

Housing Assessment – December 2015 – City of Perry, Iowa

SCOPE OF THE PROJECT

Simmering-Cory, Inc. (SCI) has been retained to complete a housing assessment for the City of Perry with regards to the overall condition of housing within the City. The assessment evaluated factors that, through their presence, may allow the City’s housing stock to be deemed as blighted. The assessment was conducted on residential properties within the City limits as of September 1, 2015.

SCI staff conducted a windshield survey of the residential properties over two separate trips. During those trips, residential properties were evaluated to determine the general exterior condition and level of deterioration. Properties were classified into three categories, deteriorated, blighted, or non-blighted. For the purpose of this report, properties deemed as “deteriorated” are lacking general maintenance but not yet meeting the blight standard. In addition to the windshield survey, interviews with community members involved in housing and a review of City infrastructure were completed.

For purposes of this report the definition of “blight,” as outlined in the *Code of Iowa* Section 404.1(2) was used. That section reads as follows:

An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.

For purposes of this evaluation, the definition of “blight” in the Code of Iowa was utilized in conjunction with Iowa CDBG program guidelines for determining a blight finding in a study area. The CDBG program criteria requires that one or more of the following conditions be documented in at least 25% of the targeted area properties:

- Physical deterioration of buildings and improvements;
- Abandonment of properties;
- Significant declines in property values or abnormally low property values relative to other areas in the community; or
- Known or suspected contamination.

FINDINGS

The overall findings of the assessment are presented below in a format that mirrors the factors and conditions of blight, as defined in the *Code of Iowa*:

1. “Substantial number of deteriorated or deteriorating structures”

During the windshield survey of the community, conducted in October 2015, a total of 2,232 residential units were visually inspected. Of those units reviewed, 601, or 26.9%, were categorized as blighted based on observed conditions of structural blight as used by the Iowa Economic Development Authority in their Community Development Block Grant and the *Code of Iowa*. Structural blight observed included, but was not limited to, boarded up windows, peeling paint, non-weather tight roofing conditions, torn screens, broken windows, rotten siding, mold and general physical deterioration.

In addition, the survey found another 118, or 5.3%, properties that were considered deteriorated. These units showed the start of blight but were not determined to meet those standards currently. Combined, the windshield survey showed a total of 32.2% of the properties reviewed were either blighted or deteriorated.

2. “Deterioration of site or other improvements”

Visual blight on and around the homes was also observed during the windshield survey. Visual blight would include property maintenance conditions including accumulation of trash and debris on the property, overgrown weeds and grass, deteriorated sidewalks and driveways, parking of vehicles in yards, and evidence of general maintenance deficiencies.

The information derived from the windshield survey supported similar issues identified in the Perry Comprehensive Plan 2030. The Comprehensive Plan identified the following reasons for encouraging housing redevelopment:

- Given the community’s age, many buildings are nearing the end of their useful life;
- Some facilities need extensive revitalization because of changing technology and market trends; and
- Almost half of Perry’s existing housing stock is more than 60 years old.

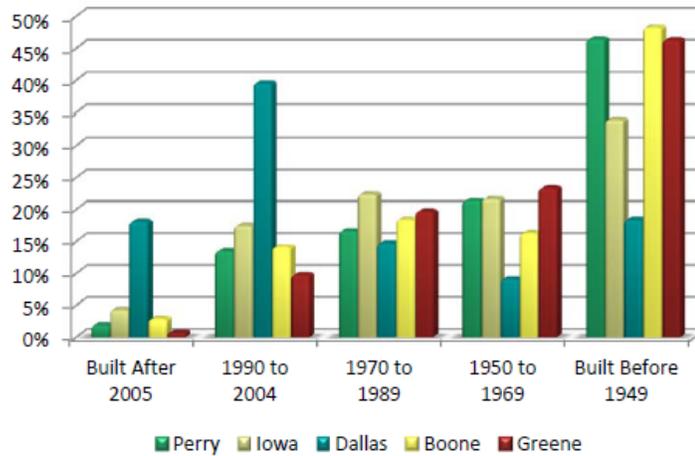


Figure A.8: 2007-2011 ACS Residential Year Built

Figure 1 Chart from Perry Comprehensive Plan 2030 (p. 136)

3. “Inadequate street layout”

During the windshield survey it was noted that there were several areas where the widths of existing streets were extremely narrow and some potentially older alleys that were converted to residential streets. Examples included St. Paul Street on the west side of the community, Estella Street between 14th and 15th Streets, 7th Street, Park Street, Elm Street, West 6th Street, and West 10th Street.

