

# NIACOG NEWS

Vol. 30 No. 4 NORTH IOWA AREA COUNCIL OF GOVERNMENTS

July—Aug 2019

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## HOMES FOR IOWA LAUNCHES PROJECT

Homes for Iowa, Inc., is a recently formed nonprofit with the mission of providing low-cost quality homes for rural areas in need of workforce housing while also providing incarcerated individuals a highly-valuable trade skill and/or certified apprenticeship credit. On June 20, 2019, Iowa Gov. Kim Reynolds and Lt. Gov. Adam Gregg were on hand for the official launch of the Homes of Iowa project at the Newton Correctional Facility and the commemorative driving of the first nails. A recent KGAN CBS 2 report on the project is available here:

[https://cbs2iowa.com/news/local/iowa-inmates-join-effort-to-plug-workforce-shortage-housing-gap-in-new-prison-program?fbclid=IwAR31-ZWa9EfKf2a3YeCG\\_WkUf2s4GlXdtntlH6qizAzaUwYWM6MzO7Ey9Eo](https://cbs2iowa.com/news/local/iowa-inmates-join-effort-to-plug-workforce-shortage-housing-gap-in-new-prison-program?fbclid=IwAR31-ZWa9EfKf2a3YeCG_WkUf2s4GlXdtntlH6qizAzaUwYWM6MzO7Ey9Eo)



The Newton Correctional Facility will be home to the project that will start building affordable housing and provide inmates with job training to use once they are released from incarceration. Inmates will gain valuable skills through the program that can translate to successful careers in the construction industry where there exists high demand for skilled tradesmen.

The Iowa Finance Authority has awarded Homes for Iowa \$1.2M to assist in the construction of the first 20 homes that will soon be under construction. The Iowa Council of Governments will oversee the local process of obtaining a home and will work with potential buyers through the project closeout. The COG's may also be a resource for down payment assistance.

The first four homes are slated to be delivered to Marshalltown as a way to help with housing shortages caused by the July 2018 tornado. As the project ramps up, we will keep you posted as to the availability of getting homes designated for north Iowa. Stay tuned.....

## UPCOMING HOUSING RESOURCES



### REHABILITATION/REPAIR:

When your community, a neighbor, a downtown property owner, or a relative is having difficulty maintaining their housing, financial resources may be needed to help rehabilitate. A [Housing Repair Resources](#) table has been added to our NIACOG website to help you identify the type of resources that would fit the situation and provides some details about: types of work, assistance amounts, occupancy requirements, status of program, and contact information. This tool was developed specifically for the NIACOG region and includes columns that indicate which programs are available in your specific county.

**NEW CONSTRUCTION:** If your interest is in adding new housing to your community consider these programs:

- Workforce Housing Tax Incentive Program (WHTIP) – Recently approved for renewed funding, the Workforce Housing Tax Incentive Program can be used to develop rental or owner-occupied housing. The program provides (transferable) tax credits of up to 20% of rehabilitation cost with a \$30,000 maximum tax credit per unit and a rebate of all state retail sales tax paid for housing construction. A match of \$1,000/unit is required from the local government. This program is less complex than the federal programs and does not limit the income of the

homebuyer or tenant, but a cap of \$215,000 limits the per unit construction cost. An application is expected to be released around the end of the year. More information is available at: <https://www.iowaeconomicdevelopment.com/WHTC>. Please note that the entire NIACOG region qualifies for the Small Cities benefits. Applications are expected to be available within the next 6 months, so it is time to start assembling housing development concepts, development team, etc.

- Downtown Upper Story Housing – If, like many communities, you are finding insufficient rental housing, this program may be able to help. The Downtown Upper Story Housing program provides up to \$500,000 toward the cost of developing new apartments in the upper floors of downtown buildings. Most projects involve development of 3 to 5 apartments between 1 or 2 buildings. A local government (city/county) must act as the official applicant and provide matching funds. Tenant incomes are limited to roughly \$33,000 (depending on household size and location) for 51% of the apartments. Preliminary architectural design would be required prior to project submittal and cannot be reimbursed with the grant funds. Although the program is under very serious consideration for funding approval in October, it is not a certainty yet. Contact Myrtle Nelson if you are interested in the program and would like to be kept informed when the program is approved. It would also be wise to start assembling housing development concepts, development team, etc. if interests exists.



### Calendar of Events

#### July

4th	HOLIDAY	
10th	Hazmat Mtg.	1:00 pm @ NIACOG Office
10th	Trans. Policy Brd. Mtg.	2:30 pm @ NIACOG Office

#### August

12th	NIACOG Exec. Cmt. Mtg.	12:00 pm @ NIACOG Office
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## THE RURAL BRAIN GAIN

Ben Winchester, Extension Educator, Community Economics with the University of Minnesota Extension Center for Community Vitality was the keynote speaker for the North Iowa Corridor Economic Development Corporation's annual meeting. Following the annual meeting, Winchester sat down with a group of economic development professionals for a more in-depth discussion of the north Iowa area.



Winchester provided an interesting perspective to the demographics of north Iowa and how it mirrored his research of rural counties in Minnesota. Winchester explained that over the next 20 years, the housing supply and workforce availability in rural areas will drastically change. On average, 30% of homes are owned by people over the age of 75. Another 45% are owned by the Baby Boomers. This means that almost three-quarters of the owner-occupied housing supply will turn over during the next 20 years. Winchester is convinced the supply and demand of these homes will change the face of rural communities.

Winchester is currently documenting a rural 'brain gain' – the trend of 30-49 year olds moving to rural areas – to identify the social and economic opportunities of this migration. Winchester stated high school graduates often leave small towns. They go to college or get jobs in large cities. But census data shows that many come back to rural areas — often in their 30s and 40s. And they come with college de-

grees, work experience, professional contacts and children. He also said some lifetime city dwellers move to rural areas, too. They are eager to make a new life in a rural community. These educated and skilled residents moving or returning to rural areas are a part of the 'brain gain'.

Some of his key research findings include:

- The population of residents ages 30 - 49 years old has increased in rural counties.
- These newcomers have significant education, skills, connections, spending power and children.
- People migrate to rural communities for 1) a simpler life, 2) safety and security, 3) affordable housing, 4) outdoor recreation and 5) quality schools.

Communities can work together to attract newcomers and create a quality of life that all residents enjoy.

Winchester likes to look at total number of households, rather than total population. He said rural household numbers have been steady with a finite number of homes in our rural communities. It's the family size that has created the decline in population and it will take leadership and community vitality to make rural cities more livable, more attractive and more desirable by creating a higher quality of life.

For more information about the rural brain gain, you can go to the following website: <https://extension.umn.edu/economic-development/rural-brain->



## ECONOMIC DEVELOPMENT STRATEGY COMPLETED

What is the vision for economic development in the NIACOG region? According to the 26 insightful volunteers who helped develop the NIACOG Comprehensive Economic Development Strategy (CEDS), “Our vision is to have a strong economy in the form of high quality businesses, high quality jobs, a high quality, healthy workforce, and an engaged community, enjoying a high quality of life.” They arrived at this vision after reviewing economic conditions in our region including the following:

### Economic Condition 1 – Population

**Decline** - Since 1960, the region has experienced population loss of 25%. Average annual population loss for 2015-2018 was 0.34%. However, the first annual increase (0.68%) occurred in the most recent population estimate between 2017 and 2018.

### Economic Condition 2 – Workforce

**Shortage** - Because the population of the region has shrunk by 25% since 1960 (163,787 to 123,371), large numbers of baby boomers are beginning to retire, and the number of youth is significantly smaller than the number of retiring baby boomers, the available workforce has shrunk substantially and does not have a good outlook. Despite all of these factors, employment increased by an average of 0.92% per year between 2013 and 2017 as a greater percentage of the population is in the workforce.

**Economic Condition 3 – Limited Resources To Address Issues & Resiliency** – Population, financial resources, and natural/built resources are limited. All of these things are needed to stabilize population, grow economically, and maintain resiliency in the face of economic and natural shocks such as recent flooding,

business closings, and shift to quality of life amenities to retain workforce.

[After reviewing these conditions, the CEDS Committee adopted the following Top 4 Goals & Strategies:](#)

### Goal #1: Create A Stable Population to accommodate future growth

**Strategy:** Outreach to Generation Z (the generation born after the Internet)

**Strategy:** Improve housing

### Goal #2: Increase Employment in The Region by 5% (5 yrs. @ 0.92% rounded)

**Strategy:** Recruit Workers

**Strategy:** Increase child care availability and minimize cost

**Strategy:** Increase wages by securing private investment and creating/retaining high paying jobs

### Goal #3: Expand Physical and Relational Connections to ensure long term economic resiliency

**Strategy:** Expand Regional Collaboration Opportunities - strengthen ties between economic development agencies, communities, and businesses in North Central Iowa by jointly working on important programs

**Strategy:** Create a community pride campaign that celebrates north Iowa's positives internally

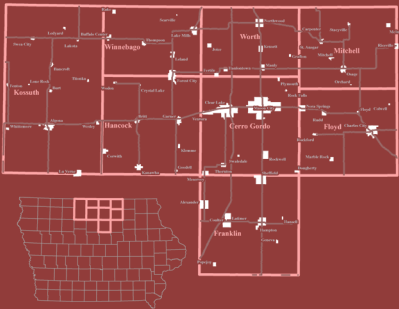
### Goal #4: Secure Private Investment and Create/Retain High Paying Jobs to Increase Average Wage Disbursements by 5%

**Strategy:** Recruit new employers that offer high wages

**Strategy:** Encourage expansion of existing industry



# CEDS



If you would like to learn more about your North Iowa region and view some interesting pictures, click on the following link to scroll through a copy of the full plan or find it on NIACOG's website: [Comprehensive Economic Development Strategy](#).