



WEBSTER  
CITY

# HOUSING STUDY

UPDATE



# ACKNOWLEDGMENTS

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# A PROFILE OF WEBSTER CITY





## CHAPTER 1: A DEMOGRAPHIC PROFILE OF THE COMMUNITY

The City of Webster City has a history of regularly monitoring the housing market to understand gaps and opportunities with several housing studies over the past decades. This current housing needs assessment and strategy plan builds on the foundation of the most recent assessment in 2013 and establishes a new housing program based on the most recently available information.

This chapter examines demographic trends and issues that have a major impact on housing demand in the Webster City area. Measures such as historical and projected population growth, migration to and from the area, household growth, and age breakdowns will assist in understanding pressures on the housing market. This information is used in Chapter 2 to identify future housing demands and appropriate pricing.

Major findings of this Chapter include:

- Webster City's population decreased by 3.6% since 2010, more than the decline between 2000 and 2010. The population is aging with positive growth in the 55-74 age range since 2010.
- Average household size in Webster City decreased since 2010, mostly attributed to the lower size of rental households.
- Recent construction trends are increasing from the early 2010s, a trend possible in future years.
- Webster City's household income distribution reflects a population that, on average, is slightly less well-off than that of Iowa as a whole. However, on a percentage basis, incomes in Webster City rose more than the state of Iowa since 2010.

### *Population Characteristics and Change*

An analysis of population characteristics are vital to quantifying housing needs. The following analysis presents historical and future population trends for Webster City.

- **Webster City experienced a recent history of slight population decline. Intermediate population estimates since the 2010 Census indicate a consistent decline, although residential construction activity could indicate stable population.**

Webster City's population was the most at 8,572 in 1980. In common with much of rural Iowa, Webster City experienced a substantial drop in population during the 1980s, falling by 7.9% to 7,894. This decline was the consequence of employment fluctuations and uncertainties in major industries and the general depression of the rural economy. The 1990s were a period of renewed stability and moderate growth, resulting in a 3.6% increase and a population of 8,176 in 2000. In recent years after the 2008 Great Recession, the population continues to decline slightly. **Table 1.1** illustrates this population history by decade.

- Note, a moderate level of in-migration contributed to Webster City's population gain during the 1990s.

TABLE 1.1: Historical Population Change, Webster City				
Year	Population	Decennial Change	Decennial % Change	Average Annual Rate of Change
1960	8,520	909	11.9%	1.13%
1970	8,488	-32	-0.4%	-0.04%
1980	8,572	84	1.0%	0.10%
1990	7,894	-678	-7.9%	-0.82%
2000	8,176	282	3.6%	0.35%
2010	8,070	-106	-1.3%	-0.13%
2018	7,779	-291	-3.6%	-0.46%

Source: U.S. Census; U.S. Census Population Estimates Program; RDG Planning & Design



Population trends can be analyzed by comparing a community's expected population (based solely on predicted changes in births and deaths) with the actual outcome of the 2010 Census. **Table 1.2** summarizes the results of such an analysis for Webster City. These estimates are based on the following assumptions:

- A cohort-survival forecast method is used to forecast the population. This method “ages” a five-year age range of people by computing how many of them will survive into the next five-year period. Cohort survival rates were developed by the National Center for Health Statistics.
- Estimated birth and death rates for the population developed by the U.S. Census.

As shown in **Table 1.2**, the cohort-survival forecast methodology indicates that, without migration, Webster City's population would have decreased by 180 people, or 2.2%, between 2000 and 2010. However, the 2010 Census indicates that the total population decreased by only 106 people or 1.3%. The difference between these two growth rates is the result of net migration into the city. This difference, 74, represents a migration rate for the decade of about 1%. This is especially important (and positive), given the economic events of that decade – the recession and mortgage crisis of 2008 and, most importantly, the rapid downscaling and eventual closure of Electrolux, Webster City's dominant employer.

**TABLE 1.2: Predicted and Actual Population Change, 2000 & 2010**

	2000	2010	Change	%
Predicted Population (based on survival and birth rates)		7,996	-180	-2.21%
Actual Population	8,176	8,070	-106	-1.30%
Predicted Male Population		3,858	-69	-1.76%
Actual Male Population	3,927	3,912	-15	-0.38%
Predicted Female Population		4,097	-152	-3.58%
Actual Female Population	4,249	4,158	-91	-2.14%

*Source: U.S. Census Bureau; RDG Planning & Design*

- **In-migration was most pronounced in Webster City among seniors, as well as younger adult households with young children.**

Determining migration trends in intermediate decade years is more difficult because the survival rates by the National Center for Health Statistics are provided in five-year increments.

Continuing analysis can help determine which age groups tend to move into and out of the area. This helps predict the composition of the future population if current trends continue and explain observed trends. It also identifies natural markets for future housing development.

**Table 1.3** compares predicted and actual population change for each age group in Webster City. The predicted population indicates how many people would be in each age group in 2010 if the area had not experienced in- or out-migration. The variance percentage indicates the accuracy of the prediction, or whether people in a particular age group were more likely than others to move in or out of Webster City.

The analysis shows that Webster City's 2010 population displayed a higher than the projected number of adults in the 30 to 34 year age cohort, suggesting an in-migration of young families with children. This is echoed by a similar positive variance in the number of children under age 10.

Webster City's senior population also displayed in-migration, evidenced by the greater numbers of people between ages 65 and 80 than accounted for by natural population change. Like most towns without major colleges or universities, Webster City experienced substantial out-migration of individuals in the age cohort between 20 and 24, the result of young people leaving the community for educational or employment purposes.

Overall, the city experienced a positive migration rate of about 0.9% during the 2000s, a reversal of the out-migration experienced during the 1990s. Out-migration of nearly every age group with the exception of older adults occurred during that decade, with particularly high rates among young adults who left the city because of declining economic opportunity. In contrast, even with the severe economic dislocation of the Electrolux closing, migration of critical age groups (groups in the 20s in 2000) was virtually zero, with low out-migration rates among other adult age groups.

**TABLE 1.3: Predicted and Actual Age Cohort Change, Webster City 2010**

Age Group	2010 Predicted	2010 Actual	Difference	% Variance (Actual/Predicted) 2000-2010
Under 5	414	549	135	32.47%
5-9	407	545	138	33.87%
10-14	564	582	18	3.25%
15-19	513	470	-43	-8.46%
20-24	551	442	-109	-19.73%
25-29	538	455	-83	-15.47%
30-34	452	451	-1	-0.19%
35-39	521	521	0	0.07%
40-44	485	467	-18	-3.67%
45-49	557	540	-17	-3.03%
50-54	584	557	-27	-4.55%
55-59	477	472	-5	-0.94%
60-64	472	464	-8	-1.61%
65-69	334	329	-5	-1.57%
70-74	294	280	-14	-4.80%
75-80	269	311	42	15.64%
Over 80	565	635	70	12.43%
<b>Total</b>	<b>8,572</b>	<b>7,894</b>	<b>74</b>	<b>0.93%</b>

Source: U.S. Census Bureau; RDG Planning & Design

### Household Growth & Characteristics

- Webster City's household size decreased, likely attributed to an increase in rental occupancy and the aging population.

Housing unit demand is determined by households rather than the population. **Table 1.4** illustrates the characteristics of Webster City's households. The city gained an estimated 17 households between 2010 and 2018, an increase of 0.05%. In contrast, Webster City's total population decreased by 3.6% during the decade. This means the size of households decreased, as the Census reported from 2.31 in 2010 to an estimated 2.21 in 2018.

- Single-parent households account for 8.5% of all households in Webster City, representing a notable increase during the 1990s.

**Table 1.5** shows the change in single-parent households.

The number of single-parent households with children under 18 grew considerably during the 2000s, increasing by 46 households, or 15.5%. These household types now comprise 9.9% of all households in Webster City. The housing policy implications for an increasing population of single-parent households are clear. In general, single-parent households are much more likely to be living in poverty than other family types, are least able to afford quality housing, require convenient community services such as child care and transportation, and typically need support services such as education and job training to improve their living standards.

Housing solutions for single parents could include more quality, affordable, multi-bedroom housing, perhaps combined with service delivery (child care, transportation, employment counseling) and outreach services.

**TABLE 1.4: Household Growth and Size, Webster City**

	2000	2010	2018	Change 2010-2018	% Change 2010-2018
Population in Households	8,048	7,923	7,620	(303)	-3.8%
Number of Households	3,502	3,433	3,450	17	0.05%
Persons Per Household	2.3	2.31	2.21		

Source: U.S. Census Bureau; American Community Survey; RDG Planning & Design

**TABLE 1.5: Single Parent Households, Webster City**

	2000	2010	Change	% Change	% of all Households, 2000
Single-Parent Households	298	344	46	15.5%	9.9%

Source: U.S. Census Bureau; American Community Survey



### Population Projections

- It is projected that Webster City will see growth in the future with proactive policies and general market forces for regional workforce growth.

Projections of the population through the year 2030 help predict housing needs for the future. In Chapter 2, this information will be combined with assumptions regarding trends in household size to determine the estimated number of new units required to meet the housing demands of the community.

Future population for the city is forecast by:

- Looking at the decade population trends from 2000-2010 and 2010-2018 to understand the impacts of past recessions and economic expansion on population change.
- Reviewing recent residential building activity to understand the household population moving into new housing units.
- Relating trends to the forecasts in the 2013 housing study.

**Table 1.6** displays alternative population projections based upon natural population change, as well as various trend scenarios.

Webster City's natural population curve (holding migration at zero) generates a decline in population because of the city's relatively large number of seniors. A 2% population in-migration as referenced in the 2013 study, would still result in a declining population through 2030. This produces a 2020 population slightly lower at 7,774 and a 2025 population of about 7,670, still an absolute decline in population. However, discussions and evaluation

**TABLE 1.6: Population Projections, Webster City with Past Trends**

	2018	2020	2025	2030	Change, 2018-2030	Average Annual Change
Natural	7,779	7,697	7,519	7,366	-413	-34
2% Migration	7,779	7,774	7,670	7,589	-190	-16
5% Migration	7,779	7,890	7,899	7,932	153	13
Employment Capture Annual Rate (0.21%)	7,779	7,812	7,894	7,978	199	17
2009-2019 Construction Rate (0.26%)	7,779	7,820	7,923	8,027	248	21
Proactive, Aspirational 0.5% Annual Growth Rate	7,779	7,857	8,055	8,259	480	40

*Source: RDG Planning & Design*

of the housing stock in Webster City indicate an ongoing demand for housing, which, if provided, could generate population growth or at least stabilization. The population forecast uses the following assumptions:

- Regional employment growth in the Fort Dodge/ Webster City area as reported by the Iowa Workforce Development Department will grow by 4.1% or 1,760 jobs through 2030.
- An above historical average of retirements will occur in the future as baby boomers continue to retire. These represent new jobs that will need to be filled either by existing residents or new residents to the region. There were about 1,000 residents aged 55-64 in 2018. If half of these residents retire in the decade and their jobs remain needed, that equals 500 jobs through 2030.
- About 40% of these jobs will represent new arrivals to the region, while the balance will be taken by people who are already regional residents. This is an increase from the 2013 study that accounts for the pre-COVID low unemployment rate, meaning most people that

want jobs in the region are already employed and an in-migration of the workforce is needed. This generates a total of about 904 new households in the region during the next ten years.

- Webster City is successful in attracting a 10% share of these new households, or about 90 households over a ten-year period. Based on an average household size of 2.21 people (consistent with the city's 2018 population per household), this corresponds to about 199 new residents.

This amount equals about a 5-6% in-migration rate, or rather, a 0.21% annual population growth rate. Conversations and recent building activity indicate a higher rate; therefore, this employment-based population forecast is considered on the conservative end. In fact, construction activity since 2016 would indicate a 0.5% annual growth rate.

It is important to point out that this growth is by no means inevitable. For planning purposes, the population forecast hinges on Webster City's ability to 1) attract a rather conservative proportion of employment growth and 2) provide housing that can both serve and attract that new population.

## Economic Issues

- Webster City's 2018 median household income of \$48,912 is about in the middle of other benchmark communities across the state.

**Table 1.7** compares median household income figures for Webster City and benchmark communities. Webster City's median household income was \$48,912 in 2018 and is in the middle of benchmark communities. However, median incomes in Webster City rose higher on a percentage basis than other benchmark communities since 2010.

- Webster City's household income distribution largely mirrors that of Iowa at-large for moderate to lower-income brackets.

**Table 1.8** shows the breakdown of households by income category for Webster City and Iowa. Overall, the city's income distribution is quite similar to that of the state. However, Webster City has a lower percentage of very high-income households. This suggests a larger percentage of workers in industrial and service employment. About 24.5% of Webster City's households earn less than \$25,000 annually, and about 15% earn less than \$15,000 annually.

**TABLE 1.7: Median Household Income, Webster City and Benchmark Communities**

	2018 Population	2010 Median Household Income	2018 Median Household Income	% Change in Incomes
Webster City	8,125	\$38,983	\$48,912	25.5%
Fort Dodge	24,417	\$37,923	\$40,271	6.2%
Centerville	5,487	\$29,401	\$33,682	14.6%
Independence	6,027	\$46,589	\$52,800	13.3%
Mt. Pleasant	8,528	\$40,265	\$50,346	25.0%
Le Mars	9,894	\$51,121	\$60,632	18.6%
State of Iowa	3,156,145	\$48,872	\$58,580	19.9%

Source: U.S. Census Bureau; American Community Survey; RDG Planning & Design

**TABLE 1.8: Household Income Distribution, 2018**

	Webster City	Iowa
Income Category	% of all HHs	% of all HHs
Under \$10,000	9.70%	5.5%
\$10,000-14,999	5.3%	4.4%
\$15,000-24,999	9.5%	9.5%
\$25,000-34,999	10.3%	9.6%
\$35,000-49,999	16.3%	13.7%
\$50,000-74,999	21.4%	19.3%
Over \$75,000	27.6%	38.0%
Total Earning Less than \$15,000 (31% of Median)	15.0%	9.9%
Total Earning Less than \$25,000 (51% of Median)	24.5%	19.4%

Source: American Community Survey; RDG Planning & Design

## Employment

- Webster City has a lower pre-COVID unemployment rate and is fairing relatively well as of July 2020 during the COVID-19 recession.

**Table 1.9** displays labor statistics in Webster City, comparable communities, and the state as of 2018. The low unemployment rate suggests a healthy local economy. Since the start of the COVID-19 pandemic in 2020, Webster City (Hamilton County) appears to be less affected than the state of Iowa from an unemployment perspective.

**TABLE 1.9: Employment Trends, 2018**

	<b>Webster City</b>	<b>Fort Dodge</b>	<b>Centerville</b>	<b>Independence</b>	<b>Mt Pleasant</b>	<b>Le Mars</b>	<b>State of Iowa</b>
Labor Force	6,127	19,902	4,422	4,749	7,077	7,721	2,484,354
Labor Force Participation Rate	63.1%	57.7%	57.9%	63.1%	59.2%	69.0%	67.5%
Unemployment Rate	2.7%	4.9%	4.8%	2.2%	1.9%	2.8%	3.9%
2020 Semiannual Unemployment Rate (County)	5.7%	N/A	6.8%	5.9%	6.8%	4.4%	8.4%

Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics





# HOUSING TRENDS & DEMANDS







## CHAPTER 2: HOUSING TRENDS & DEMANDS

This chapter examines Census and other historical data to evaluate the supply of housing in Webster City. Of particular interest is information on housing vacancy, ownership percentage, and pricing. This information can help identify existing or potential imbalance in the market and may suggest housing policy direction for a variety of issues.

### MAJOR FINDINGS INCLUDE:

Webster City experienced an increase in both its number of housing units and its vacancy rate since 2010, with some reporting caveats.

It is projected that demand will exist for between 150-235 housing units over the next ten years, corresponding to an average of 15-24 units per year. The city's ability to attract seniors from the surrounding region by providing suitable housing could increase this demand.

Webster City's housing supply is heavily weighted toward middle-cost units and demonstrates a need for housing affordable to both lower- and upper-income households.

Hamilton County's senior population decreased by 4.3% during the 2000s. Population declines were most pronounced among older age groups (age 70 and over).

Webster City's number of residents age 55 and over is projected to increase, creating new demand for senior housing in the coming decades.

Over 80% of Hamilton County's senior residents live in owner-occupied units, and 32% of senior households consist of an elderly person living alone. This reinforces a potential market for alternative housing accommodations, particularly assisted-living settings.

## Overall Housing Characteristics

- Webster City experienced a total increase in housing units since 2010, with most growth attributed to rental units.

**Table 2.1** displays occupancy changes in Webster City's housing stock. Between 2010 and 2018, the city gained 86 dwelling units, an increase of 2.3%. This is in the face of a decline in the total population, suggesting that while new housing development has continued, some less-desirable units may be going unfilled.

- Webster City's rate of owner-occupancy decreased since 2010.

The percentage of renter-occupied units in the city increased from 31.8% in 2010 to 32.3% in 2018, an insignificant change. Although, this does still suggests some desire for rental units, either by choice or necessity. This shift aside, Webster City's owner-renter split in both 2010 and 2018 represents a distribution of units that is fairly typical of similarly sized communities.

- Webster City's vacancy rate decreased during the 1990s for both units for sale and units for rent. Data estimates for 2018 by the American Community Survey showed large margins of error and are not reliable for updating.

**Table 2.2** shows a breakdown of vacant units by types for 2000 and 2010 and the change in key indicators of housing demand and supply: the for-sale vacancy rate and the rental vacancy rate. Webster City's overall vacancy rate increased dramatically between 2000 and 2010. While all types of vacancies increased, the shift was most pronounced in vacant rental units and "other vacant" units – those going out of service and those that were uninhabitable or unmarketable for various reasons.

- Changes in housing values and rents in Webster City are similar to benchmark communities across the state, with some larger variations in Le Mars and Centerville.

**TABLE 2.1: Housing Units and Occupancy, Webster City, 2010-2018**

	2010	2018	Change	% Change
Total Units	3,800	3,886	86	2.3%
Total Occupied Units	3,433	3,450	17	0.5%
Owner-Occupied Units (% of Occupied Units)	2,342 (68.2%)	2,335 (67.7%)	-7	-0.3%
Renter-Occupied Units (% of Occupied Units)	1,091 (31.8%)	1,115 (32.3%)	24	2.2%
Vacant	367	436	69	18.8%
Vacancy Rate	9.66%	11.2%		

Source: U.S. Census; American Community Survey; RDG Planning & Design

**TABLE 2.2: Analysis of Vacancy, Webster City**

	2000	2010	Change	%Change
Vacant Units	177	367	190	107.3%
For Sale	54	65	11	20.3%
For Rent	42	133	91	216.7%
Occasional Use	10	18	8	80.0%
Other Vacant	62	151	89	143.5%

Source: U.S. Census; RDG Planning & Design



Tables 2.3 and 2.4 show changes in housing prices and rent in Webster City and benchmark communities. The city's median contract rent increased by just over 25% since 2010 and its median value for owner-occupied units increased by 11.2%. Webster City's rate of change in price for owner-occupied housing was similar to that experienced in some communities. Others saw much larger increases.

- **Webster City produced 100 new housing units since 2009, with 79% of those built since 2016.**

Figure 2.5 shows construction activity in Webster City since 2009. The city added 40 new single-family housing units between 2009 and 2019, with 29 of these built since 2016, an average lower than the 2008 recession. A total of 100 new multi-family units were added since 2009, with 79 of those built since 2016. The effects of the downturn in the housing market are starting to relinquish and activity is starting to be at or above pre-recession levels.

**TABLE 2.3: Median Value of Owner-Occupied Housing, 2010-2018, Webster City and Benchmark Communities**

	2010	2018	% Change
Webster City	\$84,700	\$94,200	11.2%
Fort Dodge	\$81,900	\$91,000	11.1%
Centerville	\$67,700	\$68,400	1.0%
Independence	\$109,100	\$130,300	19.4%
Mt. Pleasant	\$97,300	\$108,800	11.8%
Le Mars	\$119,000	\$152,400	28.1%

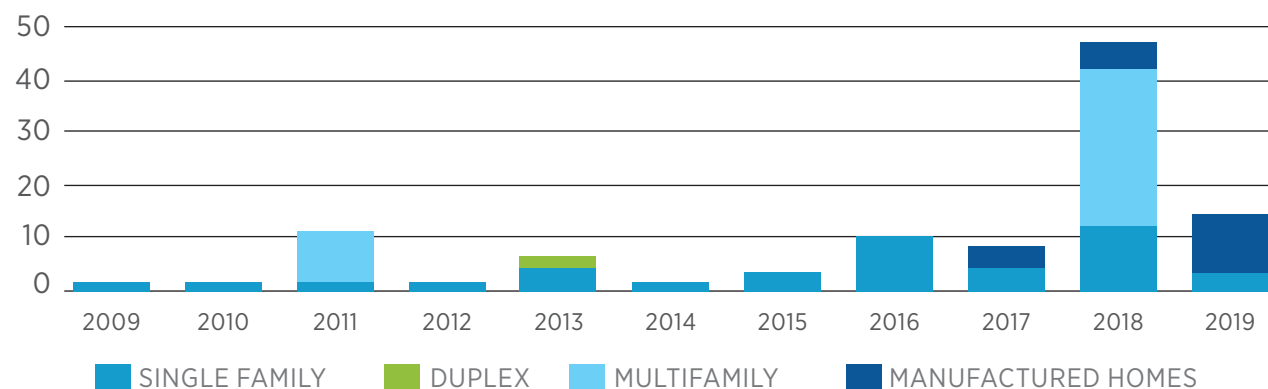
Source: U.S. Census; American Community Survey; RDG Planning & Design

**TABLE 2.4: Median Contract Rent, 2010-2018, Webster City and Benchmark Communities**

	2010	2018	% Change
Webster City	\$426	\$533	25.1%
Fort Dodge	\$426	\$528	23.9%
Centerville	\$347	\$389	12.1%
Independence	\$441	\$548	24.3%
Mt. Pleasant	\$431	\$546	26.7%
Le Mars	\$458	\$513	12.0%

Source: U.S. Census; American Community Survey; RDG Planning & Design

**FIGURE 2.5: HISTORIC BUILDING PERMITS BY UNITS**



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### *Projected Housing Needs*

- **Based on population potentials, Webster City could have a demand for about 150-235 additional housing units during the next ten years, an average annual production of 15-23 units per year. For reference pre-recession, the 2018 Hamilton County Housing Assessment allocated 29 units annually of county housing demand to Webster City.**

Population, household, and vacancy information can be used to estimate the number of new housing units that will be required in a community in the future. The forecasts can be compared to current development activity and available land for future development to see priorities for the types and locations of housing development that should be encouraged. The affordability analysis section of this chapter then compares the income distribution of Webster City's population with the price of housing to determine specific housing needs.

The projections presented in **Table 2.6** and **2.7** are based on the following assumptions:

- The method used to project annual demands is to compare the number of units needed in a given year (number of households plus projected vacancy rate) with the number of units available during that year (housing supply during the year less the units that leave the housing supply and must be replaced). Twenty-year demands are based on multiples of the 5-year population demand computed in this section.
- Household size in Webster City will remain constant during the 10-year period at the 2018 estimate of 2.21.
- The city's non-household population (people in institutions, group quarters, or nursing homes)

does not produce a demand for conventional housing. These forecasts project that the non-household population will remain at its 2018 rate of 2.0%.

- Webster City's 2018 estimated vacancy rate of 11.2% does not appear accurate based on conversations with community stakeholders and survey respondents. This is not uncommon with the American Community Survey for smaller communities (reports a +/- 4.4% margin of error). Therefore, the 2010 rate of 9.7% is used and should decline slowly as substandard units are either upgraded or removed. Larger population growth leads to larger declines in the vacancy rate.
- Eight units will leave the housing market each year under the higher growth scenario and seven under the moderate growth scenario, primarily through the demolition of dilapidated structures or conversion of subdivided single-family structures back to lower-density or single-family use. A few lost units may be from fire or other accidental causes. In 2020, the City had budgeted to demolish about four units per year.

The analysis shows the comparison of the 0.5% annual growth rate as a proactive housing strategy method. This rate suggests a need for an additional 245 units in the city by 2030, an average annual construction level of 23-24 units. This is well over Webster City's rate of housing construction in the past ten years but is about four units higher than the 2016-2019 average. At a 0.26% annual growth rate based on the past decade of construction, Webster City would need an additional 150 units by 2030, an average annual construction level of 15 units.

**TABLE 2.6: Projected Housing Development Demand – 0.5% Annual Growth Rate**

	<b>Base Year 2020</b>	<b>First Five Years 2021-2025</b>	<b>Second Five Years 2026-2030</b>	<b>Total</b>
Population at the End of Period	7,857	8,055	8,259	
Household Population at End of Period	7,696	7,891	8,090	
Average People/Household	2.21	2.21	2.21	
Household demand at End of Period	3,483	3,570	3,661	+178
Projected Vacancy Rate	9.7%	9.2%	8.7%	
Unit Needs at End of Period	3,855	3,933	4,010	+155
Replacement Need		40	40	80
Cumulative Need		118	117	235
Average Annual Construction		24	23	23-24

Source: RDG Planning & Design

**TABLE 2.7: Projected Housing Development Demand – 0.26% Annual Growth Rate**

	<b>Base Year 2020</b>	<b>First Five Years 2021-2025</b>	<b>Second Five Years 2026-2030</b>	<b>Total</b>
Population at the End of Period	7,820	7,923	8,027	
Household Population at End of Period	7,660	7,761	7,863	
Average People/Household	2.21	2.21	2.21	
Household demand at End of Period	3,466	3,512	3,558	+92
Projected Vacancy Rate	9.7%	9.4%	9.2%	
Unit Needs at End of Period	3,837	3,876	3,917	+80
Replacement Need		35	35	70
Cumulative Need		75	75	150
Average Annual Construction		15	15	15

Source: RDG Planning & Design

## Affordability Analysis

- Webster City's housing supply is heavily weighted toward middle-cost units. A significant deficit appears to exist for housing affordable to low-income households. Significant deficits also exist for move-up housing at moderate to higher cost ranges, similar but more pronounced than in 2010.

The following analysis matches the housing supply by price bracket to household incomes. The pricing of a community's housing supply in relation to the income of its residents helps determine whether the city's housing is affordable for its citizens. Theoretically, a household budget must be divided among basic housing costs, other essential needs, and costs to maintain an owned home. Those households which must spend a disproportionately large share of their income for basic housing have less money for other essentials, and fewer resources to maintain their homes.

**Table 2.8** evaluates the availability of affordable housing in Webster City. The table compares the quantity of housing provided in Webster City that is affordable to each income group. A positive balance indicates a surplus of housing within the affordability range of each respective income group, while a negative balance indicates a shortage. The results of this analysis indicate a surplus of dwelling units affordable to middle-income households, or those with annual incomes between \$25,000 and \$50,000.

**TABLE 2.8: Housing Affordability Analysis, Webster City, 2018**

Income Range	% of City Median	% of Households	Households in Range	Affordable Range for Owner Units	# of Owner Units	Affordable Range of Renter Units	# of Renter Units	Total Affordable Units	Balance
\$0-25,000	Under 52%	24.5%	844	>\$60,000	486	\$0-499	421	907	63
\$25,000-49,999	52-102%	26.6%	918	\$60,000-124,999	1,161	\$500-999	637	1,798	880
\$50,000-74,999	103-153%	21.4%	739	\$125,000-199,999	369	\$1,000-1,499	47	416	-323
\$75-99,999	154-204%	11.7%	402	\$200,000-249,999	43	\$1,500-1,999	0	43	-359
\$100-150,000	205-307%	11.8%	408	\$250,000-399,999	257	\$2,000-2,999	9	266	-142
\$150,000+	Over 307%	4.0%	139	\$400,000+	19	\$3000+	0	19	-120
-	-	100.0%	3,450	-	2,335	-	1,115	3,450	0
Median Income:	\$48,912								

Sources: U.S. Census Bureau; American Community Survey; RDG Planning & Design

The analysis also suggests a shortage of units affordable to households with annual incomes of more than \$50,000, more so than in 2010. This suggests a continuing market for "move up" housing. Generally, the market adequately serves the demand for higher-cost housing without public intervention. High-cost housing demand is moderated somewhat by households that have become accustomed to paying a relatively small proportion of their income for housing.

Public sector housing policy should focus on the development of moderately-priced single-family and rental housing. These focuses provide an area of upward mobility for moderate and middle-income households now occupying rental and low-cost units because of a lack of choice.

### Ten-Year Housing Development

**Table 2.9** presents a 10-year development and pricing program for Webster City. The program provides production targets for various types of rental and owner-occupied units based on the following assumptions:

- New development in Webster City will be about 60% owner-occupied and 40% renter-occupied, resembling a trend toward more rental demand as affordable options and both senior and young professional preferences.
- Owner-occupied units will be distributed roughly in proportion to the income distribution of households for whom owner-occupancy is an appropriate strategy. Most low-income residents will be accommodated in rental units.

At a proactive growth rate, a potential demand will exist for 141 owner-occupied units and 94 rental units in Webster City through 2030. Based on current income distributions, about 90 units should ideally be priced below \$200,000 in 2018 dollars. Some of these units may be produced indirectly, by developing higher-cost housing that serves a “move-up” market currently occupying lower-value homes. Affordability ranges are also influenced by interest rates – people can afford more expensive homes when interest rates are low.

**TABLE 2.9: Housing Development Program, Webster City at 0.5% Annual Growth**

	2020-2025	2026-2030	Total
Total Need	117	118	235
<b>Total Owner Occupied</b>	<b>70</b>	<b>71</b>	<b>141</b>
Affordable Low: <\$125,000	25	25	50
Affordable Moderate: \$125-200,000	20	20	40
Moderate Market: \$200-250,000	11	11	22
Market: \$250-350,000	11	11	22
High Market: Over \$350,000	4	4	8
<b>Total Renter Occupied</b>	<b>47</b>	<b>47</b>	<b>94</b>
Low: Less than \$500	14	14	27
Affordable: \$500-1,000	27	27	54
Market: \$1,000-1,500	12	12	24
High Market: \$1,500+	6	7	13

Source: U.S. Census; RDG Planning & Design

Regarding rental units, affordable and market-rate make up the most production. Generally, rental units priced below \$500 will not be produced by the market and need significant subsidies or public assistance. Similarly, high market rentals above \$1,500 are a niche market that is likely not a focus for pursuit but indicate there are a certain amount of people with the means and desires to live in such units who may not want to invest in the community right away by purchasing a house.

This overall unit demand is based on the Webster City market and does not include possible attraction of seniors from rural areas outside the immediate community. Both local and regional senior markets are considered in detail in the following section as of 2010 data.

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### *Senior Housing Demands*

The demographic analysis in Chapter 1 demonstrated Webster City's traditional attraction as a full-service community for seniors. In order to assess present and future markets, this analysis identifies a primary and secondary market area for senior housing. The primary market area includes the City of Webster City, while the secondary area encompasses the balance of Hamilton County. Senior housing in Webster City may also attract residents from a larger region, with the most probable markets coming from neighboring counties that lack significant urban centers. These include Wright, Franklin, and Hardin Counties. Typically, peripheral areas may account for up to 20% of the total demand for senior living in a larger community. However, to keep assumptions conservative, the primary focus here will be on the city and county markets.

This section includes analysis of:

- Population and economic characteristics and dynamics, examining overall demand for senior housing in the Webster City market areas.
- Conclusions about the size of the project market for elderly housing for specific projects.
- Senior population change.
- Hamilton County's senior population decreased by 4.3% during the 2000s. That said, there is a very large cohort of 55-64 year olds approaching 'senior status'.

Special attention is given to issues such as the population's age characteristics and the dynamics of population change for people over age 65. Households over 65 are the primary market for new residential products, including maintenance-

provided ownership settings, senior independent living, and assisted living.

**Table 2.10** displays population changes in the study area for various age groups. Hamilton County's total population decreased by 4.65% during the 2000s. The majority of this decrease occurred in rural Hamilton County.

