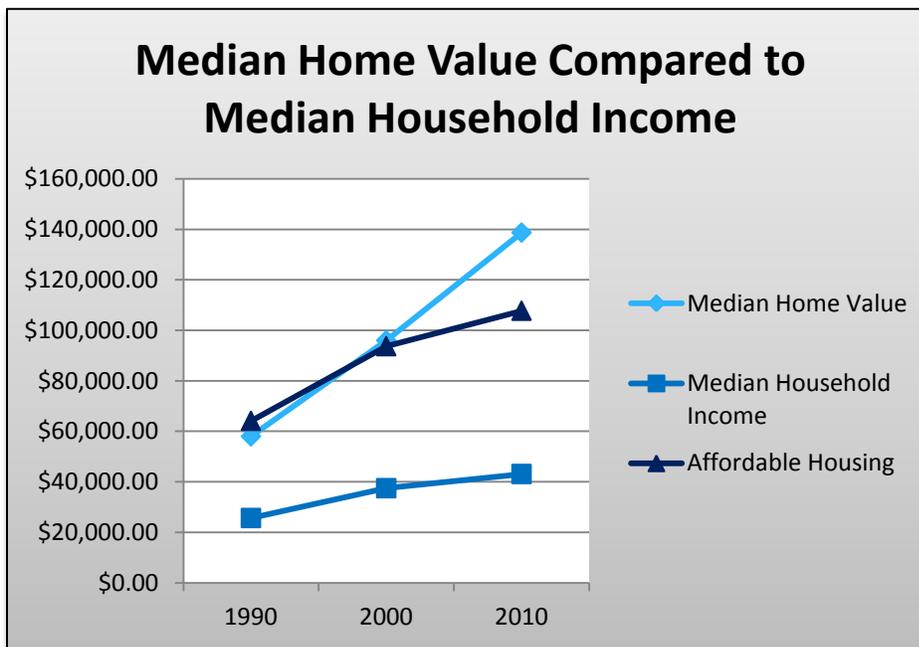
The Weatherization Assistance Program (WAP) provides many northeast Iowans with the means to remain in their homes in safety, comfort, and affordability. Services include a cost effectiveness energy audit, air leakage checks, insulation, and all combustion appliances inspection for repair and/or replacement. NEICAC's own crews provide all but appliance and furnace repair services.

## 2.5 Affordable and Accessible Housing

### Public affordable housing

Northeast Iowa Community Action Corporation which is housed in Decorah maintains two apartment complexes and one duplex specifically dedicated as affordable housing. The first apartment complex is Washington Court, a 16-unit senior apartment facility, built in 1998. This complex is a Low Income Tax Credit Housing development that caters to senior residents 55 years or older who meet certain income guidelines. The second apartment complex is Woolen Mill Apartments, a 15-unit multi-family project. This property is a renovated historical building in downtown Decorah and was opened in 2002. Current and potential tenants must meet certain income guidelines to be eligible. Ridgewood Duplex was built in 2006 and is a four unit duplex that is completely handicapped accessible and has on-site 24 hour/7 day a week support service.

**Chart 6: Median Home Value Compared to Median Household Income**



The chart to the left identifies median home value and median household income. The definition of affordable housing is no more than 2.5 to 3 times your annual median household income (See Table 16); Decorah is at 3.2 times the median household income. This places Decorah in the moderately unaffordable range.

