



Sioux City Neighborhood Housing Study



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The Problem



Neighborhood disinvestment is “the sustained and systematic withdrawal of capital investment from the built environment.” As Sioux City’s urban core competed with newer areas on the fringe of the City and in the surrounding communities for the limited resources of the City’s residents, it began to receive less investment. Over time, residents consistently invested in the newer neighborhoods at the expense of its historic core. Over time, disinvestment manifests itself as housing deterioration as maintenance was continuously deferred. Physical signs of disinvestment take a long time to manifest as deteriorated homes because it takes time for properties to wear out. However, once it becomes visible, a vicious cycle of disinvestment and housing deterioration begins, and it spreads over time.



Decreased property values due to housing deterioration and neighborhood disinvestment create what is called an investment gap. An investment gap is the difference between the amount of investment required to restore a house to a good condition and the market value of that home after rehabilitation. The following thought experiment illustrates this point.



Rehabilitation Estimate	
\$55,000	Acquisition Price
+\$25,000	Estimated Rehab Cost
\$80,000	Investment Amount
\$50,000	Average Area Sales Price
-\$30,000	Investment Gap

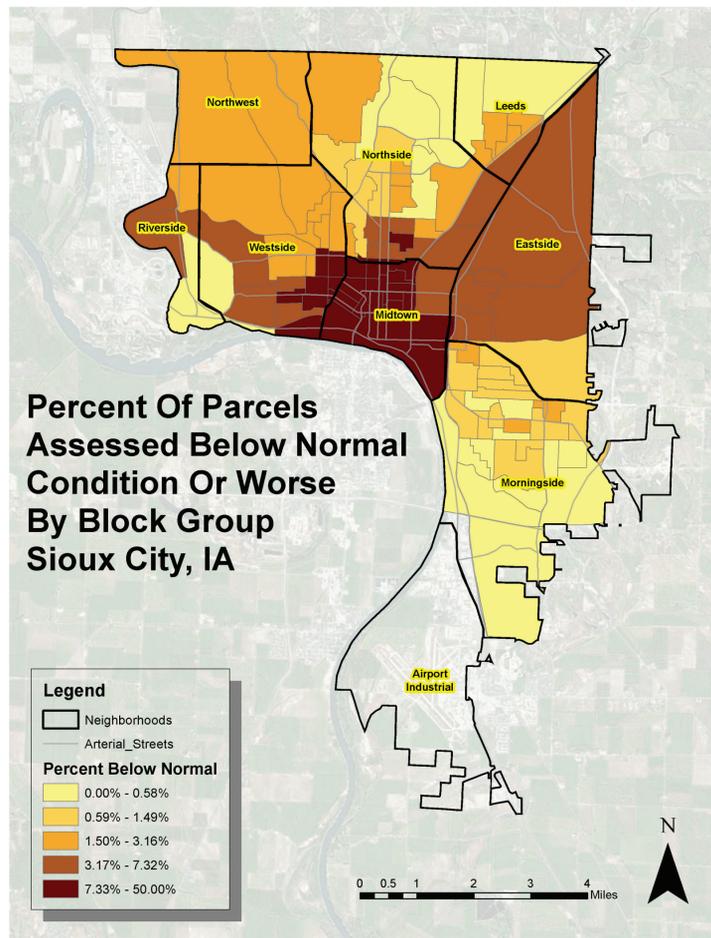
Housing Deterioration

Age Quick Facts
 Factors determined to be related to housing deterioration include the condition and age of the property. Properties that are rentals or conversions are also more likely to be deteriorated. These issues are concentrated in the near Westside, near Northside, and Midtown neighborhoods. This suggests neighborhood disinvestment in these areas, and the presence of lower property values supports this assertion.

Assessors Conditions in Sioux City		
Condition	Number of parcels	Percentage
Very Poor	7	0.0%
Poor	44	0.2%
Below Normal	719	3.1%
Normal	15,618	67.6%
Above Normal	4,380	19.0%
Very Good	1,985	8.6%
Excellent	356	1.5%
All Parcels with Condition	23,109	-

Comparison		
VP, P, BN (Under Normal)	770	3.3%
Normal	15,618	67.6%
AN, VG, E (Above Normal)	6,721	29.1%

Rental and Conversion Quick Facts
 1/3 of the units in are renter-occupied
 Rental parcels are 4x more likely to be below normal condition
 Conversions are 6x more likely to be below normal condition



Percent Of Parcels Assessed Below Normal Condition Or Worse By Block Group Sioux City, IA

