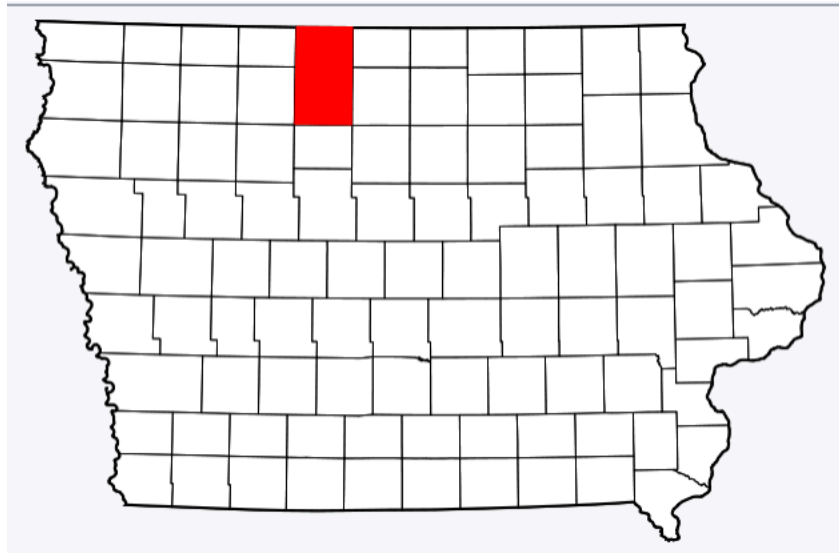


Kossuth County 2022 Housing Needs Assessment



Prepared for North Iowa Area Council of Governments
By Iowa State University Extension & Outreach Community Economic
Development
September 2022

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PART 1: EXECUTIVE SUMMARY OVERVIEW

The North Iowa Area Council of Governments (NIACOG) contracted with Iowa State University Extension & Outreach's Farm, Food, and Enterprise Development unit for several studies addressing local needs in NIACOG's eight-county region consisting of Cerro Gordo, Floyd, Franklin, Hancock, Kossuth, Mitchell, Winnebago, and Worth Counties in north central Iowa. The studies examined the environment for entrepreneurial businesses, day care and other child care needs, and this housing needs assessment. This housing needs assessment report was researched and authored by an Iowa State University Extension & Outreach Community Economic Development Program Specialist with more than 25 years of experience in housing development and housing planning who has conducted similar studies for other cities and counties throughout Iowa as well as for the State of Iowa.

The Housing Needs Assessment includes *quantitative* statistical analysis of population data/demographics, economic and income data, existing housing data, and a housing market analysis. The statistical data was used to create a housing construction model for the county that takes into consideration how many housing units will need to be constructed; what price points those housing units need to be at in order to be affordable to the local population; how many units will need to be created if there is no population growth and how many will need to be created if there is modest population growth. The model also identifies instances in which there may be existing excess housing capacity that does not match local needs.

PURPOSE OF THE HOUSING NEEDS ASSESSMENT

A housing needs assessment has four primary purposes:

1. Identifying the demographic and economic trends that may impact the future need for housing.
2. Assessing the characteristics of existing housing and households. This determines what housing stock exists and how that housing stock is accommodating the physical needs of the population currently living in Kossuth County.
3. Analyzing the current and future demand for housing taking into account such factors as the physical safety needs of an aging population, the condition of existing housing, the affordability of existing housing, whether private market choices exist, and the extent of housing that sits vacant and is therefore not available to house families.
4. To recommend initiatives and actions Kossuth County can take to either satisfy future housing needs on their own or to create incentives so the private market can satisfy future housing needs.

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Housing is a large part of a community's economic infrastructure. Communities strive to have an adequate number of housing units, at several price points that are affordable to a populace with a range of income levels, that meet the different physical needs of different types of households from young families with children to senior citizens, and that have the architectural styles and amenities that make neighborhoods livable. From an economic standpoint, a community's goal is to make it *probable* that residents will choose to live, work and shop in their community because their community provides all that is necessary and desired by the majority of its citizens.

Housing's role in economic development is to provide housing for the workforce that *currently* exists in the community and the workforce that is *predicted* to live in the area based on the area's primary economic drivers. A company hoping to locate in the community will need to have housing available to their employees at prices aligned to their incomes. The company may look at the quality and condition of housing as an indicator of the quality of life they can expect to find in a community.

The condition of existing housing also impacts the health of residents. Older housing units were often constructed with building materials we now know have toxic effects, such as asbestos and lead-based paint. Homes that have been exposed to water internally for any length of time are susceptible to mold. These toxins can result in increased diagnoses of asthma and allergies particularly for children and the aged. Homes with older furnaces are more susceptible to increased levels of carbon dioxide. Throughout Iowa, cracked basement walls can cause dangerous levels of radon to leach into homes through porous soils.

Older housing units can also negatively impact the health of older residents when bathrooms and bedrooms are located on second stories, when laundry facilities are located in basements, and when there are exterior steps into the home that may present fall hazards, particularly in winter. Additionally, some older homes are harder to rehabilitate for handicapped-accessibility, making it difficult for aging residents to use their adaptive devices such as walkers and wheelchairs, and therefore more likely to present either an unsafe living environment or reduce the ability of a senior citizen to age-in-place. In cases where seniors are no longer able to live in a single-family home, the presence within the community of other senior housing options is also necessary, such as available and affordable independent living senior apartment-style homes or townhomes, assisted living and skilled care/nursing home facilities. Senior living options can also be enhanced by the provision of supportive services that either help a senior stay in their own home or make a successful transition to other senior housing options. Services such as housekeeping, medication management, meals-on-wheels type food or grocery delivery services, transportation to medical appointments, and case managers can successfully extend the time seniors can stay in their own homes or in independent living before moving on to more institutionalized, and more expensive, care.

METHODOLOGY AND LIMITATIONS OF THE DATA

The 2022 Kossuth County Housing Needs Assessment was quantified using publicly-available secondary source data from Federal sources such as the U.S. Census Bureau, the American Community Survey (ACS), the U.S. Department of Housing & Urban Development (HUD), the Bureau of Labor Statistics (BLS), and the Bureau of Economic Analysis (BEA). Secondary source material was also gathered from State sources such as Iowa State University's Data for Decision Makers reports, the Iowa Association of Realtors, the County Assessor's Office, and the Iowa Community Action Association. Primary data was also collected through website searches and phone interviews.