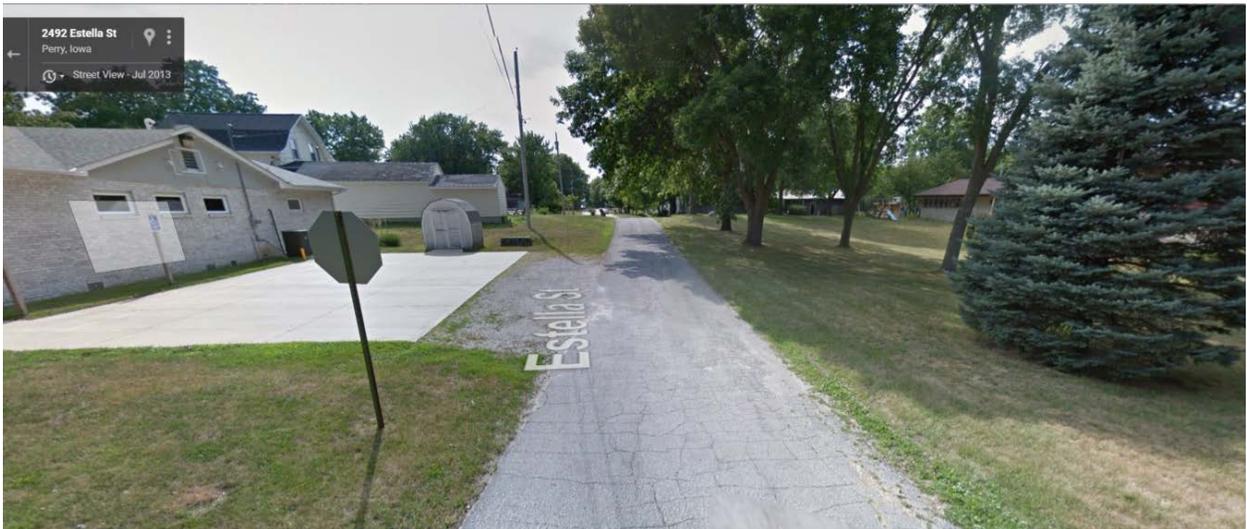


Figure 2 Example of narrow streets



Figure 3 Example of narrow streets

Narrow streets can limit parking options which results in parking of vehicles in yards and other property maintenance issues. Narrow streets can also contribute to congested traffic, insufficient roadway capacity, inadequate emergency vehicle access, and unsafe conditions for pedestrians.

4. “Incompatible land use relationships”

The relationship between non-residential uses and residential uses can impact the quality and growth of housing in the neighborhood. There were areas identified in Perry where blight was found to be more extensive. In those cases, the adjacent non-residential use could be a contributing factor.

For example, on the City’s west side (bordered by St. Paul Street on the north, Willis Avenue on the south, West 10th Street on the west, and Highway 144 on the east) 39% of the properties were determined to be blighted. This neighborhood is located adjacent to a junk yard. The junk yard property is poorly maintained with dilapidated buildings, poor fencing, and junk visible to the surrounding residential properties.



Figure 4 Junk yard street view entrance



Figure 5 Fencing around junk yard



Figure 6 Buildings on junk yard property

Similar to how people gravitate towards wanting to reside near schools and parks, many people will not want to live in areas near junk yards. Individual residential property maintenance may tend to mirror that of the non-residential property in the area.

5. “Faulty lot layout in relation to size, adequacy, accessibility, or usefulness”

