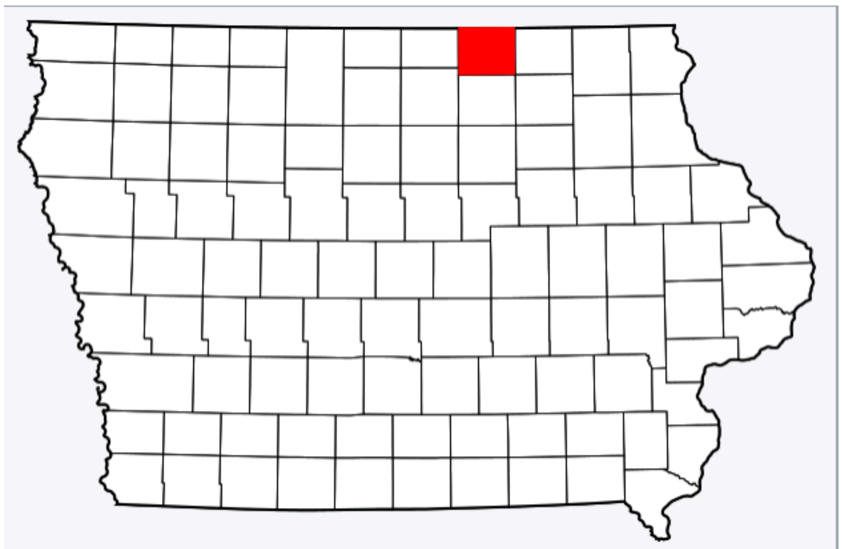
Mitchell County
2022 Housing Needs Assessment



Prepared for North Iowa Area Council of Governments
By Iowa State University Extension & Outreach Community Economic Development
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IOWA STATE UNIVERSITY
Extension and Outreach

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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 Mitchell 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 Mitchell 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.

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 Mitchell 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: Develop a plan to produce new housing by 2030. The Construction Model shown in Table 28 shows an eventual need for new housing in Mitchell County. The problem is an extremely low vacancy rate for both owner and renter-occupied housing. Based on the population, versus the number of housing units available, and the age of the existing housing, indicates that a large percentage of the population is currently living in less than optimal housing conditions. Additionally, with so little vacancy, there is little choice for anyone wanting to move to the community to take jobs in manufacturing businesses or critical services such as teachers and health care professionals.

Recommendation 2: Preserve existing housing through rehabilitation and energy-efficiency improvements. When a housing market is this tight, another best practice 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 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 Mitchell 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. 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.

Recommendation 5: Investigate vacancy rates. Investigate whether the less than 1% vacancy rate for both owner and renter-occupied housing units is real. 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. The continued strength of the building permits year-over-year is also an indicator that the market is fighting to keep up with demand.

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

PART 2: DEMOGRAPHICS

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

City	2020	2010	Change	Percentage Rate
Carpenter	87	109	-22	-20.2%
McIntire	113	122	-9	-7.4%
Mitchell	124	138	-14	-10.1%
Orchard	68	71	-3	-4-2%
Osage	3,627	3,619	+8	+0.2%
Riceville	806	785	+21	+2.7%
Stacyville	458	494	-36	-7.3%
St. Ansgar	1,160	1,107	+53	+4.8%

Source: U.S. Census Bureau

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

Age Group	2020	Percent of Population
Total Population	10,588	
Under 5 years	637	6.0%
5-9 years	721	6.8%
10-14 years	683	6.5%
15-19 years	660	6.2%
20-24 years	634	6.0%
25-29 years	581	5.5%
30-34 years	497	4.7%
35-39 years	566	5.3%
40-44 years	553	5.2%
45-49 years	552	5.2%
50-54 years	652	6.2%
55-59 years	794	7.5%
60-64 years	783	7.4%
65-69 years	539	5.1%
70-74 years	547	5.2%
75-79 years	412	3.9%
80-84 years	355	3.4%
85 years and older	422	4.0%

Source: U.S. Census Bureau

Table 1 on the previous page shows the 2020 and 2010 populations for Mitchell County cities. All cities except Osage, Riceville, and St. Ansgar lost population, with Carpenter losing the most at 20.2%. This is consistent with rural population loss throughout Iowa. Table 2 shows how the population is distributed over five-year age groups. The distribution shows 25.5% 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 53% of the population. This is the cohort that would be buying their first homes and are the primary market for home sales. The final 21.5% 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, Mitchell County's population is older than the Iowa average, but this also not inconsistent with similarly sized rural counties.

