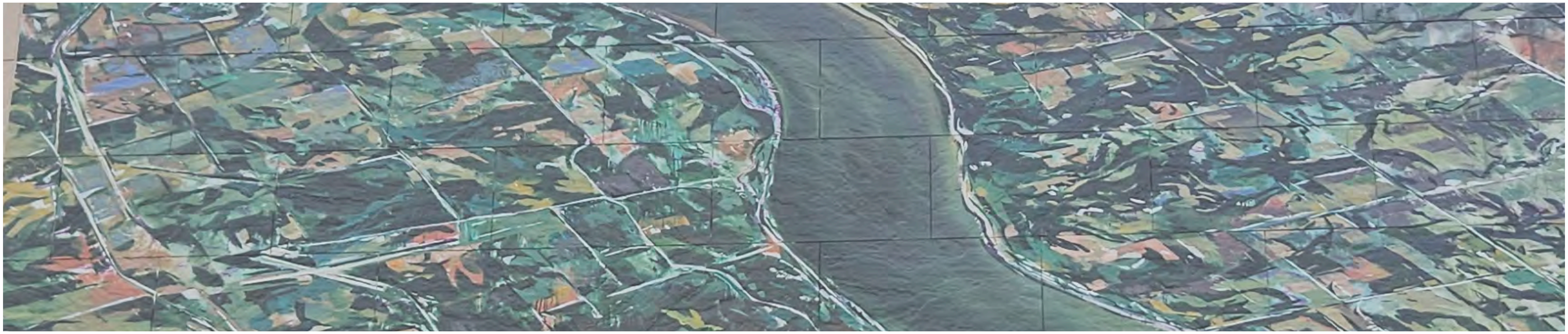
Lee County Housing Needs Assessment

2026



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A special thank you to the Technical Committee members who volunteered their time to guide development of the Housing Assessment.

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Reason for a plan

Housing affects the quality of life for Lee County residents and the ability to attract new generations to support a wide range of businesses. This study, commissioned by the Lee County Economic Development Group, reflects the importance of housing availability and affordability to the entire community.

HOUSING TERMINOLOGY USED IN THIS STUDY

Accessible Housing. Physically adapted to the individuals intended to occupy it, including those disadvantaged by age, physical or mental disability, or medical condition.

Affordable Housing (Federal). As defined for certain housing programs like low-income housing tax credit projects (LIHTC), housing choice vouchers (Section 8), or other programs that define housing for lower income ranges.

Appraisal. Assessment of the current market value of a property and usually a key requirement when a property is bought, sold, insured, or mortgaged. Calculation uses "comparables" – properties located in the area with similar characteristics and recent sales.

Attainable Housing. Not financially burdensome to a household. Financially burdensome could be housing expenses that exceed 30% of household income. It could also include situations where a household has high costs for daycare, transportation, student or medical debt, or other expenses that limit income for housing.

Cost Burdened. A household is cost burdened when it spends more than 30% of its gross household income on housing costs.

Housing Choice Vouchers/Section 8. A Federal program assisting low-income families to have affordable housing choices. The household generally pays a portion of rent based on income, and the voucher pays the remaining eligible housing assistance to the landlord.

Housing Incentive. Any policy, action, regulation, or finance that entices a landowner or developer to provide a housing product or service deemed in the public interest.

Infill. Developing vacant or partially developed lots that are surrounded by or near areas that are substantially or fully developed.

Infrastructure. Built facilities needed to sustain development and other land use activities, including water, sewer lines, and other utilities, streets and roads, and communications.

Market Rate. The price that a broad number of home buyers or renters are willing to pay for housing. Market rate housing implies the price of housing without direct production assistance or ongoing subsidies. Market rates fluctuate with demand, supply, construction costs, and other factors. Note, the market rate price may also be a price buyers must pay because there are no other options accommodating their situation, possibly making them housing cost burdened.

Move-up Housing. Occurs when higher-income households move out of homes that are below the price that they can afford. Often, it involves housing that frees up existing, more attainable housing for others. The moves can be lateral in square footage but also upgrades in locations or amenities with smaller home square footage.

Poverty. As defined by the Census Bureau using a set of income thresholds that vary by family size and composition and updated for inflation.

Public/Private Partnership. An agreement between a government, non-profit, organization, and/or for-profit entity to achieve a mutually agreed upon outcome for the public good.

Redevelopment. To demolish existing buildings to build something else or increase building on an existing property, or both.

Reuse. Changing the original use of a structure to something else. Common examples include adapting nonresidential uses to residential uses.

Senior Housing. Often thought of as nursing homes and assisted living facilities, senior housing in the context of this study is more broadly defined and refers to housing that caters to older adults. These housing options could include ground floor apartments, condos, housing with limited assistance, or other options that allows seniors to live independently with less maintenance.

Unhoused. Anyone who lacks a fixed, regular and adequate nighttime residence.

Universal Design. Structural design that focuses on safety and accessibility for everyone, regardless of age, physical ability, or stature. Incorporates ideas like task lighting, wide entryways, and easily adaptable spaces.

Workforce Housing. According to the Urban Land Institute, workforce housing is any housing that is affordable to a household earning between 60% and 120% of the area median income (AMI).

Executive Summary

There will be a need for close to 500 units through 2035 to replace demolished units and create more marketable inventory in the county. Much of this need can be filled through rehabilitation of vacant units and some through new construction.

GOAL 1: RIGHT SIZE THE HOUSING STOCK

Identify areas for targeted removal of obsolete stock.

Encourage private market demolitions.

Phase a public acquisition and demolition plan.

Update and add to the existing rental stock.

Publicly track demolition and reuse outcomes.

The purpose of Goal 1 is to remove housing that no longer serves the population, determine where rebuilding is not economical, and focus public policy in moderate valuation areas to support reinvestment.

GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS

Align and stack incentives for homeowners with the cost of home repair.

Close the gap between the cost of repair and appraisals to stimulate more repair interest in fringe neighborhoods.

Work with local non-profits or regional entities to establish a county wide robust Purchase-Rehab-Resale (PRR) program.

Increase public curb appeal to support valuation improvements.

The purpose of Goal 2 is to preserve the most affordable housing in Lee County, the existing housing stock. By preserving the existing housing stock, attainable options remain available to more people.

GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS

Expand and improve rental options.

Diversify ownership options by sharing risk on new and infill developments.

Build innovative partnerships to create unique products near amenities.

The purpose of Goal 3 is to stimulate a more diverse housing stock, expand choices, support mobility within the existing market, and increase the supply of attainable units for current residents.

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY

Simplify the development, permitting, and review process.

Scale strategies for small-scale builders.

Develop partnerships to create a salvage materials repository.

Enhance outreach and education on housing resources.

Continue building employer and community support for housing as economic development.

Continue to expand partnerships for providing options to the lowest-income households.

The purpose of Goal 4 is to expand Lee County's construction and rehabilitation workforce to increase housing repair and improvement activity, and meet demand for affordable small-scale repairs and move-in-ready homes.

HOUSING STRATEGY PROGRAM SUMMARY

STRATEGY OR POLICY	GOAL	TARGET PRICE	TARGET HOUSING TYPE	JURISDICTIONS OR OPPORTUNITY AREAS	KEY PARTNERS
Identify areas for removal of obsolete stock.	1	N/A	N/A	Right-Sizing, Rehab, Gateways	Builders, property owners
Encourage private market demolitions.	1	N/A	N/A	Fort Madison, Keokuk	Builders, property owners
Phase a public acquisition and demolition plan.	1	N/A	N/A	Keokuk, Rehab, Gateways	Builders, property owners
Update and add to the existing rental stock.	1	All	Rental	Countywide	Builders, landlords, non-profits
Publicly track demolition and reuse outcomes.	1	N/A	N/A	Countywide	LCEDG
Align and stack incentives for homeowners with the cost of home repair.	2	Moderate Market	Ownership	Rehab, Gateways	Non-profits, lending community, SEIRPC, LCEDG, builders, Realtors, property owners
Close the gap between the cost of repair and appraisals to stimulate more repair interest in fringe neighborhoods.	2	Moderate Market	Ownership and rental	Fort Madison, Keokuk, Rehab, Gateways	Non-profits, lending community, SEIRPC, builders, property owners
Work with local non-profits or regional entities to establish a purchase-rehab-resale (PRR) program.	2	Low to moderate	Ownership	Fort Madison, Keokuk, Rehab, Gateways	Non-profits, lending community, SEIRPC, builders
Increase public curb appeal to support valuation improvements.	2	N/A	N/A	Countywide	LCEDG, property owners, landlords

HOUSING STRATEGY PROGRAM SUMMARY

STRATEGY OR POLICY	GOAL	TARGET PRICE	TARGET HOUSING TYPE	JURISDICTIONS OR OPPORTUNITY AREAS	KEY PARTNERS
Expand and improve rental options.	3	Moderate to Market	Rental	Fort Madison, Keokuk, Rehab, Gateways	Builders, landlords, Realtors
Diversify ownership options by sharing risk on new and infill development.	3	Moderate to Market	New development - urban scale ownership and rental	Countywide, new development	Builders, property owners, SEIRPC, LCEDG, lending community, major employers
Build innovative partnerships to create unique products near amenities.	3	Moderate to Market	Rental and smaller scale ownership	Countywide	Non-profits, SEIRPC, LCEDG, lending community
Simplify development, permitting, and review processes.	4	All	All	Countywide	Builders, landlords
Scale strategies for small-scale builders.	4	All	New development and rehab	Countywide	Builders, landlords
Develop partnerships to create a salvage materials repository.	4	N/A	N/A	Fort Madison, Keokuk	Property owners, non-profits, schools, employers
Enhance outreach and education on housing resources.	4	N/A	N/A	Countywide	Property owners, Realtors, SEIRPC, LCEDG, lending community
Continue building employer and community support for housing as economic development.	4	N/A	N/A	Countywide	SEIRPC, LCEDG, major employers, Realtors,
Continue to expand partnerships for providing options to the lowest income households.	4	Low	Primarily Rental	Countywide	Non-profits, SEIRPC

01 Lee County Today

Chapter 01 examines data and community comments for Lee County, both historically and today. Many factors, including population shifts, housing values, household incomes, and local economic dynamics affect the housing market. While some influences stem from national or global trends, this chapter emphasizes regional conditions and local factors that jurisdictions can address through policy and planning efforts.

A SUMMARY OF TODAY TO INFORM TOMORROW

Lee County's housing market has aspects unique to few places, even in rural Iowa. These assets, opportunities, challenges, and gaps in the current housing market inform where to focus public and private efforts to meet the community's needs.

Assets

Characteristics that show demand for housing.

- Ownership value versus household incomes are generally affordable.
- Median days on market under 60 days, indicating consistent demand for available units.
- Aging population that tends to stay living in the county.
- Recreational opportunities that draw people to the area.
- Quality school districts.

Opportunities

Local features that may be underleveraged or offer housing possibilities in the future.

- Higher-income commuters could be attracted with the right housing products.
- Remote work trends expand the residential draw radius for regional employers.
- Reuse of non-residential structures for residential purposes.
- Homes in Fort Madison and Keokuk that demonstrate rehabilitation potential.
- Strong community interest in diverse housing types (96% support affordable small homes; 79% support senior living; 72% support townhouses/duplexes)

Challenges

Areas that limit the ability to capitalize on opportunities or leverage assets.

- The homes in Lee County are aging, and many will require repairs to keep them safe for the next generation.
- The total number of jobs available in the county has declined, causing people to exit the labor force, commute out, or move.
- Fort Madison and Keokuk contain much of the county's older and more affordable housing stock, but lower incomes make reinvestment difficult even when purchase prices are relatively low
- Attracting new construction in an undervalued market in urban areas, where it is difficult for builders to recuperate costs at sale prices.
- Continued affordability challenges for renters.
- Demolition of very poor condition units.

Gaps

Areas to target future policy, incentives, and regulations. All sectors of the housing market have gaps, but they are most pronounced for:

- Lee County has a gap of units for households making over $50,000. Many of these households are living in units below what they can afford, driving competition for lower-priced units.
- Shortage of mid-range rental units as many have limited ability to absorb rent increases, save for a down payment, or cover other household needs.
- Low new residential building activity.
- Rising need for senior-friendly housing, such as smaller homes, accessible units, low-maintenance ownership options, quality rental housing, and rehabilitation programs.
- Need for attainable starter homes, quality rental options, and move-in ready housing that appeals to younger workers and first-time buyers.

THE COMMUNITY SPEAKS

A major aspect of any housing study is stakeholder engagement. Only by listening to stakeholders are community leaders able to fully understand recent changes in the housing market, impacts on those in need, and potential changes in policies and programs at all levels of government.

The housing study process included a range of conversations starting in spring 2026 and continuing throughout the process using multiple means and methods. Residents were invited to give input at in-person meetings and through online surveys, seeking diverse voices. The planning team listened to input group groups representing all areas of Lee County. The following pages highlight and detail these events and activities.

Community Survey

A community-wide survey was distributed to broaden the reach of understanding housing needs and preferences in the community. The community survey opened in mid-March and closed in May 2026. The survey was available online, and was advertised numerous ways, including community websites, social media, and flyers. The survey received 251 responses.

Important messages and common themes have been pulled from the survey and shared throughout the housing study to emphasize community wants and needs.

Listening Sessions

A series of stakeholder discussions with community stakeholders, including Realtors, builders, developers, city staff, county staff, elected and appointed community leaders, employers, young professionals, and landlords and property managers offered the most direct and beneficial insight into housing conditions in Lee County.

The assets, issues, and opportunity themes in the housing study reflect these conversations, held in the spring and summer of 2026. The conversations with stakeholders generally match the quantifiable local, MLS listing, and Census data. However, a few new themes from the conversations are not so easily displayed in measurable data. The conversations can be broken down into the four common themes on the following page.

Housing supply is tight across nearly every segment, especially rentals, family-sized units, and "middle-market homes."

Homes under $200,000, and even in the $200,000 to $350,000 range, often sell immediately, sometimes even before reaching the market, while new construction generally needs to price closer to $300,000 to $350,000 to be financially viable. Rental units also have wait lists, with strong demand from young professionals, interns, families, older adults looking to downsize, and workers relocating to the area. There is a particular gap in family-sized rentals, two-bed/two-bath units, duplexes, townhomes, condos, and accessible single-level housing for seniors.

Rising costs, aging housing stock, and limited labor are making maintenance, rehab, and new development difficult.

Materials have eased somewhat since the pandemic spike, but labor, insurance, property taxes, land, utilities, and contractor availability remain major barriers. Much of Lee County's housing stock is older and/or neglected, making repairs expensive and discouraging buyers, especially young buyers, from taking on fixer-uppers. Property owners also feel uninclined to improve homes when improvements may raise assessed values and taxes, while low-income and elderly homeowners often lack the resources to keep properties maintained.

Housing challenges are closely tied to workforce recruitment, community stability, and the need for better local tools.

Employers are struggling to recruit and retain workers because new hires, interns, teachers, healthcare workers, and young professionals often cannot find suitable housing, leading some to commute long distances. Vacant properties, blight, limited childcare, and healthcare access all compound the housing problem and impact neighborhood stability. Participants repeatedly pointed to the need for stronger incentives, education, coordination, and flexible programs, such as tax abatements, gap financing, landlord education, and salvage/reuse programs to help builders and rehabbers navigate the process and make it feasible.

Community amenities, quality of life, and local identity are important strengths.

Lee County communities offer strong assets in safe neighborhoods, small-town character, short commutes, outdoor recreation, river views, strong school districts, and proximity to larger regional destinations. However, gaps in childcare, healthcare access, social connection for newcomers, and support services make it harder to attract and retain young professionals, families, and workers. The area needs the services, amenities, and community connections that help people choose to stay long term, which can start with housing that fits their wants and needs.

POPULATION & GROWTH

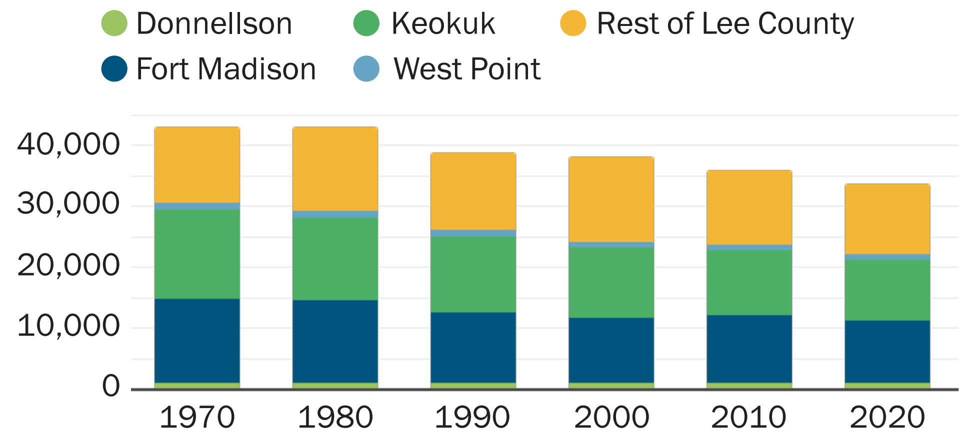
Historic Change

Lee County's population is consistently declining.

- Lee County declined from approximately 43,000 residents in 1970 to about 33,000 residents in 2024. More recently, the County lost significant population between 2000 and 2020, a decrease of about 13% in 20 years.
  - This pattern reflects a gradual but persistent population contraction, which impacts housing demand differently than growing communities. Rather than only planning for growth, Lee County's housing strategy must address aging housing stock, reinvestment needs, vacancy, rehabilitation, and the preservation of quality, affordable housing.
- During the 2010 to 2020 decade, Lee County's population declined by 6.4%. In fact, 68 of Iowa's 99 counties saw population declines over that decade. But overall, the state of Iowa population grew by 4.7%.
  - This comparison shows that Lee County is similar to other rural parts of Iowa in regards to population decline, while some parts of the state did see population increases. Population loss can reduce pressure for large-scale housing developments, but presents challenges for disinvestment, aging homes, and limited new housing production.

Understanding population history is essential for assessing current housing conditions, identifying rehabilitation and replacement needs, evaluating future demand, and planning policies and investments that support Lee County's long-term housing stability.

FIGURE 1.0: POPULATION OVER TIME



Source: US Census Bureau

TOTAL POPULATION IN 2024 **32,893**

49.9% Male

50.1% Female

FIGURE 1.1: LEE COUNTY POPULATION PROFILE	Lee County	Iowa
2010-2020: Annual Growth Rate	-0.66%	
2020: 55+ Population (% of Total)	38.0%	
2020: Under 15 (% of Total)	17.7%	
2020: Single Headed Families with Children	14,8%	13.3%
2024: Average Household Size	2.21	2.3

Source: US Census Bureau

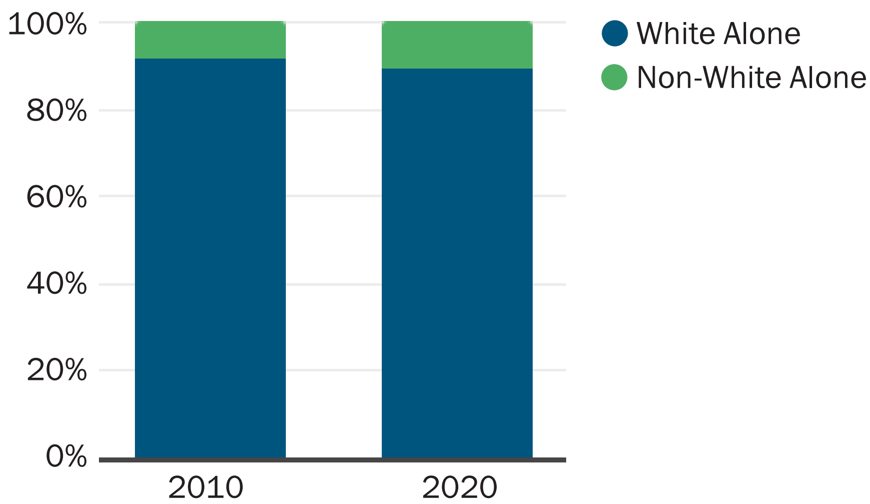
Race and Ethnicity

Lee County has become more diverse in recent years, but it is still predominantly White.

- Over the past decade, the share of residents identifying as White alone declined from 91.5% in 2010 to 89.1% in 2020. During the same period, the share of residents identifying as Black, Indigenous, and People of Color (BIPOC), including residents who are nonwhite, multi-racial, or Hispanic/Latino, increased from 8.4% to 10.9%.
  - Within Lee County's BIPOC population, no single group overwhelmingly dominates. In 2020, the largest subgroups included residents identifying as two or more races (4.2%), residents identifying as Hispanic or Latino (3.3%) and residents identifying as Black or African American (2.7%).

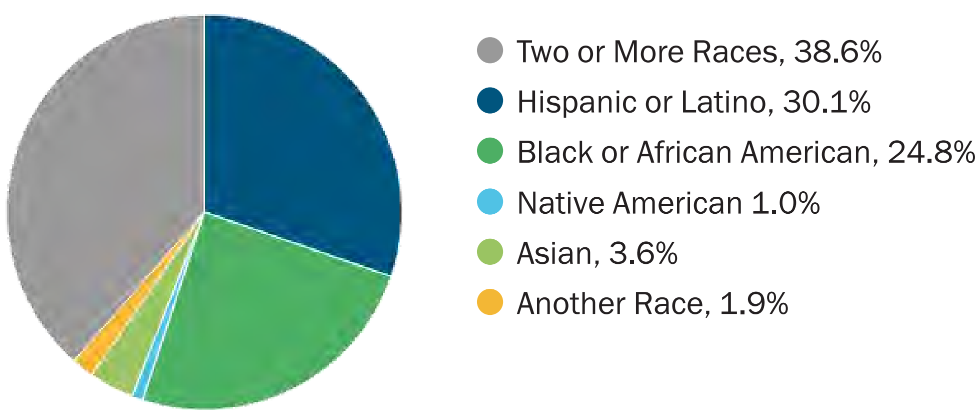
For housing, increasing diversity reinforces the importance of maintaining a range of housing choices, prices, and styles across the county. It also highlights the value of outreach, fair housing practices, and housing policies that support residents of different backgrounds, household sizes, and housing needs.

FIGURE 1.2: RACE AND ETHNICITY CHANGE



Source: US Census Bureau

FIGURE 1.3: BIPOC POPULATION



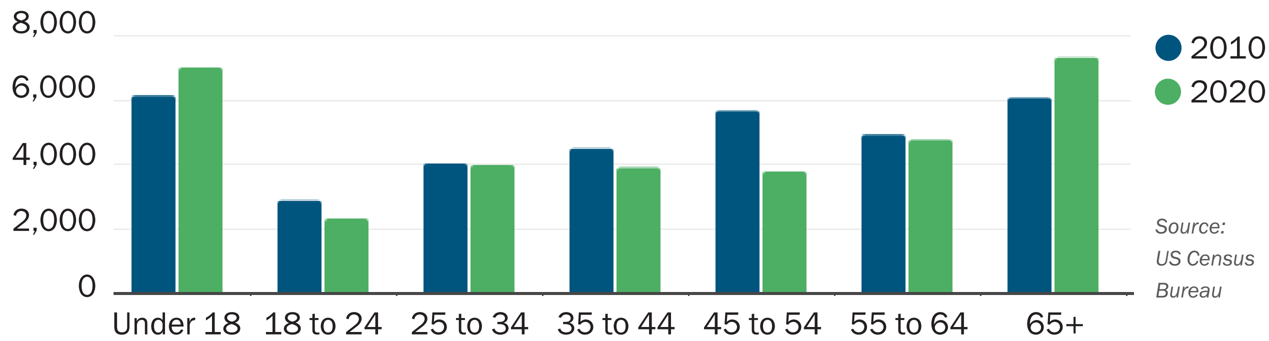
Source: US Census Bureau

Age Distribution

Lee County's population is aging. Understanding age group changes shows what types of housing may be needed in the future. Each cohort represents a stage of life tied to different preferences and needs.

- **Emerging Cohorts (18-24).** Residents under 25 are often in school, living with family, entering the workforce, or forming their first independent households. They are more likely to rent, share housing, or need lower-cost, entry-level options.
  - In Lee County, younger age groups represent a smaller share of the population compared to statewide.
  - This pattern suggests that this age cohort is leaving the county, perhaps to go to college, but also for other jobs and housing options.
- **Establishing Cohorts (25-44).** Residents between 25 and 44 are often forming households, raising families, entering or advancing in the ownership market, and seeking housing near jobs, schools, and services. Housing needs at this stage often include attainable ownership options, move-up housing, quality rental choices, and family-friendly neighborhoods.
  - In Lee County, the core working-age and family-forming population is declining slightly.
  - For housing, that means improving the quality of existing homes, expanding attainable ownership opportunities, supporting rehabilitation of older housing stock, and ensuring that rental options are available for workers, young families, and households not yet ready or able to purchase.
- **Established Cohorts (45-64).** Residents between 45 and 64 are well established in the community and may have older children or children leaving the home. They often own their homes and may be considering where they want to live in their retirement years.
  - There has been a decline in this age cohort, partially expected as the larger Baby Boomer cohort ages up through cohorts.
  - The lower end of this age bracket may be looking to upsize to support family growth while the upper end of the age range may be thinking about downsizing options.
- **Retirement Cohorts (65+).** Residents over 65 are approaching or in retirement and are more likely to consider smaller, accessible, lower-maintenance homes. Some may want to remain in their current homes, while others may need housing that better supports aging in place.
  - Lee County has a significant and growing senior housing consideration. By far the largest adult age cohort in the county.
  - These shifts point to a rising need for senior-friendly housing, including smaller homes, accessible units, low-maintenance ownership options, quality rental housing, and rehabilitation programs that allow older residents to safely remain in their homes. In Lee County, aging-related housing needs are especially important because much of the existing housing stock is older and may require repairs or accessibility improvements to remain viable for senior households.