Source: Community Survey (sample data) and U.S. Census Bureau

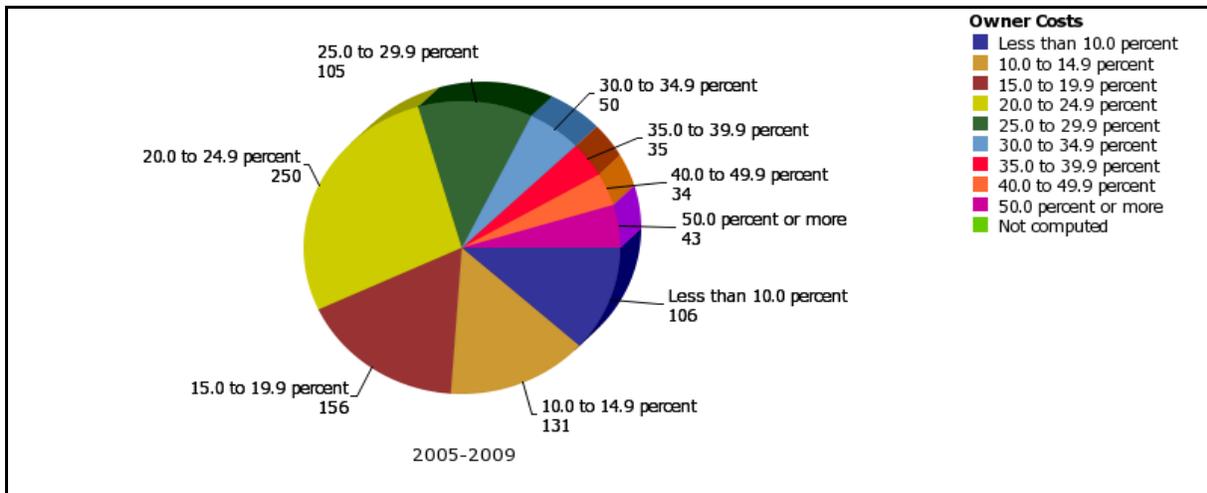
	1990	2000	2010
<b>Median Home Value</b>	\$58,000.00	\$96,000.00	\$138,700.00
<b>Median Household Income</b>	\$25,660.00	\$37,485.00	\$43,099.00
<b>Affordable Housing</b>	\$64,150.00	\$93,712.00	\$129,297.00

**Table 16: Housing Affordability Ratings Housing Affordability Ratings**

<b>Severely Unaffordable</b>	5.1 or more
<b>Seriously Unaffordable</b>	4.1 - 5.0
<b>Moderately Unaffordable</b>	3.1 - 4.0
<b>Affordable</b>	3.0 or less

Source: Demographia

**Chart 7: Monthly Owner Cost as a Percentage of Household Income**



Source: Data and Pie chart from Iowa Data Center

Affordable housing can also be defined by the generally accepted definition of affordability being a household paying no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. Using the data above; of the 910 sample size, roughly 748 or 82% of Decorah residents have affordable housing.

<http://www.hud.gov/offices/cpd/affordablehousing/>

**Residential Sales Trends**

The data on the following page shows residential sales trends over the past 10 years. The City of Decorah, along with the United States in general, experienced a rapid increase in both the sales price and volume of sales beginning in 2000 and peaking in 2006. This was followed by a rapid decrease in the number of sales, reaching a low for Decorah in 2009. It is interesting to note that the average sales price decreased slightly between 2006 and 2007 and more significantly between 2008 and 2009. The average sales price in 2010 was almost 1.4 times higher than the year 2000, and it appears a recovery from the housing crisis began in 2009.

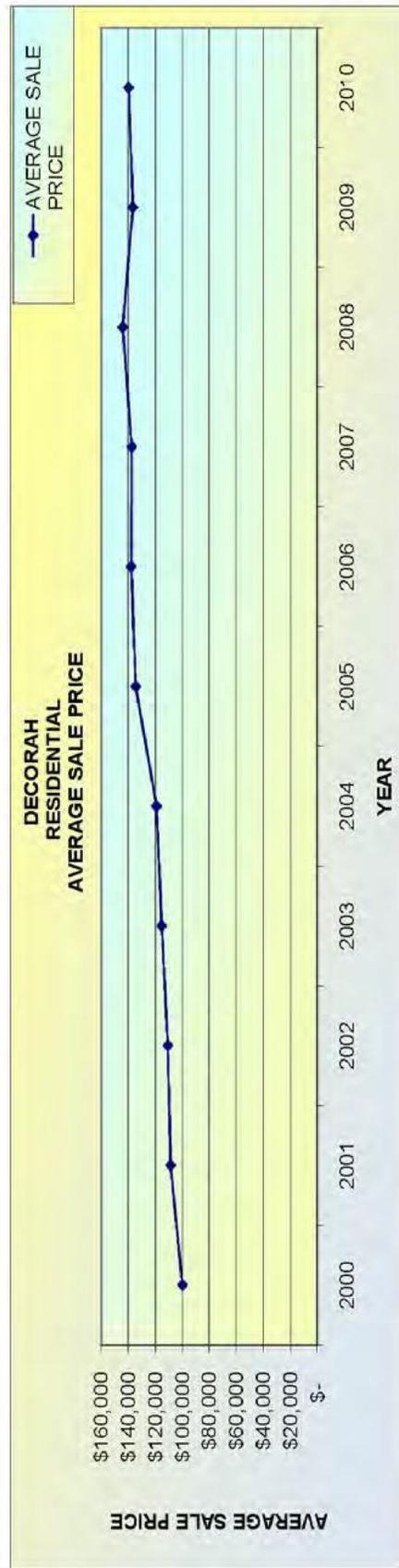
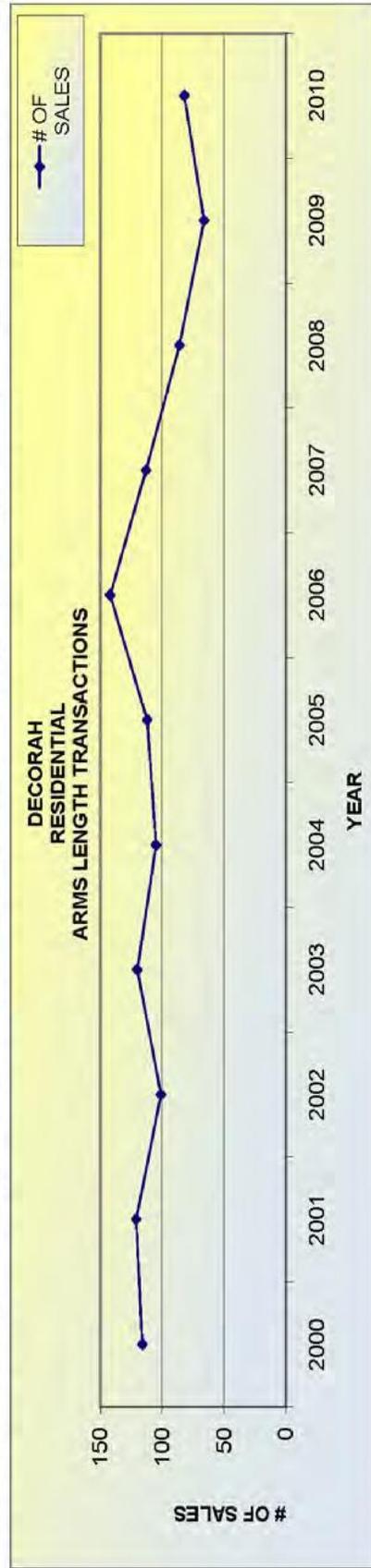
Table 17: Residential Sales Trends

Chart 8: Residential ARMS Length Transactions

Chart 9: Residential Average Sale Price

**DECORAH RESIDENTIAL SALES TREND - YEARS: 2000-2010**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
# OF SALES	116	121	101	120	105	112	142	113	86	66	82
AVERAGE SALE PRICE	\$ 99,780	\$ 108,580	\$ 110,540	\$ 115,140	\$ 119,040	\$ 134,280	\$ 137,680	\$ 137,270	\$ 143,980	\$ 136,460	\$ 139,560



Source: Winneshiek County Assessor

## 2.6 Housing Summary

The City of Decorah generally has an adequate supply of well-maintained dwellings to house its citizens. There are indications that homes in Decorah are just entering the moderately unaffordable range, with home sale prices and rent increases outpacing any increases in income. More diversity in housing types and more affordable housing are issues the city will work toward improving.

## 2.7 Housing Policies

- A variety in the type of housing construction should be encouraged and supported to meet the housing needs of the population. The housing mix should reflect anticipated trends to higher density development, and demands for affordable housing, while being compatible with existing residential density and development. Housing types may include apartments, townhouses, and single family dwellings, including manufactured housing and mobile homes.
- Any development in and around areas of the city meeting the criteria as a “historically significant area” should recognize and preserve the historic setting, architecture character and architectural design characteristics of the buildings and area of the city.
  - a. The committee should define and develop identification criteria for what is “*historically significant areas*” and define “*and around*” with community’s input during ordinance development.
- Abatement of air and noise pollution will be encouraged in residential areas.
- Appropriate buffering should be provided between residential and other land uses.