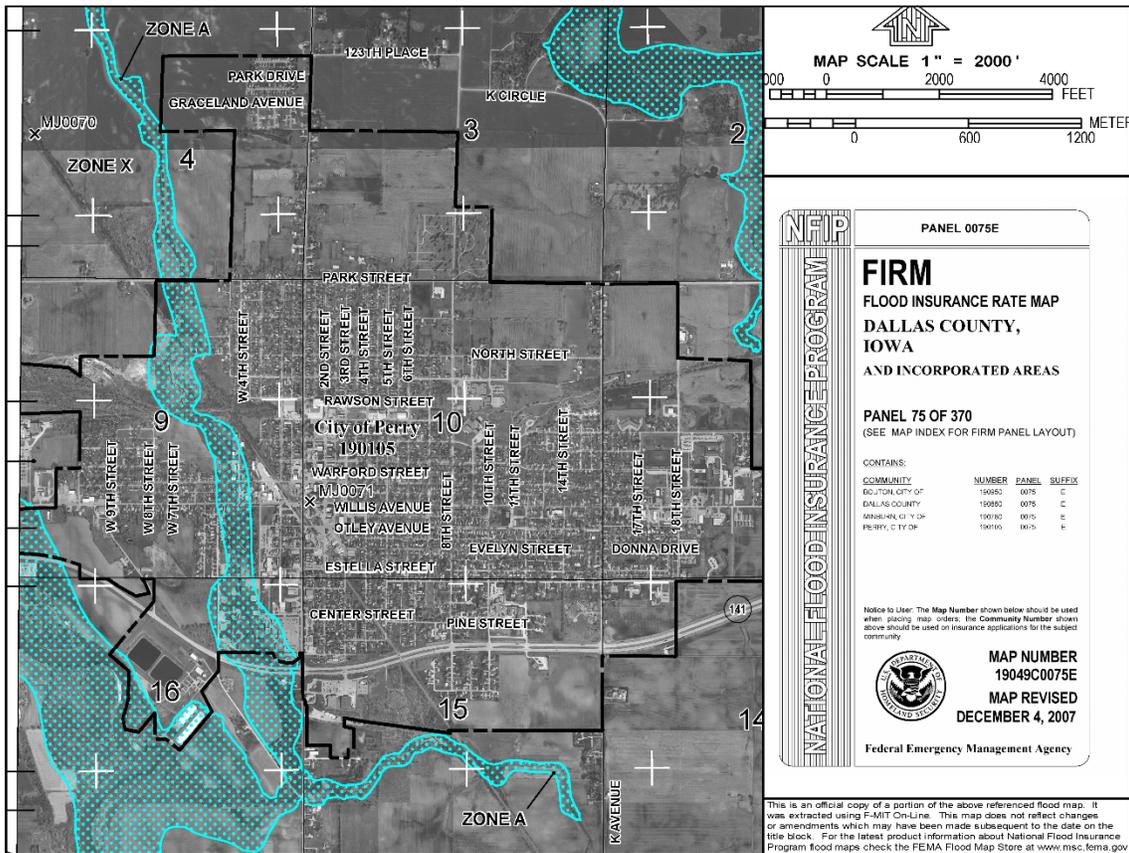
To help determine the existence of blight factors in Perry, building permit data provided by the City over a ten plus year period (2005-2015) was reviewed. During that time, the City of Perry’s Board of Adjustment had approved 46 variances. The approval of a substantial number of variances could indicate that existing lots are not of sufficient size for modern uses.

During the windshield survey, a number of bare lots were observed within residential neighborhoods. Additionally, there were several residential sub-divisions that were developed in various areas of the City but that still have a significant number of unsold lots. Building permit information provided by the City shows that since 2005 there were a total of 33 new homes constructed in Perry. That number drops significantly after 2010 when only two homes were built over the five year period between 2011 and 2015.

As a potential revitalization strategy to consider, the Perry Comprehensive Plan 2030 outlined, “revising zoning and subdivision regulations as needed to encourage a mix of housing types.” Specifically, the plan identifies possible changes to minimum lot sizes and parking requirements in an effort to encourage new infill development.

6. “Existence of conditions which endanger life or property by fire or other causes”

The FEMA flood plain map shows that a portion of the City is located in a flood plain. Specifically, residential and commercial properties between Highway 141 and Park Street from West 4th Street to West 2nd Street are located in Zone A (special flood hazard areas subject to inundation by the 1% annual chance flood). The presence of a flood plain in this area of the City can hinder investment in property, limit development potential, make homes and buildings vulnerable to flood damage, and can also inflate the cost of development that does occur.



The location of the flood plain area, as shown in the provided map, does correlate with an area of the community where higher levels of blighted housing was found.

According to the City staff, the City has experienced flooding in residential neighborhoods especially during significant rainfall events or prolonged wet weather periods. During these times, storm water inundates the aged sanitary sewer collection system causing sewer backups in homes and closing streets for significant periods of time. The following picture shows a City of Perry Facebook post notifying citizens of streets closures from a June 2015 flooding event.



Figure 7 June 2015 Facebook Post Reference Flooding

The existing sanitary sewer collection system is made up of clay pipe that was installed in the 1940s and 1950s. According to City staff, many of the pipes within the system are now cracked and joints are failing, which allows I&I into the system. These high flows, along with tree roots in the lines, reduce capacity, slow flows, and increase maintenance of the collection system. The potential for overloaded sewer lines backing up into basements and the associated flooding of neighborhood streets hinders residents from having the confidence to invest in their homes or build new homes.

The City's water system is "aging and urgently in need of upgrading," according to City staff. The Water Treatment Plant was first built in the 1880s with additions in 1932 and 1957. The water distribution system contains piping that is up to 100 years old, with a majority of the lines made of cast iron and over 50 years of life. City staff reports that many residential areas are served with undersized water mains and some residential properties have longer than normal service lines due to the location of the nearest mains.

Fire protection is also a concern in the residential areas with a large percentage of the hydrants served by water mains that are incapable of providing adequate water pressure. In the City's latest IDNR Sanitary Survey (dated 3/5/2015) it was recommended to the City to not use fire hydrants served by water mains of 4" or less for fire protection. Staff estimates this would cover 70% of the existing hydrants in Perry.

In addition to the existence of a flood plain area within the community, the City has identified seven brown field sites within the community, as shown in Figure 8.

1		
Site ID	Site Name	Address
775	<u>Brenton Bank</u>	1224 1st Street Perry, IA
739	<u>Chicago Milwaukee and Saint Paul Roundhouse Property</u>	S1/2 NW1/4 Sec. 9, Spring Valley TS, 81N R28W Perry, IA 50220
1966	<u>City of Perry Shop</u>	Perry, IA
2357	<u>Mark Seed Company</u>	701 and 823 West 2nd Street Perry, IA
492	<u>Perry FMGP</u>	Warford Street near West 3rd Street Perry, IA 50220
717	<u>Progressive Foundry</u>	SE1/4 SW1/4 Sec 5 T81N R28W Perry, IA 50220
792	<u>Wiese Corporation</u>	1501 5th Street Perry, IA
1		

Figure 8 IDNR Identified Brownfield Sites in Perry, Iowa

7. “Substantially impairs or arrests the sound growth of a municipality”

Based on information provided by the City of Perry, the value of homes within Perry are well below that of the Dallas County and the State of Iowa as a whole.

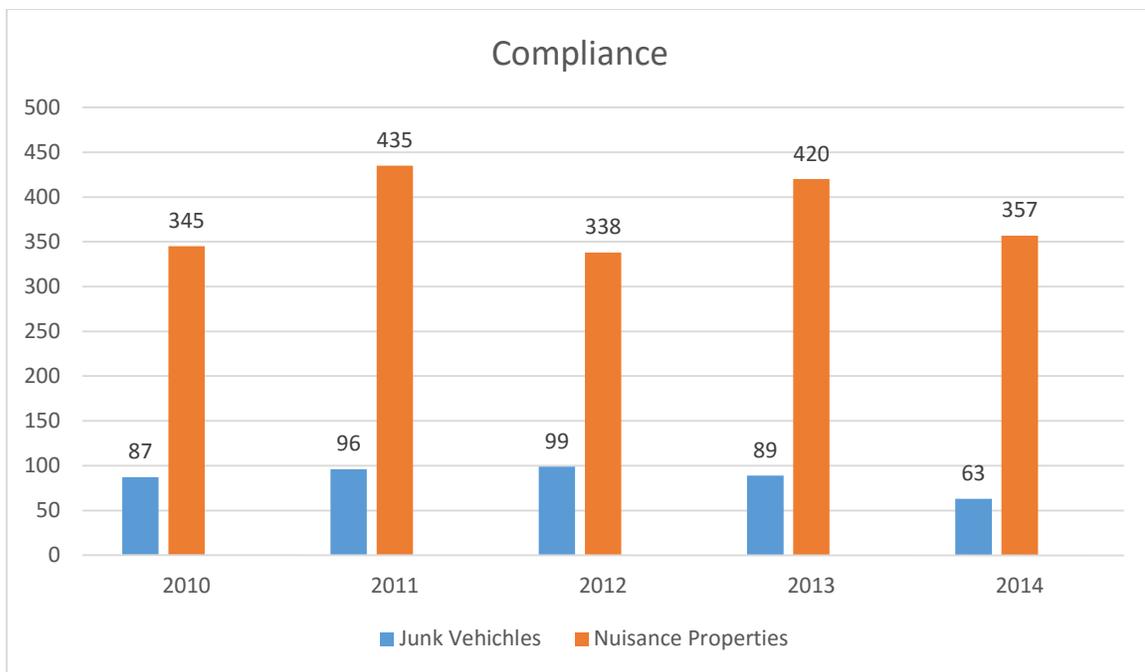
Area	Average Assessed Value
Perry, Iowa	\$85,600
Dallas County, Iowa	\$184,100
State of Iowa	\$124,300

Over the past ten years Perry has seen a minimal growth in residential value of just 8.45%. During the same period of time, other cities of similar size and/or makeup, have seen an average growth of 21.93% in Residential Assessed Value.