FIGURE 1.4: AGE COHORT CHANGES, 2010 AND 2020



Source: US Census Bureau

Migration & Population Shifts

In and out migration patterns in Lee County point to a need for housing strategy to focus on both retention of residents. Comparing Lee County's 2020 population with what was expected based on natural birth and death changes from 2010, the county lost more people than predicted across nearly every age group.

- New in-migration has not been enough to offset losses from out-migration, smaller household sizes, aging, and natural population change.
  - This pattern is important for housing to understand why and if the out-migration relates to housing condition, affordability, and marketability of the existing housing stock to retain current residents and attract new households.
  - The largest out-migration was of residents 20 to 34, which would point to fewer young family households than would be expected in a growing community. For housing, this reinforces the need for attainable starter homes, quality rental options, and move-in ready housing that can appeal to younger workers, first-time buyers, and families with children.
- Residents 65 to 84 are among the most stable and growing cohorts in the county.
  - This suggests that Lee County is retaining many older residents, even as younger and working-age cohorts are difficult to maintain. The housing market needs to support aging in place, smaller low-maintenance homes, accessible units, and rehabilitation options that allow older homeowners to remain safely in their homes.
  - The 0-15 cohort is also slightly positive, indicating a higher birth rate than would have been predicited from state trends.

FIGURE 1.5: MIGRATION PATTERNS BY AGE GROUP, 2010-2020

AGE GROUP	2010 ACTUAL	2020 PREDICTED	2020 ACTUAL	DIFFERENCE
0 - 15	6,442	5,934	5,951	17
15 - 19	2,371	2,078	1,896	-182
20 - 24	1,940	2,266	1,625	-641
25 - 34	4,063	4,272	3,705	-567
35 - 44	4,218	4,017	3,786	-231
45 - 54	5,603	4,118	3,845	-273
55 - 64	5,147	5,244	5,112	-132
65 - 74	3,071	4,365	4,368	3
75 - 84	2,003	2,116	2,282	166
85+	1,004	1,126	985	-141
Total	35,862	34,949	33,555	-1,394

Negative Difference

Positive Difference

Source: U.S. Census Bureau; RDG Planning & Design

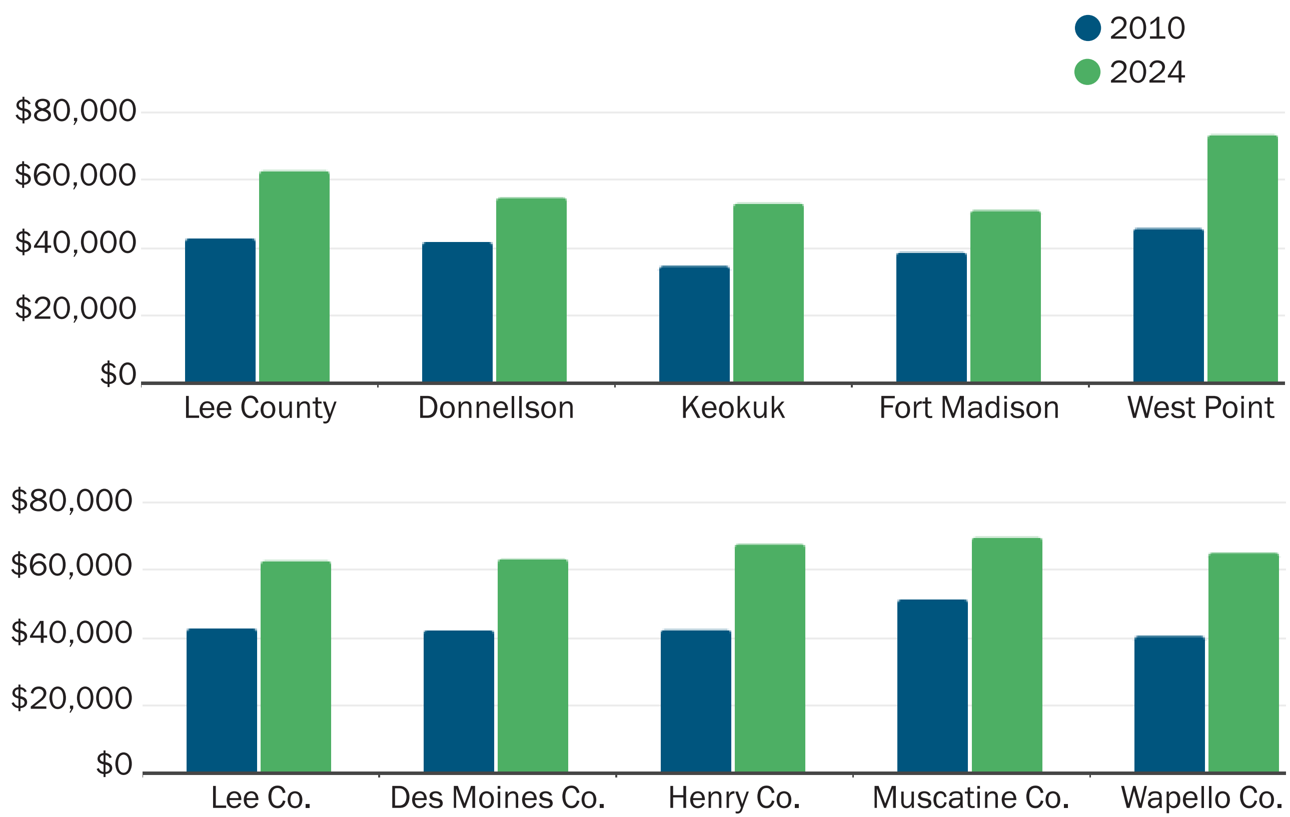
ECONOMIC CHARACTERISTICS

Household Income

Income determines how much, the types, and location of homes a household can afford.

- **Lee County is broadly comparable to nearby southeast Iowa peer counties.** Compared with Henry, Des Moines, Wapello, and Muscatine Counties, Lee County sits near the lower end of the peer group for median household incomes, while all five counties sit below the statewide median household income.
- **Attainable housing needs.** Lee County's income profile indicates that housing demand will likely be strongest for attainable ownership homes, quality rental housing, rehabilitation of existing units, and moderately priced new construction. The market may support some higher-end products as well, to satisfy the wants and needs of higher-income households.
- **Focus on the middle market.** Because Lee County's median income is below most of its peer counties, and below the state overall, housing policy should not focus only on subsidized housing or only on market-rate development. A balanced approach should includes home repair, preservation of older units, infill housing, senior-friendly options, and attainable ownership opportunities for households that earn too much for deep subsidy, but not enough to comfortably afford newly-built homes.

FIGURE 1.6: MEDIAN HOUSEHOLD INCOMES, 2010 AND 2024



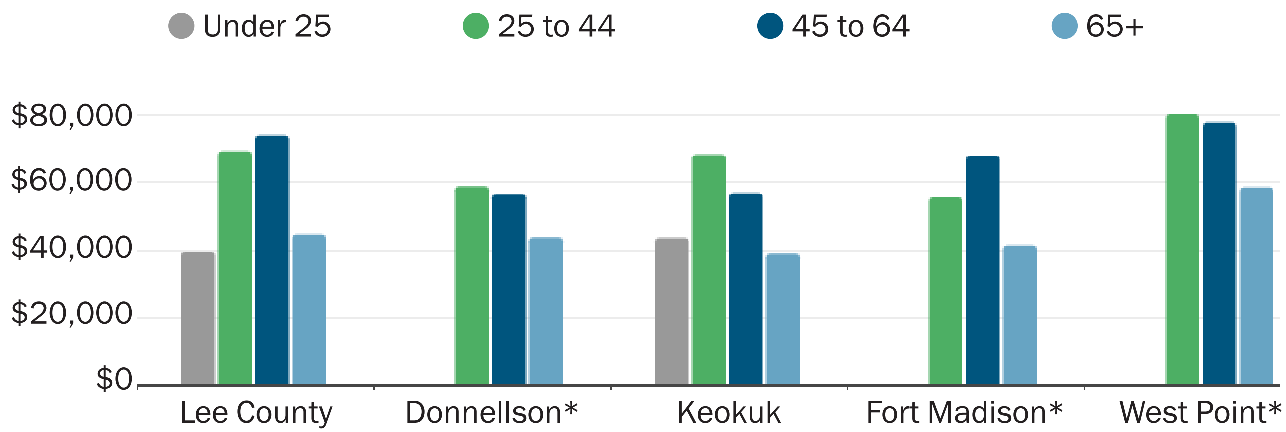
Source: American Community Survey (5-Year Estimates)

Household Income By Age & Tenure

Owner households earn more than twice as much as renter households. In 2024, median incomes were over $70,000 for owners, compared to $30,916 for renters.

- **In Lee County, many households are in their peak earning years or older, indicating an established but aging ownership base.** Households typically reach their highest incomes between 45 and 64. This supports demand for home maintenance, repair assistance, accessibility improvements, and aging-in-place options.
- **Keokuk and Fort Madison have lower incomes than the county overall.** Because these cities contain much of the county's older and more affordable housing stock, lower incomes can make reinvestment difficult, even when purchase prices are relatively low.
- **Affordability pressure is strongest among renters.** This suggests a need for quality yet affordable rental options for those whom ownership is likely not an option.

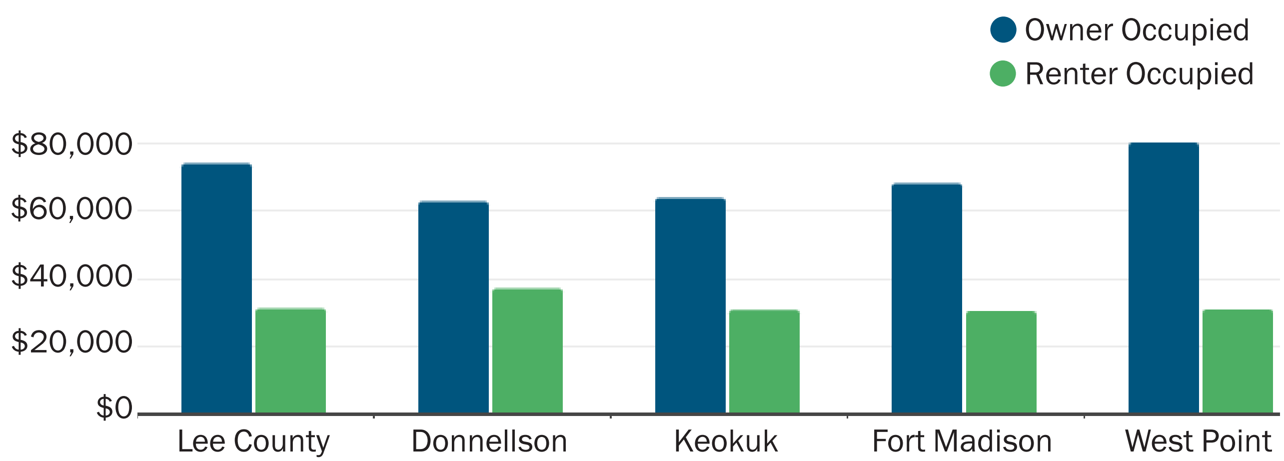
FIGURE 1.7: MEDIAN HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER, 2024



*Data for Under 25 unavailable

Source: American Community Survey (5-Year Estimates)

FIGURE 1.8: MEDIAN HOUSEHOLD INCOME BY TENURE, 2024



Source: American Community Survey (5-Year Estimates)

Employment

Lee County is part of an economic region where getting to a job by car (if you have one) is easy. Thus, employees to the area have a large radius to decide where they want to live, especially with the rise of remote work days.

- **There are more employed people living in Lee County than there are filled jobs within the county.** Meaning, more people are commuting out of Lee County for work than commuting in. Quality housing can draw employees to a community; a lack of options can lead them to choose elsewhere, along with other amenities like parks, trails, a vibrant downtown, events, schools, and appearance.
- **There is about an equal number of higher income earning commuting in versus commuting out of the county for work.** Higher earners have more housing choices and might choose Lee County if products that meet their needs are available.
- **The total number of jobs available in the county has declined.** As this shift has occurred, people are exiting the labor force, choosing to stay and commute to a different county, or move.

FIGURE 1.9: COMMUTING CHANGES

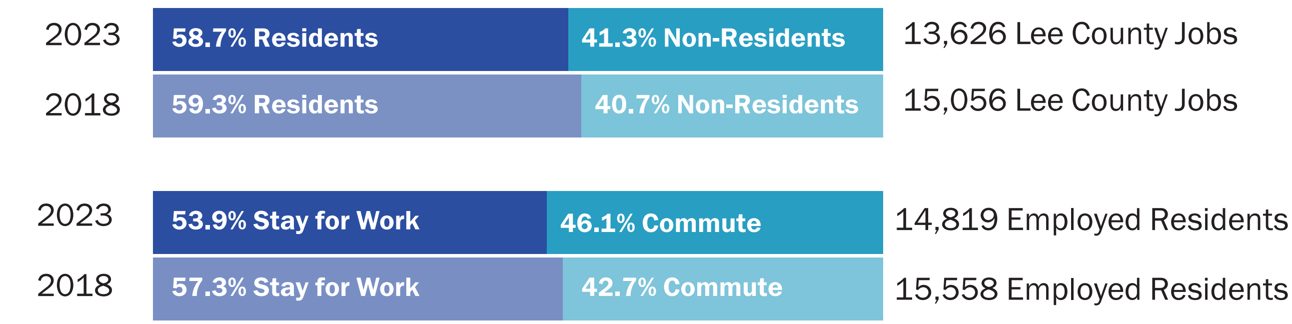
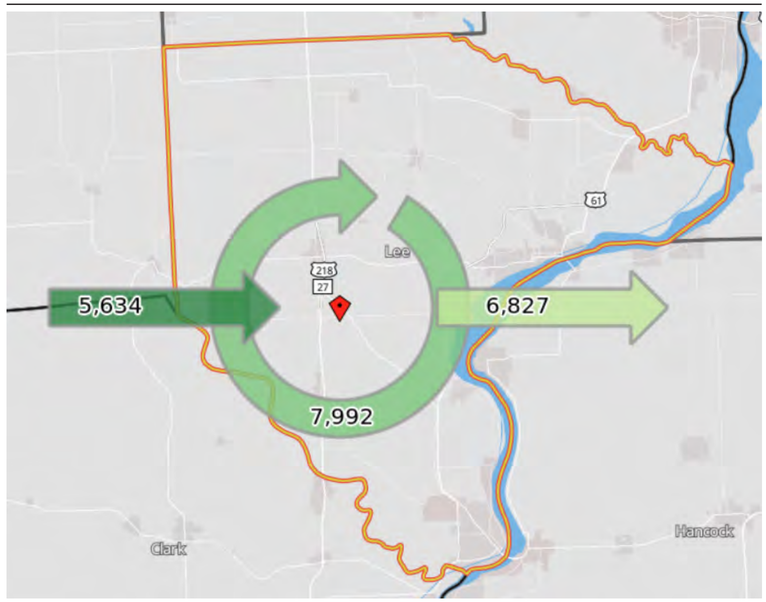


FIGURE 1.10: INFLOW/OUTFLOW JOB COUNTS 2023



LABOR FORCE PARTICIPATION RATE IN 2024 **57.8%**
lowest of all peer counties

PERCENT CHANGE IN NUMBER OF JOBS 2012-2022 **-13.7%**
highest of all peer counties

Source: American Community Survey (5-Year Estimates)

Source: LEHD LODES Version 8.4

Housing Occupancy

Since 2008, many Midwest communities have seen stronger rental demand due to tighter lending standards, younger households delaying ownership, and higher ownership costs. However, in Lee County the housing market remains strongly owner-oriented.

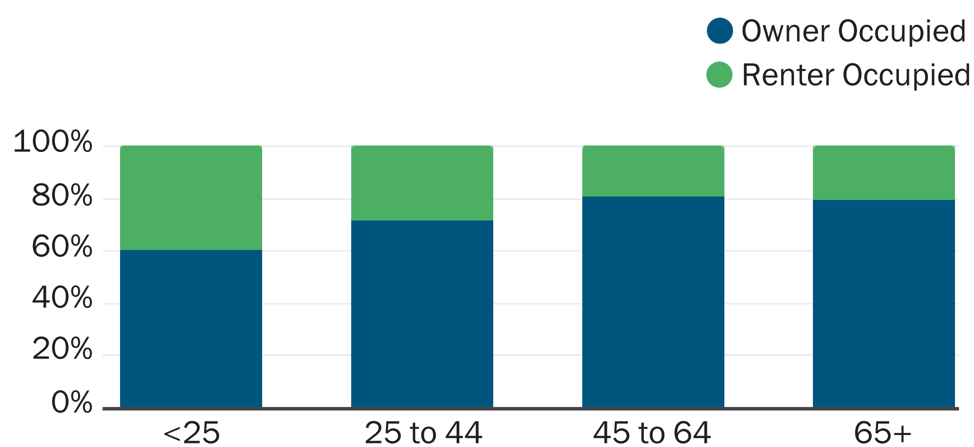
- **Lee County has a much higher owner-occupancy rate than renter-occupancy rate.** In 2024, about 76% of occupied housing in Lee County was owner-occupied; this is closer to a 75/25 split than the typical 60/40 or even 70/30 split often seen in larger or more urban Midwest communities.
  - This pattern reflects Lee County's lower-density development patterns, older single-family housing stock, and smaller rental market construction. It suggests that many strategies should focus on preserving and improving owner-occupied homes.
- **Keokuk and Fort Madison have somewhat higher renter shares than the county overall.** Fort Madison's owner-occupancy rate is about 72%, while Keokuk's is about 64%, meaning rental housing plays a larger role in these two cities.
- **Residents in their middle and later working years are generally more likely to be homeowners, while younger households are more likely to rent.** For Lee County, this means rental demand is especially important for younger workers, and people entering the housing market.
- **Lee County's vacancy rate is not indicative of available units.** Census estimates that roughly 9% of housing units are vacant. A "healthy" vacancy rate is considered to be closer to 5%. However, this higher vacancy rate does not mean there are many move-in-ready homes available. When only considering "for sale" and "for rent" homes in Lee County, the vacancy rate is closer to 2.4%. This means that a lot of "vacant" housing in Lee County is not immediately available for occupancy.

FIGURE 1.11: TOTAL UNITS

	2010	2024	Change
FIGURE 1.11: TOTAL UNITS	**16,338**	**15,794**	**-544**
Owner Occupied	10,542 74.1%	10,934 76.4%	▲ +2.3%
Renter Occupied	3,692 25.9%	3,389 23.6%	▼ -2.3%
Vacancy Rate	2,104 12.9%	1,471 9.3%	▼ -3.6%

Source: U.S. Census Bureau

FIGURE 1.12: HOUSING OCCUPANCY BY AGE HOUSEHOLDER, 2024



Source: American Community Survey (5-Year Estimates)

Housing Affordability Summary

The graphic illustrates the affordability challenges faced by people in different occupations and ages across Lee County, described more on the following pages.

FIGURE 1.13: A HOUSING PROFILE OF LEE COUNTY RESIDENTS BY HOUSEHOLD INCOME, 2024

% Median Income	32%	81%	121%	161%	242%	
Household Income	$0-$20,000	$20,000-$49,999	$50,000-$74,999	$75,000-$99,999	$100,000-$150,000+	
Example Occupation	Student, Retiree, Part-time, and min. wage worker	Construction, Childcare, Paramedic, Meat packer	Elementary teacher, Firefighter, Plumber, Autobody repair	Architect/engineer, Police officer, Supervisors	Lawyers, Nurse practitioners, Experienced managers	
40-Hour Work Week Hourly Wage	$0-$9.62	$9.63-$24.04	$24.05-$36.06	$36.07-$48.08	Over $48.08	Total
# of Households	2,171	3,663	2,695	1,974	3,820	14,323
Share	15%	26%	19%	14%	14%	100%
% White, Non-Hispanic	87%	92%	95%	97%	96%	94%
% Under 25	4%	11%	2%	2%	3%	5%
% 65+	38%	48%	26%	37%	19%	33%
% Owner	47%	68%	76%	90%	94%	76%
% Renter	53%	32%	24%	10%	6%	24%
Household Cost Burden:						
Burdened Owners	70%	60%	23%	7%	0%	21%
Burdened Renters	69%	55%	6%	0%	0%	56%
The most a household should spend per month	<$500	$500-$1,000	<$1,500	<$2,000	$2,000+	Lee County's Median Contract Rent: $609
Comparable home price in Lee County	Not available or feasible	<$125,000	$125,000-$200,000	$200,000-$250,000	$250,000+	Lee County's Median Home Value: $141,400

Source: American Community Survey (5-Year Estimates); Paycheck to Paycheck (nhc.org/paycheck-to-paycheck) for the Davenport-Rock Island-Moline Metro; Zillow.com

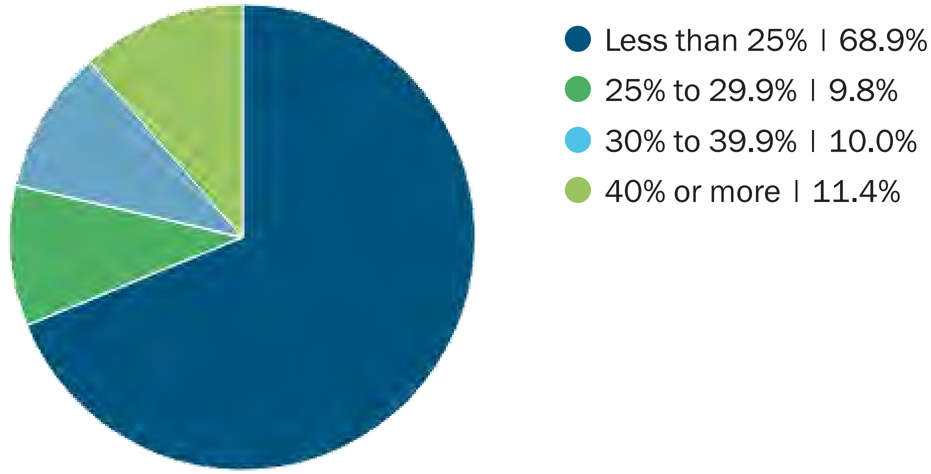
**Assumes a good credit score, no downpayment, no HOA fees, comparable local taxes/insurance, and a 30-year fixed rate mortgage at 6.2%. The comparable home price rises considerably with a 20% downpayment*

Housing Affordability

Households that spend 30% or more of their monthly income on housing costs are considered cost-burdened.

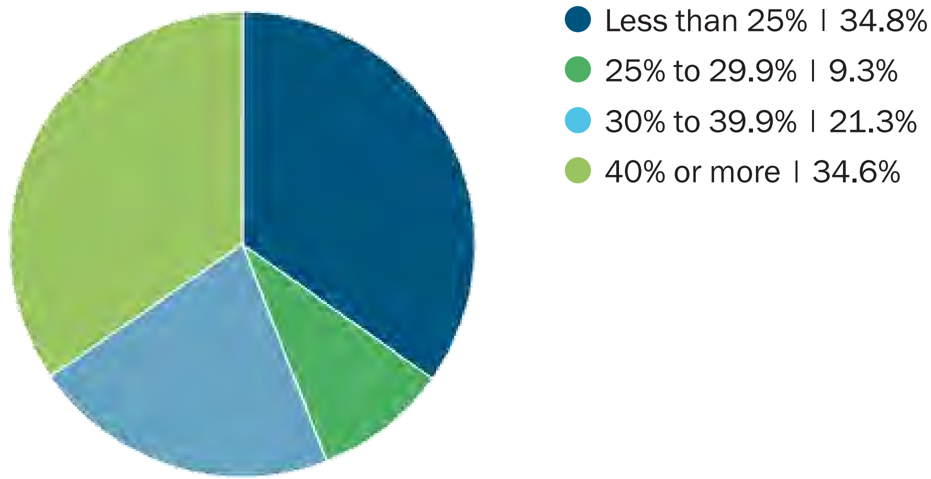
- **Lee County has moderate owner cost-burden, but renter cost-burden is much higher.** About 17.8% of owner households spend 30% or more of their income on monthly housing costs, compared with over 40% of renter households.
  - This shows that many owners are relatively stable, but a meaningful share may still struggle with mortgage payments, taxes, insurance, or the cost of maintenance.
- **Renters face the greatest affordability pressure in Lee County.** More than four in ten renter households are cost-burdened and may have limited ability to absorb rent increases, save for a down payment, or cover other household needs.
- **Housing affordability in Lee County is not just about price.** The county has relatively low home values and rents compared with peer counties, but much of the housing stock is older. The median year built for housing in Lee County is 1962, which means many affordable homes will require repairs and updates.
  - Rising costs on other items not captured in the data also reduce income available to spend on housing.