It needs to be noted that the 2020 U.S. Census was problematic for a variety of reasons. Having been conducted largely through online efforts during a pandemic, there were noted under- and over-counts for certain populations. The Census has also begun "masking" certain kinds of data that might serve to identify an individual, a specific household, or a specific business or commercial enterprise. This particularly impacts smaller rural communities where there may be only a handful of non-white residents, for example, or one manufacturing business that could be identified by being the only business of that type in the community. Additionally, the final results of the U.S. Census have been dribbling out throughout 2022 instead of being issued all at one time. The first tranche of housing data was released in the middle of March 2022 and a second data set was released in July. It is expected that additional reports will be released by the end of 2022, but this housing needs assessment is current only up to July of 2022.

RECOMMENDATIONS

Recommendation 1: Preserve existing housing through rehabilitation and energy-efficiency improvements. The Construction Model shown in Table 28 shows an excess of housing capacity in Kossuth County right now. When a housing market has an excess of capacity, meaning there are more houses available than there is population to fill them, the best housing strategy is to maintain the quality of the existing housing through rehabilitation programs. Currently, the State of Iowa is backing off of rehabilitation programming due to tight housing markets in rural areas and the need to add numbers of housing units to meet that need. That doesn't mean the need for rehabilitation has vanished....just the State funding to support it. That leaves rehab on the table for local housing trust funds, locally-funded initiatives, or USDA funding to backfill the loss of other traditional sources. The North Iowa Area Council of Governments (NIACOG)'s challenge on this recommendation will be to work with communities in the county, the county, or the entire region to continue seeking grant funding, advocating for new funds, and supporting rehab programming.

Recommendation 2: Add smaller units of new construction, single or multi-family, for seniors and smaller families. Even if Kossuth County does NOT experience population growth throughout the rest of this decade, there still is a need for additional new construction housing, either single or multifamily, preferably of smaller units to accommodate smaller households as shown in Table 17. Some of these smaller units should be for senior citizens. Some should be

townhouses or condominiums that would be attractive to smaller households at any age range. These smaller units would be ideal for infill where Floyd County communities may have lots already attached to infrastructure.

Recommendation 3: Update Upper Story Housing and In-fill Lots Inventory. State funding is being directed to Upper Story Housing projects that serve to provide new units of housing while preserving Main Streets and other adjacent downtown areas. Here is a link to the grant program: <https://www.iowaeda.com/downtown-resource-center/downtown-housing-grant/> Identifying eligible upper story owners who may be interested in this program is a task NIACOG could undertake. The In-fill Lot Inventory is another tool that should be updated in each city in Kossuth County. One strategy to deal with a shrinking population in a way that doesn't further deteriorate neighborhoods or damages the character of a community, is to address holes in neighborhoods that have come from the loss of housing to fires or other demolitions. Some lots that look like they are in-fill might actually have been purchased by neighboring property owners and aren't really available for new housing, so the inventory should focus on lots that could be used for new housing without expanding the footprint of the community.

Recommendation 4: Conduct a windshield survey and initiate demolition of substandard housing and one-to-one replacement with new housing. When there is excess capacity in a housing market, housing planning should focus on improving the quality of existing housing. A windshield survey should be conducted that evaluates each community's individual housing stock on a simple scale of Excellent for newly constructed housing, Good for newer housing without obvious need of rehabilitation; Fair for older housing that could be eligible for rehabilitation based on the actual condition or age of the structure; and Poor for housing that should be removed. Derelict housing removal should be followed up with an intention of doing a one-to-one replacement if possible.

Recommendation 5: Investigate rental unit vacancy rate. When owner-occupied vacancy rate is 1.5%, we'd expect a similar result for rental vacancies, particularly since we're looking at single-family structures used as both owner and rental units. Check to see if there are multiple rental units under a common ownership that isn't flourishing. Check to see if places that are supposed to be rental are still rental or have been sold to owner-occupants. Other communities in similar situations have discovered that some units have gone out of service due to neglect or the owner's inability to access funding to keep them in service.

Recommendation 6: Consider applying for the Rural Housing Readiness Assessment Program. The Rural Housing Readiness Assessment program is for communities under 20,000 population. It provides two educational sessions on the demographics and statistics that drive housing needs; conducts an online survey of local housing demand; and provides two strategic planning sessions that help communities identify their housing goals. The communities then receive a final report where further investigation of their goals is fleshed out with financial resources and examples of similar projects that other communities have been success with in meeting their local housing challenges. The next round of grants should be in the Spring of 2023. Here is a link

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to information about the program: <https://www.iowaeda.com/empower-rural-iowa/housing-assessment/>.

PART 2: DEMOGRAPHICS

Table 1: Population of Kossuth County Communities and Percentage of Change Between 2010-2020

City	2020	2010	Change	Percentage Rate
Algona	5,487	5,560	-73	-1.3%
Bancroft	699	732	-33	-4.5%
Burt	418	533	-115	-21.6%
Fenton	271	279	-8	-2.9%
Lakota	267	255	+12	+4.7%
Ledyard	121	130	-9	-6.9%
Lone Rock	146	146	0	0
Lu Verne	258	261	-3	-1.1%
Swea City	566	536	+30	+5.6%
Titonka	511	476	+35	+7.4%
Wesley	391	390	+1	+0.3%
Whittemore	497	504	-7	-1.4%

Source: U.S. Census Bureau

Table 2: Kossuth County Total Population by 5 Year Age Groups 2020

Age Group	2020	Percent of Population
Total Population	14,864	
Under 5 years	851	5.7%
5-9 years	776	5.2%
10-14 years	986	6.6%
15-19 years	913	6.1%
20-24 years	881	5.9%
25-29 years	780	5.2%
30-34 years	752	5.1%
35-39 years	900	5.1%
40-44 years	613	4.1%
45-49 years	692	4.7%
50-54 years	882	5.9%
55-59 years	1,082	7.3%
60-64 years	1,271	8.6%
65-69 years	919	6.2%
70-74 years	790	5.3%
75-79 years	639	4.3%
80-84 years	455	3.1%

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85 years and older	682	4.6%
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Source: U.S. Census Bureau

Table 1 on the previous page shows the 2020 and 2010 populations for Kossuth County cities. Seven cities (Algona, Bancroft, Burt, Fenton, Ledyard, Lu Verne, and Whittemore) lost population while four cities gained population (Lakota, Swea City, Titonka, and Wesley). This is consistent with general rural population loss throughout Iowa. Table 2 shows how the population is distributed over five-year age groups. The distribution shows 23.7% of the population is under the age of 18. Residents between the ages of 19 and 64, who would be in their working years, comprise 52.8% of the population. This is the cohort that would be buying their first homes and are the primary market for home sales. The final 18.1% of the population are over the age of 65 and represent a population that may be looking at senior housing, the need for housing rehabilitation services, and are often the cohort most likely to sell their homes, relocate away from the community, or change residences within the community. Table 3 below shows that overall, Kossuth County’s population is older than the Iowa average, but this also not inconsistent with similarly sized rural counties.