Table 3: Mitchell County Median Age of Population by Sex

Median Age in Years	Mitchell County 2020	Iowa 2020
Total Population	42.5	38.3
Male Population	40.6	37.2
Female Population	44.6	39.4

Source: U.S. Census

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

Hispanic/Latino Origin and Race	2020 Mitchell County Population	Percentage of Mitchell County Population	Iowa Percentage of Population
White alone	10,107	95.7	84.5
Black/African American alone	42	0.4	4.1
American Indian/Alaska Native alone	12	0.1	0.5
Asian alone	46	0.4	2.4
Native Hawaiian/Other Pacific Islander alone	4	0.0	0.2
Some Other Race alone	87	0.8	2.8
Two or More Races	267	2.5	5.6

Hispanic or Latino (of any race)	193	1.8	6.8
Total	10,565		

Source: U.S. Census Bureau

While Table 4 shows that Mitchell County is predominantly White and has a higher percentage of White residents than the State average, it also shows a tiny bit of diversity, particularly in the number of individuals who identify as Two or More Races at 2.5%.

Table 5: Mitchell County Households and Families by Type

2020 Households	Number	Percentage of All Occupied Units
Family Households	2,948	65.9%
Married-Couple Family	2,454	54.9%
With Related Children of Householder Under Age 18	1,269	28.4%
Householder 65 Years and Older	684	15.3%
Male Householder With No Spouse Present	147	3.3%
Female Householder With No Spouse Present	347	7.8%
Non-Family Households	1,524	34.1%
Householder Living Alone	1,426	31.9%
Householder Living Alone Over Age 65	707	15.8%

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 65.9% in family households, with 28.4% having children under the age of 18 at home, bucking a national trend where fewer and fewer households meet this definition of “traditional family.” Regionally, Mitchell County has the highest percentage of family households with children under 18.

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 Mitchell 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.

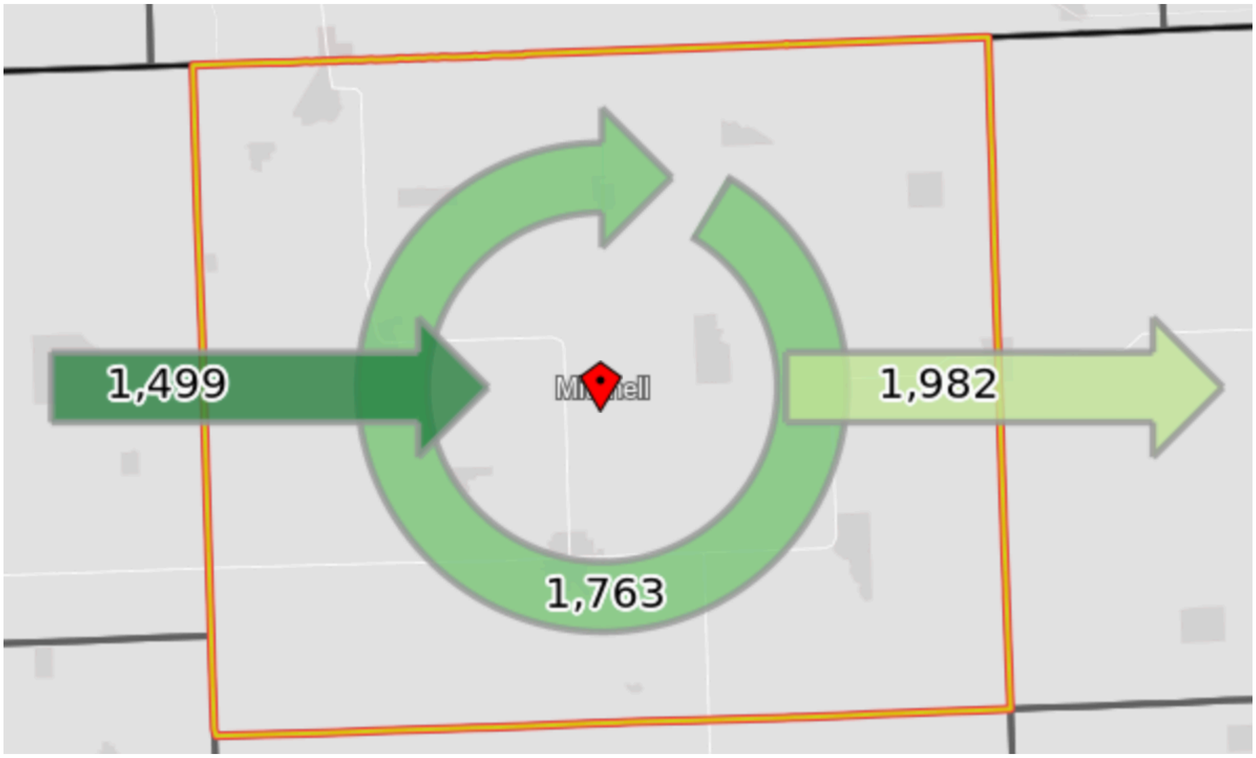
Table 6: Mitchell County Employment Job Counts by Where Workers Live

City/Place	Job Count	Share/Percentage
Osage	704	21.6%
St. Ansgar	175	5.4%
Riceville	93	2.9%
Mason City	86	2.6%
Charles City	74	2.3%
Stacyville	66	2.0%
Austin, MN	62	1.9%
Manly	35	1.1%
Elma	33	1.0%
Nora Springs	33	1.0%
All Other Locations	1,902	58.3%

U.S. Census Bureau “On The Map” 2019

Table 6 above shows the location and number of jobs held by Mitchell County residents. Osage at 21.6% has the most local jobs and like most of the region, 69.1% of jobs held by local residents 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 1,499 people who commute INTO Mitchell County represent a possible market for new housing ownership while the 1,982 people who leave the county each day for employment represent a possible loss of population in the future. 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: Mitchell 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 Mitchell County's largest industry in terms of numbers of employees is Manufacturing with 32.8% of jobs. The only other categories in the double digits are Construction at 19% of the workforce and Health Care and Social Assistance at 10.9%. This shows an economy fairly dependent on several large companies. 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: Mitchell County Jobs by NAICS Industry Classification

Industry Sector	Number of Jobs	Share of Workforce
Agriculture, Forestry, Fishing and Hunting	105	3.2%
Mining, Quarrying, and Oil and Gas Extraction	77	2.4%
Utilities	14	0.4%
Construction	620	19.0%
Manufacturing	1,070	32.8%
Wholesale Trade	205	6.3%
Retail Trade	278	8.5%
Transportation and Warehousing	51	1.6%
Information	41	1.3%
Finance and Insurance	111	3.4%
Real Estate and Rental and Leasing	9	0.3%
Professional, Scientific, and Technical Services	51	1.6%
Management of Companies and Enterprises	0	0.0%
Administration & Support, Waste Management and Remediation	22	0.7%
Educational Services	12	0.4%
Health Care and Social Assistance	356	10.9%
Arts, Entertainment, and Recreation	55	1.7%
Accommodation and Food Services	115	3.5%
Other Services (excluding Public Administration)	70	2.1%

Source: U.S. Census Bureau

Tables 8 and 9 below take a look at the levels of education needed for the jobs available in Mitchell County. Table 8 shows 584 people with less than a high school education compared to 245 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 3,978 individuals with high school or some college available for 1,771 job positions where less than an Associate's degree is necessary for employment. This represents a surplus of education. The 1,606 individuals with a Bachelor's degree and Graduate or Professional degrees are available to fill the 401 positions that require higher education. This explains why there is such a large percentage of workers commuting outside of the community in search of jobs that are a better fit for their skill set.

Table 8: Mitchell County Educational Attainment

Education Level	Number	Percentage
Population 25 years and over	7,253	
Less than 9th grade	333	4.6%
9th to 12th grade, no diploma	251	3.5%
High School graduate (includes equivalency)	2,670	36.8%
Some college, no degree	1,308	18.0%
Associate's degree	1,085	15.0%
Bachelor's degree	1,191	16.4%
Graduate or professional degree	415	5.7%

Source: U.S. Census Bureau

Table 9: Mitchell County Jobs by Educational Attainment

Education Level	Number of Jobs	Share of Jobs
Less than high school	245	7.5%
High school or equivalent, no college	891	27.3%
Some college or Associate degree	880	27.0%
Bachelor's degree or advanced degree	401	12.3%
Educational attainment not available (workers aged 29 or younger)	845	25.9%

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 Mitchello County for all households is $73,550 which means that half of all jobs pay more than $73,550 and half pay less. The Median Household Income is $60,260 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 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 $83,797 have available to them $2,095 per month for housing (30% of income/12 months) while a Nonfamily household with a Median Income of $40,224 has $1,006 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 for Mitchell County.

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

Income	Households	Families	Married-couple families	Nonfamily households
Total Households	**4,472**	**2,948**	**2,454**	**1,524**
Less than $10,000	4.4%	0.8%	0.6%	11.5%
$10,000 to $14,999	2.5%	0.5%	0.0%	6.4%
$15,000 to $24,999	11.8%	5.0%	2.3%	25.2%
$25,000 to $34,999	8.3%	7.7%	5.6%	11.4%
$35,000 to $49,999	14.8%	16.1%	13.6%	15.7%
$50,000 to $74,999	20.8%	20.9%	21.2%	18.5%
$75,000 to $99,999	14.0%	16.0%	17.8%	7.0%
$100,000 to $149,999	15.7%	22.1%	26.0%	3.1%
$150,000 to $199,999	5.1%	7.5%	8.9%	0.3%
$200,000 or more	2.5%	3.4%	4.0%	1.0%
Median Income	$60,260	$73,550	$83,797	$40,224

Source: U.S. Census Bureau

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

Income Range	Number of Households in Range
Total Households	4,472
Less than $10,000	196
$10,000 to $14,999	113
$15,000 to $24,999	528
$25,000 to $34,999	373
$35,000 to $49,999	663
$50,000 to $74,999	931
$75,000 to $99,999	626
$100,000 to $149,999	702
$150,000 to $199,999	226
$200,000 or more	114

Source: U.S. Census Bureau

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: Mitchell County Household Income From All Sources

Type of Income	Number of Households	Mean Annual Income
All households	4,472	$72,748
With earnings	3,402	$73,582
With wages or salary income	3,100	$67,875
With self-employment income	1,009	$39,557
With interest, dividends, or net rental income	1,363	$14,943
With Social Security income	1,574	$19,886
With Supplemental Security Income (SSI)	215	$12,228
With cash public assistance income or Food Stamps/SNAP	317	X
With cash public assistance	129	$3,216
With retirement income	846	$15,151
With other types of income	517	$14,452

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 Mitchell 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 7.8% 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: Mitchell County Poverty Rates

Age Group	Total in Pop3ulation	Number Living Below Poverty Limit	Percentage of Total in Age Group Living Below Poverty Limit
Population for whom poverty status is determined	10,330	688	6.7%
Under 18 years	2,434	196	8.1%
Under 5 years	633	75	11.8%
5 to 17 years	1,801	121	6.7%
18 to 64 years	5,778	377	6.5%
18 to 34 years	1,901	148	7.8%
35 to 64 years	3,877	229	5.9%
60 years and older	2,897	124	4.3%
65 years and older	2,118	135	5.4%
Male	5,128	308	6.0%
Female	5,202	380	7.3%

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: Mitchell Residents in Each Percentage of Poverty

Poverty Level	Number of Residents in Range
50% of poverty level	173
125% of poverty level	1,230
150% of poverty level	1,761
185% of poverty level	2,683
200% of poverty level	2,991
300% of poverty level	4,972
400% of poverty level	6,459
500% of poverty level	7,581

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: Mitchell County Housing Units by Occupancy and Tenure

Housing Unit Type	2020
Total Housing Units	4,987
Occupied	4,472
Owner Occupied	3,584
Renter-Occupied	888
Vacant Units	515
Owner-Occupied Vacancy Rate	0.3%
Renter-Occupied Vacancy Rate	0.0%

Source: U.S. Census Bureau

Table 16 shows the split between owner-occupied and renter-occupied housing units. The table shows a 80/20 owner/renter split. IF the two vacancy rates for owner-occupied at 0.3% and for renter-occupied at 0.0% are actually correct and not a Census mistake, then the vacancy rates alone indicate a need for additional housing immediately. To come to an accurate assessment will require looking further into the data. 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 rates are worrisome.

Table 17: Mitchell County Household Size

Household Size	Total Number	Percentage of Total	Percentage of Owner-Occupied	Percentage of Renter-Occupied
1-person	1,426	31.9%	25.6%	57.2%
2-person	1,667	37.3%	39.9%	26.7%
3-person	453	10.1%	11.1%	6.2%
4 or more person	926	20.7%	23.4%	9.9%

Source: U.S. Census Bureau

Highlights of Table 17 are the 57.2% of renter-occupied households that are 1-person households while households of more than just two people, i.e. families with children, account for only 34.5% of 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: Mitchell County Age of Housing

Year Structure Built	Number	Percentage
Built 2014 or later	28	0.6%
Built 2010 to 2013	97	1.9%
Built 2000 to 2009	380	7.6%
Built 1990 to 1999	455	9.1%
Built 1980 to 1989	330	6.6%
Built 1970 to 1979	608	12.2%
Built 1960 to 1969	424	8.5%
Built 1950 to 1959	488	9.8%
Built 1940 to 1949	294	5.9%
Built 1939 or earlier	1,883	37.8%

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, 97.5% 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 37.8% of homes built prior to 1939 are what define the community's visual character and historic value.

Table 19: Mitchell County Housing Units by Type of Structure

Type of Structure	Number	Percentage
Total Housing Units	4,987	
1-unit detached	4,453	89.3%
1-unit attached	67	1.3%
2 units	145	2.9%
3 or 4 units	29	0.6%
5 to 9 units	30	0.6%
10 to 19 units	5	0.1%
20 or more units	167	3.3%
Mobile Homes	91	1.8%

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 heavy dependence on single-family housing structures for use both as owner-occupied and renter-occupied housing. There is little to no other choice for anyone who would want smaller places with less maintenance needs such as senior citizens, one-person households, or couples without children.

Table 20: Mitchell County Housing Units by Number of Bedrooms

Number of Bedrooms	Number	Percentage
Total Number of Units	4,987	
No bedroom	25	0.5%
1 bedroom	282	5.7%
2 bedrooms	1,195	24.0%
3 bedrooms	1,858	37.3%
4 bedrooms	1,345	27.0%
5 or more bedrooms	282	5.7%

Source: U.S. Census Bureau

Table 20 shows a very good mix of housing units by bedroom size. One note would be the 5.7% 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: Mitchell County Housing Values

Housing Value	Number	Percentage
Owner-Occupied Units	3,584	
Less than $50,000	318	8.9%%
$50,000 to $99,999	1,069	29.8%
$100,000 to $149,999	661	18.4%
$150,000 to $199,999	493	13.8%
$200,000 to $299,999	560	15.6%
$300,000 to $499,999	390	10.9%
$500,000 to $999,999	74	2.1%
$1,000,000 or more	19	0.5%
MEDIAN HOUSING VALUE	**$120,400**	

Source: U.S. Census Bureau

Table 21 shows some concerning data. The very low Median Housing Value of $120,400 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: Mitchell County Mortgage Status

Mortgage Status	Number	Percentage
Owner-occupied units	3,584	
Housing units with a mortgage	1,848	51.6%
Housing units without a mortgage	1,736	48.4%

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: Mitchell County Owner Monthly Mortgage Costs

Gross Monthly Expenses	Number	Percentage
Housing units with a mortgage	1,848	
Less than $500	99	5.4%
$500 to $999	852	46.1%
$1,000 to $1,499	478	25.9%
$1,500 to $1,999	289	15.6%
$2,000 to $2,499	73	4.0%
$2,500 to $2,999	31	1.7%
$3,000 or more	26	1.4%
Median Monthly Expenses = $991		

Source: U.S. Census Bureau

Table 23 shows that there is a broad range of mortgages being paid by owner-occupants, but that the 77.4% paying less than $1,500 per month is reflective of the lower value of the housing shown in Table 21.

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

Monthly Mortgage Expenses	Number	Percentage
Less than 20%	1,085	59.8%
20% to 24.9%	143	7.9%
25% to 29.9%	192	10.6%
30% to 34.9%	41	2.3%
35% or more	352	19.4%

Source: U.S. Census Bureau

Breaking down the mortgages shown in Table 23, Table 24 shows that even with lower housing values, there are still 21.7% 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: Mitchell County Gross Monthly Rental Rates

Gross Monthly Rent	Number	Percentage
Occupied units paying rent	715	
Less than $500	254	35.5%
$500 to $999	364	50.9%
$1,000 to $1,499	83	11.6%
$1,500 to $1,999	2	0.3%
$2,000 to $2,499	10	1.4%
$2,500 to $2,999	0	0.0%
$3,000 or more	2	0.3%
No rent paid	173	
Median = $610		

Source: U.S. Census Bureau

Table 25 shows the number of rental units available at various price points. What this shows is a lot of units clustered at the lower end of the cost spectrum, which is good, but the very low median rent of $610 may make it difficult to provide new multi-family housing that would probably rent for double that amount.