FIGURE 1.14: OWNER HOUSING COSTS AS % OF INCOME, 2024



Source: American Community Survey (5-Year Estimates)

FIGURE 1.15: RENTER HOUSING COSTS AS % OF INCOME, 2024



Source: American Community Survey (5-Year Estimates)

One way to broadly tell if ownership is becoming unaffordable or unattainable in a community is by comparing median home value to median household income. Generally, a home-to-income ratio of 3.0 or lower is considered a healthy or affordable market, whereas under 2.0 is undervalued.

- **Lee County's value-to-income ratio is within the generally affordable range, and near the middle of its peer counties.** Median home values are boosted in the county by larger acreage homes in rural areas.
  - Affordability by this measure does not necessarily mean housing is attainable or move-in ready. Lee County's relatively low home values are partly tied to older housing stock, deferred maintenance, and limited new construction. A household may be able to afford the purchase price of a home, but struggle with repairs, energy costs, or major system replacements.
- **While rents in Lee County are lower than most peer counties, renter cost-burden is the highest of its peers.** Lee County's median contract rent is $834, but over half of all renters spend 30% or more of their income on housing costs.
- **A key issue is the challenges of attracting new construction in an undervalued market in urban areas.**

FIGURE 1.16: PEER COMMUNITIES HOUSING AFFORDABILITY, 2024

	Home Value to Income Ratio	Median Household Income	Median Home Value	Median Contract Rent	% Cost Burdened
Lee County	2.3	$62,382	$141,400	$835	Owner: 21.4% Renter: 55.9%
Des Moines County	2.2	$62,928	$136,500	$904	Owner: 17.4% Renter: 51.4%
Henry County	1.9	$82,165	$164,300	$820	Owner: 18.8% Renter: 38.9%
Muscatine County	2.6	$69,396	$182,100	$971	Owner: 23.3% Renter: 45.3%
Wapello County	1.9	$64,766	$125,100	$920	Owner: 17.9% Renter: 47.6%

Source: American Community Survey (5-Year Estimates); RDG Planning & Design

Community Survey Insight. *Survey respondents' largest housing concerns in Lee County. The top five most common:*

- *Cost of insurance or taxes | 127 votes*
- *Cost of utilities | 100 votes*
- *Available choices | 92 votes*
- *Cost of rent or mortgage | 92 votes*
- *Need for expensive repairs | 53 votes*

Affordability Balance

Figure 1.17 breaks down the number of households by income and the number of owner and renter units available based on affordable ranges requiring households to pay no more than 30% of income towards housing.

- **People of different income ranges are competing for the same units.** Lee County has a gap of units for households making over $50,000. Instead, many of these households are living in units below what they can afford to spend, driving competition for the lower priced units.
- **Lower priced units, especially owner units under $60,000, reflect needing repairs and improvements, which can be costly.** This means that while the unit may initially be "affordable," the costs needed to repair and maintain the homes could make them unaffordable.
  - Thus, while there appears to be a surplus of units for the lowest income range, most of these households have to rent because of lack of savings for a downpayment or repairs.
  - Additionally, about 7.8% of renter households live in public housing. By 2030, 108 of these homes will have their subsidy expiring with no guarantee that managers of these properties will reapply.
- If all existing households spent 30% or less of their income on housing costs, then an additional $6-$12 million of annual household income would be available to spend on other expenses and discretionary spending. A portion that goes to the local economy.

FIGURE 1.17: HOUSING AFFORDABILITY GAP ANALYSIS, 2024

<table>
<tr><th>Income Range</th><th># of Households</th><th>% of Households</th><th>Affordable Range for Owner Units</th><th># of Owner Units</th><th>Affordable Range for Renter Units</th><th># of Renter Units*</th><th>Total Affordable Units for Range</th><th>Balance</th></tr>
<tr><td>Less than $25,000</td><td>2,853</td><td>19.92%</td><td>< $60,000</td><td>1,893</td><td>< $500</td><td>1,244</td><td>3,137</td><td>+284</td></tr>
<tr><td>$25,000 to $49,999</td><td>2,981</td><td>20.81%</td><td>$60,000 to $124,999</td><td>3,185</td><td>$500 to $999</td><td>1,935</td><td>5,120</td><td>+2,139</td></tr>
<tr><td>$50,000 to $74,999</td><td>2,695</td><td>18.82%</td><td>$125,000 to $199,999</td><td>2,416</td><td>$1,000 to $1,499</td><td>103</td><td>2,519</td><td>-176</td></tr>
<tr><td>$75,000 to $99,999</td><td>1,974</td><td>13.78%</td><td>$200,000 to $249,999</td><td>1,076</td><td>$1,500 to $1,999</td><td>70</td><td>1,146</td><td>-828</td></tr>
<tr><td>$100,000 to $150,000</td><td>2,162</td><td>15.09%</td><td>$250,000 to $399,999</td><td>1,725</td><td rowspan="2">$2,000+</td><td rowspan="2">38</td><td>1,741</td><td>-421</td></tr>
<tr><td>Over $150,000</td><td>1,658</td><td>11.58%</td><td>> $400,000</td><td>639</td><td>661</td><td>-997</td></tr>
<tr><td>All Incomes</td><td>14,323</td><td>100.0%</td><td>-</td><td>10,934</td><td>-</td><td>3,389</td><td>14,323</td><td>0</td></tr>
</table>

Some of these households are probably paying less than they could afford.

*Source: American Community Survey (5-Year Estimates); RDG Planning & Design. *Rounding allocation of renters paying cash rent*

Property Taxes

- **Property taxes play a large part in housing affordability.** In the community survey, the cost of taxes and insurance ranked first in peoples' largest concerns for housing in Lee County.
- **Communities in Lee County have high property tax levies compared to other communities in Iowa.** Both Keokuk (#6) and Fort Madison (#84) have city tax levies in the top 100 of Iowa's municipalities.
- **City tax rates make up just part of homeowner costs.** On top of cities, counties, school districts (CSDs), hospitals, and others all set their own tax levies. Together, these make up the "total tax levy" that homeowners pay per $1,000 of value of their homes. Figure 1.18 compares these levies across different communities in Lee County and other peer counties.

FIGURE 1.18: PROPERTY TAXES FOR PEER COMMUNITIES, 2025-2026 FISCAL YEAR

City Name	County	City Tax Levy	Urban/Rural County Tax Levy	Total Tax Levy	State Rank	Annual Tax for a $200,000 Home
Donnellson	Lee	12.15591	10.12437/12.37265	35.78541	500/940	$3,187
Fort Madison (Central Lee CSD)	Lee	18.24222	10.12437/12.37265	42.19482	84/940	$3,758
Fort Madison (Madison CSD)	Lee	18.24222	10.12437/12.37265	42.80838	84/940	$3,813
Keokuk	Lee	26.25665	10.12437/12.37265	52.71452	6/940	$4,695
West Point	Lee	13.28593	10.12437/12.37265	36.40812	397/940	$3,243
Burlington	Des Moines	15.93637	6.81871/10.42871	40.96416	186/940	$3,649
Mount Pleasant	Henry	12.18001	9.84558/13.79558	42.83093	496/940	$3,815
Muscatine (Louisa-Muscatine CSD)	Muscatine	15.95328	7.02601/9.66856	34.58519	184/940	$3,080
Muscatine (Muscatine CSD)	Muscatine	15.95328	7.02601/9.66856	36.80354	184/940	$3,278
Ottumwa	Wapello	20.99396	7.95675/11.68386	45.71995	32/940	$4,072
West Burlington (Burlington CSD)	Des Moines	10.10024	6.81871/ 10.42871	35.12803	693/940	$3,129
West Burlington (West Burlington CSD)	Des Moines	10.10024	6.81871/ 10.42871	32.30029	693/940	$2,877

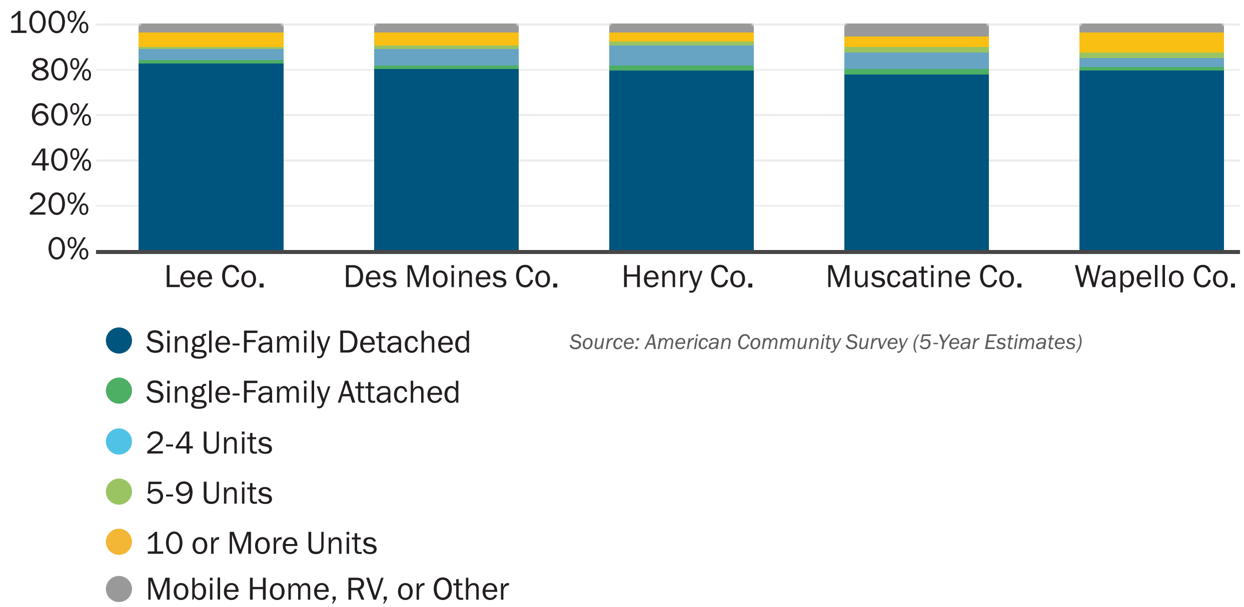
Source: State of Iowa Department of Management; Annual tax estimate includes the State residential property tax rollback and is a simplified scenario that may not apply to all properties. The numbers do not include any exceptions, such as the Homestead Exemption.

Existing Housing Types

Existing diversity within communities is important to give residents choices in housing size, type, and price point to meet their needs.

- **Single-family detached homes dominate the housing stock in Lee County.** This is true of peer counties, also, while Lee County is the only one of its peers with over 80% of its housing stock in single-family detached housing.
  - While single-family detached will likely always be the most popular housing style in Lee County, there is a desire for new options for both owners and renters.

FIGURE 1.19: PEER COMMUNITIES PERCENT OCCUPIED HOUSING UNITS BY TYPE, 2024



Source: American Community Survey (5-Year Estimates)

Community Survey Insight. *The top five housing types that people believe would be "most successful" in Lee County:*

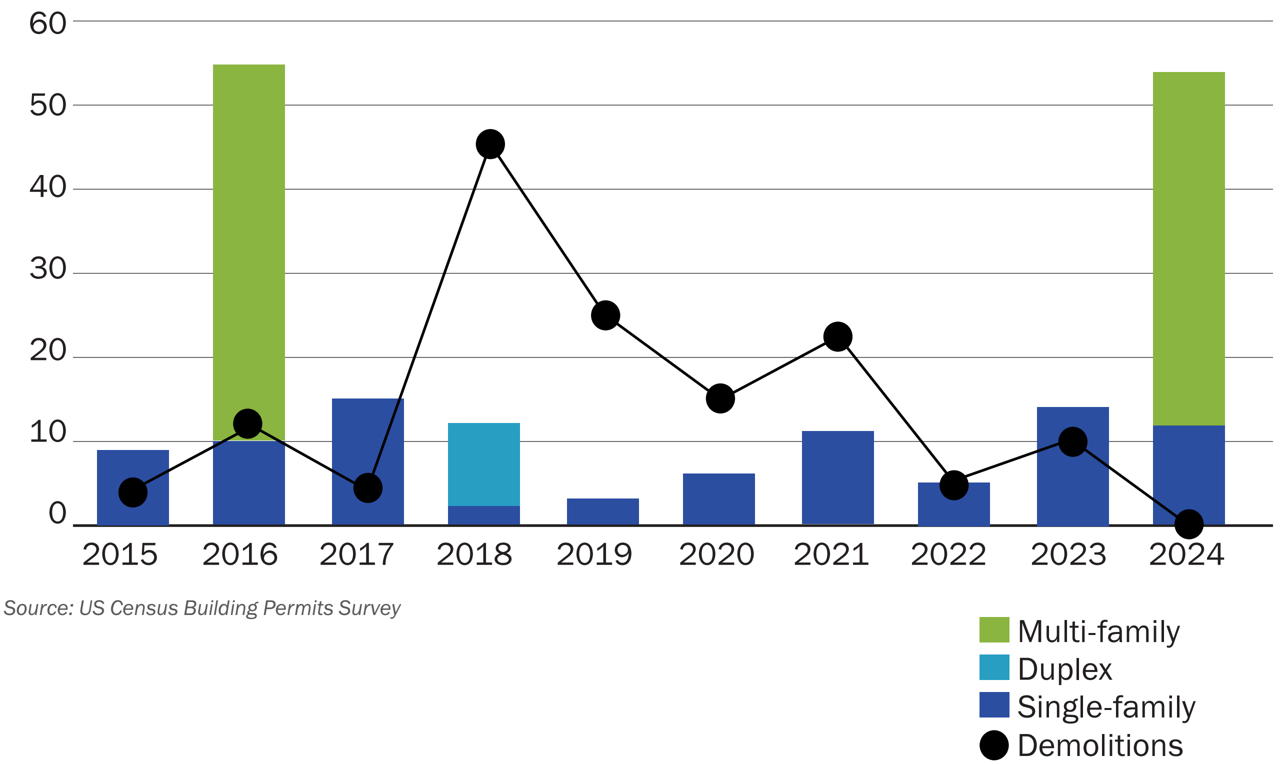
- *Affordable, small, two- or three-bedroom house | 96.3% yes*
- *Mid-size, three-bedroom house | 92.2% yes*
- *Independent senior living | 79.1% yes*
- *Townhouse or duplex | 72.1% yes*
- *Apartment | 68.4% yes*

Building Activity

Development patterns over the past several years show low new residential building activity across the county.

- A total of about 180 new units were added from 2015 through 2024, but only about 40 total net units when factoring units that were demolished.
  - Single-family growth has been limited, driven by rising development costs and low lot development.
  - There have been few other housing products brought to the market, except for two years with apartment complex construction.
  - Deterioration and lack of reinvestment have resulted in the loss of a significant number of housing units, further tightening supply and increasing pressure on the existing housing stock.
- Together, these factors underscore the importance of infill development and housing recovery efforts to support long term housing availability and community resilience.

FIGURE 1.20: NEW RESIDENTIAL BUILDING PERMITS BY NUMBER OF UNITS



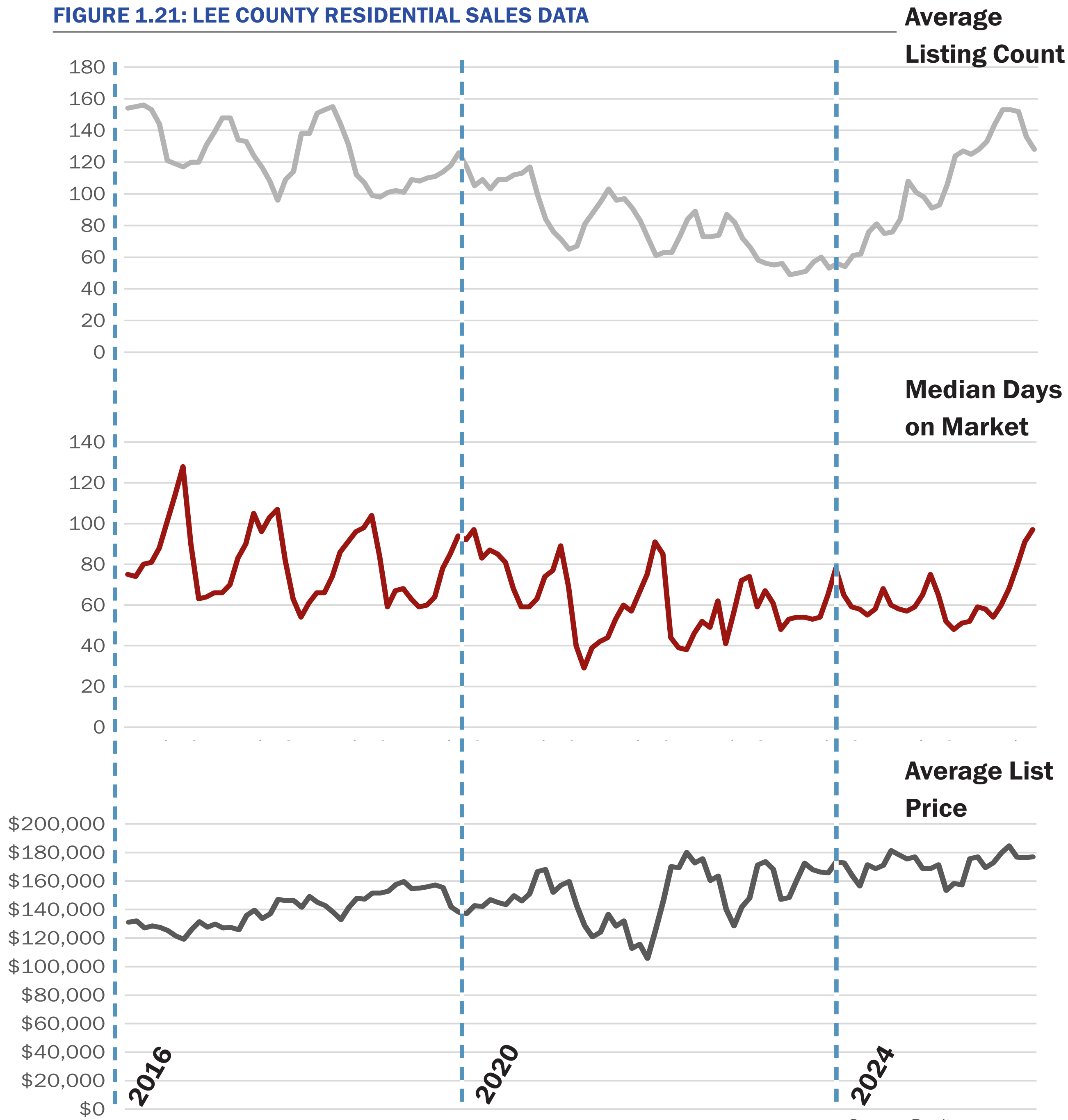
Source: US Census Building Permits Survey

Sales Activity

Low ownership construction shows in home sales data from 2016 to 2025.

- **The average listing count increased starting in 2024 similar to national trends, providing buyers with more available listings compared to earlier periods.** However, many of these units are not move-in ready and require rehab investment by buyers.
- **Median days on market have remained relatively stable and trending down, indicating consistent absorption even with the increasing for-sale inventory.** In addition, the median time a home stays on the market is under sixty days, which is low compared to national averages.
- **Average listing price has increased slightly year over year, suggesting low supply of suitable homes.** The increased number of listings since 2024 has not yet had an effect on listing prices.

FIGURE 1.21: LEE COUNTY RESIDENTIAL SALES DATA

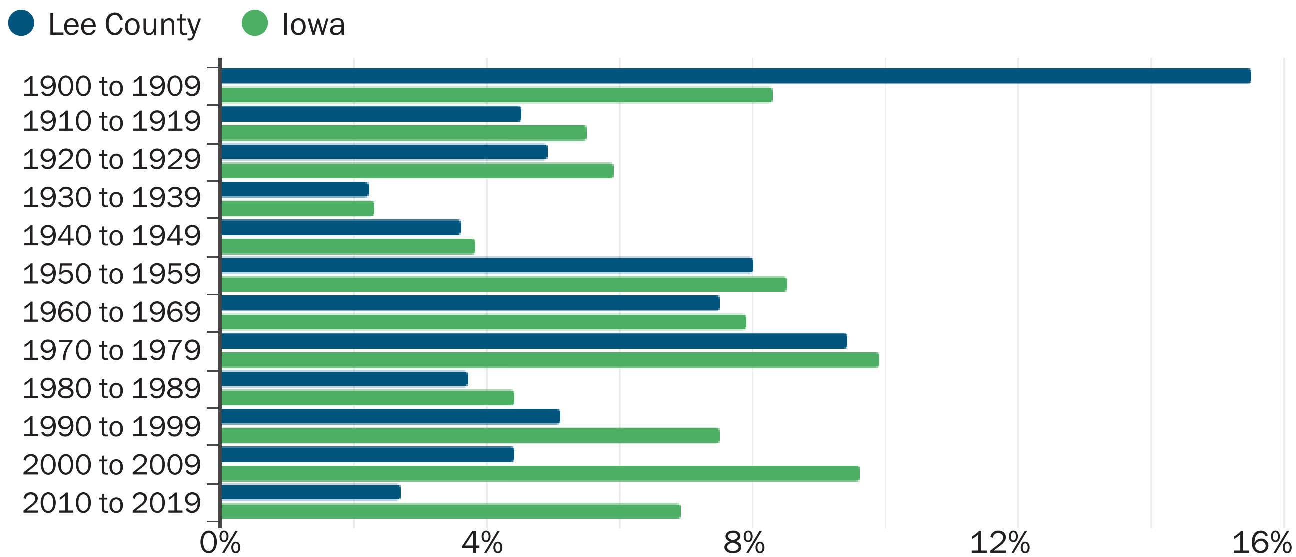


Source: Realtor.com

Housing Year Built

- **Lee County's housing stock is relatively old, with much of it constructed before 1960.** The average year of construction is around 1952, meaning a large share of homes are 60 years old or more. While this contributes to neighborhood character and affordability in some areas, the age of the housing stock also presents ongoing challenges related to maintenance, reinvestment, and long term housing quality.
- **New homes have not significantly altered the overall housing age profile.** As shown on previous pages, construction has been limited in the last decade.
- **Lower housing conditions are more common on the fringe of Fort Madison's and Keokuk's downtown (on the following pages).** Older neighborhoods and areas with higher renter concentrations often experience greater maintenance pressures.
- **Home values remain below state and national averages but coupled with costs rising more than incomes limit homeowners' ability to finance major repairs, which correlates with areas that have lower housing conditions (on the following pages).**

FIGURE 1.22: LEE COUNTY RESIDENTIAL PROPERTY AGE



Source: County Tax Assessors 2025

FIGURE 1.23: RESIDENTIAL MEDIAN YEAR BUILT

1952 Lee County	**1958** Muscatine County
1949 Des Moines County	**1945** Wapello County
1954 Henry County	**1957** State of Iowa

Condition Inventory

Understanding the condition of homes in Lee County is important to know the magnitude of rehabilitation investment and demolition investment.

The Lee County Assessor tracks data on housing conditions, valuation, home size, and several other important metrics for residential structures. The consultant team used this information as a base to evaluate housing conditions. The team then completed a windshield survey in For Madison, Keokuk, Donnellson, and West Point to verify structural conditions in need of minor repairs, major repairs, and demolition.

Figure 1.24 and the following pages summarize the results, which inform the housing needs and strategies in subsequent chapters of this study.

- Homes in better condition have higher total assessed values.
- Homes in better condition tend to be newer, although the acceptable category includes some older housing stock that is well maintained. For example, historic homes that have been rehabbed and preserved in Fort Madison and Keokuk.
- Structures needing more repair do not appear to have the primary owner living on the property as often.
- Keokuk has the most prevalent demolition and major repair need.

FIGURE 1.24: RESIDENTIAL CONDITION RATING SUMMARY

	ACCEPTABLE	%	COSMETIC	%	MINOR REPAIR	%	MAJOR REPAIR	%	DEMO	%	AVE. TOTAL ASSESSED VALUE	AVE. YEAR BUILT	TOTAL
FORT MADISON	1,725	35.3%	2,517	51.6%	321	6.6%	248	5.1%	71	1.5%	$142,681	1937	4,882
KEOKUK	1,272	26.0%	2,443	50.0%	385	7.9%	559	11.4%	218	4.5%	$124,432	1935	4,884
DONNELLSON	298	28.3%	673	63.9%	25	2.4%	39	3.7%	18	1.7%	$211,615	1954	1,053
WEST POINT	291	29.9%	643	66.0%	9	0.9%	20	2.1%	11	1.1%	$253,446	1958	974
REST OF COUNTY	517	26.8%	1,286	66.7%	9	0.5%	75	3.9%	41	2.1%	$204,610	1961	1,928
TOTAL	4,103	29.9%	7,562	55.1%	749	5.5%	941	6.9%	359	2.6%	$159,130	1943	13,721

Source: Lee County Assessor; RDG Planning & Design

Ratings are described on the following pages. Notes:

- *The condition rating data are point-in-time evaluations in April and May 2026.*
- *Field verified evaluations are based on views of the outside of structures from the public right-of-way. Conditions may vary.*
- *Structures were assumed to be achieving a higher condition where there appeared to be active projects and work being done on the property.*
- *Commercially assessed, such as mixed-use residential units and some larger apartment complex properties, are not included in the inventory.*

Condition: Acceptable

Homes in "Acceptable" condition are not in need of repair at this time, and should continue to be maintained by their owners to avoid future costly repairs.