Decreases in Webster City's senior population during the 2000s were attributable to the loss of a major regional employer and natural attrition. To determine the influence of movement of older adults into the city, we compare the population over age 55 as predicted by natural population change (based on survival factors determined by the Bureau of the Census) with the number actually counted in the 2010 Census. The difference between the actual Census count and the cohort survival projection shows the probable amount of net migration. **Table 2.11** presents migration patterns for Webster City's senior population.

Overall, Webster City experienced an in-migration of senior residents. The actual 2000 population of people aged 55 and over exceeded the predicted population based on natural population change by 3.4%. This suggests that the city has attracted about 81 senior residents. This pattern of in-migration was not consistent across age groups, however. Webster City experienced a -3% migration rate during the decade among individuals between ages 65 and 74. A full-service community like Webster City typically attracts older adults from rural areas with its health care access, churches, and other institutions and services. On the other hand, the city experienced significant migration (13.47%) among seniors over the age of 75.

**TABLE 2.10: Study Area Senior Population Change, 2000-2010**

Market Area	Webster City		Rural County		Countywide Total		
	2000	2010	2000	2010	2000	2010	% Change
Total Population	8,176	8,070	8,262	7,603	16,438	15,673	-4.65%
Total Population Ages							
55-64	739	936	790	1,085	1,529	2,021	32.18%
65 and Over	1,608	1,555	1,354	1,280	2,962	2,835	-4.29%
Population Cohorts							
65-69	363	329	331	348	694	677	-2.45%
70-74	382	280	350	314	732	594	-18.85%
75-79	326	311	301	237	627	548	-12.60%
80-84	266	279	210	214	476	493	3.57%
85 and Over	271	356	162	167	433	523	20.79%

Source: U.S. Census; RDG Planning & Design

**TABLE 2.11: Population Age 55 and Over, 2010 Predicted versus Actual**

	2000 Age 45-54	2010 Prediction	2010 Actual	Variance	% Variance
Population 55-64	1,101	948	936	-12	-1.28%
	2000 Age 55-64	2010 Prediction	2010 Actual	Variance	% Variance
Population 65-74	739	628	609	-19	-3.08%
	2000 Age 65+	2010 Prediction	2010 Actual	Variance	% Variance
Population 75 and Over	1,608	834	946	112	13.47%
	2000 Age 45+	2010 Prediction	2010 Actual	Variance	% Variance
Population 55 and Over	3,358	2,410	2,491	81	3.35%

Source: U.S. Census; RDG Planning & Design

### Projected Senior Population

- Webster City's senior population is projected to increase by 3.4% by 2022, from 2,491 to 2,680. A large proportion of this increase will likely occur in the 65 to 74 age group.

Future demand for senior housing in Webster City can be projected by determining the approximate number of residents in the older age cohorts. **Table 2.12** compares population projections for each age group for both natural change and application of 2000-2010 migration factors. **Table 2.13** compares these projected populations, including migration, with the actual 2010 Census counts.

Because of the aging of the baby boom generation, the cohorts (primarily people over age 55 in 2010) that will generate demand for senior housing are growing in size. This will cause increases in Webster City's 2010 older adult population.

Without accounting for migration, population forecasts suggest that 2,593 aged 55 and over will live in Webster City in 2020. If migration levels remain at 1990-2000 levels, this figure will increase slightly to 2,680. This represents an overall 7.6% increase in Webster City's population of adults aged 55 and over, indicating that demand will increase for housing types suitable for older adults. Most of these increases occur in the 65-74 year old cohort – while the city's population seniors over the age of 75 is projected to decline slightly.

**TABLE 2.12: Projected Senior Population by Cohorts, Webster City**

	2010 Count	2020 Projection Natural Change	2000-2010 Migration Factor	2020 Population with Migration
	Age 45-54	Ages 55-64		
55-64	1,097	1,027	-1.28%	1,014
	Age 55-64	Age 65-74		
65-74	936	794	-3.08%	770
	Age 65+	Age 75+		
75 and Over	1,555	772	13.47%	876
	Age 45+	Age 55+		
Total 55 and Over	3,588	2,593	3.35%	2,680

Source: U.S. Census; RDG Planning & Design

**TABLE 2.13: Projected Population Change, Age 55 and Over, Webster City**

	2010	2020	Change	% Change
55-64	936	1,014	78	8.35%
65-74	609	770	161	26.42%
75 and Over	946	876	-70	-7.42%
Total 55 and Over	2,491	2,680	189	7.61%

Source: U.S. Census; RDG Planning & Design



### Household Demand

- While the number of senior households in Hamilton County decreased slightly during the 2000s, the number of households age 55-64, increased considerably.

The number of households indicates housing unit demand more accurately than population. **Table 2.14** summarizes changes in older adult households in Webster City and Hamilton County.

While Hamilton County experienced a 2.3% decrease in its number of households between 2000 and 2010, its number of households aged 55-64 increased significantly from 875 to 1,179.

**TABLE 2.14: Study Area Senior Household Change, 1990-2000**

Market Area	Webster City		Rural County		Total		
	2000	2010	2000	2010	2000	2010	% Change
Total Households	3,502	3,433	3,190	3,107	6,692	6,540	-2.27%
Total Households Ages							
55-64	434	566	441	613	875	1,179	34.74%
65 and Over	1,053	1,028	885	823	1,938	1,851	-4.49%
Household Cohorts							
65-74	478	386	427	397	905	783	-13.48%
75 and Over	575	642	458	426	1,033	1,068	3.39%

Source: U.S. Census; RDG Planning & Design



### Target Market Indicators

- **Over 80% of senior residents in Hamilton County live in owner-occupied units and 32% of senior households consist of an elderly person living alone. This suggests a potential market for alternative housing accommodations.**

The foregoing analysis examined overall changes in the projected senior population of Webster City and Hamilton County. However, two specific target indicators further define the size of the potential market for additional senior housing development. These include:

- The number of elderly people living alone.
- The number of senior citizens who live in owner-occupied, typically single-family detached housing. This group of residents represents a primary target for retirement housing because it contains people who will be most likely to consider an alternative housing setting.

**Table 2.15** examines the household makeup of people over age 65 within the study area in 2010. A total of 908 residents over age 65 (or about 32% of the senior population) live alone in Hamilton County, including 701 women and 207 men. About 62% of the senior population, or 1,835 people, live in family households. The balance lives in elderly group facilities.

**Table 2.16** indicates the number of owner-occupied units in the study area occupied by households over age 65. Seniors in the study area are overwhelmingly likely to own their own homes, suggesting a significant potential market for a new project. Over 80% of Hamilton County's senior households (or 1,501 households) own their own homes.

**TABLE 2.15: Population Over Age 65 by Household Type, 2010**

	Webster City	Rural County	Total
In Family Households	935	921	1,856
In Non-family Households	495	413	908
Men Living Alone	83	118	201
Women Living Alone	412	286	698
Elderly in Group Facilities	99	44	143

Source: U.S. Census

**TABLE 2.16: Older Age Groups in Owner Occupied Housing, 2010**

	Webster City	Rural County	Total
	Number	Number	
Total Households, 65 and Older	967	899	1,866
In Owner-Occupied Housing	730	771	1,501
%Owner-Occupied	75.49%	85.76%	80.44%
In Renter-Occupied Housing	237	128	365
% Renter-Occupied	24.51%	14.24%	19.56%

Source: U.S. Census

### Demand Calculations

By 2020, a demand will exist for about 80 new units of housing for independent seniors.

Demand for additional senior housing is calculated by comparing three methods, outlined in **Table 2.17**:

1. **Household Counts.** This method applies accepted absorption factors to the total number of older adult households in the primary and secondary market areas. Probable absorption differs for the primary and secondary markets. In addition, demand in Webster City is likely to attract a certain segment of the regional market (Wright, Franklin, and Hardin Counties), here conservatively defined as 10% of the demand generated by the Hamilton County region. Absorption factors reflect the number of households that would be induced to move into new senior housing. In addition, different absorption factors are utilized for different age cohorts.
2. **People Living Alone.** Seniors living alone are a substantial target for new senior development. A similar process outlined above is applied to seniors living in different household settings.
3. **Owner-Occupants.** Seniors living in owner-occupied houses are also a significant market for new housing settings.

These three methods generate a demand of 75 to 82 units for new projects through 2020. Of the three methods, the occupancy character stands in the middle at 79 units. Between half and two-thirds of this demand is generated by current residents of Webster City and the remainder is generated by residents of rural Hamilton County and the surrounding region who would be attracted to the city if available housing existed. It is important to note that development at these levels is dependent upon a sufficient market demand to absorb units being sold by seniors. However, the overall market demand in Webster City identified previously suggests a satisfactory resale market to support a moderate amount of new senior development.

**TABLE 2.17: Ten-Year New Project Senior Housing Demand Market Area**

	Webster City			Rural County				
	2020	Absorption Factor	Unit Demand	2020	Absorption Factor	Unit Demand	Regional Demand (10% of County Demand)	Total Demand
<b>HOUSEHOLD COUNT METHOD</b>								
Households Ages								
55-64	566	0.01	6	823	0.005	4	1	11
65-74	386	0.03	12	397	0.015	6	2	19
75 and Over	575	0.06	35	426	0.03	13	5	52
<b>Total Unit Demand</b>			<b>52</b>			<b>23</b>	<b>7</b>	<b>82</b>
<b>HOUSEHOLD CHARACTER DEMAND</b>								
Family Households	935	0.01	9	921	0.005	5	1	15
Men Living Alone	83	0.08	7	118	0.04	5	1	12
Women Living Alone	412	0.08	33	286	0.04	11	4	49
<b>Total Unit Demand</b>			<b>49</b>			<b>21</b>	<b>7</b>	<b>77</b>
<b>OWNER-OCCUPANCY METHOD</b>								
Senior Owner-Occupied Households	730	0.05	37	771	0.025	19	6	61
Senior Renter-Occupied Households	237	0.025	6	128	0.01	1	1	8
<b>Total Unit Demand</b>			<b>42</b>			<b>21</b>	<b>6</b>	<b>75</b>

Source: RDG Planning & Design





ASSETS  
OPPORTUNITIES  
ISSUES





## CHAPTER 3: ASSETS, OPPORTUNITIES, ISSUES

The 2020 update to housing strategies in Webster City included revisiting with various stakeholders such as homebuilders and developers, Realtors and financial institutions, community organizations, businesses and major employers, and public sector representatives. These discussions, along with the analysis contained in the first two sections and observations through the process, led to the definition of issues as Webster City develops housing policy for the next five to ten years. Major conclusions include:

### Assets & Opportunities *Regional Economic Strength*

- **The local and regional economy of the Webster City/Fort Dodge region continues to generate new jobs and subsequent housing demand.**

Through the 1990s, the city's employment picture appeared to depend on one regional employer. The 2004 process assumed that this historic economic and civic association between the City and its long-time major industry could be in jeopardy. By 2013, perceivably the worst happened – the entire Electrolux manufacturing and technical center operation closed. Yet, the city proved resilient and the total job loss impact on Webster City appeared minimal as a direct result of the closure.

Several general observations from the 2013 remained valid:

The impact of Electrolux was more limited than originally feared. The company drew its employees from a broad region, and its actual impact on Webster City's residents, although great to those affected, may not have been as dramatic as feared. Stakeholder group participants in 2013 estimated that of the industry's approximately 2,200 employees, only 300 and 400 were residents of the city. Dislocations of this magnitude can be absorbed by an economically diversified community.

Overall employment is growing in the large industrial sector in the region. Iowa Workforce Development forecasts show employment growth in the Fort Dodge/Webster City region. Many employed in Fort Dodge choose to live in Webster City for a variety of factors related to quality of life.

Webster City's own industrial base has matured and diversified, reducing its dependence on a single large industry. The city's three largest, locally-owned, agriculturally-based industries (Van Diest Supply, Custom Meats, and Mary Ann's Specialty Foods) together employ much of the local base.

### *Significant Community Assets/School System*

- **In a strong regional market, Webster City has a variety of important community assets that places the city in an advantageous competitive position.**

Assets include a manageable size - large enough to offer a range of services but small enough to maintain a real intimacy; public facilities like Fuller Recreation Center, an excellent public library, and the Hamilton County Fairgrounds; great parks like Brewer Creek and Briggs Woods County Park and golf course; and a range of other institutions. However, a leading asset, particularly given a strategic direction toward attracting regional managers and white-collar staff, is the quality of Webster City's schools. A combination of strong performance and quality facilities clearly gives the City a strong community marketing advantage. Stakeholders in 2020 continue to agree and laud these characteristics of Webster City.





### *City Involvement in Housing*

The City of Webster City has a history of recognizing the importance of housing to the community and acting on that recognition. When the private market could not produce a quality subdivision, the City stepped in and completed the Brewer Creek development. This highly successful project provided the city with its primary source of new home building sites. Webster City's leading current initiative is an offering of the remaining ten lots in Brewer Creek on favorable terms to homebuilders. Under this program, the City will provide front-end financing to maintaining an inventory of three houses at any one time. It provides an additional guarantee to the selected builder by committing to buy any house that has remained unsold for 180 days.

However, past programs have not made a large impact in recent years. Stakeholder discussions in 2020 indicate that the risks and margins for building housing are ever increasing. This is primarily attributed to rising construction costs, tougher lending standards, lack of contractor capacity, and land/infrastructure costs. The City's involvement is a major opportunity. Builders and lenders agreed and are willing to work together to create mutually beneficial solutions.

### *Senior Housing Development*

- **Webster City has a proven ability to attract seniors with quality community services and housing.**

The 2020 process unveiled that senior interest in Webster City remains strong. Part of this trend comes from not only from an aging population, but people that grew up in Webster City wanting to move back as they near retirement. Many of the factors from the 2013 study remain with the need for more senior housing options in terms of single level, accessible homes.



## Issues

### *Available Land*

The availability of land has historically been a challenge for Webster City. This problem abated somewhat in 2013 with the assembly and availability of land that could expand the Brewer Creek subdivision to Beach Street. In 2020 many of the areas identified in the 2013 study are reaching capacity. The six-acre county hospital site at Des Moines and Ohio Streets is still available. The site east of the Hamilton County Hospital south and west of Edgewood Drive has been developed partially with apartments, with potential for expansion. The West Wall Street site identified in the 2004 and 2013 studies has interest in 2020 for a phased development of rental duplexes, multi-family development, under consideration at the time of the 2020 study update.

### *Assumption of Risk and Roles in the Development Process*

- **To increase production, Webster City established a public/private partnership and project structure that both shares risk and addresses a variety of housing needs.**

Prior to the 2013 study, the City structured a project that will produce a standing inventory of three homes in the Beaver Creek subdivision and assumed the role of buyer of last resort. This effort recognizes two key realities:

- 1) The importance of building a critical mass and having inventory to attract new arrivals and move-ups, and
- 2) The inability of small private builders to take the risk of financing and maintaining that inventory at their own risk. However, it is difficult for public agencies, and particularly city government, to build a long-term policy around that level of public exposure.

Moreover, the event of the City assuming ownership of an unsold house will make future involvement in housing finance and development far more difficult.

As identified in the 2013 study, a more effective allocation of this necessary risk should involve both the public and private sectors. Both the City and housing stakeholders still recognize this in 2020. There are many models to achieve risk sharing from rural and urban communities across the Midwest. The main principals of such a program as listed in 2013 would involve:

- Public financing of those things that the private sector is least capable of completing at present because of financing cost and economies of scale – site assembly and infrastructure (streets, utilities, paths, amenities).
- Shared private financing of actual construction projects.
- Use of associated federal, state, and local programs to provide credit enhancements, direct mortgages, down payment assistance, or other purchaser-based programs.
- Shared participation in marketing and administration.

### *Builder Capacity*

- **The ability of the local building community to respond to future housing needs is an emerging challenge for the city that must be addressed on several fronts.**

Like many other areas, Webster City began to rebound in housing production from the 2008 Recession around 2016. However, the rebound continues and is still not at a level to meet housing demand. Preliminary insights from the 2020 Pandemic Recession indicate housing production may not be greatly influenced in the short term (1-2 years). However, longer term impacts are less certain as future income growth to build or purchase homes remains uncertain for many.

That being noted, local builders in 2020, who do very high quality housing, continue to build a small number of homes each year on a custom basis. Some are experimenting with small scale speculative housing construction, but others see too much risk and unsustainable upfront costs to undertake. Builders are not in a position to take all the risk of speculative housing construction. Additionally, many smaller local builders do not have the capacity for additional speculative construction. They have capacity to take on more employees, but the workforce in the skilled trades is not present.

Similar to 2013, the housing demand for the city projected in Chapter Two is in a somewhat awkward range – more units than are comfortably built by small builders who can meet their revenue requirements with a few houses a year and fewer units to interest mass builders who develop on a larger scale. However, since 2019, interest from regional builders have increased, although no major project yet coming to fruition.

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## Lot Supply

- **Available lots ready for residential development are under-supplied.**

Lot development since 2013 remains slow for several reasons. Most notably, the availability of land to acquire for development – either because of environmental constraints or existing ownership. Primary land resources and their status include:

- **Brewer Creek.** Homes have started to fill in throughout the subdivision plat. However, not at a rapid pace. In 2020, about a fourth of the lots in the 5th and 6th additions were sold at a price ranging from \$16,000 to \$40,000 per lot. Extension into the adjacent property to the south is feasible when the property becomes available.
- **North Wall Street Site.** Interest in this 25 acre site could provide a lasting opportunity for housing supply in the city. Although, recent proposals would have limited housing variety that Webster City needs.
- **Gourley's Addition.** These lots, adjacent to the Briggs Woods Golf Course and the Boone River offer rural estate sites without urban services. The Addition is mostly built out.
- **Edgewood Site.** This development area, east of the new county hospital saw multi-family development with the prospect for more in the near term.
- **Former County Hospital Site.** This urban site may be available for residential development or other community use.
- **Areas east of the Fairgrounds, along and south of Buxton Drive.** This area has attractive river and wooded views and a potential relationship to the Boone River Greenway and trail.
- **Infill lots.** Issues with existing urban infill lots include size, adjacency, property values, condition of adjacent properties, and inability to get comparable appraisals that support the value of new construction.

## High Housing Competition

- **Discussions with stakeholders and data indicate that many people are competing for similar housing types and price points in the Webster City market. Homes do not stay on the market long and people often settle for something less than they prefer or need.**

First time homebuyers and workforce housing cohorts continue to desire homes priced in the \$160,000 to \$220,000 range. However, inventory in 2020 is extremely low with only about a month or two of inventory at the time of this update. Additionally, new home construction is low which leads many people who want to upgrade to stay in their homes longer - the homes priced below new home price points. This means limited cycling of ownership in the market and few options for people new to the community. Combined with a low inventory of market rate rental units, people newly employed in Webster City, young professionals, and seniors looking to downsize may be tempted to look in another community for housing.

### *Rental Development & Other Housing Types*

- Despite significant advances in senior housing development, Webster City's new housing offerings continue to lack key components, including quality rental housing and independent options for older adults.

Rental development continues to be a challenge for Webster City, as well as other area communities. Yet, with ongoing employment growth, tighter underwriting standards for mortgages after 2008, and increasing consumer preferences to delay home purchases, rental demand is strengthening. Webster City saw some relief since 2013 in market rate rental inventory, but still not significant. The 30-unit complex on Edgewood Drive proved feasibility in the market with about a third rented so far with rent ranges above \$800. Building rental units also goes back to builder capacity. It is difficult to find builders or developers, particularly with a local base, who are willing to take the risk of testing the market at higher rent levels.

Housing for empty-nesters and older adults also appears to be a continuing market. The preferences of seniors are consistent with a desire for walkable settings with convenient services, access to parks, and neighborhood settings – a group of characteristics offered at the former county hospital site. In sum, older adults want to be part of a community and are willing to share spaces with their neighbors.

### *Existing Housing Conditions*

- The condition and preservation of Webster City's existing housing stock is still a priority in 2020 as the most affordable housing options in the community.

While housing policy characteristically focuses on new construction, the maintenance and preservation of existing housing is critical. In general, Webster City's neighborhoods offer excellent residential environments and overall housing quality is good – in fact, probably better on a community basis than most people realize. However, even one or two deteriorated houses on a block can have a substantial impact on neighborhood quality and property value. This problem is exacerbated in Webster City by two other factors: the relatively low market value of many smaller single-family houses, which, combined with a shortage of rentals, encourages investors to buy a number of houses, make minimal upgrades, and rent them at market rents; and the prospect of ownership transitions as existing owners age. Low values can also hurt the ability of new development, both on infill sites and in new projects, to obtain the comparable appraisals necessary to secure mortgage financing.

Webster City budgets for home acquisition and demolition at about four units a year. This is not sustainable in perpetuity, but a way to take care of the most dilapidated structures. In the future, funds should start to be transitioned more toward home rehabilitation and upkeep to help keep them from reaching a point of demolition.

### *Downtown Webster City*

- Downtown Webster City is an enormous potential asset and continues to have significant economic strength. However, the size of the district and apparent increases in street-level, retail vacancy require focused attention to take advantage of opportunities they present.

In competitive resident recruitment situations, downtown districts are extremely important as centers of distinction for communities. Increasingly, younger households are placing greater priority on the urbanity and amenities offered by their towns, whether large or small. Webster City has made significant investments in downtown, with an emphasis on the public environment, and continues to be a center for new business and innovation. Some unusual qualities include its "T"-shape and the special district character of Des Moines Street as a connector into neighborhoods, and the excellent layout of parking and local circulation paralleling 2nd Street.

Yet the district is large and has a great deal of building area for a community of Webster City's size. This tends to dilute the district's basic strength, and again causes people to focus on vacancy rather than occupancy. Housing can be an important ingredient in remaking downtown, and Downtown Webster City has many excellent development opportunities that in turn can address such issues as rental scarcities. However, first priority needs to focus on creating the identity for downtown with many partners and public involvement.





POLICY FOCUSES &  
RECOMMENDATIONS





## CHAPTER 4: POLICY FOCUSES AND RECOMMENDATIONS

This chapter addresses policy approaches, given the city's current position and the opportunities presented by the regional economic environment. Some approaches are similar to recommendations made in the 2013 study, which remain relevant with adaptations to current conditions.

### *HOUSING POLICY FOCUSES FOR WEBSTER CITY*

Continued focus on consistent challenges in Webster City, but with some new approaches. These include:

- An emphasis on strategic market targets that generate community growth. These primary markets are:
  - › Potential new residents attracted to the area by economic opportunity and attracted to Webster City by schools and community features.
  - › Empty nesters/older adults who are either local and seeking a more appropriate housing setting or people from the surrounding vicinity who find Webster City to be an attractive living environment.
- Producing owner-occupied housing of a scale that meets the price points and volume of probable demand. This will require expansion of homebuilding capacity, risk sharing, and financing to bridge some of the risk of building at scale and for a variety of housing types.
- Maintaining an adequate supply and variety of buildable lots for different markets. A community cannot maintain a large inventory of new, vacant houses waiting for buyers. But having a lot supply and the ability to build quickly from models while allowing some level of individual choice allows the city to respond quickly to buyers.
- Preserving existing housing through different approaches to encourage rehabilitation and investment.
- Encouraging construction of multi-family housing in a variety of forms to meet the needs of both low-income residents and of households arriving in the city.
- Viewing downtown Webster City and its surrounding neighborhoods as key community assets, and taking full advantage of the residential, entrepreneurial, and quality of life features that this unique main street district offers.



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Elements of this overall strategy include:

- **Find ways to share the risk for new housing development that fills a gap in the Webster City market.**

Ways to share risk in new development could include:

- › Help builders realize economies of scale that can reduce costs and lead to more units built per project.
  - › Seek partners to help provide financing assurances for builders to build products unfamiliar to them but that this analysis shows there is a demand for in Webster City.
  - › Create partnerships to lessen the risk to any one financial institution, focusing on pools of funding from many partners.
  - › Bring employers and Realtors into the partnerships to show additional assurances to builders and financial institutions for what people are looking for and what incentives they can help provide.
- **Developing alternative housing resources for older adults currently residing in affordable, owner-occupied housing.**

Despite new senior development in the past, many households over the age of 65 want to remain living independently with perhaps some maintenance taken care of for them. The 2013 study suggested a market for up to 80 units of independent living senior housing through 2023. This kind of an effort can take advantage of Webster City's natural attraction to seniors as a full-service community, combining small town character and intimacy with city services such as quality health care, churches, and other community institutions.

In addition, senior housing production opens affordable housing to a new generation of homebuyers. If about 50% of housing in a development for older adults is occupied by local residents, development of 80 units through 2023 opens 40 single-family units to potential homebuyers, the equivalent of two years of projected new construction.

- **Implementing effective rehabilitation and housing preservation programs.**

The most economical way of developing affordable housing is maintaining and enhancing the city's existing housing stock. Currently, the city has an owner-occupied rehabilitation program that offers up to \$20,000 for lower income households. The rehabilitation projects under the program typically fall under emergency/hazard, fire protection devices, energy conservation measures, and incipient violations.

More targeted programs should be explored to augment these efforts and encourage all income ranges the ability to rehab existing homes.

- **Expanding the capacity for development and the available land supply.**

Webster City, like many similarly-sized communities, lacks subdivision developers. Development of buildable, improved lots remains a major role for the City, and should complement a private sector focus on financing specific projects built on that land. This is not unfamiliar to Webster City with the previous development of the Beaver Creek Estates. However, new approaches may be needed to make other subdivision development attractive to local and non-local developers.

- **Create and implement a downtown development program.**

Downtown remains a critical recruitment tool for the city, a center for creative enterprise, and a solution to housing challenges.

- **Establish Webster City as a community of choice for young households.**

Webster City has several attractions—a strengthening local business base, a strong school system, great quality of life features, and a positive community image—and a large market to draw from, including Fort Dodge. The City has made great strides in community branding and marketing. These efforts should continue and expand as improvements and new amenities are created.

The following strategies are recommended to address these focuses:

- **Target Ways to Share Risk**
- **Targeted Efforts and Partnerships**
- **Leverage Possibilities for Infill Development**
- **Preserve the Existing Housing Stock**
- **Create a Multi-Faceted Strategy for Downtown**
- **Invest for Success and Marketing**



## Target Ways to Share Risk

- Previous housing plans in 2004 and 2013 proposed a Webster City Housing Partnership composed of three elements: a mobilized private sector, a community development entity, and a supporting Lending Consortium. City government is also an integral part of this Partnership. This recommendation remains relevant in 2020 and may look many ways.

Sharing risk for housing development is an overarching goal in the strategic program for Webster City. The success of many other goals depends on the ability for multiple entities to collaborate and reduce the risk for builders to undertake housing projects.

Appropriate housing strategy should maximize the role of the private sector and, first, address obstacles that discourage builder participation. Subdivision development in relatively small markets like Webster City is a break-even proposition for private developers at best. The obstacles that prevent private builders from developing even a modest inventory of houses include:

- › The much higher risk of building affordable homes speculatively than custom-building for a specific buyer.
- › The lower profit associated with affordable development.
- › The personal financial exposure of building speculative, moderately-priced houses, particularly in large enough quantities to achieve some economy of scale.
- › The risk of having money wrapped up and sitting on houses when doing larger subdivision development, along with the workforce/capacity to complete the work on time.

The following are just some of the ways risk can be shared:

### *Housing Funding Pools*

Discussed in the next strategy, funding resources together with various partners is crucial to avoid strains on public or organization budgets, while also creating some of the most secure and flexible options to devote to housing development projects. Example types of funding pools include:

- **Lending Consortium**
- **Housing Trust Fund**
- **Economic Development Funds**

## COMMUNITY BASED ACTION AND RISK SHARING

*Risk sharing is noted throughout the strategies and goals to address housing challenges. However, communities cannot simply wait around for development opportunities and developer interest. Residents and stakeholder within several communities in Iowa are recognizing the need to take action by pooling their own resources and expertise to act as the developer of new lots. Two examples are described below:*

**Fairfield, Iowa.** A group of local stakeholders combined equity stakes to act together as the developer and builder of 27+ townhomes and duplexes in Fairfield. Risk sharing included private equity, City TIF funds, tax abatement, and Iowa Workforce Housing Tax Credits. Units were priced between \$160K-\$220K.

**Humboldt, Iowa.** Similar to development in Fairfield, local stakeholder pooled equity to finance 32 single-family and duplex units. The City helped share risk through TIF financing and tax abatement. Units are priced between \$230K-\$280K.

*These are a couple examples of local action to share risk and start a grassroots, proactive effort to housing development. These projects were assisted in part by 571 Polson Developments, LLC. For more information on these and similar projects in Iowa go to: <https://571polson.com/>*

## OMAHA 100 INCORPORATED OMAHA, NEBRASKA (LENDING CONSORTIUM)

*Omaha 100 was incorporated to provide homeownership opportunities enabling low and moderate income borrowers to own their own home. The group provides affordable mortgage loans, grant underwriting, and down payment assistance services.*

*Omaha 100, Inc. works with a consortium of lenders to provide lower interest rates on home loan products, down payment assistance, and city second mortgages to make homeownership affordable. Clients must complete a home-buyer education course.*

*More information can be found at:  
[www.omaha100.org](http://www.omaha100.org)*

## Lending Consortium –

- Pooling resources of lenders active in the local market to finance untested or higher risk projects. Other local industries and corporations may also contribute to a lending investment pool. In the Brewer Creek project, this responsibility was borne by the City. A private sector lending consortium is a better way to address this division of labor. Specific areas of concentration for a consortium include:
    - › Construction lending to builders of affordable housing. A source of “patient” money that insulates builders from personal financial exposure can encourage builders to develop an inventory of up to five houses, providing economies that can help control construction costs.
    - › Projects developed by a Community Development Corporation, focused around rehabilitation activities and development of projects that the private sector is not undertaking.
    - › Gap financing for all types of projects that meet a need in Webster City. Gap financing should be used when the cost of construction is more than the finished value of the home or when developers are tasked with building more affordable housing options or housing untested in the local market.
    - › Rehabilitation financing. The consortium may be the financier of a program that acquires, rehabilitates, and resells existing houses, again sharing the private side exposure among the community’s institutions. This program, described below, is likely to be executed by a community development corporation (CDC).
  - › Using funds to continue the down payment assistance program available through the City of Webster City.
- The development entity may be a Community Housing Development Organization (CHDO) or a Community Development Corporation (CDC). This type of organization directly develops or organizes affordable housing efforts that are not occurring or practical in the private market.
- Capitalization of the Consortium and its programs should be accomplished as follows:
- Proportionate funding by lenders. An equitable model would be participation in individual loans or in the construction loan pool proportional to overall assets.
  - Corporate contributions and investments. The Housing Partnership, including the consortium, should finance and develop in the public interest, but should not be a charitable organization. Thus, investments from the city’s corporate and industrial community may be an important source of working capital. These investments, creating a community housing investment fund, might be focused on:
    - › Construction financing, with shorter-term paybacks, and
    - › Long-term financing of key development projects, such as senior housing or affordable rental housing.
  - City assistance. This should focus more on the development of partnerships than direct financial support. The Partnership may be a vehicle for CDBG, TIF, and HOME-assisted partnerships, which also require city participation and matches.

### Housing Trust Fund –

Somewhat like a lending consortium, a trust fund is a way to pool local dollars that can be used toward specific housing objectives or goals. A housing trust fund provides a source of seed capital, unconstrained by program regulations, for a developer or development corporation to use for developing needed housing types. The popularity of trust funds can be attributed to their inherent flexibility. In late 2018 such a fund was formed for Hamilton and Webster Counties called the Heart of Iowa Regional Housing Trust Fund, which was initially funded primarily from the State of Iowa. The fund helps fund existing programs in Webster City.

The fund could be expanded to support construction of new entry level housing and lot development.

### Economic Development Funds –

Much like economic development organizations that create programs for business advancement, they can also create funding programs that focus on housing.