Current Policies

<ul style="list-style-type: none"> Urban Renewal District Rehabilitation Specific Purpose Rehabilitation Tax Abatement/ Credits 	<ul style="list-style-type: none"> Rental New Construction Single Family New Construction Tax Abatement/ Credits
<ul style="list-style-type: none"> Housing Vouchers Security Deposit Assistance Down Payment Assistance Family Self-Sufficiency 	<ul style="list-style-type: none"> Historic Preservation Demolition Neighborhood Network City Code/ Zoning (Inspections)
Rehabilitation	New Construction
Assistance	Other

Currently Sioux City has good individual programs that are well-designed. They result in exactly their purpose, but the problem is, they do not seem to make a major difference in the focus area because they are not coordinated together in any way. As a result programs like the Urban Renewal Areas, which are for the purpose of improving the area, are not working. In addition they are only present in a small subset of the area that actually needs to be helped.



Summary of Red-tag Data (2004-2014)	
Demolished by City	180
Demolished by owner	81
Brought up to code	473
Active cases	82
Total Spent by City*	\$1,949,999
Average Cost of Demolition	\$9,864

*Without the one large demolition of \$3,156,400

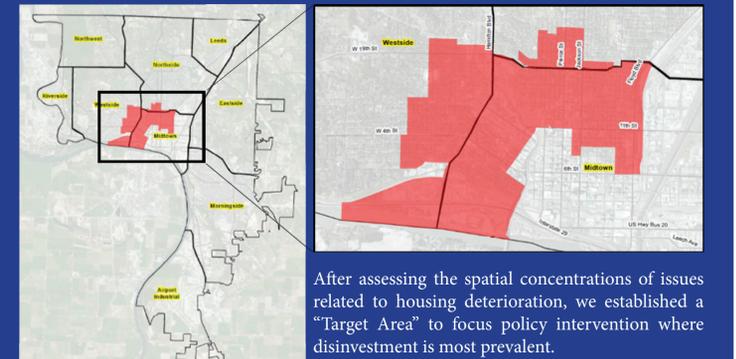
Demolition efforts in Sioux City have been robust but are necessary in certain cases. These efforts have concentrated in the near Westside, near Northside, and Midtown area but have not resulted in redevelopment. Of the 180 properties that have been demolished, only one has been redeveloped and is located in Morningside.

Recommendations



- Facilitate Communication between Groups:** Increasing cooperation with the nonprofit and private sectors of the economy and ensuring that residents know what programs could be used to reinvest in their properties is essential for revitalization.
- Improve the Housing Stock:** Improving the physical quality of homes is the most direct way to counteract the negative spillover effects of deterioration.
- Increase Staff Capacity:** Additional staff, including interns, ensures adequate administrative capacity for new programs, and it promotes compliance with the City Code without sacrificing the quality of service.
- Empower the Community:** While this plan emphasizes the physical housing stock, no housing policy will be sustainable over the long-term if the residents themselves are not involved in the process. This goal acknowledges and acts upon that fact.

	Implementation Table		Outcome
	Importance	Timeframe	
Goal 1: Facilitate Communication			
Create Neighborhood Reinvestment Task Force	Key	1 to 2 Years	Residents and the nonprofit and private sectors are aware of programs working to improve the Target area and are actively discussing how that can be further facilitated.
Increase Public Outreach Efforts	Secondary	1 to 5 Years	
Create a Single Point of Contact for Housing Programs	Secondary	3 to 5 Years	
Create a Vacant and Abandoned Home Registry	Secondary	1 to 5 Years	
Goal 2: Improve Housing Stock			
Modify the Urban Renewal Rehabilitation Program Areas	Key	1 to 5 Years	The housing stock in the area is being improved through rehabilitation activities, both those aided by the public sector and those undertaken solely by private initiative
Increase the allowable amount given for Rental Rehabilitation	Key	1 to 2 Years	
Vacant and Abandoned Acquisition Program	Secondary	5 to 10 Years	
Investigate the Use of Urban Revitalization Tax Abatement for Rehab	Supplementary	3 to 5 Years	
Goal 3: Increase Staff Capacity			
Increase Inspections Staff	Key	1 to 2 Years	Staff is fully able to maintain its workload while ramping up efforts to improve the Target Area
Use Internships with the Planning Department	Secondary	3 to 5 Years	
Goal 4: Empower the Community			
Encourage Neighborhood Organization Activity	Supplementary	1 to 5 Years	Neighbors are taking an active interest in improving their surroundings and are working together for that very purpose
Create and Administer Neighborhood Improvement Program funds	Supplementary	5 to 10 Years	



After assessing the spatial concentrations of issues related to housing deterioration, we established a “Target Area” to focus policy intervention where disinvestment is most prevalent.

Acknowledgements:

