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Friday, February 16, 2007— Time: 3:17:25 PM CST

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Quality, affordable housing is still a priority for Marshalltown

By **KEN BLACK**

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TIMES-REPUBLICAN

Six years ago, finding housing in Marshalltown could be a challenge, especially rental properties.

There just were not that many from which to choose. For some, finding a suitable place was a multiple-day project.

Whether interested in multiple-family housing or a single-family home, there were some problems with supply at every income level. Lower income, middle class and upper classes all had problems, though there seemed to be more at the higher end than the lower end.

Since then, hundreds of apartment units have been added to the city. Homes have sprung up around the city as well.

But while there has been some turnaround, there are still difficulties.

“Housing continues to be an issue. It’s always an issue of not having enough quality, affordable housing,” said City Planner Michelle Spohnheimer. “But Marshalltown isn’t experiencing anything that any other city of any size isn’t dealing with.”

One of the goals of the Marshalltown Community Vision and Five-Year Strategic Plan was to provide housing to exceed needs.

Did that happen? No, but it may not be the wisest thing. Why? According to Ken Anderson, president of the Marshalltown Area Chamber of Commerce, housing is market driven. So if builders and developers feel the market is drying up, they will leave.

“Demand drives development,” Anderson said. “The dangerous thing, because you don’t hear about it so much, is that you get complacent with the growth.”

To guard against that complacency, the city of Marshalltown has developed a number of different incentives for housing. As outlined in the five-year plan, continuing and enhancing those incentives was a priority.

Housing

Grade: B

Are Marshalltown’s housing woes over? Certainly not, but they are much better than they were just a few years ago. Development around the city, and a reduced waiting time for federal housing assistance, shows just how far Marshalltown has come. The process of getting a development off the ground has remained relatively unchanged, despite calls for the plan to streamline the process, though it does not appear to be a significant problem.

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Shortly after the plan was developed, there was a debate in the city about whether such incentives, like tax abatement, actually worked to spur development. Tax abatement defers any taxes on improvements made to a property for a period of three years, if that improvement adds more than 10 percent to the property's value.

Larry Kester, who has built Cross Country Estates, a series of higher-end homes on the east side, said he agrees with the city's approach.

"It's very important," he said. "Anything the city can do to attract new homes is a win-win situation because if you have one person build elsewhere, like in the country or in a surrounding community, you have lost that revenue forever.

Some have argued that Marshelltown's resurgence in housing had less to do with tax abatement and more to do with historically low interest rates experienced throughout the country right after the plan was implemented. While the drop in interest rates was a remarkable coincidence that occurred when the plan was put into place, Anderson argued that all factors play a role.

"A town like Marshelltown cannot assume development would happen anyway," he said. "You have to be aggressive with the tools you have."

Dean Elder, a retired banker, is also a strong proponent of the tax abatement policy.

"Obviously, a lower rate is an incentive for people but there is a need for housing regardless of what the interest rate is," he said. "Just because the rates were so low doesn't mean you will get many extra sales."

However, he said the tax abatement can be a tremendous incentive to a developer, who is already putting out a large financial investment before the first home is ever sold.

Another thing called for in the plan was to streamline the process for getting development approved. Though little has been done from that end, the city does have a guide created that explains what a builder needs to do to be within regulations.

Kester said the process works well as it stands currently.

"We've never had any complaint," he said. "We've always had very timely turnaround from the city."

Regarding properties for lower income households, both rentals and homes for purchase, Spohnheimer noted there has been some progress in getting people into homes. In the past, getting assistance for housing required a wait of approximately one year.

Now, the wait is three months.

Spohnhemier said it indicates a number of points. One, there is more turnover in the housing market. Two, there are more vacancies. Three, there is reduced pressure in the housing market because of that, which has led to landlords offering incentives such as security deposit discounts – something unheard of

just a few years ago.

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