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

Percentage of Household Income Spent on Rent	Number	Percentage
Occupied units paying rent	715	
Less than 15%	207	29.0%
15.0% to 19.9%	131	18.3%
20.0% to 24.9%	97	13.6%
25.0% to 29.9%	59	8.3%
30.0% to 34.9%	61	8.5%
35.0% or more	173	22.4%

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 financial situations by living in housing that is too expensive for their income levels. With 30.9% of all renters in Mitchell 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: Mitchell 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	59	7	2	0	68	$123,625	$0
2005 to 2009	39	5	0	0	44	$141,551	$0
2010 to 2015	73	15	0	0	88	$178,918	$0
2017	21	0	0	0	21	$206,451	$0
2018	27	5	1	0	33	$215,426	$0
2019	42	2	0	0	44	$222,226	$0
2020	46	1	2	0	49	$212,595	$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 13-18 units of new housing each year has been consistent for the last 22 years and Mitchell County is one of the only counties in the region that has been even this aggressive in new building permits. Another thing to note is the lack of ANY new multi-family units in over 20 years.

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

This part of the Mitchell 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 2.32 persons per household, according to the 2020 U.S. Census.

Table 28: Projected Housing Needs 2023-2030

Projected Population Scenarios HH Size 2.32	**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	4,472	4,987	(349)	(5)	4,633	161
# (-2) 2010-2020 actual decrease	4,470	4,987			4,633	163
2024		4,987		(5)	4,628	
2025		4,987		(5)	4,623	
2026		4,987		(5)	4,618	
2027		4,987		(5)	4,613	
2028		4,987		(5)	4,608	
2029		4,987		(5)	4,498	
2030		4,987		(5)	4,593	
1% projected growth by 2030	10,694/2.32 = 4,609	4,987			4,593	16
Projected Population 2030 @ 1% population loss/HH Size 2.32	10,482 needing 4,518 units of housing total	4,987				75

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 Mitchell County having an excess of 161 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, Mitchell County has an excess of 163 units. The next two scenarios look at the year 2030 and showing a need for 16 new units if 1% growth is achieved and an excess of 75 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 4,987 units, as seen in Table 20.

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 0.3% for owner-occupied structures and a 0.0% 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 an explanation for is IF the vacancy rate is actually this low or whether this is a Census mistake. Further local investigation may be needed.

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 4,987 housing units that exist become 4,633 units that are actually available to house the population. This is shown in Column 5.

Column 6 then becomes the projected housing need that must be satisfied to meet the need of the population broken into households of 2.32 persons. This shows a beginning excess of 161 units that grows to a need for 16 new units by 2030.

When interpreting all the columns together, Table 28 shows that Mitchell County does not have the number of housing units it currently needs to sustain the population. What the vacancy rate suggests is that people have very little choice in the market. Additionally, the age of the current housing stock calls for a rehabilitation program to keep houses from going out of service at a rate faster than the five per year projected. 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 the over-reliance on single family structures to provide both owner and renter-occupied housing may leave senior citizens, single persons, or two-person households with more house and more expense than they wish to have or can maintain. 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, Mitchell 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 30 shows what Low and Moderate Income Households can afford to spend on housing annually and monthly.

Table 29: Housing Affordability Based on Mitchell County's $73,550 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	$73,550	$22,065	$1,839
80% of MFI	$58,840	$17,652	$1,471
50% of MFI	$36,775	$11,032	$919
30% of MFI	$22,065	6,619	$552

Source: Iowa State University Extension & Outreach, 2022

The Median Family Income (MFI) for Mitchell County in 2020 was $73,550. 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	4,472		
Less than $10,000	196		$250
$10,000 to $14,999	113	$250	$375
$15,000 to $24,999	528	$375	$625
$25,000 to $34,999	373	$625	$875
$35,000 to $49,999	663	$875	$1,250
$50,000 to $74,999	931	$1,250	$1,875
$75,000 to $99,999	626	$1,875	$2,500
$100,000 to $149,999	702	$2,500	$3,750
$150,000 to $199,999	226	$3,750	$4,975
$200,000 or More	114	$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