

# Housing

*“Houses make a town, but citizens make a city.”*

– Rousseau

The condition, affordability and availability of housing have an impact on the social and economic health of every city. The well-being of the community is enhanced when individuals and families are retained, workforce housing is available, and residents with special housing needs are served. A healthy community includes a full range of housing

options so that its residents can find a place to live that is appropriate for their stage in life, whether they are young singles starting their careers, families raising children or senior citizens seeking to downsize.

This chapter will provide goals and policies related to existing and future housing, demographic overview of the housing trends followed by a discussion of housing issues and opportunities. A summary of trends and future demand will be provided to understand the existing and future housing needs and the tools, polices and regulations that can be implemented to meet these demands. It will also guide the community to integrate housing into land use, transportation, economic development and other decisions, as well as provide direction for the private sector to participate in the creation of affordable housing and life-cycle housing opportunities.

*Guiding Principles:*

**Marshalltown will focus on redevelopment of selected places and neighborhoods in Marshalltown and connect them with sidewalks, trails and open space to create a vibrant, active city.**



## Goals

### Land Use-Housing

**Goal 1:** Provide a variety of housing types, densities and choices to meet the life-cycle housing needs of residents.

**Rationale:** Incorporating a wide variety of densities that also supports a range of housing styles for home ownership and rental housing in attached and detached formats increases the opportunities for meeting life-cycle, market and workforce housing needs.

**Policy 1:** Through new development, infill and redevelopment efforts, increase life-cycle housing opportunities in the City.

**Policy 2:** Encourage private development through the use of federal, state, county, local and other available resources and incentives to promote varied housing opportunities.

**Policy 3:** Develop zoning districts and standards to correspond to the land use plan to ensure developers can prepare plans to meet the intended densities.

**Policy 4:** Promote creative use of site planning, building design and flexible development of infill lots to increase density and provide greater housing opportunities.

**Policy 5:** Explore and support the potential of downtown buildings to provide market rate housing and additional housing choices.

**Goal 2:** Improve availability of workforce and life-cycle housing.

**Rationale:** To thrive, Marshalltown must respond to the housing needs of its residents, from entry level through retirement and beyond.

**Policy 1:** Work with developers to identify innovative strategies and incentives for providing all housing types and expanded choices for all residents.

**Policy 2:** Use redevelopment tools made possible by various federal, state and non-profit programs or City-funded activities to revitalize aging residential properties.

**Policy 3:** Explore ways, methods and resources to create and preserve long-term affordable housing ownership, such as housing trust funds.

**Policy 4:** Explore opportunities for housing ownership made available by various federal, state, local government and other non-profit agencies.

**Goal 3:** Maintain or enhance existing housing stock to ensure a high-quality environment in all residential neighborhoods through code enforcement.

**Rationale:** A strong base of existing housing stock, in good condition, maintains property value in neighborhoods while also providing an important source of moderate and affordable housing.

**Policy 1:** Promote the improvement of the existing housing stock and encourage the rehabilitation or redevelopment of substandard housing.

**Policy 2:** Encourage in-fill housing where appropriate.

**Policy 3:** Prepare and enforce a City-wide housing maintenance code utilizing staff inspectors to maintain housing stock.

**Policy 4:** Encourage the preservation of historic structures through strengthening the site plan review board.

**Policy 5:** Promote community education resource information to residents on regarding responsible home ownership including home maintenance, repair, renovation, expansion and assistance opportunities.

## **HOUSING BACKGROUJD INFORMATION**

A summary of demographic information was collected from the 2000 and 2010 US Censuses and the Iowa State Data Center and is included in the Introduction chapter of this Plan. This information includes data on population, growth rates, household types, household tenure, home ownership and other statistics that describe the housing situation in Marshalltown.

## **LAND NEEDED FOR RESIDENTIAL**

This section builds upon projected changes to create forecasts of the land needed to accommodate the city's growth and redevelopment goals. Land forecasts, based on market-driven forces, can help the city capitalize on opportunities to capture future growth or, conversely, avoid overextending resources in anticipation of growth that may never occur.

Table 6 displays the estimated amount of land needed to accommodate new residential development through 2020. This information is also included in the Economic Development chapter. Estimating the amount of new development is based on three factors: 1) projected household growth; 2) loss of existing units; and 3) excess capacity in the form of vacant units that can accommodate new household growth. However, land needed to accommodate new residential development depends not only on the amount of housing demanded, but also on the type of housing demanded because not all housing requires the same amount of land.

Based on building trends over the last 20 years and forecasted changes in the age distribution of the population, it is estimated that approximately 50 percent of the new units demanded will be single-family homes and 50 percent will be for multifamily homes. The final step in the methodology is to estimate the number of units per acre by type of housing. In this instance 2.5 units per acre was assumed for single-family housing and 6 units per acre for multifamily housing.

**TABLE 6: ESTIMATE OF ACREAGE NEEDED FOR RESIDENTIAL USES THROUGH 2020**

Household Growth through 2020	=	271	
Estimated loss of units that need to be replaced between 2010 and 2020 <sup>1</sup>	+	168	
Existing vacant units needed to be occupied to reach equilibrium (i.e., 5%) <sup>2</sup>	-	169	
New housing units needed	=		269
			↙ ↘
		Single-Family <sup>a</sup>	Multifamily <sup>a</sup>
	x	50%	50%
Housing Demand by Type	=	135	135
Average Units per Acre <sup>3</sup>	÷	2.5	6
Total Gross Acreage Needed by Type	=	54	22

<sup>1</sup> Marshalltown had 11,171 housing units per the 2010 US Census. It is estimated that 1.5% (or 168) of those units will need to be replaced between 2010 and 2020 due to damage, disrepair, redevelopment, and functional obsolescence.

<sup>2</sup> According to the 2010 US Census 6.5% of all housing units (728) were vacant and available. Assuming market equilibrium is 5%, this means 169 currently vacant units will need to be occupied before reaching equilibrium.

<sup>3</sup> Based on generalized land use patterns over the last 20 years

<sup>a</sup> The breakdown of single-family versus multifamily development is based on building trends over the last 20 years and forecasted growth in age groups that have a propensity to live in multifamily housing.

It should be noted that for housing markets to function efficiently, a roughly three- to five-year supply of land should be available for immediate development. This amount of land should prevent a lack of supply that can result in sharp increases in the price of land and ultimately the cost of housing. Conversely, too much supply of land available for immediate development can result in unnecessary infrastructure costs and thus create pressure to develop product that may not align with the community's vision.

**DOWNTOWN HOUSING**

A great deal of investment has been made in downtown Marshalltown in recent years. As a result, a question has arisen as to the market potential of attracting new housing development into the downtown. Below is a brief discussion of the types of target markets attracted to downtowns and their likelihood of being attracted to downtown Marshalltown.

Housing located in downtown areas is often at higher densities (e.g., multistory buildings with a shared entrance and elevators) because of the high cost of land that results from fierce competition among many different users, including retailers, offices, and institutions (e.g., City Hall, Post Office, Court House, etc.). This type of dense housing traditionally has two target markets.

The first market is young professionals, who are often singles recently out of college. They are attracted to downtown living because of the access to employment and availability of services and amenities such as bars, restaurants, and similar places to meet and socialize with peers. Because these households are just starting their careers, many are still saving for a down payment to purchase their first home and thus must rent their housing.

The second market is empty nesters households. These are households in which their children have recently left the household. As a result, householders want to rid themselves of costly and laborious home maintenance by moving to a more maintenance-free environment accessible to a variety of services and amenities, such as restaurants, distinctive shopping areas, and cultural attractions (e.g., theaters, museums, and parks). These households are typically looking to make a lateral housing move or to downsize, yet they have the resources to own their housing and many times require a high level of finish in their units.

Although a lot of investment has been made in recent years, Downtown Marshalltown still lacks the critical mass of amenities to attract large numbers of either target market. Although some employers have invested in the downtown, such as Emerson and Mechdyne, they probably do not employ enough young professionals to create a natural market for housing. More importantly, though, the range of retail and nightlife options is limited in the downtown. This does not mean that there isn't a base of retail and nightlife to build upon and increase the downtown's attractiveness. It means that the mixture and complement of existing retailers and restaurants is not enough to attract people from these target markets into the area for housing. Finally, the downtown has a perception, whether real or not, of not being safe. This is especially important to the empty nester target market. They often have the means to choose wherever they want to live and any perception of an unsafe environment, no matter how justified or unjustified, will affect the housing choices of this group.

### **SENIOR HOUSING SUBMARKETS**

The demand for senior housing is affected by two primary factors: 1) growth in the size of the target market, which is generally considered to be persons age 65 and older; and 2) the number of options or choices in the marketplace. The first factor is somewhat intuitive. More people mean more demand. The second factor is not so intuitive and is based on the notion that greater choice or options in the marketplace will result in a higher overall capture rate thus increasing overall demand.

Currently, there are seven senior housing properties in Marshalltown with a combined total of approximately 376 units, including two assisted living facilities (Bickford Senior and Living and Glenwood Place), an independent living facility with congregate services (the Embers), a senior cooperative (Village Cooperative), a subsidized, affordable property with limited services (Odd Fellows Apartments) and two other affordable senior apartment complexes (Westtown Apartments and Crestview Apartments). Although these seven facilities represent a broad range of senior housing types, there are some gaps in the marketplace. Most importantly is the lack of a continuum of care campus in which residents have the ability to age-in-place and utilize various levels of care without moving from their residence. There also is a lack of market rate rental properties that do not require residents to pay for expensive services such as meals, housekeeping, and transportation.

It should be noted that the Iowa Veterans Home is not considered a part of the local market because residents are attracted to the facility from throughout the state.

The five properties noted above represent roughly 8 percent of all households age 65 and older in Marshall County. With a more diverse market, this capture rate could increase by several percentage points, which would translate into as many as 100 or more additional senior housing units.

Although Marshalltown could likely support additional diversification of its senior housing market, the primary target market for senior housing (households age 75 and older) will likely remain flat or even decline slightly over the next 10 years. This is because persons born during the Depression and World War II years (1930-1945) will be aging into these age groups; and these were years when birth rates declined.

The Baby Boom generation, persons born between 1946 and 1964, will start turning age 75 in 2020. This is when we can expect an increase in the demand for senior housing with services. In the interim, though, Baby Boomers will likely be seeking single-level housing, though not necessarily age-restricted with services. However, the transition from traditional single-family homes into single-level townhomes or condominiums will be predicated on the ability of Baby Boomers to sell their existing homes. Given the current depressed nature of the broader housing market, it may be several years before the Baby Boom market will begin to fuel significant demand for new single-level housing.

### **HOUSING DIVERSITY**

Most of Marshalltown's residential properties are in the form of single family detached units. However, housing needs are changing and therefore, it will become necessary to include more diverse housing types at more affordable options. As the baby boomer generation ages, more empty nesters are looking for smaller or attached housing. Likewise, the younger generation favors more mixed-use, multi-family living or smaller lot single family development. Within new growth areas, identified on the sub-area plans in the Land Use chapter, or through redevelopment, an expanded variety of housing types and mixed-use developments should be considered in order to accommodate people of varying preferences at all stages of life.

### **PROMOTE WALKABLE NEIGHBORHOODS**

Marshalltown's core residential area is compact and clustered around the downtown which creates a very pedestrian friendly environment. Newer developments were designed to be more focused on the automobile and used street patterns that made pedestrian movements unsafe. Future residential and mixed use developments should incorporate design options that promote walkability with access to pedestrian amenities and connections to sidewalks, bike routes and trails. If walkable neighborhoods are to be encouraged and developed, it is essential that the City create and enforce design standards and zoning ordinance regulations governing building placement, parking placement, height of structures in mixed use developments, requirement for sidewalk connections, and other issues discussed elsewhere in this Plan.

### **MEETING FUTURE HOUSING DEMAND**

New housing construction should provide choice for all economic levels in Marshalltown. Housing choice is also described as life-cycle housing, the availability of housing for each stage of life from first time homebuyers to a wide range of senior independent and assisted living facilities. Housing demand exists across the board for consumers needing diverse housing opportunities. One of the most effective ways for providing for housing choice, including affordable housing, is through land use regulation.

To provide for affordable housing in the community, the City is taking the appropriate regulatory measures within the Future Land Use Plan (Land Use Chapter) by guiding areas for mixed use, medium and higher density housing. Increasing density in already developed areas through redevelopment is one of the most efficient uses of land. Increasing intensity where infrastructure already exists to accommodate growth relies less on greenfield development. Guiding areas for medium and higher density land uses represents one of the City's most effective tools for the development of affordable housing.

Achieving density must be tied to careful consideration of design standards – density by itself can be done well or done poorly. When tied to design considerations discussed in the Land Use & Community Design chapter and other places in this Plan, the character, livability and walkability of these new or redeveloped neighborhoods can be enhanced significantly.

Although the projection for new residential growth is relatively modest, it does position the City to maintain its steady pace of growth. The direction of the Future Land Plan and the overall emphasis on redevelopment and revitalization within downtown and key commercial corridors, combined with new residential opportunities on the city's edges, provides varied options to support new life-cycle opportunities.

## **RELATIONSHIP TO ZONING**

The residential land use designations and corresponding density ranges within the Future Land Use Plan are not the same thing as zoning designations. These ranges allow for a greater diversity of housing than a particular zoning district might; they specify neither a particular housing type, such as single family residential, nor a particular zoning district. For each land use designation the City may have several zoning districts that permit different housing types at different densities which are consistent with the Future Land Use Plan.

## **Housing Implementation Strategies and Recommendations**

The following Housing Action Plan identifies efforts Marshalltown will pursue to create opportunities to maintain the existing housing stock, and to provide increased housing options for future residents. These strategies are based on goals for housing development through input received during community meetings, Steering Committee, Planning Commission and City Council.

The strategies are designed as a resource tool for specific measures the City can effectively undertake and enforce while others are designed as tools to encourage developers to incorporate affordable housing into future development. As future subdivisions are proposed, the City will use these resources and implement the strategies in working with developers to create new affordable housing opportunities. Many of these items are steps the City itself can take alone, while others will occur through partnerships. The City will seek to provide for and maintain housing quality and increase affordable housing opportunities.

To ensure housing development is compatible with existing and adjacent land uses and provides accessibility to key community features and natural amenities (Goals 1 and 2) the City will:

- Use the land use plan as a tool to provide a variety of residential land uses in a range of densities, concentrating higher density opportunities along major transportation and future job centers.
- Pursue funding opportunities to increase the affordability of housing units.
- Create regulatory tools for interconnected roadway development within all residential developments.
- Through creative use of site planning promote development of neighborhoods that incorporate housing in a range of densities and affordability limits in close proximity to shopping, services, daycare and medical services.

To improve the availability of affordable housing and enhance opportunities for senior housing the City will:

- Prepare a comprehensive housing study to assess the future demand for all housing types including the appropriate proportion of permanent and temporary worker housing.
- Seek housing developers to work cooperatively with the City to construct affordable units.
- Explore the creation of an incentive based program that includes density bonuses for construction of affordable housing.
- Explore the creation of a Community Land Trust (CLT) which is a non-profit corporation that acquires and manages land on behalf of the residents of a community, while preserving affordability and preventing foreclosures for any housing located on its land.
- Explore the development of affordable housing zoning changes that can increase the availability of affordable housing including adding provisions for accessory dwelling units.
- Support and promote federal, state or local (public or private) programs that assist new homeowners entering the market for existing homes.
- Partner with, support and market programs offered by the State or Federal Government and non-profits to fund the development of affordable and senior housing.
- Periodically review land use regulations to determine effectiveness of current ordinances in encouraging additional affordable units well as encouraging modifications to keep the existing housing stock desirable and livable.
- Allow the creative use of site planning or PUD's that provide flexibility for developments containing affordable housing such as a reduction in lot size, setbacks, street width, floor area, parking requirements and consideration of reduction in City fees.

To maintain existing housing stock to ensure a high-quality environment in all residential neighborhoods the City will:

- Adopt stricter design regulations and performance standards, as ordinance requirements, for neighborhoods and homes and utilize staff inspectors to enforce codes.
- Support and actively promote housing rehabilitation programs for existing owner-occupied homes and rental buildings or units.
- Partner with, support and market programs offered by the State or Federal Government, non-profits and local financial institutions to fund the rehabilitation of homes.
- Promote programs that encourage maintenance of existing housing including a housing remodeling fair, neighborhood watch groups, city and neighborhood beautification, and city wide clean-up programs.