FIGURE 1.25: ACCEPTABLE CONDITION RATING SUMMARY

	ACCEPTABLE	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	1,725	35.3%	$166,591	1936
KEOKUK	1,272	26.0%	$156,242	1936
DONNELLSON	298	28.3%	$235,103	1937
WEST POINT	291	29.9%	$259,198	1937
REST OF COUNTY	517	26.8%	$226,716	1944
TOTAL	4,103	29.9%	$182,786	1937
Out of State Mailing Address	*111*	2.7%	*$156,200*	*1927*
Different Recorded Mailing Address from Property address	*855*	20.8%	*$154,438*	*1930*

Source: Lee County Assessor; RDG Planning & Design

**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

Needs Cosmetic Repair

Homes in “Needs Cosmetic Repair” may require repair, but are not at structural risk. Owners should complete cosmetic repairs to avoid future, more costly repairs.




Common Repairs:

- New paint | $3,500 to $5,000
- New sidewalks | $2,000 to $4,000
- Gutter/downspout repair | $250 to $500

FIGURE 1.26: COSMETIC CONDITION RATING SUMMARY

	COSMETIC	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	2,517	51.6%	$147,871	1945
KEOKUK	2,443	50.0%	$139,986	1947
DONNELLSON	673	63.9%	$215,222	1965
WEST POINT	643	66.0%	$262,085	1970
REST OF COUNTY	1,286	66.7%	$210,216	1971
TOTAL	7,562	55.1%	$172,218	1954
Out of State Mailing Address	*270*	3.6%	*$103,963*	*1928*
Different Recorded Mailing Address from Property address	*2,368*	31.3%	*$130,186*	*1942*

Source: Lee County Assessor; RDG Planning & Design

**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

Needs Minor Repair

Homes in "Needs Minor Repair" condition require minor repairs or multiple cosmetic repairs, and should be repaired and maintained to avoid falling into further disrepair.




Common Needed Repairs:

- New window(s) | $750 to $2,000
- New gutters/downspouts $1,200 to $2,500
- Minor tuckpointing $1,000 to $2,000
- Porch or deck repair | $750 to $2,000

FIGURE 1.27: MINOR REPAIR CONDITION RATING SUMMARY

	MINOR REPAIR	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	321	6.6%	$65,486	1913
KEOKUK	385	7.9%	$51,896	1906
DONNELLSON	25	2.4%	$81,766	1916
WEST POINT	9	0.9%	$87,434	1920
REST OF COUNTY	9	0.5%	$84,821	1962
TOTAL	749	5.5%	$59,804	1910
Out of State Mailing Address	*44*	5.9%	*$62,474*	*1909*
Different Recorded Mailing Address from Property address	*419*	56%	*$55,590*	*1909*

Source: Lee County Assessor; RDG Planning & Design

**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

Needs Major Repair

Homes in "Needs Major Repair" condition need major, structural repairs, or multiple minor repairs. These repairs may be costly, but are imperative to preserve the home and avoid need for demolition. Some of these homes could need to be demolished after further evaluation.

Common Needed Repairs:

- New roof | $7,500 to $10,000
- Multiple new windows | $4,000 to $7,500
- Major tuckpointing | $15,000 to $20,000
- Foundation repair $15,000 to $25,000

FIGURE 1.28: MAJOR REPAIR CONDITION RATING SUMMARY

	MAJOR REPAIR	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	248	5.1%	$37,689	1910
KEOKUK	559	11.4%	$36,697	1901
DONNELLSON	39	3.7%	$82,752	1923
WEST POINT	20	2.1%	$69,007	1920
REST OF COUNTY	75	3.9%	$62,180	1933
TOTAL	941	6.9%	$41,930	1908
Out of State Mailing Address	*103*	10.9%	*$38,838*	*1899*
Different Recorded Mailing Address from Property address	*564*	60%	*$39,954*	*1907*

Source: Lee County Assessor; RDG Planning & Design

**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

Candidate for Demolition

Homes that are "Candidates for Demolition" are in a state of disrepair that is unlikely to be remedied. Some of homes are vacant or uninhabitable and others are occupied.




- Demolition I $12,000 to $30,000+ depending on site and size

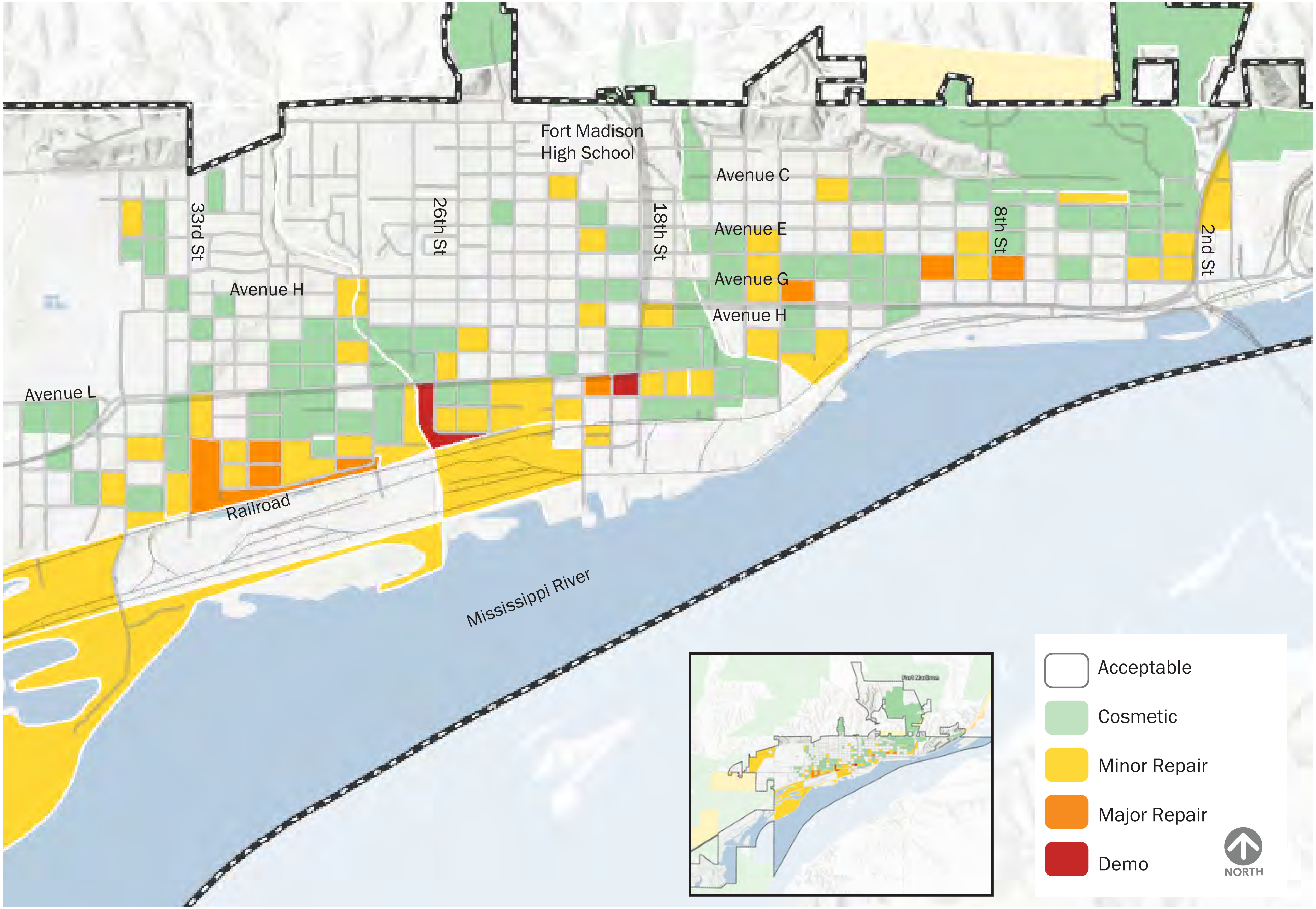
FIGURE 1.29: DEMOLITION CONDITION RATING SUMMARY

	DEMO	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	71	1.5%	$21,804	1910
KEOKUK	218	4.5%	$18,886	1900
DONNELLSON	18	1.7%	$52,837	1916
WEST POINT	11	1.1%	$67,410	1929
REST OF COUNTY	41	2.1%	$29,050	1923
TOTAL	359	2.6%	$25,099	1908
Out of State Mailing Address	*62*	17.3%	*$22,839*	*1902*
Different Recorded Mailing Address from Property address	*294*	81.8%	*$23,629*	*1908*

Source: Lee County Assessor; RDG Planning & Design

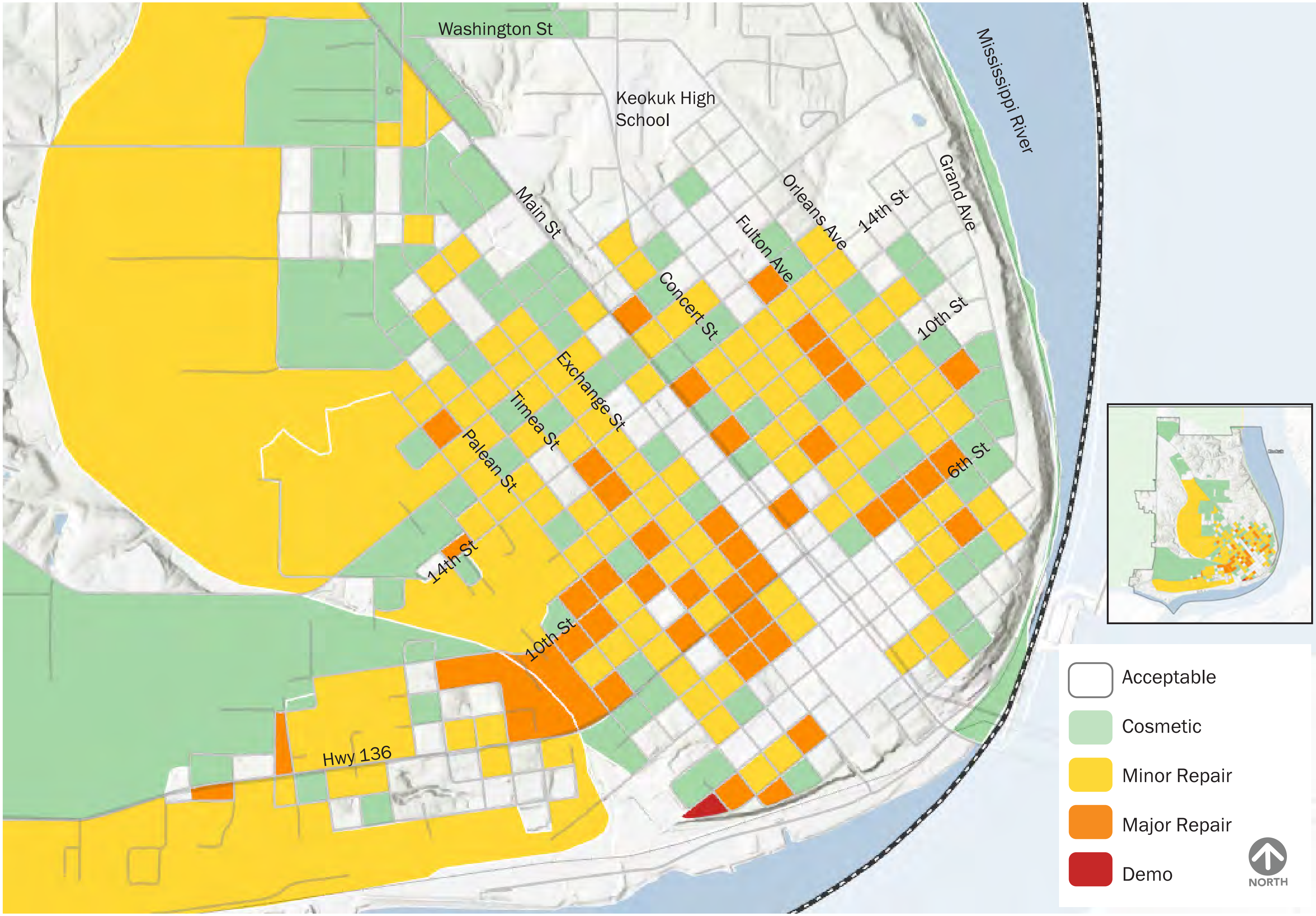
**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

FIGURE 1.30: FORT MADISON BLOCK LEVEL AVERAGE RESIDENTIAL CONDITION

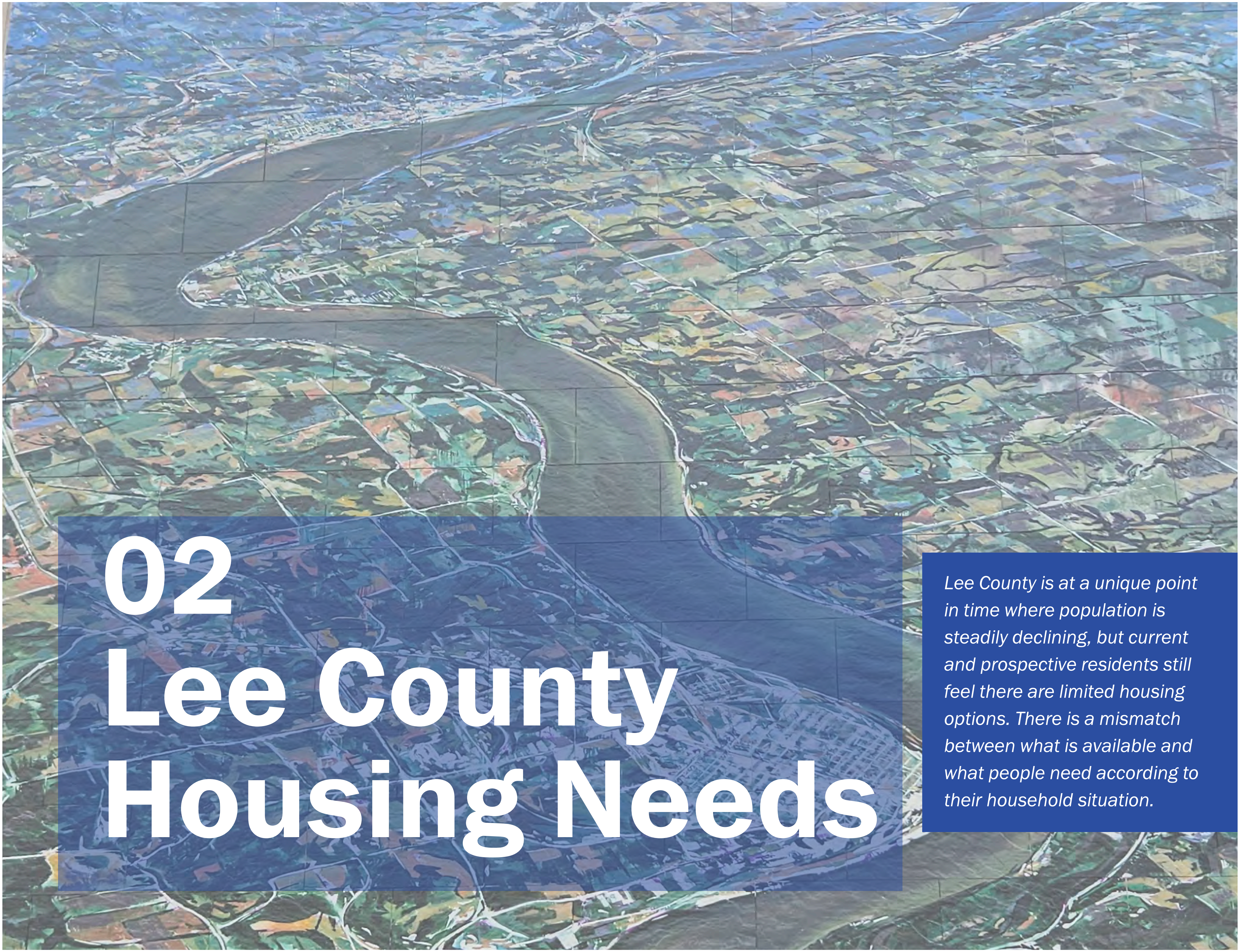


Source: Lee County Assessor; RDG Planning & Design

FIGURE 1.31: KEOKUK BLOCK LEVEL AVERAGE RESIDENTIAL CONDITION



Source: Lee County Assessor; RDG Planning & Design



02 Lee County Housing Needs

Lee County is at a unique point in time where population is steadily declining, but current and prospective residents still feel there are limited housing options. There is a mismatch between what is available and what people need according to their household situation.

HOUSING NEEDS APPROACH

With a strategic demolition and new construction program, Lee County would need to add up to 500 units through 2035 to get to a healthy housing market. A sizable portion of these units should come through targeted rehabilitation of vacant units. If vacant units decline to the point of demolition, more new units will have to come through new construction and adaptive reuse.

The following section explains why there may be a need for this many units, and the types and price points needed to best fulfill housing demand.

A traditional housing projection that translates population growth based on historic trends to housing unit demand does not apply directly to Lee County. The county population has been in decline, which would indicate little to no need for new housing units under a traditional projection model. It is hard to predict when population decline could plateau to the new "normal" for Lee County. However, stakeholder discussions and the community survey indicate a need for housing variety and supply to support new regional and local employees who want to live in the county and aging residents wanting to transition to new options.

Lee County faces a unique challenge – A declining population while simultaneously lacking homes that meet people's needs and preferences. A number of questions frame how to determine housing needs across Lee County in the future:

- How many households will there be? – Households, not total population, drives housing demand
- What types of households will they be? – The number of people in a household and their ages are a primary indication of housing needs
- What unit sizes do they need? – Households with children or multi-generational households need more bedrooms and space
- What price points can they afford? – Available homes mean little if people cannot afford to live in them.
- What does the existing stock already provide? – Does the supply adequately meet the needs of questions 1-4 above.
- Which gaps can be addressed by rehab/ conversion rather than new builds? – An excess quantity of existing housing stock could fill some future needs if adapted to household needs.

POPULATION VERSUS HOUSEHOLDS:

Population is all people living in the county.

A single household includes all people who occupy a home as their place of residence, whether they are related or unrelated

HOUSING NEEDS APPROACH

Even with population loss, the following product types are tight in Lee County according to the data and conversations with stakeholders:

Owner Options

- Modern, up-to-date homes with multiple bedrooms for families looking to move to the area.
- Move-in or nearly move-in ready entry-level options for young professionals who do not have the time or resources to devote to major renovation and rehabilitation projects.
- Transitional options for older adults, such as assisted living arrangements, single level, accessible, and shared maintenance options.

Rental Options

- Modern, up-to-date rentals for young professionals and others moving to the area who are not ready to commit to being owners.
- Multiple bedroom rentals that could be detached homes for lower income families who cannot afford ownership.
- Assisted and communal living arrangements for downsizing options.

Right-Sizing the Housing Stock: The approach to housing supply in Lee County is not just adding units, but:

1. Incrementally adding new units or rehabbing existing units for the right type and price; and

2. Strategic removal and rehabilitation of obsolete housing.

The result might be little net change in the total number of housing units, but a better balance of units that meet the preferences and abilities of people in the region.

Declines steadily through 2035 >>

Number of households continue to decline, but at a slower rate over time due to change in household size>>

Declining household sizes consistent with aging populations and fewer children >>

Annual income growth at 2.8%, similar from 2010 to 2024 >>

A slight decline in ownership as more households prefer or need to rent longer >>

A healthy for sale/for rent vacancy is between 5% and 7% >>

LEE COUNTY FORECAST SNAPSHOT	ACTUAL 2010	ACTUAL 2020	EST. 2024	2030	2035
Population	35,862	33,555	32,893	31,803	30,923
Period Annual Growth Rate	*-0.59%*	*-0.66%*	*-0.50%*	*-0.56%*	*-0.56%*
Households	14,610	14,036	14,323	14,137	14,004
Period Annual Growth Rate	*-0.39%*	*-0.40%**	*0.51%**	*-0.22%*	*-0.19%*
Average Household Size	2.35	2.27	2.21	2.17	2.13
Median Household Income	$42,444	$52,072	$62,382	$73,576	$84,424
Percent Owner-Occupied	74%	75%	76%	72%	70%
For Sale/For Rent Vacancy	4.3%	4.9%	2.4%	4.2%	5.7%

Source: American Community Survey 5-year Estimates; U.S. Census Bureau; RDG Planning & Design
**A decline in household sizes contributes to the increase in 2024. The 2020 Census count amid the Pandemic may also have influenced household numbers in 2020.*

HOUSING NEEDS APPROACH

The future housing strategies are based on the following approach to housing needs:

STEP 1.

Identify the age of people and household size and likely future shifts that will influence housing needs. Changes in future household sizes and composition will help determine allocation of needs by type of units.

STEP 2.

Evaluate what is built today that people are living in versus what they could afford. Owners and renters face different price considerations and competition for units.

STEP 3.

Determine the number of options that should be available for a healthy market to provide sufficient market choice. Vacancy trends help determine a healthy market. A target total vacancy is between 5% and 7%.

STEP 4.

Assess how many units are vacant for reasons other than being listed for rent or sale because they need repair. A percentage of these units could be added back to the usable supply with intervention. A share of vacancies still might not meet modern demand - not renovated, too big or small, inaccessible, or beyond repair.

STEP 5.

Estimate the number of obsolete units that need to be demolished and how this influences housing needs. With population decline, demolishing units in very poor condition may not affect existing supply as much and bolster community appeal and neighborhood valuation.

STEP 6.

Quantify the overall unit needs. Some unit need can be met through rehab of vacant units and encouraging owners to list vacant units.

STEP 7.

Apply household incomes to unit needs to determine attainable owner and rental price points. These become target areas to focus housing policy, intervention, and strategy.

STEP 8.

Determine specialty housing needs for older adults. With increasingly aging populations, seniors need options that provide ranging levels of assistance.

HOUSING NEEDS APPROACH

There will be a need for close to 500 units through 2035 to replace demolished units and create more marketable inventory in the county. Much of this need can be filled through rehabilitation of vacant units and some through new construction.

HOUSING NEEDS APPROACH

Step 1. Identify the age of people and household size today and likely shifts in the future that will influence housing needs.

- **Out-migration.** Out-migration occurred across all age cohorts between 2010 and 2020, with the greatest loss among younger cohorts, likely students who left for school and did not return.
  - Table 2.1 shows projected population by age cohort assuming no in- or out-migration. The spike in the 20–34 age cohort reflects an assumption that school-age children remain in the county after high school. Actual 2020 data contradict this with the 20–34 cohort showing out-migration exceeding 40%.
- **Smaller households.** Table 2.2 shows that the share of one-person households in Lee County has grown, while larger households represent a shrinking proportion of the total number of households.
- **Aging.** Older age cohorts have held steady despite overall county population decline.
- **The trend of smaller household sizes and older populations is expected to continue.** By 2035, people over the age of 75 could account for over 15% of the total county population.
- **The market analysis in the previous chapter suggests a slight future shift toward more renter households.** This is driven by affordability constraints and changing preferences. 70% is still a higher owner-occupied percentage than the state.

TABLE 2.1: NATURAL POPULATION FORECAST BY AGE COHORTS

AGE MIX	ACTUAL 2010	ACTUAL 2020	2020 VARIANCE FROM COHORT SURVIVAL PREDICTION*	WITH NO IN OR OUT MIGRATION*	
				2030	2035
20–34	6,003	5,330	-41.6%	5,486	5,892
35–54	9,821	7,631	-12.4%	7,350	7,074
55–74	8,218	9,480	-2.5%	7,911	7,131
75+	3,007	3,267	-4.7%	4,209	4,598

TABLE 2.2: HOUSEHOLD SIZE FORECAST

HOUSEHOLD MIX	ACTUAL 2010	ACTUAL 2020	EST. 2024	2030	2035
1-person	31%	34%	35%	36%	37%
2-person	34%	33%	33%	34%	35%
3-4 person	27%	25%	25%	24%	23%
5+ person	8%	7%	7%	6%	5%
People per household	2.30	2.27	2.21	2.17	2.13
Number of Households	14,610	14,036	14,323	14,137	14,004
Owner/Renter Split	74%/26%	75%/25%	76%/24%	72%/28%	70%/30%

Source: American Community Survey 5-year Estimates; RDG Planning & Design

**Cohort survival method for projecting future years without considering in- or out-migration.*

HOUSING NEEDS APPROACH

Step 2. Evaluate what is built today that people are living in versus what they could afford.

- **There is a lot of competition in Lee County for ownership options priced under $200,000 and rental options for under $1,000 a month.** Table 2.3 shows how the price points of existing homes matches the household income levels that owners and renters can afford. The far right column indicates where there are excess units matching some owner and renter income ranges, versus a high need of units in others. There are opportunities to produce or renovate higher quality units at higher price points that households could still afford.
  - **The lowest income households will mostly be renters,** excluding seniors on fixed incomes who already own their homes. These households face a gap in affordable subsidized rental options.
  - **Older and empty-nester households** are typically one- or two-person households who have higher incomes. Many prefer or need to downsize to one- or two-bedroom units that require less maintenance, are single-level, or located in multifamily communities. Some may be okay with transitioning from owning to renting.
  - **Single-parent households** make up a larger share in Lee County than in Iowa overall. Often composed of two people, these households may prefer a two-bedroom home, but may not have the income for home ownership. Thus, a need for two-bedroom+ rental options, which would typically be priced at least $1,000 a month.
  - **Larger households** (three or more people) need homes with at least three bedrooms to avoid overcrowding. Higher income and dual income households face limited new ownership options. When such homes are unavailable or unaffordable, these households may live in lower cost units than they could afford, creating competition at lower price points.
- There is a mismatch between the existing housing stock and household needs or preferences. **While a perfect balance is unrealistic and individual circumstances vary, some households have the income to move to new or more up-to-date rehab products that fit their needs.**

TABLE 2.3: ATTAINABILITY BALANCE BY OCCUPANCY, 2024

INCOME RANGE	# OF HOUSEHOLDS	ATTAINABLE HOME PRICE FOR OWNER UNITS	ATTAINABLE RENT PRICE FOR RENTAL UNITS	GAP (-) OR SURPLUS IN ATTAINABLE UNITS		
				OWNER	RENTER	ALL UNITS
$0-$25,000	2,853	>$60,000	$0-$499	449	-165	284
$25,000-$49,999	2,981	$60k-124,999	$500-$999	1,110	1,029	2,139
$50,000-$74,999	2,695	$125k-$199,999	$1,000-$1,499	371	-547	-176
$75,000-$99,999	1,974	$200k-$249,999	$1,500-$1,999	-695	-133	-828
$100,000-$150,000	2,162	$250k-$399,999	$2,000-$2,999	-310	-111	-421
$150,000+	1,658	$400,000+	$3,000+	-925	-72	-997
Total:	**14,323**					

Source: American Community Survey 5-year Estimates; RDG Planning & Design

The table is based on the general rule that no household spends more than 30% of their income on housing costs. These ranges are maximum amounts, especially for moderate to lower income households, given other rising costs in transportation, health care, day care, insurance, and more.

HOUSING NEEDS APPROACH

Step 3. Determine the number of options that should be available for a healthy market to provide sufficient market choice (vacant units “for rent” and “for sale only”) in addition to price considerations.

- When few homes are for rent or sale, households have to choose units outside their price range, mismatched to their needs, or in another community.
- A healthy market typically maintains about a 5% vacancy rate, allowing mobility and choice.
  - In 2020, Lee County’s vacancy rate of for sale and rental units was 4.9%, falling to 2.4% in 2024. **This indicates limited housing availability. Different units are needed for adequate market choice.**

Step 4. Assess how many units are vacant for reasons other than being listed for rent or sale because they need repair.

- Units vacant because of disrepair, foreclosure, or other reasons are not available to live in unless the owner or buyer invests in rehabilitation.
- Based on the typical split of “other vacant” repair reasons across the state, **an estimated 273+/- vacant units are likely candidates for rehab and reoccupancy across Lee County.**
  - Fort Madison and Keokuk have a vacant structure registry. The ratio of registered vacant structures needing minor or major repairs is slightly higher than the state level percentages needing repairs. Thus, 273 is conservative.

Source: American Community Survey 5-year Estimates; U.S. Census Bureau; RDG Planning & Design

**Other Vacant are not considered available units to occupy*

TABLE 2.4: VACANCY REASONS

VACANCY TRENDS	2010	RATE	2020	RATE	2024	RATE
Total vacant housing units	1,595	9.8%	1,822	11.5%	1,471	9.3%
For rent	511	3.2%	513	3.2%	270	1.7%
For sale only	187	1.2%	267	1.7%	107	0.7%
Rented, not occupied	22	0.1%	75	0.5%	0	0.0%
Sold, not occupied	96	0.6%	82	0.5%	78	0.5%
For seasonal, recreational, or occasional use	175	1.1%	151	1.0%	214	1.4%
Other vacant*	604	3.7%	734	4.6%	802	5.1%

TABLE 2.5: OTHER VACANCY REASONS, 2024

OTHER VACANT REASONS IN THE STATE OF IOWA (DATA NOT AVAILABLE AT COUNTY LEVEL)	PERCENT	ESTIMATED NUMBER OF UNITS
Total	**100%**	**802**
Foreclosure	1.3%	10
Personal/Family reasons	27.1%	217
Legal proceedings	2.2%	17
Preparing to rent/sell	12.3%	98
Held for storage of furniture	2.1%	16
Needs repairs	12.4%	100
Currently being repaired/renovated	21.6%	173
Specific use housing	0.6%	5
Extended absence	4.3%	34
Abandoned/Possibly condemned	8.3%	67
Other	7.9%	63

Step 5. Estimate the number of obsolete units that need to be demolished and how this influences housing needs.

- Demolition of dangerous, deteriorated units beyond repair is common across the county. Some of these units are already vacant and not listed for sale or rent. Removing them does not affect future housing needs. However, demolishing occupied units does affect future needs, because displaced residents must find new housing.
- Additionally, some units will be lost because of fires, accidents, and other causes over time, regardless of the structural condition. These situations take a unit off the market and adds a household needing a place to live.
- **There is an estimated need to demolish around 200+/- occupied units because of dilapidated conditions. Another 150 or more units might need to be demolished and replaced because of other factors through 2035.**

TABLE 2.6: CURRENT AND FUTURE DEMOLITION NEEDS

	ESTIMATED CONDITION RELATED UNIT DEMOS THAT PEOPLE ARE LIVING IN, 2024*	DEMOS THROUGH 2035 FOR OTHER REASONS**	TOTAL
Keokuk	119	47	166
Fort Madison	43	50	93
Rest of County	39	60	99
Total	200	157	357

Source: Lee County Assessor; RDG Planning & Design

** Total condition related demolition inventory is 358 including assumed vacant units: 217 in Keokuk, 71 in Fort Madison, and 70 in the rest of the county. This does not include potential units in mixed-use or commercially classified structures.*

*** The number can vary widely from year to year. For Lee County, the table shows 0.1% of total units annually that succumb to demolition because of accidents and disasters.*

HOUSING NEEDS APPROACH

Step 6. Quantify the overall unit needs.

There will be a need for up to 500 units through 2035 to replace demolished units and create more marketable inventory in the market. Some of this need can be filled through rehabilitation of vacant units and some through new construction. The types of units most in need include options that add more variety to accommodate household needs, based on trends and community input referenced throughout this document.

- **The trend of smaller household sizes and older populations are expected to continue.** By 2035, people over the age of 75 could account for over 15% of the total county population.
- **New and rehabbed options need to better balance the existing housing stock with household needs and preferences.** While perfect balance is unrealistic and individual circumstances vary, there is more future demand for homes that accommodate one- and two-person households.

TABLE 2.7: ESTIMATED HOUSING UNIT NEEDS

NEEDS FORECAST	2024	2030	2035	TOTAL NEED*
Population at End of Period	**32,893**	**31,803**	**30,923**	
Household Population at End of Period (non-institutional)	31,729	30,678	29,829	
Average People per Household (Table 2.2)	2.21	2.17	2.13	
Number of Households at End of Period	14,323	14,137	14,004	
Projection for Needed For Sale/For Rent Vacancy Rate (Table 2.4)	2.4%	4.2%	5.7%	
Unit Needs at End of Period	14,708	14,755	14,849	140
Replacement Need (Table 2.6)	357	→	→	357
Cumulative Need				$\boxed{497}$
Estimated Number of “Other Vacant” units that could be repaired and reoccupied (Table 2.5)				273*
Remainder for New Construction				224**

Source: RDG Planning & Design; forecasting is based on Census, American Community Survey, and field investigation data and subject to a margin of error when interpreting.

** The number of vacant units needing rehab or demolition will increase in the future without proactive monitoring, enforcement, and programming to maintain unit conditions*

***A total of 184 units at an average of 18 units per year were built in Lee County from 2015 through 2024, which was a net of 4 units per year when subtracting demolitions over the same time period. This new construction forecast is higher, with an average annual target of 20 units across the county, plus significant rehabilitation of vacant units.*

HOUSING NEEDS APPROACH

Step 7. Apply household income changes to unit needs to determine attainable owner and rental price points.

The price point program distributes the forecast need by price point based on the distribution of household incomes. The price point program must be met through many methods.

Price Point Development Program Descriptions

- **Affordable Ownership.** The existing housing stock. Many higher-income households compete for the same housing stock as lower-income households. The affordable market can be met through rehabilitation of existing units or, in part, by providing opportunities for moderate-income households to move up in the market.
  - Some needs at lower price points are seniors with low fixed-incomes but living in higher priced, paid off units. They eventually want to move out to more accessible options they can still own but might be lower priced (see Table 2.9 on the next page).
- **Low/Affordable Rental.** Production of rental units under $1,000 will be small units or units with assistance programs. Some lower prices may result from market adjustments when new, higher-quality rental units create competition. It will be essential to preserve the units in this price range.
- **Moderate to Market Ownership.** It can be challenging for the private market to produce housing at the lower end of this price range.

TABLE 2.8: HOUSING PROGRAM BY PRICE POINT

	IN 2024 DOLLARS	BY END OF 2030	2030-2035	TOTAL
	Total Need	**241**	**255**	**497**
	Total Owner Occupied (60%)	**145**	**153**	**298**
Mostly Rehabs	Affordable Low and Moderate: Under $200,000	46	49	95
	Moderate Market: $200,000-$250,000	34	36	69
Mostly New Construction	Market Rate: $250,000-$400,000	37	39	76
	High Market Rate: Over $400,000	28	30	58
	Total Renter Occupied (40%)	**97**	**102**	**199**
Subsidy Programs	Low/Subsidized: Under $500	26	28	54
	Affordable: $500-$1,000	27	29	56
	Market: $1,000-$1,500	25	26	51
	High Market: Over $1,500	18	19	37

Source: RDG Planning & Design
Incomes are allocated to price points based on income cohorts so that households do not spend more than 30% of their income on housing costs.
Some affordable range owner and renter options become available by adding units at higher price points. This move-up effect comes from residents who would move if something new was available that better meets their preference, then opening an existing home at a lower price point.

Lower priced market units can come from the existing stock when people move to free up homes in this price range. Others can be produced through rehab and assistance programs and partnerships.

- **Market to High Market Ownership and Rental.** The private market has produced higher priced market-rate ownership housing, although not at the level needed. The development community should continue its work in market-rate housing development. However, increases in ownership costs drives needs for market rate rentals as households rent longer or choose to rent over owning when first moving to Lee County.
  - These households can likely afford higher rents when a downpayment to enter the ownership market is out of reach because of higher living costs, and a slower savings rate.

Price Point Development Program - Community Distribution

Lee County is a regional housing market. Homes in one community can fill a need for others, and vice versa.

To illustrate price targets across the county, Table 2.9 divides the housing program by population, income, and need to replace demolished units in each community.

- **While Fort Madison has a slightly higher population, Keokuk shows a higher future housing need.** This difference is from the higher number of demolitions in Keokuk. People live in some of these homes that need to be demolished and will need a new place to live.
- **Thus, rehabbing and building more housing is needed for existing residents and potential new residents across the county.**
- **The rest of the county can support higher price points based on household incomes.** The Table reflects new ownership options desired in Donnellson, West Point, and rural parts of the county where some want more rural settings or smaller school districts. These are areas where success has been seen in new ownership construction. Fort Madison and Keokuk could fill needs in these price ranges as well.

TABLE 2.9: HOUSING PROGRAM BY PRICE POINT

IN 2024 DOLLARS	COUNTYWIDE BY END OF 2035	FORT MADISON	KEOKUK	REST OF COUNTY
Total Need	**497**	**137**	**210**	**150**
Total Owner Occupied (60%)	**298 =**	**82**	**126**	**90**
Affordable Low and Moderate: Under $200,000	95	30	52	12
Moderate Market: $200,000-$250,000	69	24	27	18
Market Rate: $250,000-$400,000	76	16	32	28
High Market Rate: Over $400,000	58	12	14	32
Total Renter Occupied (40%)	**199 =**	**55**	**84**	**60**
Low/Subsidized: Under $500	54	16	28	11
Affordable: $500-$1,000	56	17	21	18
Market: $1,000-$1,500	51	12	23	15
High Market: Over $1,500	37	10	12	15

Source: RDG Planning & Design

Incomes are allocated to price points based on income cohorts so that households do not spend more than 30% of their income on housing costs.

Some affordable range owner and renter options become available by adding units at higher price points. This move-up effect comes from residents who would move if something new was available that better meets their preference, then opening an existing home at a lower price point.

OLDER ADULT HOUSING DEMAND

Step 8. Determine specialty housing needs for older adults.

Different generations have different housing needs. For example, a young family with children may want more bedrooms or a larger yard, while older adults may be looking to downsize and/or find a place with little to no lawn maintenance.

Potential demand for older adult housing settings is about 259 units through 2035 as part of the overall housing needs program. These 259 units for older adults are included in the 497 total demand in the previous pages, meaning 52% of needed units should be accessible for older adults who want to age in the community.

- The older adult housing demand does not include nursing homes or more intense assisted living and medical facilities.
- The demand is specifically for people moving to housing that provides settings for older adults, such as Universal Design, shared maintenance, or single-level home design.

TABLE 2.9: OLDER ADULT HOUSING DEMAND

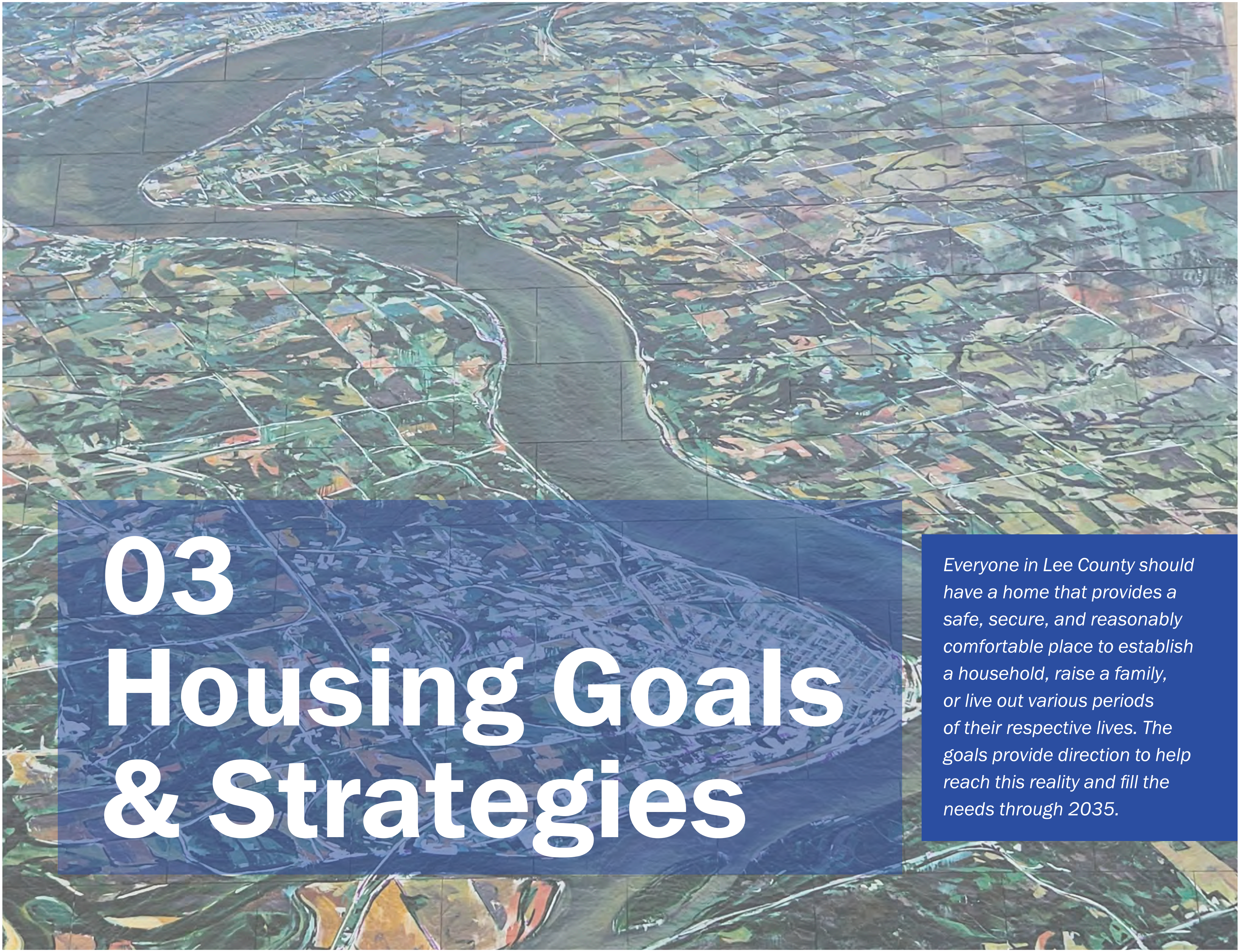
AGE	2035 PROJECTION - NATURAL CHANGE	2010-2020 MIGRATION FACTOR	2035 POPULATION WITH MIGRATION	PEOPLE PER HOUSEHOLD	HOUSEHOLD DEMAND	DEMAND FOR OLDER ADULT HOUSING
55-64	3,438	-2.5%	3,351	2.20	1,563	78
65-74	3,731	0.1%	3,733	1.80	2,073	104
75+	4,622	0.8%	4,658	1.50	3,082	77
Total 55+	11,791		11,743		6,717	259

Source: RDG Planning & Design

Older adults able to age-in-place increase the demand for in-home services and the need to renovate existing homes to accommodate for changes in mobility. National market trends indicate aging Baby Boomers are more likely to use in-home services and might reduce the need for assisted living and skilled nursing units. Across the nation, almost 5.5% of those in the 60-78 age bracket live in assisted living facilities or nursing homes. Some estimates suggest that up to 8% of those over 55 will transition to older adult communities by 2035.

Source: Consumer Affairs. "Assisted living statistics [2024]" ConsumerAffairs.com)

"We need 55 and older housing for middle income citizens that don't qualify for subsidies. 1-2 bedroom, single floor with garages." *- Community Survey respondent*



03 Housing Goals & Strategies

Everyone in Lee County should have a home that provides a safe, secure, and reasonably comfortable place to establish a household, raise a family, or live out various periods of their respective lives. The goals provide direction to help reach this reality and fill the needs through 2035.

CREATING A STRATEGY

There is no single solution to address every aspect of Lee County's housing market. Ultimately, risk and the gap between investment and return prevents every market from being served. These risks apply to repair, demolition, and new construction. Areas of particular risk and strategic importance include:

- The cost of repairing existing homes relative to potential rent or resale value.
- The cost to build new ownership housing options to provide affordable units for young families and older adults versus the appraisal valuations.
- The influence of population decline and property upkeep on neighborhood appeal.

This section outlines policies and strategies to address these challenges. Even amid population decline, there remains unmet demand for housing. The strategies are not comprehensive but represent initial steps Lee County stakeholders can take.

The policy and strategy recommendations recognize that Lee County and its communities have limited staff or funding resources to invest heavily across all strategies. However, the County can create an environment in which the private market functions more effectively. Because Lee County operates as a largely unified housing market, cooperation among communities can expand the resources available for housing initiatives. Still, not every strategy will be relevant in every location. The following icons within the strategies identify target areas for implementation.

Regional/ Countywide

Fort Madison

Keokuk

WHAT THE HOUSING STRATEGY CAN AND CANNOT DO:

The strategies identified in this study will not solve all housing challenges but should be viewed as an initial step that requires regular evaluation and adjustment. While Lee County leaders guided the creation of this study, implementation involves many others, including the state, developers, nonprofits, and philanthropic organizations.

What the Housing Strategy CAN do

- Establish a blueprint for new public policies and programs aligned with housing goals.
- Stimulate conversation on existing programs.
- Show builders and developers the need for different products and price points.
- Motivate other partners to get involved in solutions - whether staff assistance, housing development, or direct funding of programs.
- Raise awareness in the community about the need for housing.

What the Housing Strategy CANNOT do

- Require builders or developers to construct or repair specific types of housing.
- Directly address national-level factors such as interest rates, lending standards, raw material costs, or federal funding.
    - However, it can help organize policy/programs that decrease risk in lending, create gap financing methods, and offset material costs when appropriate.
- Mandate redevelopment or demolition of any site or structure.

HOUSING GOALS

GOAL 1: RIGHT SIZE THE HOUSING STOCK

GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS

GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY

The order of the Goals does not indicate level of priority.

Factors Influencing the Housing Market

The policies and strategies under each Goal in this section focus on areas the county and its partners can most influence - primarily the local market

GOAL 1: RIGHT SIZE THE HOUSING STOCK

Target Price Point: N/A

Target Products: N/A

Purpose

The purpose is to remove housing that no longer serves the population, determine where rebuilding is not economical, and focus public policy in moderate valuation areas to support reinvestment (see Goals 2 and 3). There are housing needs despite a declining population, as described in the previous chapter. The approach is not just adding new units. It is about providing the right type of units that match people's needs, preferences, abilities, and price range; while at the same time removing dilapidated and obsolete housing.

Criteria for priority targeting and phasing a "right sizing" public policy and investment program are detailed on the following pages and in the opportunity maps. This goal applies primarily to Fort Madison and Keokuk. Smaller communities and rural areas in the county should continue to remove unsafe and uninhabitable units as needed.

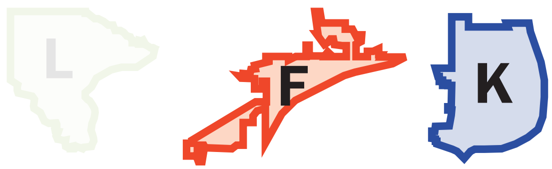
	DEMO	% OF TOTAL UNITS	AVERAGE ASSESSED VALUE*	AVERAGE YEAR BUILT
FORT MADISON	71	1.5%	$21,804	1910
KEOKUK	218	4.5%	$18,886	1900
DONNELLSON	18	1.7%	$52,837	1916
WEST POINT	11	1.1%	$67,410	1929
REST OF COUNTY	41	2.1%	$29,050	1923
TOTAL	359	2.6%	$25,099	1908

Source: Lee County Assessor; RDG Planning & Design

**Land and Dwelling Assessed Value. Assessed value does not equate to sales/market price*

GOAL 1: RIGHT SIZE THE HOUSING STOCK

Policies and Strategies:



1. **Targeted Removal of Obsolete Stock.** The opportunity maps later in this section provide a baseline for prioritizing demolition investments. Because demolition resources are limited, near-term priorities should consider:

   - **(1) Units posing health or safety hazards.** Structures that endanger public health or welfare should be demolished regardless of location if the danger is imminent.

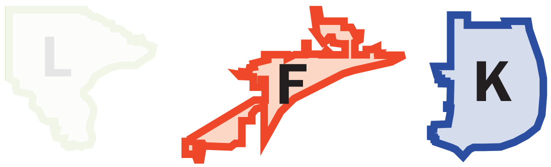
   - **(2) Blocks in or near rehabilitation and stabilization target areas.** These are blocks with structures that require demolition but are near higher-value properties or amenities, or where lot consolidation is feasible. Removing these units can enhance the attractiveness and value of nearby infill or rehabilitation projects.

   - **(3) Blocks where large-scale clearance offers market feasibility and flexibility for lot consolidation and new construction.** These areas typically contain many structures needing major repairs or demolition. Full or partial clearance may create flexible sites for lot consolidation or new construction. Such blocks are unlikely reinvestment candidates unless they are near stabilization areas or higher-value blocks and have potential for block-scale redevelopment.

   - **(4) Major repair and demolition needs in areas that are better suited for non-residential or open-space uses** These are sites that may be zoned for non-residential uses, in a floodplain or wetland, or adjacent to businesses. Examples for future use could be community gardens, adjacent business expansion, or open space. These sites will require more than typical public assistance to stimulate private interest in major repairs and infill housing development.

Each city should act on redevelopment opportunities as they arise. For example, partnering with a builder or developer proposing to redevelop or adaptively reuse a site, even if it lies outside designated stabilization or development areas.

GOAL 1: RIGHT SIZE THE HOUSING STOCK



2. **Encourage Private Market Demolitions.** The public sector cannot lead all necessary demolitions given constraints in staff capacity, funding, and legal authority to acquire private property. For many private owners, demolition costs exceed the carrying costs of holding a vacant building. Some owners of deteriorated units continue to rent them because tenants with limited income, poor credit, or debt have few alternatives. Private demolitions occur when owners see a clear financial, legal, or safety benefit to removing obsolete structures rather than holding them.

