

# Iowa Rural Development Summit - April 5, 2018

## Housing Panel Take-Aways



### Steve Gilbert, President, Gilbert Enterprises & Midwest Sustainable Homes

1. Developers looking at rural opportunities want and need **communities that are willing to invest in themselves and share risk in this current economy** by using tools, among others, TIF, tax abatements, low-interest loan opportunities, buyer/consumer incentives, local investors.
2. Developers need a **volume of opportunities** with predictable margins in a defined region, i.e., - multiple communities banding together to produce a more attractive volume of work over a manageable period of time which will produce lower costs to the developer such as mobilization, procurement, and project management.
3. Rural developers need local advocates and champions (local governments, businesses, schools) who understand the urgency and reality of the current housing dilemma. A transparent, honest, and shared understanding of the problem - that **a significant, growing number of people cannot find adequate, safe, and affordable housing due to the rising costs of construction materials and infrastructure, scarcity of labor, and the increased general cost of living (inflation) as compared to the stagnant wage increases over the past 30+ years** which has led to an 'aging in place' epidemic combined with deteriorating and aging housing stock. This common understanding will encourage 'solutions-centered' conversations where progress happens.
4. Developers need to see an obvious demand for a **product that is clearly lacking** in a community, i.e., **active adult community development, single family housing, multi-family, market-rate rentals**. This clarity quickly produces priorities, encouraging intentional and efficient use of time and resources
5. Commitment. We ALL need commitment. Decision to act. For any of these challenging and complex development activities to achieve measurable success **the most important ingredient needed is a willingness to act**. We must do something, even if it is changed at some point in the future. Inactivity or a half-hearted, risk-avoidance approach will simply allow for continued erosion and watered-down results. The gap will continue to widen and the rural housing crisis will worsen. **Ten years from now the cost to build a home will increase by an additional 50% based on 40-year historical data**. We must all ask ourselves these questions: 1) Is this issue important to the future of our community? 2) Is what we have done in the past going to produce the results we need in the future? 3) What is our risk tolerance? 4) What will happen if we do nothing meaningful and are we ok with that?

### Shawna Silvius, Executive Director, Montgomery County Development Corporation Emily Yaddof, Executive Director, Elkader Development Corporation

1. **Identify your particular housing challenges.** You may know your community/county/region has a housing shortage but be more specific.  
Communities: Do you need rental units, transitional leasing options, single family homes, senior housing, shovel-ready lots, etc.? Then prioritize what you need most and tackle the low hanging fruit first.  
County/Regional: Pull relevant information from all housing studies conducted from each of your communities or consider a regional housing study if necessary. You can also determine need by doing basic research of past and current stock.  
  
Get past and current data from your local realtors/assoc. and county assessor:
  - Number of units sold in previous year, length of time on market, average cost sold, average age of homes
  - Current number of units on market, average cost, identify gaps in price range of the market
  - Map properties identified for demolition or in need of rehabilitation county-wide per community and in rural areas

2. **Identify local partners and resources.** Who should be at the table when you talk about how to tackle your housing challenges? What local resources can be utilized? What local or regional businesses and/or organizations can you potentially partner with? Is there local or regional funding, such as a housing trust fund, available to support housing initiatives? Consider including:
  - Realtors and Realtor Association
  - Contractors and developers
  - Local groups, foundations and or committees focused on housing (habitat for humanities, churches who build homes, chamber or economic development committees, etc.)
  - Taxing entity leadership – city, county, school, hospital, etc.
  - Industry Leaders (include proactive Ag sector reps if rural!!!)
  - Resource providers – development district/planning agency/COG, IFA, USDA RD and IEDA Housing Specialists for all programs; non-profits supporting housing
  - Funding – housing specialists at local banks, investment groups, community/endowment foundations
  
3. **Identify and establish essential partnerships.** If you are an independent economic development organization, partner with your City/County, schools, and any other taxing entity.
  - City/County-wide representation on your team can provide a lot of support as they can offer incentives, such as tax rebates, free utility connections, etc., to new home owners and new home builders.
  - Consider how the county can also participate by designating county-wide rural/urban renewal areas for tax abatement.
  - Additionally, schools may offer or be open to creating trades training/apprenticeship opportunities and partnerships with local contractors for students to gain hands-on experience with housing rehabilitation and/or construction projects while growing future skilled trades/journeyman to expand/meet succession planning for local contractor businesses.
  
4. **Create an inventory of available properties.** Having a list of what houses and lots are vacant and/or available for sale will help you identify target properties that could be utilized to help you tackle your housing challenge(s).
  - **Rehabilitation:** If necessary, conduct a Blight and Substandard Study. Or use maps if already available.
  - **Rehabilitation:** Or map properties identified for demolition or in need of rehabilitation county-wide per community and rural areas.
  - **In-fill:** Identify opportunities to use areas where infrastructure already exists; be conscientious of current and future property values and possibilities for that area
  - **Second Story:** Identify your current upper story housing options, create a strategy for further improving or creating additional options for downtown living. Determine the type of units and the market rate rents to attract the niche/renters you have identified.
  - **Construction:** Create a strategic shovel-ready development plan to best attract and support a developer's needs: no land acquisition requirement, financing assistance (RLF, Housing Trust Fund, application for tax credit programs, other financing, grants & incentives), free or reduced permit fees, shared legal fees, consumer incentives (down-payment assistance and closing cost incentives, etc.), proper infrastructure for future technology needs (access to redundant fiber), utility rebates, etc.
  
5. **Develop housing incentives to cater to your community/county's housing needs.** Offering housing incentives can help you attract new home owners and new home builders to your community. You can also use incentives as a tool to encourage reinvestment in your current housing stock or entice a developer to come to your community to build new housing stock. Cater these incentives for each target group you want to attract to your community:
  - Consumers (people attraction – closing costs, down-payment assistance, etc.)
  - New Construction
  - Developer
  - Rehabilitation & Owner-Occupied Rehabilitation
  - Rental & Property Management