CITY	1/1/05 Residential Assessed Value	1/1/14 Residential Assessed Value	% of Change
Adel	\$129,329,140	\$168,590,170	30.36%
Boone	\$423,350,675	\$475,144,458	12.23%
Carroll	\$379,980,710	\$498,208,560	31.11%
Grinnell	\$283,125,310	\$355,625,850	25.61%
Oskaloosa	\$281,272,800	\$360,859,690	28.30%
Perry	\$163,539,290	\$177,360,680	8.45%
Storm Lake	\$217,024,482	\$286,085,260	31.82%
Webster City	\$242,575,780	\$229,039,151	(5.91%)

The Perry Comprehensive Plan 2030 also identified housing values as a significant factor in hindering the overall growth of the community. According to the Comprehensive Plan, “Perry has a significantly higher percentage of homes valued under \$100,000 relative to the state average, Dallas County, or Boone County,” and “a lower percentage of homes valued over \$200,000.”

Low property values may be a contributing factor to the way that owners maintain their homes. The City does have a Nuisance Abatement Program and a Vacant Properties Code to help manage these issues. The City provided the following numbers that show 1,859 nuisance abatement contacts between 2010 and 2014. The chart below shows the breakdown of these contacts.



Property maintenance can be more difficult in areas where there is a higher number of rental properties. The Building Official for the City of Perry indicated that about one third of the residential properties within the City were rental units. The Comprehensive Plan indicates that 67% of the residential properties are owner occupied, which is below the state average of 73%.

CONCLUSION

Findings from the windshield survey, the analysis of data provided by the City, and interviews conducted with community members collectively support the conclusion that blight exists throughout residential properties in the City of Perry.

An objective review of the data compiled reveals that not any one factor evaluated provides the ultimate indicator for determining blighted conditions in the study area. However, cumulatively, the findings are sufficient to confirm blight within the Perry housing stock.

This conclusion verifies the substantial need for concentrated efforts to remediate blight, and its negative impact on people and property in the community.

While the City has done and is doing things to remediate blight, additional programs and incentives may be needed to stimulate investment in residential properties.

It should be noted that blight conditions need not be evident throughout the area being evaluated. The fact that some individual residential properties or residential blocks are free from blight does not negate the finding of blight. The blight finding is not only just related to a physical condition of the City's housing stock, but includes consequences where the surroundings become undesirable and negatively influenced. The presence of these undesirable conditions results in a negative impact on the community as a whole. A comprehensive planning approach normally involves considering a targeted area in its entirety, not as separable, individual parts.

HOUSING DEVELOPMENT EFFORTS

The need for new and revitalized housing in the community is identified in the City's Comprehensive Plan. Over the last few years, Perry has had sub-divisions developed on the north and east sides of the City. While these sub-divisions are in good locations, one near the elementary school, the lots have not sold as quickly as originally hoped. The developers have reduced the price of the lots but are still struggling to sell the lots and get houses built. In talking with the developers, issues came out that could be potentially affecting the development of the sub-divisions and the sale of lots.

1. The City of Perry is a lower income community with the average median income of \$45,216 compared to \$52,229 for the State of Iowa. The cost to purchase a lot and build a home is more than what potential buyers can afford.
2. Potential homeowners do not want to take on the home building process. They want to be able to walk in and buy a home that is already constructed.
3. The younger age group that is in a position to buy a new home may not be interested in a single family home which indicates there may be a need for townhomes or "higher-end" apartments.

The potential problems identified above, and the slow sale of available lots, indicate that a need to address housing issues continues.

Perry is working to try and solve the housing challenges within the community but additional assistance may be needed. Recent initiatives undertaken by the City include:

- The start of a rental registration and inspection program for rental housing within the City.
- Participation in housing programs with the Dallas County Local Housing Trust Fund.

- Participation in homeowner assistance programs.
- Participation in owner occupied housing rehabilitation programs.
- Participation in a neighborhood stabilization program.
- Ongoing work to televise, rehabilitate, and clean out sewer lines to reduce I/I and overload in the collection system as well as to improve drainage capabilities in some neighborhoods.

Quality housing is a key component to the vitality and economic growth of a community. As Perry continues to work toward improving their housing stock, a continued commitment to a variety of programs, those currently or historically implemented, and also new programs and tools will need to be considered.