Table 3: Kossuth County Median Age of Population by Sex

Median Age in Years	Kossuth County 2020	Iowa 2020
Total Population	44.8	38.3
Male Population	43.2	37.2
Female Population	46.3	39.4

Source: U.S. Census

**Table 4: Population by Hispanic/Latino Origin and Race
KOSSUTH COUNTY**

Hispanic/Latino Origin and Race	2020 Kossuth County Population	Percentage of Kossuth County Population	Iowa Percentage of Population
White alone	13,916	93.8	84.5
Black/African American alone	78	0.5	4.1
American Indian/Alaska Native alone	14	0.1	0.5
Asian alone	74	0.5	2.4
Native Hawaiian/Other Pacific Islander alone	3	0.0	0.2

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Some Other Race alone	228	1.5	2.8
Two or More Races	515	3.5	5.6
Hispanic or Latino (of any race)	603	4.1	6.8
Total	14,828		

Source: U.S. Census Bureau

While Table 4 shows that Cerro Gordo is predominantly White and has a higher percentage of White residents than the State average, it also shows growing diversity, particularly in the number of individuals who identify as Hispanic at 4.1% and Two or More Races at 3.5%

Table 5: Kossuth County Households and Families by Type

2020 Households	Number	Percentage of All Occupied Units
Family Households	4,019	61.1%
Married-Couple Family	3,261	49.6%
With Related Children of Householder Under Age 18	1,599	24.3%
Householder 65 Years and Older	1,001	15.2%
Male Householder With No Spouse Present	319	4.9%
Female Householder With No Spouse Present	439	6.7%
Non-Family Households	2,556	38.9%
Householder Living Alone	2,208	33.6%
Householder Living Alone Over Age 65	1,084	16.5%

Source: U.S. Census Bureau

The information in Table 5 is important to determining housing need because it identifies the need for larger family homes and the number of single-person households that may need smaller-sized homes. The 61.1% in family households, with 24.3% having children under the age of 18 at home, is bucking a national trend where fewer and fewer households meet this definition of “traditional family.” The implication for housing planning is that MORE units become necessary as fewer individuals occupy individual units of housing. What this means in rural areas is that there can simultaneously be a decrease in overall population and increased need for new housing to accommodate more individual households with fewer people per house.

PART 3: ECONOMICS

The economic data that needs to be analyzed as part of a housing needs assessment includes data about the labor force; the industries and types of jobs available in Kossuth County and nearby communities; the education levels needed to obtain the jobs available; the unemployment rate; and the number of households subsisting below the poverty level. This economic data informs community leaders about the price points that are affordable to individuals at a variety of income levels and the sources of the income households have available to satisfy their housing needs.

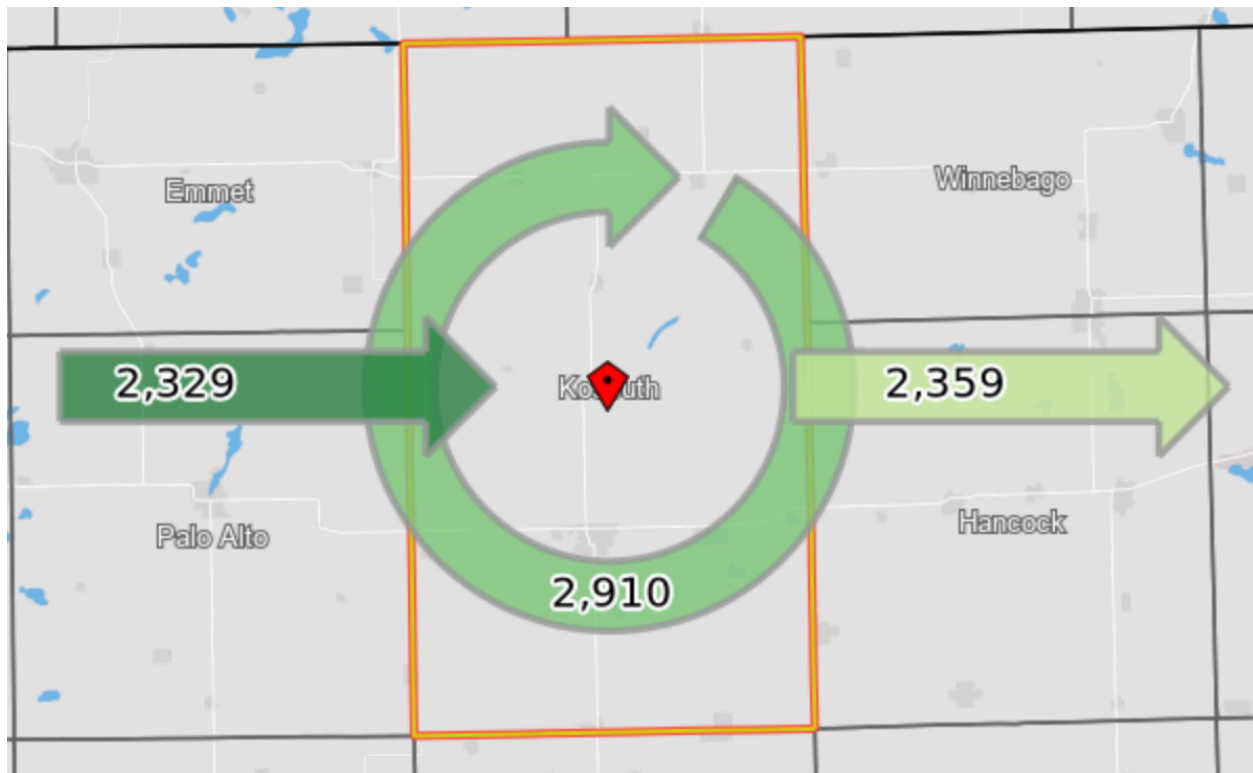
Table 6: Kossuth County Employment Job Counts by Where Workers Live

City/Place	Job Count	Share/Percentage
Algona	1,318	25.2%
Bancroft	109	2.1%
Whittemore	102	1.9%
Burt	97	1.9%
Emmetsburg	70	1.3%
Titonka	67	1.3%
Swea city	62	1.2%
Des Moines	57	1.1%
Britt	54	1.0%
Wesley	54	1.0%
All Other Locations	3,249	62.0%

U.S. Census Bureau “On The Map” 2019

Table 6 above shows the location and number of jobs held by Kossuth County residents. Algona accounts for 25.2% of the job positions, but the vast majority, 62%, of jobs are located outside of the county. Research from studies at Iowa State University have shown that if workers live outside of the community they work in, they will eventually either move to the community they work in or they will find a job closer to where they live. For that reason, we examine commuting patterns of workers. In Figure 1 below, the 2,329 people who commute INTO Kossuth County represent a possible market for new housing ownership while the 2,359 people who leave the county each day for employment represent a possible loss of population in the future. Obviously, kind of a wash in that as many come in as leave each day. The number of individuals who both live and work in a county represents the core stability of the population, so increasing that number is a way communities can generate future economic growth.

Figure 1: Kossuth County Workforce Commuting Pattern



Source: U.S. Census Bureau "On The Map" 2019

The North American Industry Classification System (NAICS) is used to determine what primary industries are located in each community or county. The statistics that are derived from NAICS show that Kossuth County's largest industry in terms of numbers of employees is Manufacturing with 27% of the workforce. The only other category in the double digits is Retail Trade with 13.5% of the workforce. This shows a local economy heavily dependent on one or two companies and retail businesses that serve the local population. Table 7 below shows the number of jobs in each NAICS classification and the percentage of that industry as a part of the total economy.

Table 7: Kossuth County Jobs by NAICS Industry Classification

Industry Sector	Number of Jobs	Share of Workforce
Agriculture, Forestry, Fishing and Hunting	256	4.9%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
Utilities	6	0.1%
Construction	263	5.0%
Manufacturing	1,417	27.0%
Wholesale Trade	512	9.8%
Retail Trade	706	13.5%
Transportation and Warehousing	126	2.4%
Information	55	1.0%
Finance and Insurance	463	8.8%
Real Estate and Rental and Leasing	54	1.0%
Professional, Scientific, and Technical Services	227	4.3%
Management of Companies and Enterprises	9	0.2%
Administration & Support, Waste Management and Remediation	87	1.7%
Educational Services	112	2.1%
Health Care and Social Assistance	481	9.2%
Arts, Entertainment, and Recreation	64	1.2%
Accommodation and Food Services	273	5.2%
Other Services (excluding Public Administration)	128	2.4%

Source: U.S. Census Bureau

Tables 8 and 9 below take a look at the levels of education needed for the jobs available in Kossuth County. Table 8 shows 668 people with less than a high school education compared to 300 jobs in the community that can be done by someone with less than a high school education. Typically, these may be individuals who have migrated to the community from foreign countries where they had not completed their educations. In the next category there are 6,292 individuals with high school or some college available for 2,886 job positions where less than an Associate’s degree is necessary for employment. This represents a surplus of

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education and an explanation of why so many people have to leave the county to find employment that is a match to their skill set. The 1,905 individuals with a Bachelor’s degree and Graduate or Professional degrees are available to fill the 818 positions that require higher education. This shows an excess capacity for workforce in Kossuth County. A focus on economic development that creates jobs is one of the few ways to achieve the population growth needed to support additional housing in the area.

Table 8: Kossuth County Educational Attainment

Education Level	Number	Percentage
Population 25 years and over	10,457	
Less than 9 th grade	209	2.0%
9 th to 12 th grade, no diploma	459	4.4%
High School graduate (includes equivalency)	3,831	36.6%
Some college, no degree	2,461	23.5%
Associate’s degree	1,592	15.2%
Bachelor’s degree	1,458	13.9%
Graduate or professional degree	447	4.3%

Source: U.S. Census Bureau

Table 9: Kossuth County Jobs by Educational Attainment

Education Level	Number of Jobs	Share of Jobs
Less than high school	300	5.7%
High school or equivalent, no college	1,277	24.4%
Some college or Associate degree	1,609	30.7%
Bachelor’s degree or advanced degree	818	15.6%
Educational attainment not available (workers aged 29 or younger)	1,235	23.6%

Source: U.S. Census Bureau

Next, we look at the incomes that are generated by the jobs located in the county. The Median Family Income in Kossuth County for all households is \$70,540 which means that half of all jobs pay more than \$70,540 and half pay less. The Median Household Income is \$56,156 which is the average of all earned income divided by the number of all income earners. The Median Family Income (MFI) is the figure used by governmental agencies to determine the income

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eligibility of individuals and households for assistance programs. Table 10 illustrates the Median Family Income for individuals, families, and non-related households. Table 11 shows the number of households reporting earned income from wages. In terms of housing, what we look at is the income available by various types of household formation to satisfy their housing needs. At the high end, what this shows is that Married-couple families with a Median Income of \$79,753 have available to them \$1,994 per month for housing (30% of income/12 months) while a Nonfamily household with a Median Income of \$33,690 has \$842 a month available for housing. These numbers will appear again Part 5 of this report where they will be used to determine projected housing needs, construction model, and affordability model.

Table 10: Kossuth County Median Household, Family, and Non-Family Median Income

Income	Households	Families	Married-couple families	Nonfamily households
Total Households	6,575	4,019	3,261	2,556
Less than \$10,000	4.6%	2.5%	1.4%	8.8%
\$10,000 to \$14,999	6.5%	1.6%	0.3%	15.2%
\$15,000 to \$24,999	10.6%	7.5%	3.4%	16.9%
\$25,000 to \$34,999	8.2%	6.9%	5.7%	11.2%
\$35,000 to \$49,999	14.8%	12.6%	11.9%	19.1%
\$50,000 to \$74,999	20.2%	22.8%	22.8%	14.8%
\$75,000 to \$99,999	15.1%	18.1%	20.7%	7.6%
\$100,000 to \$149,999	13.6%	19.0%	23.2%	4.2%
\$150,000 to \$199,999	3.3%	4.3%	5.0%	1.6%
\$200,000 or more	3.0%	4.6%	5.7%	0.5%
Median Income	\$56,156	\$70,540	\$79,753	\$33,690

Source: U.S. Census Bureau

Table 11: Kossuth County Household Income and Benefits by Income Range

Income Range	Number of Households in Range
Total Households	6,575
Less than \$10,000	304
\$10,000 to \$14,999	430
\$15,000 to \$24,999	687
\$25,000 to \$34,999	539
\$35,000 to \$49,999	973
\$50,000 to \$74,999	1,329
\$75,000 to \$99,999	995
\$100,000 to \$149,999	896
\$150,000 to \$199,999	214
\$200,000 or more	198

Source: U.S. Census Bureau

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Wages earned from employment are one way of gaining income. Other ways of gaining income include Social Security, Retirement/Pension benefits, Supplemental Security Income (SSI/Disability), and cash public assistance. Table 12 shows these other types of income, the number of households receiving these types of funds, and the average annual income these income sources provide to their recipients. Remember that an individual household can have several sources of income outside of their primary source of income. Something that stands out from this chart is the extremely low wages of self-employed individuals. This may be a source of potential workforce for area employers who may be able to offer a better salary and better benefits.

Table 12: Kossuth County Household Income From All Sources

Type of Income	Number of Households	Mean Annual Income
All households	6,575	\$69,106
With earnings	4,738	\$69,263
With wages or salary income	4,386	\$64,746
With self-employment income	1,333	\$33,152
With interest, dividends, or net rental income	1,878	\$24,241
With Social Security income	2,622	\$18,885
With Supplemental Security Income (SSI)	227	\$11,329
With cash public assistance income or Food Stamps/SNAP	584	X
With cash public assistance	247	\$2,204
With retirement income	1,139	\$15,809
With other types of income	781	\$12,962

Source: U.S. Census Bureau

Another factor to consider in examining what drives housing need in a locality is the poverty level. People living in poverty are not always able to find housing that meets their needs in a location without some kind of assistance. Table 13 shows the poverty rate for Kossuth County. It is common for the highest poverty levels to be among female-headed households with minor children present in the home. As young people start their careers and families, we would expect to see them exit the ranks of poverty, but what is concerning about this table is the 17.9% in the 18-34 age group that still linger in the poverty category. This is the tangible evidence of the impact of the high cost of education and the lack of affordability of housing that is delaying this age group from achieving age-appropriate milestones at the same rate as previous generations.

Table 13: Kossuth County Poverty Rates

Age Group	Total in Population	Number Living Below Poverty Limit	Percentage of Total in Age Group Living Below Poverty Limit
Population for whom poverty status is determined	14,628	1,657	11.3%
Under 18 years	3,194	422	13.2%
Under 5 years	851	154	18.1%
5 to 17 years	2,343	268	11.4%
18 to 64 years	8,154	1,027	12.6%
18 to 34 years	2,729	489	17.9%
35 to 64 years	5,425	538	9.9%
60 years and older	4,543	262	5.8%
65 years and older	3,280	208	6.3%
Male	7,365	686	9.3%
Female	7,263	971	13.4%

Source: U.S. Census Bureau

The “poverty level” is not a fluid or dynamic number. It isn’t often changed to reflect reality, yet it is still used to identify portions of the populace that are eligible for certain assistance programs. Many programs, therefore, have adopted “percentages of poverty level” as eligibility for their programs. Table 14 shows the most common levels and the number of individuals in each of those ranges.

Table 14: Kossuth Residents in Each Percentage of Poverty

Poverty Level	Number of Residents in Range
50% of poverty level	611
125% of poverty level	2,384
150% of poverty level	2,887
185% of poverty level	3,806
200% of poverty level	4,294
300% of poverty level	6,910
400% of poverty level	9,382
500% of poverty level	11,075

Source: U.S. Census Bureau

Table 15 on the next page shows the current 2022 program eligibility for a number of programs that impact housing and social services by income and family size.

Table 15: 2022 Iowa Poverty Levels by Household Size and Program Eligibility

Number in Household	50%	100% HS/EHS	130%	150%	175% LIHEAP	185% WIC	200% WAP
1-person	\$6,795	\$13,590	\$17,667	\$20,385	\$23,783	\$25,142	\$27,184
2-person	\$9,155	\$18,310	\$23,803	\$27,465	\$32,043	\$33,874	\$36,620
3-person	\$11,515	\$23,030	\$29,939	\$34,545	\$40,303	\$42,606	\$46,060
4-person	\$13,875	\$27,750	\$36,075	\$41,625	\$48,563	\$51,338	\$55,500
5-person	\$16,235	\$32,470	\$42,211	\$48,705	\$56,823	\$60,070	\$64,940
6-person	\$18,595	\$37,190	\$48,347	\$55,785	\$65,083	\$68,802	\$74,380
7-person	\$20,955	\$41,910	\$54,483	\$62,865	\$73,343	\$77,534	\$83,820
8-person	\$23,315	\$46,630	\$60,619	\$69,945	\$81,603	\$86,266	\$93,260

Source: Iowa Community Action Association

HS/EHS: Head Start/Early Head Start

LIHEAP: Low Income Home Energy Assistance Program

WIC: Women, Infants, and Children

WAP: Weatherization Program

Here are some of the most frequently used assistance programs and their eligibility requirements:

- Head Start/Early Head Start - 100% of poverty
- Shared Visions, National School Lunch Program (Free) - 130% of poverty
- Medicaid – 133-167% of poverty
- Child Care Subsidy - 145% of poverty
- Low Income Home Energy Assistance Program (LIHEAP) and Weatherization = 175% of poverty
- Weatherization program = 200% of poverty
- WIC, Title V – Maternal & Child Health Services; National School Lunch Program (Reduced Price School Lunch) - 185% of poverty
- Early Childhood Iowa Low-Income Preschool Tuition Assistance, HAWK-I = 200% of poverty

PART 4: HOUSING

Part 4 will provide information about how people occupy housing, such as rates of home ownership or rentals. Information about household composition, for example, helps leaders understand the need for housing of different sizes to accommodate larger families compared to a similar need for smaller units to accommodate senior citizens or single individuals. Information about the age and condition of existing housing helps leaders understand what is available on the open market and what will likely need to be replaced in the near future as certain houses become obsolete either for health and safety reasons or because they lack amenities that today’s homebuyers want.