### Targeted Efforts and Partnerships

- **Much of the ability to reduce risks involves partnerships and targeting efforts to not spread funds thin across the community. This means recruiting partners on specific project types that capitalize on specific target markets and opportunities that benefit them.**

The housing market touches many organizations, both directly and indirectly. Because the housing market impacts each partner, it is in the collective interest that each partner takes on a responsibility in a housing partnership to pursue the strategic housing goals. Any partnership should begin by seeking to establish a shared purpose between each stakeholder. In other words, each organization will choose to participate in the effort to improve the housing market.

#### Forging New Partnerships

The City and Chamber have partners they work with already, some informal and others formalized organizations. The tools explained in this study should not be solely on the City to implement and should involve the following groups.

- The City of Webster City
- Major Employers (private and public)
- Economic Development Officials
- Banking Community
- Realtors, Builders, and Developers

### WAYNE COMMUNITY HOUSING DEVELOPMENT CORPORATION

*Wayne, Nebraska is a thriving community of 5,500 in Northeast Nebraska with a mixed economy based on a small state college, strong industries and regional agriculture. Over 20 years ago, the leaders of Wayne saw the need to provide housing for their workforce and formed the Wayne Community Housing Development Corporation (WCHDC).*

*Growing out of the local economic development organization, WCHDC is proactive non-profit with the mission to improve the region through affordable housing development. Offering a purchase/rehab/resale program, home buyer education, and assistance on local projects, like new rent-to-own housing, WCHDC works to expand housing options for the local workforce.*

## EMPLOYEE HOUSING SCHUYLER, NE

*The Colfax County School District adopted a Workforce Housing Initiative Pilot Program (WHIPP) to reinforce their commitment to the philosophy that employees should reside within the community they work. This philosophy recognizes the mutual benefits to the organization (increased retention), the community (additional residents), and the employee (increased stability and decreased transportation costs). In addition, to developing new single family homes, the WHIPP offers the following incentives to employees to rent or buy the new housing units:*

- Eligibility for a \$1,000 bonus to employees moving into the district and the following:
  - › Home renter subsidy of \$1,000 annually for a maximum of five years; or
  - › Home owner subsidy:
    - » \$2,000 annually for a maximum of five years; or
    - » Lump sum subsidy of \$10,000 for downpayment and closing costs on a WHIPP approved home

*Funding is budgeted annually by the school district for the program.*

## The City of Webster City –

The City can, but does not have to be, the lead organization guiding partnerships. Additional City led responsibilities of working with partners includes:

- Review of land development regulations and guidelines to eliminate barriers to infill and affordable housing development, as consistent with the Comprehensive Plan.
- Assist with the acquisition and site preparation of infill redevelopment sites.
- Technical assistance and expedited land development processes for innovative proposals.
- Assistance with subdivision development through infrastructure and technical assistance. It is well-established that cities can support housing development of a certain type through the provision of infrastructure. This support can also be delegated to other partnerships.
- Code enforcement on property maintenance standards and conditions.
- Be proactive in Annexation plans when available and be transparent to residents.

Webster City has used some of these strategies in the past.

## Major Employers (private and public) –

There is a growing awareness that the housing market impacts major employers in recruiting and retaining employees. Each company invests a significant amount of time, energy, and money training their employees. Therefore, it is in their interest to support all aspects of retention, including housing. While many recruitment and retention elements fall within the company walls, including wages, workplace culture, and opportunities for advancement, many employers have begun to recognize that housing (quality, affordability, and availability) plays a major role in their ability to recruit and retain talent. Employers can play multiple roles in the housing partnership:

- Direct construction of new ownership or rental units or support other partners to construct new affordable housing products
- Rent subsidies and down payment assistance for employees residing within Webster City. Certain employers operate a housing plan, much like a 401(K) plan. The employer provides a matching contribution to be used for a down payment on a home within the community or a specific part of the city.
- Help integrate new employees into the community through driving-tours of the city, welcome-liaisons, and social connections to local organizations such as young professional organizations.

### Economic Development Officials -

The Chamber seeks to create a positive business environment in Webster City and advance community quality of life. The role of the Chamber and other economic organizations in a housing partnership may, or already do, include the following:

- Marketing opportunities and shovel ready sites for development and redevelopment.
- Educating the public and partners on the importance of housing to the overall economy and inviting them to expand their role.
- Promoting housing incentive programs to employers and their employees.

### Banking Community -

The banking sector is involved in all aspects of the housing market. While many aspects of their business is tightly regulated, other aspects permit innovation and proactive participation in the housing market. While updating the study in 2020, bank leaders expressed their willingness to expand financing partnerships. The role of the banking sector in a housing partnership may include:

- Creating a lending consortium to allow the community to share investment risk across multiple lenders.
- Banks can help finance non-traditional projects by pooling their resources to finance new development and reduce the risk for any one financial institution.

### Realtors, Builders, & Developers -

The role of Realtors, builders, and developers in the partnership will be as the contractors, marketers, and when appropriate as financial partners. Realtors play a vital role in a housing partnership that involves informing builders and the City on the preferences of buyers.

Realtor's secondary role includes marketing new housing, or rehabilitated homes, to potential residents, and working with employers to match recruits with housing that fits employees' needs.

### A NOTE ON WORKFORCE DEVELOPMENT:

*Retiring baby boomers and decreasing interest by young people in the skilled trades warrants public sector action for the labor supply to meet housing demand. A workforce development program can market the career satisfaction and economic rewards that the construction industry offers young people. Partners in the program may include:*

**Area Community Colleges.** Community Colleges offer a variety of programs for students to gain experience and complete hands on projects in the building trades. The ability to retain these students in the region after graduation can be achieved by developing internships while they are in school and creating communities with the desirable amenities younger populations desire.

**Area School Districts.** Many school districts over the years have moved away from traditional building trade classes and focused more on college preparation. With the demand for skilled trades people this trend should shift but will need support from the broader community. Working with the school districts, programs should be put in place that include architecture and drawing, focuses on English/communication and math learning, construction skills, and business education.

**The Building Community.** Through internship programs students can learn first-hand experience. An introduction session may need to be developed that prepares students for their internships to create an asset to the builders rather than a burden.

**Cities, County, and Private Sector.** Through risk sharing, resources, funding, and internships, all of these groups should play a role in expanding the area's workforce.

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### *Targeted Efforts*

Additional targeted efforts to encourage a variety of housing products and reduce risk for builders include both owner and renter housing.

### **Infrastructure Programs for Lot Development -**

As mentioned previously, the private sector should be the primary instrument for single-family development, including speculative housing development.

- **Lot Acquisition.** A community's lot absorption rate directly impacts the policies and strategies for lot development. Webster City is below the needed construction level to meet housing demand. The analysis in previous chapters shows a need for market rate new housing. The strategy for new lot development involves reducing the risk for the developer, discussed previously. Programs specific to new lot development could include:

- › **Subordinate Payments.** The City or partner organizations front-ends a portion of public improvements, repaid over a longer period through a second mortgage on the property. This reduces payments over special assessments by extending the loan term and reducing the principal.
- › **Deferred Payment.** The City or lending pool finances the infrastructure as a deferred loan. The infrastructure loan is paid back upon sale of the house. The repayment represents the same percentage of the sale proceeds that the initial infrastructure loan made up of the original price.
- › **Grants.** Grants from the Federal Home Loan Bank, USDA, or state-administered Federal programs such as CDBG or HOME can also help with infrastructure financing. It should be noted these funds are highly competitive.



## Rental Development -

Like in 2013, rental development should be a fundamental part of Webster City's housing effort. Alternatives for rental development include:

- Conventional rental development. Rental development on a market basis may be part of a downtown development effort, using available upper story space. A market exists for rental development at rents sufficient to create feasible projects with a moderate amount of assistance. Another alternative for low/mod income renters is the Low-Income Housing Tax Credit (LIHTC) program. A nonprofit development corporation may act as a general partner for tax credit projects and, if it is constituted as a Community Housing Development Organization (CHDO), has a special state set-aside for tax credits.
- An alternative strategy to consider is a Rent-to-Own program for people who may have long-term commitments to Webster City but are not yet ready to buy a home. This approach provides an opportunity for moderate-income households establishing themselves in Webster City to rent a home while building equity toward eventual purchase.
- › In this program, the CDC builds new rental housing in single-family, duplex, townhouse, or four-plex configurations. These units may be built with the assistance of the LIHTC. A portion of the family's rent is placed in an escrow account that is directed toward downpayment. At the end of a specific period, the residents can then use the accumulated escrow as a downpayment to purchase either a new house or an existing unit.
- › The rent-to-own program gives young families the opportunity to try out the city as well as building equity and wealth. This program is appropriate to a community that is positioning itself to attract a new generation of residents.
- Renter rehabilitation program. There are rental units in Webster City that accommodate low income households at price points the market would have trouble producing today. With a tight rental market, rental property owners often have no incentive to make improvements. Rental rehabilitation programs should focus on workforce housing, providing leveraged loans combined with code enforcement. With limited new multi-family construction, the rental market often depends on single-family homes. These homes tend to be some of the oldest housing and are often in poor condition. Rehab programs provide financing for the improvement of sound rental properties in need of rehabilitation.
- › Rental rehabilitation must include both incentives and consequences to create a balanced "carrot and stick" based program.

## NEIGHBORWORKS OF NORTHEAST NEBRASKA PURCHASE/REHAB/RESALE PROGRAM

*Over a five year period NeighborWorks Northeast Nebraska has implemented a highly successful Purchase Rehab Resale program. Under the program a qualifying household identifies a home, an assessment of the home for structural stability is completed, followed by a NeighborWorks Northeast Nebraska purchasing the home to complete any repairs needed. Repairs can range from \$2,000 to \$25,000. Following completion of the repairs the home is sold to the qualifying household often with down payment assistance of 20% of the final purchase price, up to \$20,000. For Columbus, Nebraska this has resulted in 140 homes being updated and owned, often by first time home buyers.*

*<https://www.nwnen.org/what-we-do/home-ownership-assistance/purchase-rehab-resell-program>*

## MISSING MIDDLE FOR CHATTANOOGA, TN

*With help from the Incremental Development Alliance, Chattanooga leaders and stakeholder undertook an intensive developer workshop to identify solutions for missing middle housing types. The process resulted in a development packet that lays the framework for a developer to pursue these projects including:*

- Picking a building type based on the developer's financing options and site circumstances.
- Guides and site plans for good urban design amid traditional single-family neighborhoods.
- Technical considerations for packaging development applications.
- Bank packages for different building types to show how to bring the project to life by proving profits for lenders.

<https://www.incrementaldevelopment.org/>

## Leverage Possibilities for Infill Development

- **Webster City should maximize use of vacant sites within the established town, taking full advantage of existing public improvements.**

Redevelopment of vacant or deteriorated sites in Webster City should continue to be a significant part of the City's housing program. Infill development uses existing infrastructure and can help revitalize neighborhoods. However, the difficulty of private acquisition of lots discourages infill development. The City should consider acquiring vacant sites for redevelopment by private or nonprofit developers. Design criteria for houses should be established, to ensure visual compatibility with adjacent structures. Public acquisition should only occur if private builders are unable to assemble sites.