For owners of vacant dilapidated structures

- **Provide technical assistance.** Offer support to small-scale local owners on demolition costs, contractor options, procedures, and funding sources. Prequalify demolition contractors and streamline the process through standardized templates and clear steps.
- **Offer targeted incentives.** Reduce or waive demolition fees, provide modest matching grants, or allow payment plans or assessments that lower the front end amount the owner has to spend. These tools require public investment but cost less than full public acquisition and demolition.
- **Explore tax incentives.** Temporarily abate property taxes after demolition, like done at times for new construction.

For owners renting or living in dilapidated structures

- **Encourage voluntary transitions.** Apply the technical assistance and incentives for owners willing to demolish voluntarily. Including stacking of state and local rehousing resources for the tenant or homeowner to move to a safer home. This might include voluntary public acquisition at modest but fair prices, coupled with assistance on costs of deposits and waiving utility hook up costs for individuals relocating.
- **Plan for property succession.** Some dilapidated owner-occupied homes are heir properties or occupied by aging owners without successors willing to invest. Work with owners to plan for transfer upon death to a non-profit, city, or entity that can clear or reuse the property to prevent future vacancies and nuisances.
- **Strengthen monitoring.** Rental registries are effective but need to be enforced by working cooperatively with owners. Many Iowa cities require periodic inspections to ensure safe living conditions. Owners of structures that fail to meet basic life safety standards should not be permitted to house tenants or collect rent.

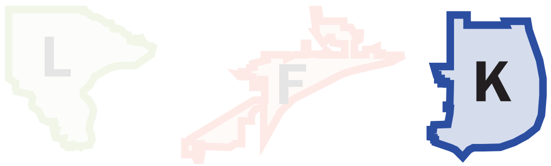
Case Study: Mobile Home Buyout Program, Faribault, MN

The Housing and Redevelopment Authority (HRA) in Faribault has used its Mobile Home Buyout Program to acquire and remove substandard housing from its existing mobile parks.

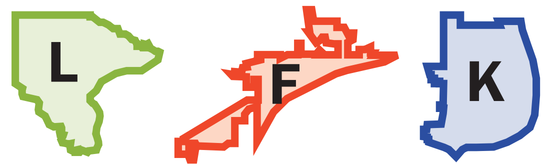
Through this voluntary program, owners of uninhabited, dilapidated or substandard mobile homes may apply to participate in the buyout program. If the unit is determined to be substandard, uninhabited, or dilapidated, the HRA will buy the mobile for a flat rate of $2,000, not including property tax or lot rent. Upon acquisition, the home is then properly demolished, removed, and the lot repurposed.

https://www.faribaultmn.gov/427/Mobile-Home-Buyout-Program

GOAL 1: RIGHT SIZE THE HOUSING STOCK



3. **Phase a public acquisition and demolition plan.** Aside from properties needing immediate demolition because of safety concerns, resources devoted to city/county led demolition should target concentrated areas year-over-year for the greatest impact:
   - Outlined through the criteria above.
   - Rehabilitation and stabilization target areas in the opportunities maps, where demolition of the poorest condition structures would make rehabilitation and infill strategies more effective.
   - Through the strategies in Goal 2 to accelerate block-by-block appeal and reinvestment value that creates momentum and carries forward into other neighborhoods.



4. **Update and add to the existing rental stock.** New and updated rental units, including units tied to income qualifications, decrease the demand for the lowest quality rental units and force older, lower quality units to adjust rent levels to match amenities or improve the unit to attract tenants (see Goal 3).
5. **Publicly track demolition and reuse outcomes.** Show neighbors and stakeholders that clearing obsolete structures leads to visible neighborhood improvement to create support for enforcement programs.

Case Study: Vermilion County Blighted Real Estate Demolition Program

Vermilion County, Illinois' Blighted Real Estate Demolition Program offers a county-level model for removing unsafe, abandoned, and blighted structures. Managed by Vermilion Advantage in cooperation with the Vermilion County Trustee Program, the program reimburses eligible applicants, including local governments, nonprofits, and some private owners, for up to 50 percent of documented demolition-related costs. Applicants are eligible for this reimbursement when work is completed and the site is stabilized.

For Lee County this model could provide a framework for coordinating demolition, reducing blight, and linking cleared properties to reuse, infill housing, or other neighborhood stabilization strategies.

https://www.vermilionadvantage.com/blighted-real-estate-demolition-program/

GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS

Purpose

The existing homes in Lee County are the most affordable housing. By preserving the existing housing stock, attainable options remain available to more people. Even homes in normal condition require ongoing maintenance to prevent deterioration. Units that already need minor or major repairs may present unsafe living conditions and risk deteriorating further to a state of demolition.

The challenge is that many households and investors lack sufficient incentive to undertake significant repairs. For households, reasons include:

- Debt and cost-of-living pressures. Existing financial obligations such as student loans, childcare costs, and other necessities, limit discretionary income available for repairs. Figure 3.1 shows a range of estimated costs for basic necessities in Lee County.
- Perception, and sometimes reality, that repairs will trigger an increase in the structure's valuation, and thus the annual property tax bill.
- Limited knowledge, skill, or ability to complete repairs. Hiring a contractor puts the repair out of financial reach (see Goal 4).

For investors, reasons include:

- Investors face the same challenges with cost and availability of contractors as individual homeowners.
- The ability to make a profit after purchasing the home and making the necessary repairs.
- Values are set and impacted by surrounding properties to an extent. Surrounding sales values may be too low to support or recover the cost of substantial rehabilitation.

FIGURE 3.1: LEE COUNTY COST OF LIVING SNAPSHOT

TYPICAL COSTS - MODEST STANDARD OF LIVING	1 ADULT, NO CHILDREN	1 ADULT, 1 CHILD	2 ADULTS, 2 CHILDREN
Housing + Transportation	$1,740	$2,292	$2,531
Food	$334	$489	$965
Child Care	$0	$529	$1,040
Health Care	$396	$613	$1,225
Taxes - All Sources	$641	$770	$991
Other Necessities	$300	$438	$586
Monthly Total	**$3,410**	**$5,131**	**$7,338**
Needed Hourly Living Wage per Adult*(annual)	**$19.67 ($40,922)**	**$29.60 ($61,576)**	**$21.17 x 2 ($44,025 x 2)**
Median Household Income in Lee County	Renters $30,916		Owners $73,823

Source: Economic Policy Institute Family Budget Calculator

**Needed Hourly Living Wage per adult per household, assumes adults working 40 hours per week.*

GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS

Policies and Strategies:

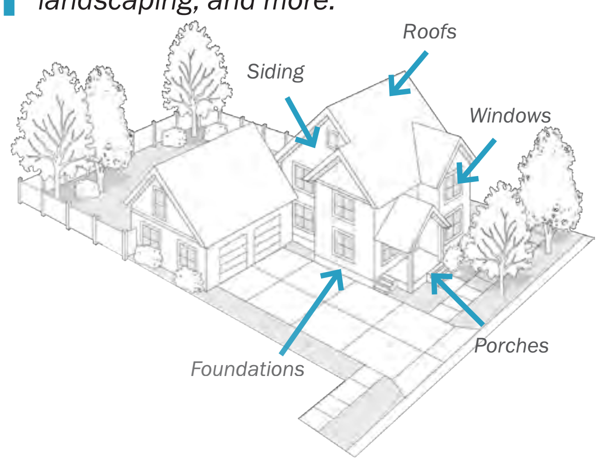
1. **Align and stack incentives for homeowners with the cost of home repair.** Repairs are part of homeownership, but repairs are not always financially feasible or, in the homeowner's eye, necessary. Combining grants, low-interest loans, fee waivers, and other incentives with proper marketing can stimulate homeowner improvements that preserve existing housing, enhance property values, and maintain neighborhood stability.

   – The demolition right-sizing under Goal 1 needs to happen simultaneously with rehab strategies in many areas. Even if the costs with incentives are affordable to a homeowner, they may be less inclined to invest in major repairs if the value of the surrounding properties depresses overall valuations on the block.

   – Effective incentives layered together might need to cover 50% of costs to achieve high participation rates and not create overwhelming debt for owners, based on household incomes in Lee County. A house in Lee County needing just minor repairs could need up to $30,000 if hiring labor; a major repair might need $60,000+ with labor for major structural upgrades, like roofs, foundation, electrical, HVAC, etc. (see case study on next page)

There are several major structural items that most threaten a home from reaching a point of demolition if not maintained. These items are expensive. A program that targets these types of repairs needs to be adequately funded through creative partnerships.

Volunteer and financial programs should also target cosmetic repairs to increase neighborhood values and appeal, such as fences, driveways, painting, garages, landscaping, and more.



Target Price Point:

- Moderate market rate units when being rehabbed for resale or rent. <$200,000 for sale; <$1,000 rent

Target Products:

- Units with minor to major repairs

Case Study: Dubuque, IA

Dubuque, Iowa aligns home repair costs with homeowners' financial capacity through 0% rehabilitation loans, which can be stacked with grants for health and safety hazards, accessibility modifications, or lead remediation. Dubuque markets these resources through a centralized interest form, so homeowners know which programs they may be eligible for based on their address and income. The City does the work of coordinating multiple funding sources, so eligible homeowners can address related needs as part of a more comprehensive rehabilitation strategy, rather than financing and completing each repair separately.

GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS

Rehabilitation Investment Example

Risk reduction is needed to make rehab investors willing to acquire worn down homes, make improvements, and resell for a small profit. As the overly simple example below shows, there is little margin of error to make even a small profit. One medium to large unexpected expense during rehab can throw a project into the red, making the prospect of rehab risky.

An additional challenge to achieve a return is what the home will appraise and sell for based on the value of the surrounding neighborhood. Even with low or free acquisition costs, rehabs could still not be financially feasible in certain neighborhoods. This makes bolstering valuations in target neighborhoods a key component of the housing strategy.

SIMPLIFIED INVESTOR REHAB SCENARIO - 1,400 SQ FT HOME NEEDED MINOR TO MAJOR REPAIRS	MINOR	MAJOR
Months to Complete	6	6
Home Purchase Price based on comps	$30,000	$10,000
Rehab Costs*	$30,000	$80,000
Holding Costs (taxes, interest on any financing, insurance, etc)	$1,800	$1,800
All-In Costs	$61,800	$91,800
Realtor Fees and Closing Costs	7%	7%
After Rehabilitation Sales Value Potential (neighborhood dependent base on local comp prices per sq. ft.)	$84,000	$110,000
Profit from Sale	**$15,000**	**$10,000**

**Major assumes several or all of the repair and upgrade items on the right are needed. Minor assumes one or a few of the repair items are needed plus cosmetic investment such as exterior painting and flooring. Investor sweat equity in doing some work themselves is also assumed for both.*

Case Study: Home Rehab Economics - Investors

The following illustrates a scenario for an investor rehabbing a home with major repairs in Keokuk's or Fort Madison's stabilization areas. Common major repair and upgrade costs with labor for a modest house in poor condition might include all in rehab costs of $80,000 or more:

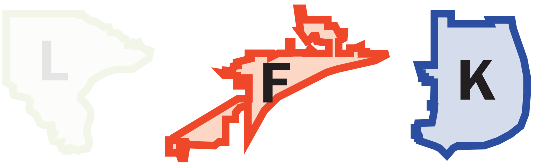
- *Roof and gutters - new decking and sheeting $15,000-$20,000*
- *Sewer repair - $10,000*
- *Furnace upgrade - $5,000*
- *New wiring to meet code - up to $20,000*
- *Siding - up to $25,000 for full house*
- *Foundation repair – $15,000*
- *Major tuckpointing - up to $25,000*

For cosmetic and minor repair costs:

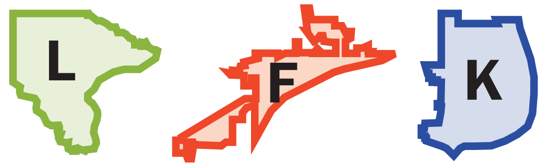
- *Roof and gutters - basic repair $5,000-$10,000*
- *Full appliance set upgrade - $3,500*
- *Exterior house painting - $2,000 - $5,000*
- *Window replacement - $1,300 per window*
- *Kitchen remodel – $20,000 for mid-level*

As shown above and the comparables on the left, the margins for flipping are tight and make a rehab project risky to undertake, even if the home is acquired for very little.

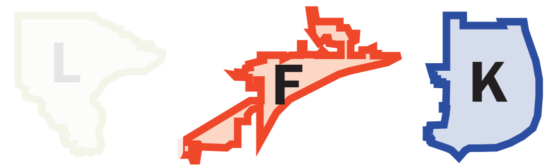
GOAL 2: MAKE REHAB WORTH IT IN TARGETED NEIGHBORHOODS



2. **Close the gap between the cost of repair and appraisals to stimulate more repair interest in fringe neighborhoods.** Even if a home can be bought at a low price, the level of repairs might still be more than the prevailing sale price or rent to cash flow of the neighborhood.
   - Share risks for targeted rehab areas, infill development, and adaptive reuse of non-residential buildings.
   - Providing free lots, fee reductions, expanded demolition funding, upfront financial subsidies, zoning flexibility, "land banking" infill lots for critical mass/ economies of scale, appraisal gap financing.
     - As shown in the case study on the next page, if the goal is to stabilize the market, limit deterioration, and provide more affordable housing, a matching subsidy would help by supporting several major repairs. If the goal is to provide modern amenities and finishes that home buyers seek, the gap could be even more.
     -



3. **Work with local non-profits or regional entity to establish a county wide robust Purchase-Rehab-Resale (PRR) program.** In this model, houses are acquired and sold in a rehabilitated or "turnkey" state to owner occupants. Traditionally, these programs are administered by a nonprofit housing developer or development corporation. The model recognizes the limited number of prospective buyers who want to carry out a major home rehabilitation project. A non-profit or development entity buys existing homes, rehabilitates them, and resells them to new home buyers. This program works best:
   - When candidate houses can be purchased at a relatively low cost, usually because of their quality.
   - The home is not to the point of severe disrepair where the project investment cannot at least break even.
   - The lending community participates cooperatively in the effort by providing interim financing.
   - Realtors also participate by reducing commissions on selected projects.



4. **Increase public curb appeal to support valuation improvements.** This means keeping public properties to a high condition and upkeep standard. In the public right-of-way, assist income restricted property owners or rehab investors in targeted areas with improvement such as sidewalk repair and tree upkeep and removal.

Case Study: Youngstown, OH

Youngstown, Ohio operates a purchase-rehab-resale model through a partnership between the Mahoning County Land Bank (MCLB) and the Youngstown Neighborhood Development Corporation (YNDC). MCLB acquires distressed properties and clears title barriers before transferring them to YNDC, who renovates the viable houses into move-in ready homes and resells them to buyers who agree to occupy the properties themselves. This builds owner-occupancy without burdening the homeowners to dive right into rehabilitation projects themselves.

GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS

Target Price Point:

- Moderate to market rate units

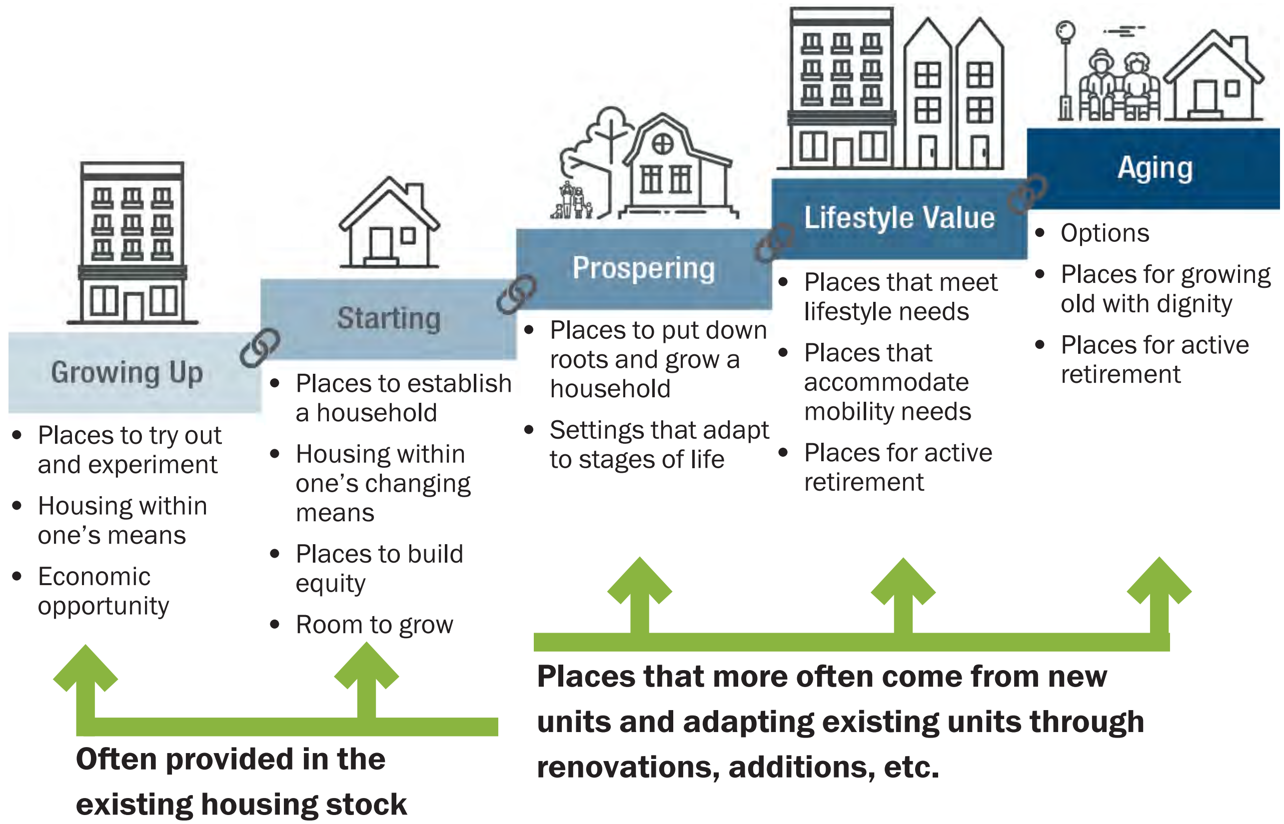
Target Products:

- Rental and smaller scale ownership

Purpose

The market in Lee County is at a point where adding new products to the supply will not occur if developers or builders perceive the risks involved in their investments to be greater than the rewards. A more diverse housing stock expands choices for people relocating to the county, supports mobility within the existing market, and increases the supply of attainable units for current residents. People have different housing wants and needs at different stages of life. For example, a single professional and new local employee likely will prefer to rent before investing in ownership, but not necessarily in an apartment complex.

Several factors shape the overall risk of developing new housing or adapting existing homes. For new construction, building utilities and streets alone can account for nearly a quarter of the final purchase price, a significant cost before a single wall is built. For adapting an existing home, the same challenges as those under Goal 2 apply. Another local factor is time. The longer it takes a builder or developer to obtain permits, get approvals, and complete inspections, the higher the building cost.

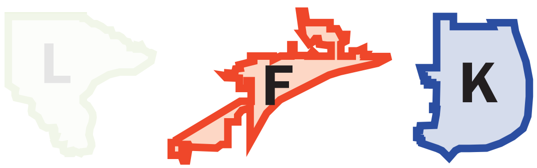


New development can be a risky proposition. Land purchases and infrastructure development require substantial, speculative front-end investments by the developer. Many communities that have successfully developed adequate supplies of lots share the front-end risk through public financing tools and key partnerships.

Lee County does have a supply of vacant infill lots, but these are not always consolidated or located in the best locations to support new development interest.

GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS

Policies and Strategies:



1. **Expand and improve rental options.** Rental duplexes, townhomes, multi-family, and single-family homes are appealing to two types of households:

- Older adults are most interested in single-level attached duplexes and condos—options community members raised repeatedly during this study. When a retiree downsizes, the home they vacate typically falls within price points scarce for families and young professionals, making older adult mobility a direct supply benefit to the broader market.
- Young professionals want lower-maintenance options or rentals that offer quality housing while they build savings or delay homeownership.

– Update codes to allow duplex, attached, and multi-family in more residential zoning districts (see Goal 4).

– Allow/apply the strategies for rehab under Goal 2 to rental properties in target areas. With a tight rental market, there can be little incentive for rental property owners to make improvements. Rental rehab programs should focus on workforce housing price points when providing gap financing combined with code enforcement and rental registries.

› Rental inspection and registration programs can be effective, but are staff-intensive and must be administered to avoid displacing low-income households. Partnerships across the county could be used to share staff and defray costs.

The Case for Rental Registry Programs

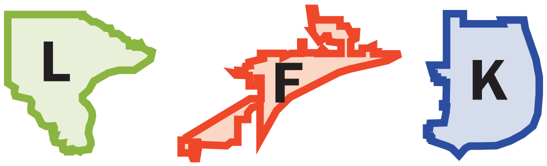
Rental registration programs allow a city to:

- *Keep track of the number of rentals in the community*
- *Prevent substandard rental housing*
- *Control non-local rental property investors*
- *Establish connections with landlords*

Fort Madison and Keokuk have a registry and inspection program, which has both its supporters and detractors. The detractors are concerned with adding costs and regulations that are passed on to tenants in higher rents. Supporters note the need to ensure housing is safe for residents, especially vulnerable populations and the lowest income households who often have few housing options.

Fort Madison and Keokuk should continue to review the program to ensure intended outcomes are being met, educate leaders, and communicate lessons learned from past enforcement. Resources for inspectors and enforcement could be shared.

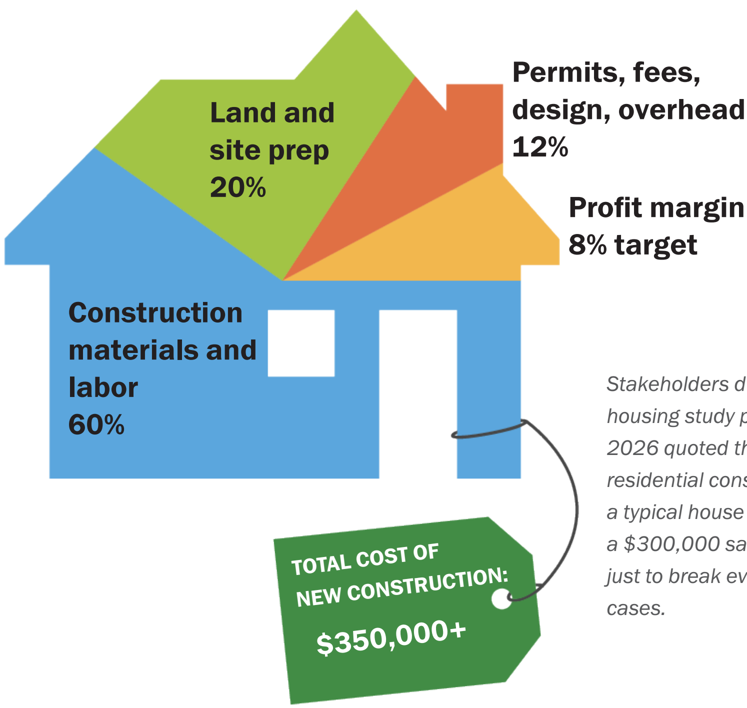
GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS



2. **Diversify ownership options by sharing risk on new and infill development.** Strategies to stimulate new ownership construction on new lots and infill lots include:

   – Facilitate site assembly. Work with partners, builders, and developers to assemble sites for new projects. Coordinated site assembly supports efficient development, reduces developer risk, aligns outcomes with local housing goals, and can help lower eventual purchase prices.

   – Offer targeted financial participation. Upfront financial subsidies in the form of cost sharing of public infrastructure is often 30 to 50 percent of construction costs. Examples include subordinate payments to provide longer loan terms and deferred payments of the loan amount as homes are sold.



Stakeholders during the housing study process in 2026 quoted that new residential construction for a typical house requires a $300,000 sales price just to break even in many cases.

Case Study: Lot Prep Guide

Midwest Housing Development Fund (MHDF), Inc. is a non-profit Community Development Financial Institution (CDFI) that helps meet nontraditional financing needs for the creation, development and rehabilitation of affordable rental housing in a multi-state region.

To assist partners in development, MHDF created a Lot Prep Guide to lead people thinking about infill, redevelopment, or new lot development. The guide is divided into common topic areas, including:

- *Physical site considerations*
- *Legal considerations*
- *City processes*

A checklist for each topic provides minimum items to undertake for approaching lot development. The Guide provides a valuable resource for smaller or less experienced people looking to develop housing.

https://mhdfinc.com/Midwest-housing-resource-network/

GOAL 3: CREATE UNITS FOR OLDER AND YOUNGER HOUSEHOLD NEEDS

- For infill, an additional risk and financial barrier is the comparable valuation of the surrounding neighborhood. When the surrounding values are depressed, the cost of building new may be less than the final appraised valuation. This creates loan financing challenges unless the builder can finance with cash. Even then, the price a buyer is willing to pay may still be lower than the cost to build. Tools to reduce these barriers include:
  - Partnerships with nonprofit developers such as Homes for Iowa to build on publicly owned lots.
  - Explore mechanisms for conveying publicly owned lots to builders at reduced costs and other incentives through a competitive RFP process. The RFP should establish clear expectations for development type, affordability, design standards, and completion timelines.
  - Providing fee reductions, expanded demolition funding, and upfront financial subsidies like Goal 2 for closing financing gaps.
  - Zoning flexibility. Infill lots have different sizes. Easing setbacks and the need for special approvals lessens uncertainty and risk (see Goal 4).
  - "Land banking" infill lots for critical mass/ economies of scale. While Iowa does not have land banking legislation like other states (see advocacy priorities on page 80), Lee County cities have acquired lots over time through foreclosures, programs like 657A, and straight acquisition.
- Require projects receiving public assistance to include small lot, attached units, mixed-use, new products, and/or innovative housing types. These requirements help maximize land efficiency and meet the needs of a changing population.
- Rehabbing existing units in stable-value neighborhoods can also expand ownership options (see Goal 2).

3. **Build innovative partnerships to create unique products near amenities.** Use Main Street Iowa guidance for adding units to downtowns and other commercial buildings. There are challenges to adaptively reusing older buildings, particularly with building codes and design expenses. Their assistance can help work with property owners.

Case Study: Ottumwa Infill Lot Consolidation

Ottumwa has taken aggressive action to remove dilapidated property and structures in floodplains. Over time the City built an inventory of owned infill lots. However, the lots were scattered throughout the city rather than consolidated in one area. To help a developer take on a scattered lot development approach, the City offered an infill development incentive package for developing 30 lots that included:

- *Purchase price of $125 per lot, distributed over three years of closings.*
- *Using another city program to provide $10,000 per unit.*
- *Qualified tax abatement.*
- *Developer application to the State of Iowa Workforce Housing Tax Credit program.*

In exchange, the developer is providing:

- *Workforce housing priced units, as defined by the State of Iowa.*
- *Units at least 1,000 square feet for single-family units and 800 square feet for multi-family units.*
- *Completion within seven years.*

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY

Target Price Point:

- All

Target Products:

- All

Purpose

There is a limited number of local businesses and individuals involved in home construction and rehab. Most local activity is small scale or done by individual property owners. As discussed throughout this document, the approach aims to reduce risk and increase incentives to stimulate more *quality* repair and investment activity.

Just as economic development priorities look to recruit and retain employees, the building trades need assistance to attract individuals back to Lee County who have building expertise or to train individuals who want to stay in the community. Young and old buyers looking for “move-in ready” housing and a lack of contractors doing rehabilitation work results in a large number of housing that sells slowly or deteriorates further. Sometimes, all people are looking for is someone willing to do small repairs at a reasonable price, rather than large, expensive projects. This includes landlords of rental properties, who often are not part of a property management company that handles repairs. There is not enough help to do these small repairs.

“I appreciate the recent housing additions that have been made over the past several years in Fort Madison.” *- Community Survey respondent*

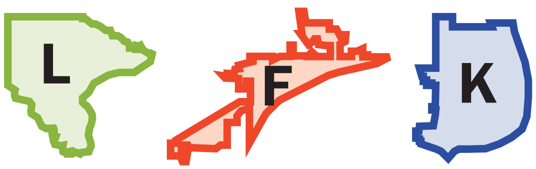
“I think our community would benefit with more income based housing options. A large majority of our town is low income/lower class.” - *Community Survey respondent*

“More competition is needed to drive quality up and prices down. income.”” - *Community Survey respondent*

“Our housing wouldn’t be so bad if allowed to fix up homes without so many red tape” - *Community Survey respondent*

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY

Policies and Strategies:



1. **Simplify development, permitting, and review processes.** A list of zoning code updates to consider in Keokuk and Fort Madison is included on future pages. The following general principles are appropriate across Lee County:

   – **By-right zoning approvals** to allow multiple types of residential uses in residential zoning districts without special approvals or rezonings.

   – **Allow administrative site plan approvals whenever possible.** Rezoning a property requires a public process. Once zoning is approved, expectations for a property are well known. Typical housing development with the proper zoning can be administratively approved by staff.

   – **Allow mixing of residential units in commercial districts**. Either within the same building or on the same site.

   – **Reduce minimum setback and lot size requirements.** Minimum 20 foot front yard setbacks provide more flexibility and minimum side yard setbacks of 5-7 feet are sufficient. Overly large minimum lot sizes also add to housing costs.

   – **Provide "nonconforming" flexibility.** Repairs on nonconforming structures can be deferred because of trigger compliances to meet current zoning requirements. Expand the ability to improve nonconforming structures before full code compliance for homes that are not nuisances or unsafe.

     › Some cities with older platted development offer a special use approval for nonconforming situations to become "conforming." This allows unrestricted improvements and helps overcome financing barriers that legal nonconforming status can bring.

     › Allow modifications to nonconforming homes that increase Universal Design and needs that focus on making the house safe and accessible for everyone, regardless of age, physical ability, or stature. Defining features can include stepless entrances, wider doorways, and adding a bathroom on the main level.

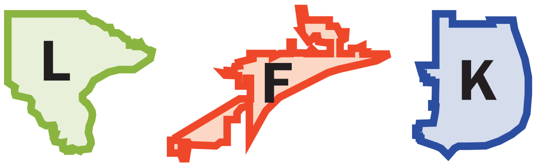
   – **Keep codes relevant.** Update building, zoning, and subdivision codes to allow housing construction and repair flexibility. Be flexible with builders trying new technologies that may not immediately fit with current regulations. These new ideas have potential to reduce construction costs while still protecting the life and safety of residents. Examples include:

     › The trial and error of 3D-printed homes.

     › The success of Homes for Iowa where homes are built at the Newton Correctional Release Facility and delivered to communities.

   – **Be predictable and consistent.** All the housing strategies mean little if people do not have trust in the process or if permits and inspections are inconsistently approved. Decisions must be made consistently based on standard procedures, criteria, and codes. Inconsistency creates poor expectations and delays for builders, which adds to housing costs. Consider creating design review committees to ensure all departments are in the same room during internal permit review.

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY



2. **Scale strategies for small-scale builders.** Provide incremental assistance rather than require upfront lump-sum payment incentives. Most current state and federal incentive and grant programs require large projects to qualify. Few options exist for incremental improvements tailored to small-scale landlords and builders.

3. **Develop partnerships to create a salvage materials repository.** Establish a system for collecting and reusing materials from demolitions for rehabilitation and new construction projects. The Preservation Station in Burlington and Habitat for Humanity ReStores offer successful models. Partnerships with community colleges or among multiple cities could help identify space and manage materials.

4. **Enhance outreach and education on housing resources.** New owners, renters, contractors, and other stakeholders often face an overwhelming amount of housing information. Without clear communication, residents, developers, and landlords cannot use available programs. A proactive outreach strategy that shares existing and future resources widely will improve awareness and participation.

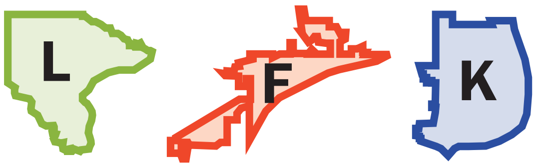
   - Consolidate resources to one location. Information on housing programs is currently scattered across city websites, economic development groups, SEIRPC, and other organizations. These resources are rarely linked or coordinated. Creating a centralized hub to advertise and connect all programs would reduce confusion and encourage engagement.

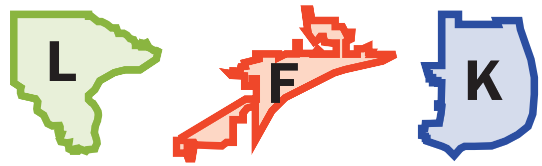
Rental Owner Education

The Fort Madison Housing Authority's Section 8 Housing Choice Voucher program had only 63% of its 73 vouchers utilized at the start of 2024. Meaning 27 vouchers were in processing or unused.

Voucher underutilization is an indicator of insufficient market-rate rental supply that meets program standards. Landlords who cannot or will not meet inspection standards, or who operate where rehabilitation is economically constrained, effectively remove rental units from voucher eligibility. This compounds the affordable options for the lowest-income households.

GOAL 4: ELEVATE, EDUCATE, AND EXPAND THE LOCAL BUILDING, REHAB, AND INVESTOR COMMUNITY





5. **Continue building employer and community support for housing as economic development.** During the process of this study, many see the need for housing investments. Several employers gave examples of their companies getting involved in the housing market, whether managing properties or building units. Many employers expressed how housing has a significant impact on their ability to attract and retain workers. Engaging employers does not mean they provide financing or land (although this is growing as a model in some areas):

   - Their support for housing projects at local Planning and Zoning Commission or Council/Supervisor meetings will speak to how new housing options pay off over time through increased economic development.

   - They could explore new and innovative ways to give back to the community beyond volunteering. For example, "sharing" a skilled worker with the community by allowing workers to devote part of their working time on community driven housing projects. The employer is providing is benefits (insurance and a retirement savings plan) that a contractor might not get working self-employed.

6. **Continue to expand partnerships for providing options to the lowest income households.** This includes education to landlords on using the Housing Choice Voucher program, support for transitional/specialty housing like 2x4's for Hope, and unique solutions like tiny homes or co-op housing arrangements.

Existing Building Partnerships in Lee County

- *The school districts have trades programs that have built homes as part of class projects. Local companies often help fund projects with the sales price of the homes going back into the next project. Classes are often full and some districts' programs have wait lists.*
- *Southeastern Community College has trades programs and has also built homes in Lee County.*
- *Homes for Iowa builds each house at the Newton Correctional Release Facility and delivers them directly onto the foundation on the buyer's lot. The money from each sale pays for the training.*
- *2 x 4's for Hope non-profit organization that is finding solutions to build tiny homes for homeless veterans in Lee County.*

OPPORTUNITY AREA APPROACH

Opportunity Areas

The previous sections refer to the aggregate strategies in Lee County with some references to individual cities. The following section provides spatial context for applying certain strategies. The maps represents a general assessment, based on available data and a car windshield survey to verify housing conditions.

The maps identify four categories. Not every block in every neighborhood is applied to a category. Some areas are in stable condition and do not require immediate, widespread policy intervention. Others with rehabilitation and housing enhancement programs are most effective when targeted at specific areas to generate impact at a neighborhood level.

New Development Areas

Areas adjacent to or within city limits that are potential sites for housing development. Assessment of site conditions and access to water and sewer services would need to be evaluated further to confirm the suitability of these sites and balance public costs with public benefits. To that end, these areas are not appropriate for rural, acreage, large lot, or piecemeal development if using public incentives.

Rehabilitation & Stabilization

These areas have consistent housing deficiencies, some to the point of demolition. The areas offer an opportunity for affordable housing but require greater investment attention to conserve the existing housing stock. Areas are surrounded by mostly built up neighborhoods, near community destinations, or along gateways into the community. Thus, a target program to improve housing conditions and remove deteriorated structures will have a major impact by improving one or two poor houses on a block to affect the marketability of the entire area.

Right Sizing Areas

These areas and sites have the most deteriorated structures that could be removed from the housing stock. Individual structure demolitions may be spread throughout the county, but there are also areas with a concentrated need that may warrant larger scale demolitions without an intent for redevelopment. Candidate areas include those that:

These areas are more secluded, further from community destinations, or warrant transition to other uses in the proximity, such as parks, open space, or business expansion, are not zoned for residential, are in the floodplain, frequently flood, or within other environmental features.

Gateway Enhancement Areas

Entrances to the community where code enforcement and property maintenance should be stressed to provide the best first impressions.

Fort Madison Opportunity Areas

See Figure 3.2 on the next page for the map associated with the descriptions below.

New Development Area Approaches

- Apply Goal 3 and 4 Policies and Strategies.
- Front end financing for contiguous projects may need to be more than incentives used in the past to stimulate interest.
- Work with willing landowners on proactive rezoning sites to match future land use directions.
- Use the Comprehensive Plan as the guide for development and land use policy.
- Consider an expedited review process for projects led by the private market that have zoning in place.

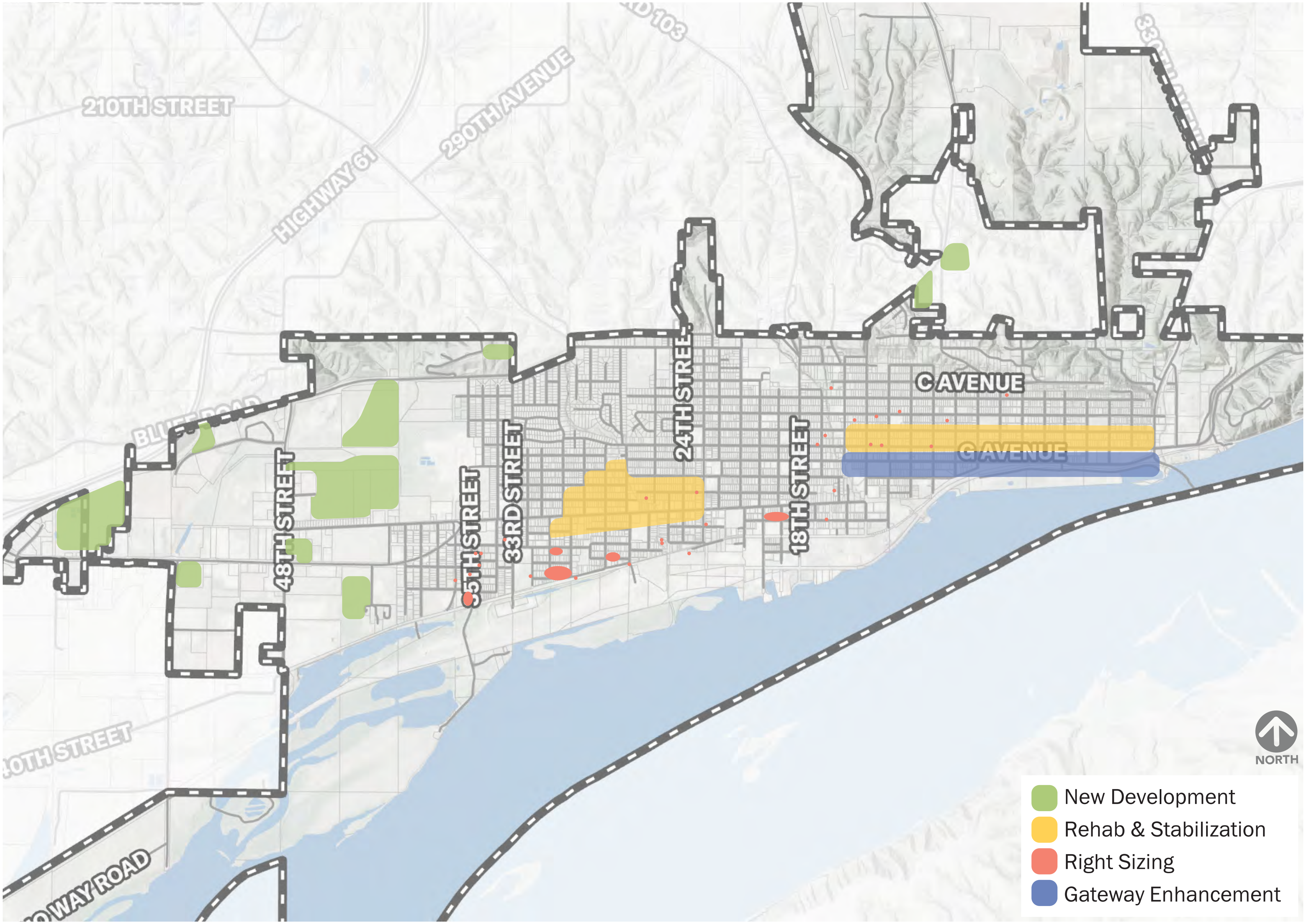
Rehab & Stabilization Area Approaches

- Apply Goal 2-4 Policies and Strategies as appropriate.
- Invest in public amenities, such as parks, sidewalks, and community spaces, to attract private development.
- Focus rehabilitation on homes with structural issues, through layering programs for owner-occupied, rental, first time home buyer, and exterior improvements.
- Focus maintenance efforts on properties with minor infractions using clean-up events, trash collection, non-profit support, and code enforcement.
- Consider starting in the following areas:
  - North of Downtown/Avenue E and F corridors. Anchored by Central Park and Old Settlers Park, this area is older with more homes needing minor repairs and scattered major repairs.
  - Neighborhoods south of Victory Park to Shopton Park. This is an area with investments around Victory Park and a location along a community entryway along Avenue L. There are more condition ratings in this area than other parts of the community, but not to the point of wide spread right-sizing.

Right Sizing Area Approaches

- Apply Goal 1 and 4 Policies and Strategies.
- Be sensitive to displacement from acquisition and demolition of occupied units of by prioritizing repair options, or if needed, assisting in finding alternative housing options for affected residents.
- Invite competitive proposals for multiple demolition opportunities when ownership permits to reduce costs.

FIGURE 3.2: OPPORTUNITY AREAS - FORT MADISON



Keokuk Opportunity Areas

See Figure 3.3 on the next page for the map associated with the descriptions below.

New Development Area Approaches

- Apply Goal 3 and 4 Policies and Strategies.
- Front end financing for contiguous projects may need to be more than incentives used in the past to stimulate interest.
- Work with willing landowners on proactive rezoning sites to match future land use directions.
- Use the Comprehensive Plan as the guide for development and land use policy.
- Consider an expedited review process for projects led by the private market.

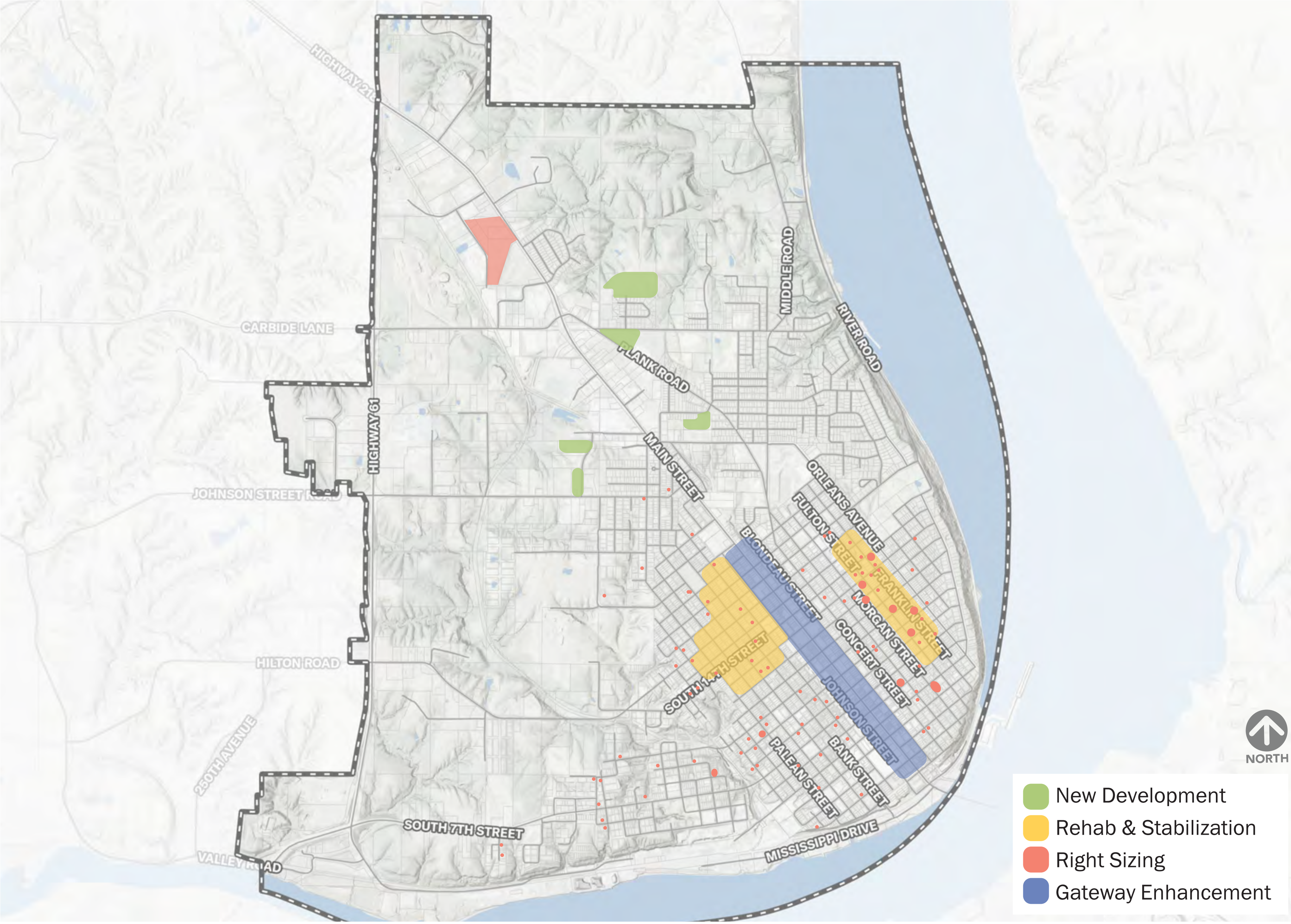
Rehab & Stabilization Area Approaches

- Apply Goal 2-4 Policies and Strategies as appropriate.
- Invest in public amenities, such as parks, sidewalks, and community spaces, to attract private development.
- Focus rehabilitation on structural issues, through layering programs for owner-occupied, rental, first time home buyer, and exterior improvements.
- Focus maintenance efforts on properties with minor infractions using clean-up events, trash collection, non-profit support, and code enforcement.
- Consider the following fringe areas as starting points:
  - The potential adaptive reuse of the former development center on Exchange Street as a catalyst area for targeted neighborhood improvement. This area has seen some rehab improvements, is near a community gateway, within walking distance to services, and bordered by Kilbourne and Kiser Parks.
  - Franklin and Fulton Street corridors. There is a stock of older homes that need more than just cosmetic repairs but not necessarily multiple major repairs. There are opportunities for quarter block right-sizing that might support infill redevelopment in the future with surrounding valuations.
  - A third area to create momentum might be around the Library to build on those public improvements and close access to downtown.

Right Sizing Area Approaches

- Apply Goal 1 and 4 Policies and Strategies.
- Be sensitive to displacement from acquisition and demolition of occupied units of by prioritizing repair options, or if needed, assisting in finding alternative housing options for affected residents.
- Invite competitive proposals for multiple demolition opportunities when ownership permits to reduce costs.

FIGURE 3.3: OPPORTUNITY AREAS - KEOKUK



Donnellson and West Point Opportunity Areas

See Figure 3.4 and 3.5 on the next page for the map associated with the descriptions below.

New Development Area Approaches

- Apply Goal 3 Policies and Strategies.
- Work with willing landowners on proactive rezoning sites to match future land use directions.
- Consider an expedited review process for projects led by the private market.

Rehab & Stabilization Area Approaches

- Apply Goal 2-4 Policies and Strategies as appropriate.
- Invest in public amenities, such as parks, sidewalks, and community spaces, to attract private development.
- Focus rehabilitation on homes with structural issues, through layering programs for owner-occupied, rental, first time home buyer, and exterior improvements.
- Focus maintenance efforts on properties with minor infractions using clean-up events, trash collection, non-profit support, and code enforcement.

Right Sizing Area Approaches

- Apply Goal 1 Policies and Strategies.
- Be sensitive to displacement from acquisition and demolition of occupied units of by prioritizing repair options, or if needed, assisting in finding alternative housing options for affected residents.

FIGURE 3.4: OPPORTUNITY AREAS - DONNELLSON

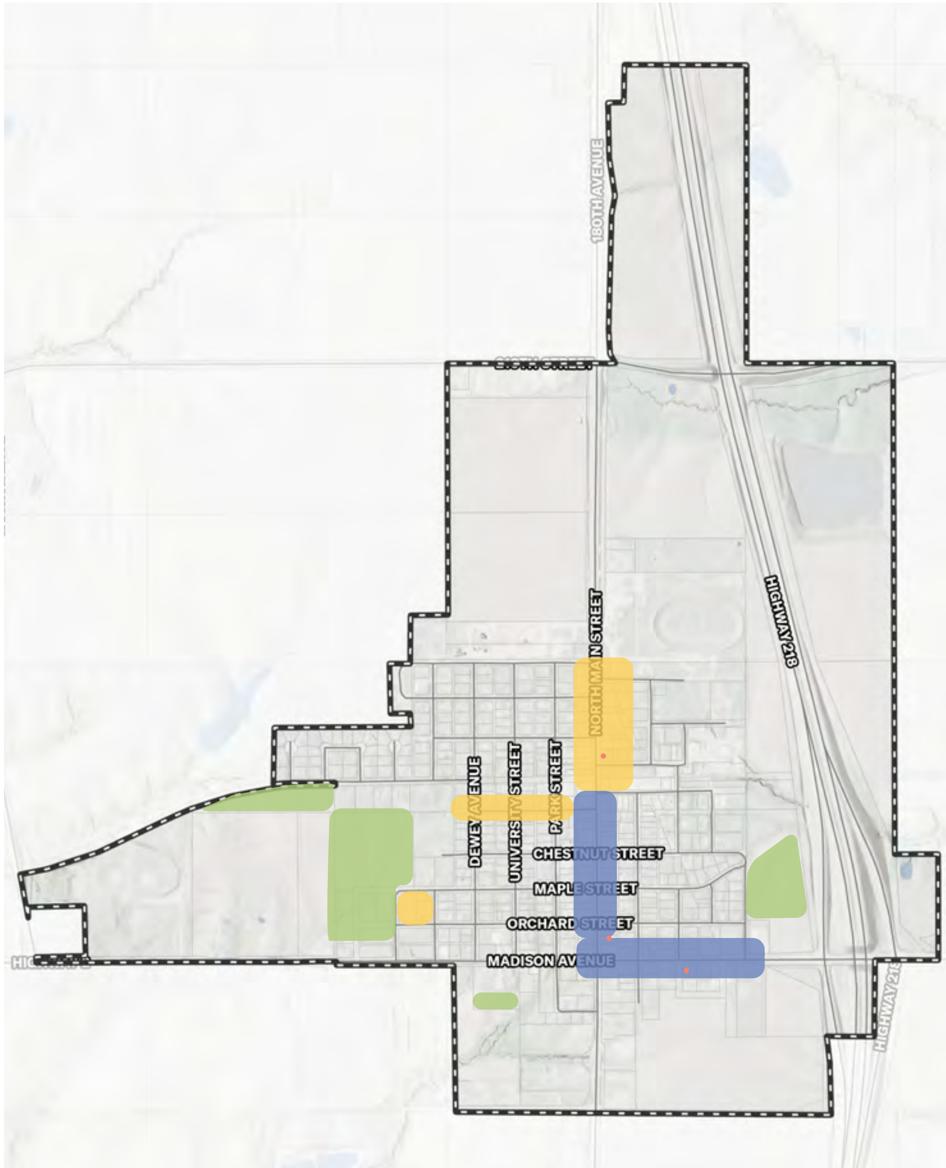
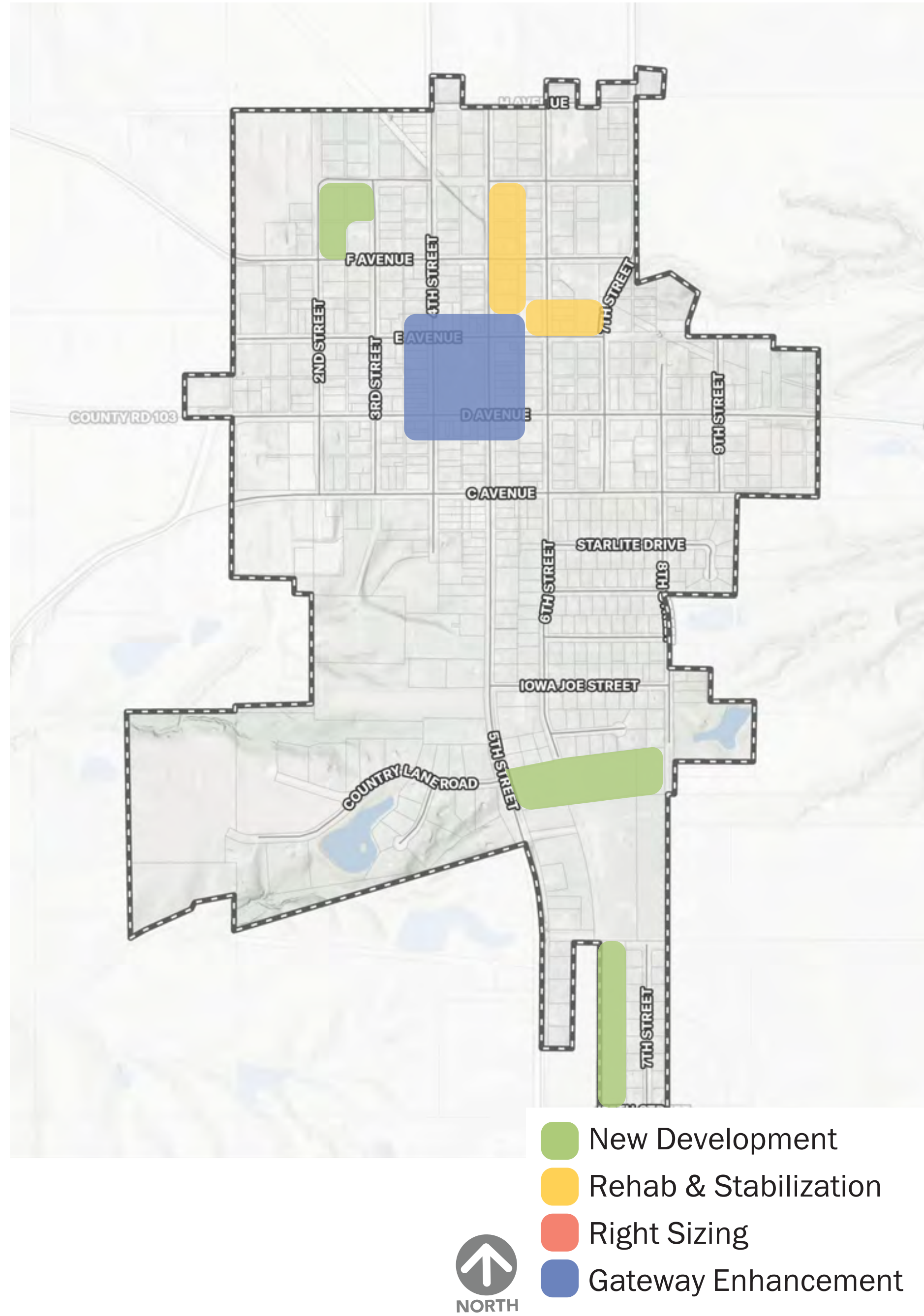


FIGURE 3.5: OPPORTUNITY AREAS - WEST POINT



REGULATORY RECOMMENDATIONS

There are opportunities in local municipal codes to remove barriers to achieving housing goals. Updates to the city zoning and subdivision codes contribute to advancing housing actions. The following is a high-level review and identification of updates that can help achieve the housing goals, actions, and approaches in this study. The items below reflect the study consultant's outside analysis with limited consultation with local staff. Staff may administer some regulations differently than interpreted by the consultant. The reader should not construe anything in this section as legal advice.

FORT MADISON

Title 10: Zoning

Definitions

- Family - Defining "families" is difficult for enforcement with the changing composition of households today. For example, people who room up in a dwelling to afford rent or ownership options. Avoid using the term "family" in zoning regulations.

Residential Districts Standards. Nearly every step up in housing type comes with its own district.

- Four of the six residential districts are single-family only districts. R-1, R-2, R-3 , and R-4 have mostly the same standards other than the size of the lot. Only R-5 allows two-family dwellings, and R-6 allows multifamily (but only 12 units per building). That means most of the city's residential is for detached single-family homes, the most land-consumptive and cost-intensive type to produce.
- Allow attached single-family units in all residential districts, and more housing types by right without special use permits. For example, do not require a special use for apartment houses over 12 units per structure.
- Remove minimum house size standards. These types of standards limit flexibility for different, smaller housing arrangements.

Adjust Residential Bulk Standards

- Minimum lot sizes can be reduced in many districts to match residential objectives. For example, there should be a residential district that allows lot sizes under 5,000 square feet and minimum front yards of 20 feet or less.

Accessory Dwelling Unit (ADU) Ordinance

- While ADUs will not drastically affect the housing market in Fort Madison, the State requires cities to allow ADUs. The code should be updated to align with State legislation.

Parking

- Reduce the minimum off-street parking requirements for one and two-family dwellings to one space per unit
- Consider allowing on-street parking to count towards minimum parking requirements for residential uses.
- Do not prohibit alleys in residential districts for more lot flexibility.

Noncoformities

- Establish a by-right pathway for construction of homes on legal nonconforming lots.
- Lessen nonconformity restrictions in appropriate situations. Existing residential homes will continue to be the most affordable in the community. Therefore, the code should consider all steps necessary to maintain existing homes that are not nuisances and in good condition. Additionally, loan financing can be more difficult if a property is deemed nonconforming by the City.

Building Permit Requirements for Minor Rehabilitation

- Fort Madison's permit requirements are more expansive than many comparable Iowa cities.
  - Any siding replacement (beyond 4 boards), including full residing of a house.
  - Kitchen or bathroom remodels regardless of scope
  - Roofing replacement requires a permit when more than 25% of sheathing is replaced. Any electrical circuit added (not just new service).
  - Any new plumbing pipe (not just fixtures).

Special approvals and exceptions

- Review past modifications and exceptions granted on residential development. If more than four similar exceptions have been given, make the exception allowed by right.

KEOKUK

Update the definitions and consistency in requirements for "Factory Built Homes" across the code

- Chapter 17.04 calls our regulations for factory built homes as does the zoning code. Clarify consistency across the code.

Title 19 Subdivisions Design Standards

- Remove the lot dimension standards that lots shall not be less than 50 feet at the building line or less than 6,000 square feet in size. The zoning code already regulates these standards. The widths and sizes can also be reduced to support more housing types and reduce non-conformities.
- Reduce the required minimum roadway width of local residential streets. The current standard is 32 feet. SUDAS lists preferred widths of local streets as 21 feet (two lanes) + 4 feet of curb for a total pavement width of 25 feet. Keeping a minimum 31 foot roadway width could be appropriate if reducing off-street parking minimums and counting on-street parking toward minimum off-street parking requirements.

Title 20 Zoning

Generally, the code needs to be updated and simplified for modern uses, standards, consistency, and readability.

Definitions

- Family - Defining "families" is difficult for enforcement with the changing composition of households today. For example, people who room up in a dwelling to afford rent or ownership options. Avoid using the term "family" in zoning regulations.
- Accessory Dwelling Unit (ADU) Ordinance - While ADUs will not drastically affect the housing market in Keokuk, the State requires cities to allow ADUs. The code should be updated to align with State legislation.

Residential Districts. Nearly every step up in housing type comes with its own district. Allow more flexibility in permitting housing types. For example:

- R-2 District - Allow duplex and attached units. No need to have the same use list as R-1. Or combine with the R-3 district.
- Eliminate the F-1 Townhouse district and combine with other districts. There is no need to treat townhomes differently from a rezoning standpoint when the density and purpose are similar to other districts.
  - Reduce the 40 foot minimum separation between townhome structures.
  - Allow townhouses to contain three units instead of the four minimum.
- Eliminate the F-2 Condominium District and combine in other residential districts. There is no need to treat condos differently.
  - Reduce the 24 foot minimum separation between townhome structures. Let the building code regulate.
  - Eliminate the requirement of no more than ten units per building. This would allow apartment or assisted living buildings to be condos.

Height and Lot Regulations

Reduce bulk regs for more housing flexibility and reduction in nonconformities.

- Minimum front yards can be 20 feet.
- Single-family lots in R-3/R-4 can be 5,000.
- Townhomes can be lower lot min. to match density of R-3 and R-4 districts.

Off-Street Parking

- Hold townhouse parking to the same standard as other residential - one space per unit.
- Consider allowing on-street parking to count towards minimum parking requirements.

Noncoformities

- Establish a by-right pathway for construction of homes on legal nonconforming lots.
- Lessen nonconformity restrictions in appropriate situations. Existing residential homes will continue to be the most affordable in the community. Therefore, the code should consider all steps necessary to maintain existing homes that are not nuisances and in good condition. Additionally, loan financing can be more difficult if a property is deemed nonconforming by the City.

Special approvals and exceptions

- Review past modifications and exceptions granted on residential development. If more than four similar exceptions have been given, make the exception allowed by right.

HOUSING ADVOCACY

Lee County and its communities have little control over many strategies critically important to advancing housing goals at the Federal and State level. However, as a County and a partner region under SEIRPC there are significant resources to advocate for housing priorities, especially at the state level. Policies to advocate for might include, but are not limited to:

- **Maintain/Increase Housing Trust Fund Support.** State funding constraints and uncertainty around future appropriations place many housing programs at risk. Allocations to local Housing Trust Funds require continual advocacy throughout the year to ensure stable funding for housing rehabilitation, gap financing, and affordability preservation.

- **Workforce Housing Tax Credit Program.** The State Workforce Housing Tax Credit program remains one of the most important tools for closing development financing gaps, particularly in small and mid-sized communities. Cities should continue to advocate for increased annual allocations, expanded eligibility, and greater flexibility so smaller cities can better compete for credits and support housing production aligned with local workforce needs.

- **Land Bank Legislation.** As of 2026, comprehensive land bank legislation had not yet been adopted in Iowa, despite multiple legislative proposals. Enabling land banking would bring several benefits to Lee County, including:
  - The ability to strategically acquire, hold, and assemble vacant or tax-delinquent properties.
  - Improved coordination of redevelopment efforts with housing, infrastructure, and neighborhood revitalization goals.
  - Greater flexibility to transfer property for affordable housing or catalytic redevelopment projects.
  - Reduction in speculative lot holding for private developers.

- **Accessory Dwelling Unit (ADU) Legislation.** In 2026, amendments to the 2025 legislation clarified requirements that cities allow accessory dwelling units in residential districts. It will be important for Lee County cities to monitor implementing rules and design standards, and to advocate for changes that allow ADUs to be a feasible option for homeowners, including reasonable size limits, parking standards, and administrative approval processes.

- **Rental Registry Codes.** Local governments in Iowa operate under specific statutory constraints regarding rental regulation. Rental registry ordinances can support housing quality and tenant safety while providing better data on the local rental stock. Fort Madison, and Keokuk may wish to advocate for state-level clarity or enabling authority that supports local rental registration programs to track rental units, improve compliance with property maintenance standards, and prioritize proactive code enforcement without creating unnecessary burdens for responsible landlords.

- **Building Codes.** Advocating for ways that the State building code can be amended to safely remove barriers to housing affordability.

FUNDING STRATEGIES

There are a number of different issues around funding. Public entities have limited control over some financing opportunities but can be a partner in moving these conversations forward.

- **Share resources among jurisdictions.** One of the most challenging aspects of program enforcement can be staffing. Many communities do not have the capacity to keep a trained code enforcement officer on staff full time. Sharing this resource with surrounding communities or with the County can lessen the cost to individual communities. Common ordinances could be passed across communities, making it easier for one officer to implement, but also to create a level playing field across the County. A first step is to identify the level of enforcement happening in each jurisdiction. This could be led by the economic development group to connect staff. After identifying gaps, establish solutions for sharing resources or developing new resources. This often is in the form of a staff person whose salaries are funded by multiple entities.
- **Build partnerships to develop lending consortiums.** A lending consortium is a cooperative venture among lending institutions active in the market to spread individual risk. It enables pooling of resources that reduces financial risks and increases access to capital for housing projects that may not meet conventional lending criteria. Examples include pooling capital, filling financing gaps, granting short-term financing, interim financing, funding other housing strategy programs, and supporting projects that the private market avoids and Federal lending mechanisms do not support. The lending criteria should be for private investment in diverse and attainable housing.

Case Study: Partnerships in Financing - Carroll, IA

Carroll faced a shortage of new housing, driven in part by builders' reluctance to take on the financial risk of constructing speculative homes that might not sell quickly.

In 2022, the City partnered with five local community banks to launch the Speculative Home Construction Loan Assistance Program. The program reduces builders' risk by covering up to six months of interest-only payments on unsold spec homes after they have been on the market for six months, helping builders manage carrying costs while homes are listed for sale.

- *Applies to spec homes*
- *Maximum eligible home size is 1,800 square feet*
- *Interest assistance applies to the first $550K of a construction loan*
- *The program is funded by a $50,000 pooled housing fund contributed by local participating banks on loan terms.*

EXISTING LOCAL PROGRAMS (2024)

Understanding existing efforts helps form a path forward that can leverage existing connections, doesn't duplicate efforts, and evaluates why certain programs are not producing results. Many initiatives were brought up during the process of developing this study. The list below is not meant to be exhaustive of all potential initiatives happening in Lee County and is generally gleaned from conversations and public website information.

ENTITY	PROGRAM	TARGET	DESCRIPTION
	Regional/County-Wide Programs		
Community Action of Southeast Iowa (CAOSEI)	Weatherization, Furnace Repair/ Replacement, and Senior Home Repair	Home Owners and Renters	This program, based on availability, offers funding for weatherization, furnace repair or replacement, and home repairs for seniors. In special circumstances, residents need not own their homes to qualify for funding.
United Way of the Great River Region (Lee County) United Way of Southeast Iowa	Various Programs	Local	
Greater River Housing Inc./SEIRPC	Greater River Housing Trust Fund	Low- to Moderate-Income Home Buyers	This program supports affordable housing by offering down payment assistance and funding for owner-occupied rehabilitation projects.
SEIRPC, using CDBG Funds	Federal Rehabilitation Program	Low- to Moderate-Income Home Owners	This program helps communities preserve housing stock through funding up to $25,000 worth of owner-occupied housing rehabilitation projects such as exterior improvements, energy efficiency, and accessibility improvements.
SEIRPC, using HUD Funds	Lead-Based Paint Reduction Program	Income-Qualified Households	This program provides lead paint inspection and, if hazards are found, pays to remove or fix lead-based paint hazards.
Lee County Housing Development Corporation	Home Improvement and Rehabilitation Counseling/Repair Assistance	Income-Qualified, Owner-Occupied Households	This program assists Lee County homeowners with urgent health or safety repairs, such as roof repair or heating system failure.

ENTITY	PROGRAM	TARGET	DESCRIPTION
USDA Rural Development	Section 504 Single Family Housing Repair	Very Low-Income, Rural Homeowners	This program provides loans to repair, improve, and/or modernize homes. Seniors using the funds to remove health and safety hazards may be eligible for grants. Properties must meet USDA rural eligibility.
USDA Rural Development	Section 502 Direct Home Loan Program	Low- and Very-Low-Income Home Buyers	This program can help eligible households purchase, repair, renovate, or relocate a home in eligible areas. Maybe assistance can reduce the borrower's mortgage payment, making purchase-rehab more attainable for qualified buyers.
Iowa Economic Development Authority/Iowa Finance Authority	CDBG Housing Rehabilitation Fund - Roofing Replacement Program	Local Governments on behalf of LMI Owner-Occupied Households	This program helps communities assist low- and moderate-income households with falling roofs. Households may be eligible for up to $30,000 to assist with repairs.
Iowa Economic Development Authority/Iowa Finance Authority	CDBG Upper Story Housing Conversion Program	Cities, Counties, Property Owners	This program helps convert existing downtown upper-story space into residential units. The program can help fund up to $100,000 per unit, and up to 4 units per property.
Iowa Economic Development Authority	Nuisance Property & Abandoned Building Remediation Loan Program	Local Governments	This program provides low-interest financing to help communities demolish or remediate abandoned, dilapidated, or nuisance structures. The funds may be used for residential structures when tied to community redevelopment.
Iowa Economic Development Authority, through State of Iowa tax incentives	Workforce Housing Tax Credit	Developers	This program provides a refundable sales, service, or use tax benefit from a transferable state investment tax credit to support new housing, upper-story conversions, and rehabilitation of dilapidated housing.
Iowa Economic Development Authority	Community Catalyst Building Remediation Program	Cities, Counties, Property Owners	This program provides grants of up to $100,000 to cities for the redevelopment or rehabilitation of underutilized commercial buildings that can generate housing, property investment, or broader economic activity.

ENTITY	PROGRAM	TARGET	DESCRIPTION
Main Street Iowa/Iowa Economic Development Association	Main Street Iowa Challenge Grant	Property owners, Developers in eligible Main Street Iowa areas	This program provides competitive grants with a 1:1 match for rehabilitation, restoration, structural repairs, and upper-story housing projects that strengthen designated Main Street Districts.
Lee County Board of Supervisors/ Lee County Assessor	Lee County Urban Revitalization	Property owners making qualifying improvements in eligible County areas	Lee County maintains a tax abatement application for qualifying improvements. The application references a 100% exemption schedule for years 1 and 2, but requires conformity with the Lee County Revitalization Plan.
Iowa Finance Authority	HOME Program	Local Governments, Developers, and Property Owners	This program provides competitive funding to support a range of affordable housing activities. This funding may be paired with other programs for rental housing, homebuyer assistance, or affordable housing development activities pending funding availability.
Iowa Economic Development Authority/Iowa Energy Center	Iowa Energy Saving Loan Program	Public Entities, Non-Profits, and Qualifying Multi-Family Properties	This program offers low-interest loans (less than 2%) for energy efficiency upgrades. Eligible multi-family buildings must have 20 or more units and participate in Section 8, LIHTC, and/or HOME programs.
Utility Provider (pending service territory)	Alliant Energy and MidAmerican Energy Efficiency Rebates	All Utility Customers	This program provides eligible customers with rebates or instant discounts on qualifying energy-efficient equipment such as HVAC, heat pump water heaters, smart thermostats, and/or other upgrades. Availability depends on the provider and current rebate offerings.

ENTITY	PROGRAM	TARGET	DESCRIPTION
	Community-Specific Programs		
Fort Madison			
Fort Madison Housing Authority (FMHA)	Public housing; Housing Choice Vouchers	Low Income	This program provides rental assistance to income-qualified household. The voucher helps pay a portion of monthly rent to participating landlords.
Keokuk			
Keokuk Housing Authority	Low-Income Housing; Housing Choice Vouchers	Low Income	This program provides rental assistance to income-qualified household. The voucher helps pay a portion of monthly rent to participating landlords.
City of Keokuk	Keokuk Urban Revitalization Program - Residential	Property owners in qualifying areas	This program provides a three-year total property tax exemption on the incremental value for qualified residential improvements that increase assessed value by at least 10%.
City of Keokuk	Keokuk Citywide Cleanup Voucher Program	Residents of Keokuk	This program provides residential solid-waste customers with vouchers to dispose of two loads free of charge at the Lee County Transfer Station. This program can help reduce cleanup and disposal costs for small residential cleanouts, minor remodeling debris, and/or property maintenance.

HOUSING STRATEGY PROGRAM SUMMARY

Lee County and its communities cannot undertake all of the housing study's recommendations on their own, it will require the work of multiple partners. Some partnerships exist and are crucial to lean on. A continued approach to new partnerships, such as employers and neighborhood level leaders, to generate action in the market, disseminate information, and educate on benefits of home investment.

STRATEGY OR POLICY	GOAL	TARGET PRICE	TARGET HOUSING TYPE	JURISDICTIONS OR OPPORTUNITY AREAS	KEY PARTNERS
Identify areas for removal of obsolete stock.	1	N/A	N/A	Right-Sizing, Rehab, Gateways	Builders, property owners
Encourage private market demolitions.	1	N/A	N/A	Fort Madison, Keokuk	Builders, property owners
Phase a public acquisition and demolition plan.	1	N/A	N/A	Keokuk, Rehab, Gateways	Builders, property owners
Update and add to the existing rental stock.	1	All	Rental	Countywide	Builders, landlords, non-profits
Publicly track demolition and reuse outcomes.	1	N/A	N/A	Countywide	LCEDG
Align and stack incentives for homeowners with the cost of home repair.	2	Moderate Market	Ownership	Rehab, Gateways	Non-profits, lending community, SEIRPC, LCEDG, builders, Realtors, property owners
Close the gap between the cost of repair and appraisals to stimulate more repair interest in fringe neighborhoods.	2	Moderate Market	Ownership and rental	Fort Madison, Keokuk, Rehab, Gateways	Non-profits, lending community, SEIRPC, builders, property owners
Work with local non-profits or regional entities to establish a purchase-rehab-resale (PRR) program.	2	Low to moderate	Ownership	Fort Madison, Keokuk, Rehab, Gateways	Non-profits, lending community, SEIRPC, builders
Increase public curb appeal to support valuation improvements.	2	N/A	N/A	Countywide	LCEDG, property owners, landlords

HOUSING STRATEGY PROGRAM SUMMARY

STRATEGY OR POLICY	GOAL	TARGET PRICE	TARGET HOUSING TYPE	JURISDICTIONS OR OPPORTUNITY AREAS	KEY PARTNERS
Expand and improve rental options.	3	Moderate to Market	Rental	Fort Madison, Keokuk, Rehab, Gateways	Builders, landlords, Realtors
Diversify ownership options by sharing risk on new and infill development.	3	Moderate to Market	New development - urban scale ownership and rental	Countywide, new development	Builders, property owners, SEIRPC, LCEDG, lending community, major employers
Build innovative partnerships to create unique products near amenities.	3	Moderate to Market	Rental and smaller scale ownership	Countywide	Non-profits, SEIRPC, LCEDG, lending community
Simplify development, permitting, and review processes.	4	All	All	Countywide	Builders, landlords
Scale strategies for small-scale builders.	4	All	New development and rehab	Countywide	Builders, landlords
Develop partnerships to create a salvage materials repository.	4	N/A	N/A	Fort Madison, Keokuk	Property owners, non-profits, schools, employers
Enhance outreach and education on housing resources.	4	N/A	N/A	Countywide	Property owners, Realtors, SEIRPC, LCEDG, lending community
Continue building employer and community support for housing as economic development.	4	N/A	N/A	Countywide	SEIRPC, LCEDG, major employers, Realtors,
Continue to expand partnerships for providing options to the lowest income households.	4	Low	Primarily Rental	Countywide	Non-profits, SEIRPC