Table 16: Kossuth County Housing Units by Occupancy and Tenure

Housing Unit Type	2020
Total Housing Units	7,256
Occupied	6,575
Owner Occupied	4,889
Renter-Occupied	1,686
Vacant Units	951
Owner-Occupied Vacancy Rate	1.5%
Renter-Occupied Vacancy Rate	6.0%

Source: U.S. Census Bureau

Table 16 shows the split between owner-occupied and renter-occupied housing units. The table shows a 74/26 owner/renter split which is optimal. What isn’t optimal are the two vacancy rates. For owner-occupied housing, anything less than 5% vacancy doesn’t provide enough choice in the market. For renter-occupied housing, vacancy rates of 5-7% are standard as there is higher turnover in rental markets, so the current vacancy rate for rentals is inching close to too high and requires further investigation to determine the cause.

Table 17: Kossuth County Household Size

Household Size	Total Number	Percentage of Total	Percentage of Owner-Occupied	Percentage of Renter-Occupied
1-person	2,208	33.6%	27.2%	52.2%
2-person	2,600	39.5%	44.2%	26.0%
3-person	741	11.3%	11.8%	9.6%
4 or more person	1,026	15.6%	16.8%	12.2%

Source: U.S. Census Bureau

Highlights of Table 17 are that 52.2% of the rental market is for 1-person households while households of more than just two people, i.e. families with children, account for only 18.6% of

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the entire owner-occupied housing market. Why this is notable is because many communities focus on the family housing when it is increasingly less a percentage of the entire population.

Table 18: Kossuth County Age of Housing

Year Structure Built	Number	Percentage
Built 2014 or later	106	1.4%
Built 2010 to 2013	267	3.5%
Built 2000 to 2009	412	5.5%
Built 1990 to 1999	348	4.6%
Built 1980 to 1989	434	5.8%
Built 1970 to 1979	1,294	17.2%
Built 1960 to 1969	646	8.6%
Built 1950 to 1959	893	11.9%
Built 1940 to 1949	643	8.5%
Built 1939 or earlier	2,483	33.0%

Source: U.S. Census Bureau

As is typical throughout all of Iowa, the age of our housing stock presents a continued challenge. What Table 18 shows is that based on age alone, 95.1% of the housing stock would be eligible for rehabilitation programs to bring major systems up to code or to just maintain expected deterioration. That said, the 33% of homes built prior to 1939 are what define the community's visual character and historic value.

Table 19: Kossuth County Housing Units by Type of Structure

Type of Structure	Number	Percentage
Total Housing Units	7,526	
1-unit detached	6,334	84.2%
1-unit attached	121	1.6%
2 units	126	1.7%
3 or 4 units	126	1.7%
5 to 9 units	239	3.2%
10 to 19 units	191	2.5%
20 or more units	319	4.2%
Mobile Homes	70	0.9%

Source: U.S. Census Bureau

Table 19 shows the type of structures that make up the number of housing units in the county. This shows a pretty heavy reliance on single-family structures to provide both owner-occupied and rental housing opportunities. Future housing construction should look to add townhouses, condominiums, and multi-family housing structures to provide housing for individuals who may wish to have less maintenance to do, such as the elderly, or young professionals.

Table 20: Kossuth County Housing Units by Number of Bedrooms

Number of Bedrooms	Number	Percentage
Total Number of Units	7,526	
No bedroom	49	0.7%
1 bedroom	654	8.7%
2 bedrooms	1,891	25.1%
3 bedrooms	2,934	39.0%
4 bedrooms	1,563	20.8%
5 or more bedrooms	435	5.8%

Source: U.S. Census Bureau

Table 20 shows a very good mix of housing units by bedroom size. One note would be the 5.8% of 5-bedroom houses. These are likely older homes and preserving the stock of these homes is important because new builds will likely be much smaller and the families that need larger bedroom homes are likely to be at the lower end of the economic spectrum.

Table 21: Kossuth County Housing Values

Housing Value	Number	Percentage
Owner-Occupied Units	4,889	
Less than \$50,000	1,031	21.1%
\$50,000 to \$99,999	1,235	25.3%
\$100,000 to \$149,999	755	15.4%
\$150,000 to \$199,999	700	14.3%
\$200,000 to \$299,999	600	12.3%
\$300,000 to \$499,999	412	8.4%
\$500,000 to \$999,999	135	2.8%
\$1,000,000 or more	21	0.4%
MEDIAN HOUSING VALUE	\$109,400	

Source: U.S. Census Bureau

Table 21 shows some concerning data. The very low Median Housing Value of \$109,400 versus the cost of new housing creates what is called a “Value Gap” where the cost to build housing in a rural area is compromised by the low value of existing housing in the market. This makes it hard to get loans to build or buy. Additionally, the low value doesn’t drive enough revenue to cover the increasing cost of public services.

Table 22: Kossuth County Mortgage Status

Mortgage Status	Number	Percentage
Owner-occupied units	4,889	
Housing units with a mortgage	2,256	46.1%
Housing units without a mortgage	2,633	53.9%

Source: U.S. Census Bureau

Table 22 shows the percentage of owner-occupied homes by their mortgage status and it is notable that there is such a large percentage of housing that does NOT have a mortgage. This lack of a mortgage represents potential equity that could be reinvested in rehabilitation of the housing to add additional years of life to the existing housing stock in the area.

Table 23: Kossuth County Owner Monthly Mortgage Costs

Gross Monthly Expenses	Number	Percentage
Housing units with a mortgage	2,256	
Less than \$500	87	3.9%
\$500 to \$999	898	39.8%
\$1,000 to \$1,499	755	33.5%
\$1,500 to \$1,999	205	9.1%
\$2,000 to \$2,499	120	5.3%
\$2,500 to \$2,999	134	5.9%
\$3,000 or more	57	2.5%
Median Monthly Expenses = \$1,083		

Source: U.S. Census Bureau

Table 23 shows that there is a broad range of mortgages being paid by owner-occupants, but that the 77.2% paying less than \$1,500 per month is reflective of the lower value of the housing shown in Table 21.