The 2004 and 2013 study identified several opportunity areas with concentrations of vacant lots or distressed properties, including:

- The area east of the Boone River and north of the fairgrounds. The area bounded by Superior, Second, Beach, and Ohio (except for the southwest corner which is post WWII) has several houses with minor rehabilitation needs and only a few requiring major rehabilitations. Increased home values are likely to result from more rehabilitation activity in this district.

- The area north of the railroad tracks and west of Des Moines Street. These areas have moderate to major rehabilitation needs. This area also contains mostly lower cost homes.
- Areas west of Superior Street and south of Second Street. These areas display moderate rehabilitation needs. The homes in this area are generally smaller in size and will continue to provide relatively affordable housing, even after rehabilitation.

A successful infill program will involve site research to put together enough nearby homesites to make an impact on the neighborhood and establish their own appraisal levels. Examples programs and initiatives could include:

## Long-Term Investment -

Sometimes there will be an opportunity to acquire property through estate gifts, tax delinquency, or property liens. While these surplus land assets must be maintained, these resources can be used as an incentive to encourage new housing development. These opportunities should not be taken as ways to make profit. Rather, every opportunity should be made to offer the lots for minimal costs. The City reaps the benefit of using its existing infrastructure while also directing investment to help stabilize existing neighborhoods. Any costs incurred by the removal of a dilapidated structure or legal costs can be recaptured over time with the property taxes generated by the new development.

- If the City does not want to hold lots, a land bank is a good alternative. Land banks can be operated under a non-profit and work to acquire title of vacant properties to transfer for infill development. The land bank would hold vacant lots that have infrastructure to create a pool of assets shovel ready for infill while also stabilizing the value of adjacent properties. This would be subject to state of Iowa requirements.

## Land Assembly -

One of the biggest hurdles to infill development is the assembly of lots. Most developers do not have the capital, time, resources, or inclination to assemble lots from multiple property owners. Partners should assemble lots in the most strategic way possible. The areas above provide a starting point. Ideal infill sites are clustered together, giving security for buyers and increasing values in the surrounding neighborhood. A land assembly program may include the following components:

- Continued use of the city program to demolish houses that are so deteriorated that rehabilitation is not feasible. This could be expanded to budgeting annually for lot acquisition to be ready and have a sustained reserve.
- Negotiation with property owners to acquire targeted vacant lots.
- Where a concentration of contiguous infill sites cannot be found, the resources of multiple partners and programs can be applied to make a scattered site redevelopment appealing to developers looking to use their resources to build more than one unit at a time.

## LA CROSSE PROMISE

*The La Crosse Promise program provides up to \$50,000 in grants from La Crosse County to acquire and prepare a property. The Washburn Neighborhood is a priority area for the program. Applicants are required to finance a minimum of \$150,000 in person funds or market rate financing to qualify.*

*In addition to the funding offered to rehabilitation or build on a property, the program provides up to \$50,000 to families that build, buy a new home, or renovate a home in select La Crosse neighborhoods as education scholarships.*

## Impact

*Since the program began, many properties have been improved. Of the 68 replacement homes sold citywide between 2010 and 2018, 10 were located in the Washburn Neighborhood with three of them on 9th Street.*



*Historic home in the foreground adjacent to three new La Crosse Promise homes on 9th Street*

## PRIDE OF MARYVILLE

*The City of Maryville, MO initiated the Pride of Maryville project to recruit community members to help keep the city "cleaner, safer, and more beautiful place to live." There are four programs that provide an opportunity to participate, three of which directly impact housing:*

- Adopt a neighborhood (currently inactive)
- Beautification awards
- Neighbors helping neighbors

*When active, the neighborhoods in the adopt a neighborhood were supported by volunteers helping to keep the city litter, debris, and weed free. The beautification awards program honors homes and businesses for the beautification and improvements made to their property. Neighbors helping neighbors pairs volunteers with residents in need which could include maintaining their property by cleaning leaves, pulling weeds, or painting shutters.*

## Preserve the Existing Housing Stock

Webster City has a substantial supply of older houses, some of which are available while others may become for sale as current owners age. Yet, these houses, while relatively inexpensive, are often unacceptable to younger buyers. They may need substantial repair or require major renovations to meet contemporary tastes. In 2020 there has been some trend toward purchasing "fixer-upper" homes and for existing homeowners to reinvest in their homes. Time will tell if this trend continues after the pandemic and whether it leads to older generations staying in the homes longer.

The existing rehabilitation program for lower income households is a good starting point. The City should continue efforts and fashion existing neighborhood programs in ways that maximize participation.

Methods for enhancing the programs may include:

- Improved marketing of programs with on-line and print materials and information.
- Providing an allowance for property enhancements while establishing a clear priority on building envelope integrity.
- Adding a leveraged rehabilitation loan program. This approach leverages private loan funds by combining private loans with TIF, CDBG or other public funds to produce a below market interest rate for homeowners.

Other programs could include:

- **Acquisition/Rehab/Resale Program**
- **Training of Next Generation Contractors**
- **Rental Rehabilitation Programs**

## Acquisition/Rehab/Resale Program -

Here, a community development corporation buys and rehabilitates houses for resale to new owners. A lending consortium finances the acquisition and rehabilitation, with a take-out on the interim financing funded as an FHA or conventional mortgage. Houses are marketed through the normal real estate sales process.

A purchase and resale program can be coordinated with an effort to build affordable housing for seniors, as described below. As with new construction, available tools, such as the City's existing Downpayment Assistance Program, Rural Development (RD) mortgages, and first-time homebuyer mortgages through the Iowa Housing Finance Authority, can be used to support the acquisition/rehab/resale program.

## Training of Next Generation Contractors -

There is a nationwide deficit in skilled trades people. The long-term solution is to develop innovative workforce development approaches to train new workers. An opportunity may exist for partners to work with Iowa Central Community College or the high school on how to market and expand construction management or other trade focused careers.



## Rental Rehabilitation Programs -

Rental property owners often have no incentive to make improvements. Rental rehabilitation programs should focus on workforce housing, providing leveraged loans combined with code enforcement. Market demand and market pressures should address most issues with seasonal housing rentals, outside of seasonal worker housing. With limited new multi-family construction, the rental market often depends on single-family homes. These homes tend to be some of the oldest housing and are often in poor condition. Rehab programs provide financing for the improvement of sound rental properties in need of rehabilitation.

- Rental rehabilitation must include both incentives and consequences to create a balanced "carrot and stick" based program. Therefore, effective housing code enforcement is the key to ensure that units meet minimum housing standards.

## Create a Multi-Faceted Strategy for Downtown

- **Webster City should complete a development-based downtown plan that identifies and evaluates housing and other reuse opportunities and establishes an implementation program. This is scheduled to be complete with the Comprehensive Plan update.**

Until recently, previous downtown efforts have concentrated on the public environment – streets, sidewalks, lighting, streetscape, and interpretation. In 2019, the City partnered with the Iowa Initiative for Sustainable Communities to create a downtown strategic plan, as well as several other projects to stimulate future planning and implementation. These include:

- A new mural in downtown
- Evaluating models for community impact investing
- Engineering and design of the Elks Club building
- Wayfinding placement
- A new solar art sculpture

The downtown will be looked at in further detail in the 2021 Comprehensive Plan update to build on the primary objectives from the strategic plan study:

- Establish Downtown as a Vibrant Economic Hub
- Beautify and Activate the Downtown
- Establish Downtown as a Destination





## Invest for Success

- Webster City should continue its community marketing program designed to promote the values of its community life and indicating that it is “open for business” as a place for its target households, young and old, to establish themselves.

Webster City has made great progress since the 2013 study to market the community. These efforts should not stop. The recommended information in 2013 to market included:

- Housing programs and approaches tailored to the needs of prospective households.
- Job and career opportunities available in Webster City as appropriate.
- Community features and amenities.
- A directory of key local services and contacts.
- Volunteer opportunities in the city.
- A guide to housing availability and development/financing programs.

Additionally, Webster City should invest in the community to stay true to its marketing efforts. The purpose of the program is to demonstrate the attractions of life in Webster City, and communicating its welcoming message to succeeding generations of residents. In addition, it helps to build a larger regional market for housing initiatives identified in this plan.

However, people should not get one feeling from the marketing material and another feeling when visiting the community. More and more households are judging whether they want to live in a community first and then look for housing options. These

investments include many things covered in the comprehensive and other community plans like:

- Parks and recreation - This includes both the facilities and programming opportunities.
- Trails - At a minimum, sidewalks or pathways to community destinations should be developed. Regional trail connections are becoming a desirable feature for households and require a broader collaborative approach.
- Education - Quality schools are an essential component of a healthy and vibrant community.
- Basic services like streets, city facilities, and internet - If cities ask residents to elevate property maintenance, then city property must be held to the same level. Often public investment can stimulate private property owner investment.
- Up-to-date codes - Building on code enforcement recommendations, a general review of code and procedures can help identify where regulations discourage housing development or unnecessarily add to development costs.



Policy Schedule		
Goal	Description	Tools
Target Ways to Share Risk	Previous housing plans in 2004 and 2013 proposed a Webster City Housing Partnership composed of three elements: a mobilized private sector, a community development entity, and a supporting Lending Consortium. City government is also an integral part of this Partnership.	Housing Funding Pools Lending Consortium Housing Trust Fund Economic Development Funds
Targeted Efforts and Partnerships	Much of the ability to reduce risks involves partnerships and targeting efforts to not spread funds thin across the community. This means recruiting partners on specific project types that capitalize on specific target markets and opportunities that benefit them.	Forging New Partnerships Infrastructure Programs for Lot Development Rental Development
Leverage Possibilities for Infill Development	Webster City should maximize use of vacant sites within the established town, taking full advantage of existing public improvements.	Long-Term Investment Land Assembly
Preserve the Existing Housing Stock	Webster City has a substantial supply of older houses, some of which are available while others may become for sale as current owners age. Yet, these houses, while relatively inexpensive, are often unacceptable to younger buyers. They may need substantial repair or require major renovations to meet contemporary tastes.	Acquisition/Rehab/Resale Program Training of Next Generation Contractors Rental Rehabilitation Programs
Create a Multi-Faceted Strategy for Downtown	Webster City should complete a development-based downtown plan that identifies and evaluates housing and other reuse opportunities and establishes an implementation program. This is scheduled to be complete with the Comprehensive Plan update.	The 2019 Downtown Strategic Plan and 2021 Comprehensive Plan
Invest for Success and Marketing	Webster City should continue its community marketing program designed to promote the values of its community life and indicating that it is "open for business" as a place for its target households, young and old, to establish themselves.	Parks and recreation Trails Education Basic services like streets, city facilities, and internet Up-to-date codes