Table 24: Kossuth County Mortgage Expenses as a Percentage of Household Income

Monthly Mortgage Expenses	Number	Percentage
Less than 20%	1,386	61.4%
20% to 24.9%	294	13.0%
25% to 29.9%	128	5.7%
30% to 34.9%	127	5.6%
35% or more	321	14.2%

Source: U.S. Census Bureau

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Breaking down the mortgages shown in Table 23, Table 24 shows that even with lower housing values, there are still 19.8% of the owner-occupants paying over 30% of their household income toward their mortgage. That is officially considered “cost burdened.” Because banks will only lend on a loan-to-value ratio of 80/20, the percentage of “cost burdened” households are likely from the “housing units without a mortgage” shown on Table 22. These may be elderly households where the taxes alone take too large a proportion of their income or it may also be households that have experienced a more recent loss of income leaving them with mortgages underwater.

Table 25: Kossuth County Gross Monthly Rental Rates

Gross Monthly Rent	Number	Percentage
Occupied units paying rent	1,530	
Less than \$500	246	16.1%
\$500 to \$999	995	65.0%
\$1,000 to \$1,499	134	8.8%
\$1,500 to \$1,999	29	1.9%
\$2,000 to \$2,499	36	2.4%
\$2,500 to \$2,999	0	0.0%
\$3,000 or more	90	5.9%
No rent paid	156	
Median = \$710		

Source: U.S. Census Bureau

Table 25 shows the number of rental units available at various price points. As is typical in most of Iowa, the majority of housing is available at the lower end of the price spectrum because new housing has been slow to keep pace with the natural loss of housing over time.

Table 26: Kossuth County Gross Rent As Percentage of Household Income

Percentage of Household Income Spent on Rent	Number	Percentage
Occupied units paying rent	1,503	
Less than 15%	406	27.0%
15.0% to 19.9%	130	8.6%
20.0% to 24.9%	89	5.9%
25.0% to 29.9%	201	13.4%
30.0% to 34.9%	58	3.9%
35.0% or more	619	41.2%

Source: U.S. Census Bureau

“Cost burdening” is a larger problem in renter-occupied housing where there is no check to the market, like banks provide for owner-occupied units, that keeps people from getting into tight

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financial situations by living in housing that is too expensive for their income levels. With 45.1% of all renters in Kossuth County paying more than 30% of their income for housing, the cost burden issue shows a need for new, affordable, multi-family housing to provide better choices in the marketplace.

Table 27: Kossuth County Building Permits

Permit Year	Single Family Units	Duplex Units	Tri/Four-plex Unit	Multi-Family Units	Total Units	Single-Family Valuation	Multi-Family Valuation
2000 to 2004	61	3	6	0	70	\$156,902	\$0
2005 to 2009	53	2	0	2	57	\$186,921	\$1,200,000
2010 to 2015	65	2	0	4	71	\$236,769	\$150,000
2017	12	0	0	0	12	\$271,750	\$0
2018	11	0	0	0	11	\$205,091	\$0
2019	19	0	0	0	19	\$162,211	\$0
2020	14	0	0	0	14	\$287,821	\$0

Source: U.S. Census Bureau Building Permit Survey

Table 27 shows what has been built in the county in more recent years. The average of 10-15 units of new housing per year is pretty consistent over the last 22 years. The price of new single-family housing is also reflected in the increased valuation that has almost doubled since the early 2000s.

PART 5: PROJECTED HOUSING NEEDS, CONSTRUCTION MODEL, AND AFFORDABILITY MODELS

This part of the Kossuth County Housing Needs Assessment will use all the data that has been presented in the previous sections to construct a model that can be used to determine how many housing units will need to be constructed by 2030 to accommodate the expected population and continued economic stability. Models were also constructed to determine the price ranges that are affordable by various income levels. Then, using these models, the report concludes with recommendations on steps that can be taken to achieve a healthy mix of housing for the future.

The first step in constructing the model was to project the population based on two different scenarios. Growth is normally projected by the following equation:

Growth = Population minus Mortality (deaths), plus Natality (births), plus Immigration (people moving to the county), minus Emigration (people moving away from the county). While it is unlikely that the county's population will grow significantly, we can plan for a continued stable population and we can plan for the possibility of unexpected growth that could happen through positive economic development trends. Two scenarios for population are presented in Table 28. The first assumes a growth rate of 1% year-over-year which would be a positive outcome. The second scenario estimates a 1% loss of population that has been consistent with the population loss of the last two decades. The true number should fall somewhere between those two estimates.

Next, we need to figure out how many housing units this aggregate number of people need when they are split into their expected household formations, which is 2.22 persons per household, according to the 2020 U.S. Census.

Table 28: Projected Housing Needs 2023-2030

<i>Projected Population Scenarios HH Size 2.22</i>	Total Housing Units Needed	Housing Units Available in 2023	Minus Projected Vacancy Rate @ 7%	Minus Projected Annual Demolitions	Adjusted Total Housing Units Available	New Units Needed/Excess Units
2020	6,575	7,526	(-527)	(5)	6,994	419
# (-170) 2010-2020 actual decrease	6,405	7,526			6,994	589
2024		7,526		(5)	6,989	
2025		7,526		(5)	6,984	
2026		7,526		(5)	6,979	
2027		7,526		(5)	6,974	
2028		7,526		(5)	6,969	
2029		7,526		(5)	6,964	
2030		7,526		(5)	6,959	
1% projected growth by 2030	15,013/2.22 = 6,763	7,526			6,954	191
Projected Population 2030 @ 1% population loss/HH Size 2.22	14,715 needing 6,628 units of housing total	7,526				326

Source: Iowa State University Extension & Outreach, 2022

The far right column (column 7) in Table 28 above shows the total number of housing units needed based on four different scenarios. The current situation is the top line number that shows Kossuth County having an excess of 419 units. The second line contemplates how many housing units would be needed if the next decade has as much population loss as the last one did. In that scenario, Kossuth County has an excess of 589 units. The next two scenarios look at the year 2030 and showing an excess of 191 units if 1% growth is achieved and an excess of 326 units if there is a 1% population loss.

Column 2 of Table 28 shows the total number of housing units that currently exist. The 2020 U.S. Census American Community Survey (ACS) showed a total of 7,526 units, as seen in Table 20.

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Column 3 accounts for the vacancy rate. Houses that are vacant may or may not be able to satisfy housing need depending on the reason for the vacancy. Some vacancies are temporary, such as rental units being cleaned or repaired between tenants, or some owner-occupied housing structures that are for sale where the previous owners have already moved to another structure. Other vacancies have longer tenures and may be vacant because they have been foreclosed upon by a bank, their owner has passed away and the home is part of an estate in probate, or their owner is hospitalized or in a nursing home but retains ownership of their home. The U.S. Department of Housing & Urban Development does not include the homes of “snowbirds” as vacant when the house is empty for six months or less per year and is the owner’s primary residence for tax purposes. A house is considered vacant if the U.S. Postal Service does not deliver mail to that address and if there are no utilities connected at the address. Table 16 showed a current vacancy rate of 1.5% for owner-occupied structures and a 6% vacancy rate for rental units. A vacancy rate of 7% is considered “normal,” so 7% was used to calculate the construction formula. Vacancy as a percentage of all housing units in service can, and does, change over time, so using 7% is a good rule of thumb. What we don’t have explanation for is the difference between the vacancy rate and the excess number of housing units that exist. There are a lot of possible explanations, but the data isn’t showing a definitive answer. Local investigation will be required and a windshield survey is recommended.

Next, we have to account for the number of units that are demolished annually (column 4, Table 28). An average of five demolitions per year was used to describe houses that will go out of service. These are houses that exist currently that will go out of service, most likely because of fires and storm damage, houses purchased and demolished to make way for new development, or houses that are unfit for human habitation.

When Columns 3 and 4 are factored into the formula, the 7,526 housing units that exist become 6,994 units that are actually available to house the population. This is shown in Column 5.

Column 7 then becomes the projected housing need that must be satisfied to meet the need of the population broken into households of 2.22 persons. This shows a beginning excess of 419 that becomes an excess of 326 units by 2030.

When interpreting all the columns together, Table 28 suggests that the housing that exists calls for a rehabilitation program along with a new construction program. The age of housing shown on Table 18 also supports this conclusion. The loss of population scenario shown in the second set of calculations only makes the need for rehabilitation programs more necessary as new development would become less likely and the need to retain and maintain existing housing, therefore, that much more important.

What this construction model also suggests is that there is a market for new housing. The age of housing alone suggests that there may be a market for new or custom-built housing that is a better match for the amenities that buyers are now looking for on the open market that may not exist in Kossuth County’s communities. Also, new housing may be needed to meet the

special needs of seniors who may desire housing that comes with additional supportive services or independent living in houses that are designed with zero-entry, fewer interior stairs, wider doorways, and safer bathroom features. Satisfying this need would call for new construction as the goal is unlikely to be met by adapting existing structures in the community.

To guide the development of future housing, Kossuth County leaders should also take into consideration the affordability of housing based on the incomes of the area’s residents and workforce. To aid in those decisions, Table 29 shows what Low and Moderate Income Households can afford to spend on housing annually and monthly.

Table 29: Housing Affordability Based on Kossuth County’s \$70,540 Median Family Income

Percentage of Median Family Income (MFI)	Annual Income	30% of Gross Income Available for Housing	30% of Gross Income Available Monthly for Housing
100% of MFI	\$70,540	\$21,162	\$1,763
80% of MFI	\$56,432	\$16,930	\$1,411
50% of MFI	\$35,270	\$10,581	\$882
30% of MFI	\$21,162	\$6,349	\$529

Source: Iowa State University Extension & Outreach, 2022

The Median Family Income (MFI) for Kossuth County in 2020 was \$70,540. Households earning less than 80% of MFI are often eligible for a variety of public assistance to help make housing more affordable for them. Renters at these income levels may qualify for Section 8 Housing Vouchers, elderly housing programs, or low cost units that are constructed using U.S. Department of Housing & Urban Development (HUD), U.S. Department of Agriculture Rural Development (USDA-RD), or Low Income Housing Tax Credits (LIHTC). These are programs where eligibility is determined by the income of the household receiving assistance. This information is also useful to share with potential developers to help developers determine what their clients will be able to afford and the likelihood of finding tenants able to pay the rents necessary to make their project profitable.

Table 29 shows how much people should spend on their housing based on their income range and spending no more than 30% of their adjusted gross income on their housing. For renters, this dollar amount should include their rent, utilities, and insurance. For home owners, this dollar amount should include their principal and interest on their mortgage loan, taxes, insurance, utilities, and maintenance. Table 30 is focused on owner-occupants. Table 31 shows what the price range of housing needs to be to be affordable to homeowners in order to not go over the 30% of adjusted gross income toward total housing expenses. Considered together with the previous analysis showing an excess of housing units, this information is needed to determine whether it is price and affordability that is a mismatch between the incomes available to support housing and the housing available on the open market.

Table 30: Monthly Housing Affordability by Income Level

Income Range	Number of Households in County	Monthly Housing Affordability Bottom of Range	Monthly Housing Affordability at Top of Range
Total Households	6,575		
Less than \$10,000	304		\$250
\$10,000 to \$14,999	430	\$250	\$375
\$15,000 to \$24,999	687	\$375	\$625
\$25,000 to \$34,999	539	\$625	\$875
\$35,000 to \$49,999	973	\$875	\$1,250
\$50,000 to \$74,999	1,329	\$1,250	\$1,875
\$75,000 to \$99,999	995	\$1,875	\$2,500
\$100,000 to \$149,999	896	\$2,500	\$3,750
\$150,000 to \$199,999	214	\$3,750	\$4,975
\$200,000 or More	198	\$4,975	

Source: U.S. Census Bureau, Iowa State University Extension & Outreach, 2022

Table 31: Price Range of Homes Affordable By Income

Income Range	Monthly Housing Affordability Bottom of Range	Monthly Housing Affordability Top of Range	Price Range of Home Affordable at Bottom of Range	Price Range of Home Affordable at Top of Range
Less than \$10,000		\$250	0	\$20,000
\$10,000 to \$14,999	\$250	\$375	\$20,000	\$30,000
\$15,000 to \$24,999	\$375	\$625	\$30,000	\$50,000
\$25,000 to \$34,999	\$625	\$875	\$50,000	\$70,000
\$35,000 to \$49,999	\$875	\$1,250	\$70,000	\$100,000
\$50,000 to \$74,999	\$1,250	\$1,875	\$100,000	\$150,000
\$75,000 to \$99,999	\$1,875	\$2,500	\$150,000	\$200,000
\$100,000 to \$149,999	\$2,500	\$3,750	\$200,000	\$300,000
\$150,000 to \$199,999	\$3,750	\$4,975	\$300,000	\$398,000
\$200,000 or More	\$4,975		\$398,000	

Source: U.S. Census Bureau, Iowa State University Extension & Outreach, 2022