

# A Road to Community Sustainability: Development of Community-based Housing for Rural Elderly

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**Abstract** Community-based housing is widely recognized as one unique mode of affordable housing provision discussed in the agenda of urban housing policy in the midst of global economy. While economic development of rural communities are severely blocked by many factors, the local housing needs at grass roots level are addressed in the response to the growing number of the elderly and shortage of adequate housing to accommodate the group, and the availability of affordable housing is primarily seen as a viable option to the sustainability of rural community. This research study is to examine the case study of community-based housing development in rural areas, and to explore the drives and hurdles that influence the success of each development. The on-site visits and in-depth interviews with community leaders were employed to meet the research goals. The findings show that the driving factors making the successful housing development include the firm commitment to the importance of affordable and adequate housing, strong leadership of community leaders, public support, well-advised dispersion of public resources and strong bond between the public sector and local people. In spite of all the contributing factors, the unfamiliarity of collective ownership is the leading hurdle to proceed the development in a timely manner.

*Keywords: Community-based Housing, Cooperative Housing, The Elderly, Rural Areas, Community Sustainability, Housing Development*

## 1. INTRODUCTION

One of the most striking features in shaping housing policy is the association with politics, and the policy setting has been reframed by the globalization in the second half of the last century. The pace of economic and political change in the last decades has been quickening around the world. There is a growing sense that the global economic restructuring is accompanied by the hypermobility of capital, and it leads to the strong competition of localities for private investment. On the other hand, the countervailing phenomenon of the global economy is to expedite local initiatives making communities sustainable in line with localism. It has been witnessed that local actions for community sustainability effectively respond to the political and economic change in the face of global restructuring process. Indeed, various interest groups have emerged in the wake of worsening affordable housing crisis, and create a new mechanism for the delivery of affordable and

adequate housing. A community-based housing movement has arisen at the local level, and the extraordinary innovation surges in the devolution of politics on housing agenda (Lee, 2004, 2010).

Although the magnitude of the restructuring process varies at different geographic scales, the movement of local actors to housing issues remains influential and obvious. Given the fact that a large proportion of all the land in each country is rural areas, many housing-related issues in rural communities are hidden and the gravity of the situation is overlooked. By extension, the evidence that a unique and progressive way to deliver affordable housing as a mode of community sustainability is successfully developed in rural areas is not explored yet.

The main purpose of this study is to delineate the cases of developing community-based housing in the hope of addressing housing needs at a local level and achieving the sustainability of rural communities. The particular goals are illustrated as follows: 1) to depict several cases of community-based housing development as a sustainable housing solution for the elderly in rural areas, and 2) to analyze the drives and hurdles in making successful the housing development in small communities.

## 2. LITERATURE REVIEW

### (1) Rural Communities and Sustainability

Rural communities are characterized by land peaceful places with pastoral scenes, but it is not easy to recognize that a variety of problems in rural areas (e.g., crumbled infrastructure, poverty, shrinking tax base, and substandard housing units) are persistent. The problems hidden behind such images are severe, especially for

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small towns with fewer 2,500 residents. Generally, the communities do not get as a fair share as urban areas and even other larger rural communities. The reason is often attributed to low population density, depopulation, lack of capital and credit, and remoteness. Especially, lack of proximity to economic development, low population density, and heavy dependence on one single industry are the most pronounced barriers in making rural areas sustainable (U.S. Department of Agriculture, 1995; U.S. General Accounting Office, 1992).

The number of population is very important for budget appropriations relevant to federal programs in every fiscal year. The definition on rural areas is different between the U.S. Department of Agriculture (USDA) and the U.S. Bureau of the Census. USDA has its own definition to allow rural residents to benefit from housing programs, and views rural areas as an open country and places with a population of 10,000 or less, or if located outside a Metropolitan Statistical Area, less than 25,000 people (USDA, 1995). The U.S. Bureau of Census has a different definition on rural areas; the Census considers them as places with less than 2,500 population (Wiener & Belden, 1999). Another federal government agency considers rural areas as places with less than 5,000, and 90% of the towns outside metropolitan areas have less than 5,000 persons (U.S. General Accounting Office, 1992). Since most budget and policies targeting designated areas and special populations are made in accordance to the number of population in certain areas surveyed by Bureau of Census, a lack of consensus about the definition of rural areas is an important hurdle for budget appropriations for rural housing programs and various rural development policies that critically affect the sustainability and at least it is unlikely to increase efficiency of administering programs.

In spite of limited resources and economic constraints resulting from federal retrenchment, each small town desperately seeks to sustain, and the efforts to support community sustainability are made at different levels of implications. One of the notable maneuverings is grass roots to produce affordable housing, and the approach responds to varying needs of the communities.

## (2) Rural Living

Living in small rural communities often gives certain privileges such as proximity to the nature, country with wide, open spaces, less crowding, and a strong bond among inhabitants. These features distinguish rural areas from urban areas. Beyond the images, more structured distinction of rural/urban difference is necessarily drawn. Some sociological perspectives explain the difference between rural areas and urban areas. One of the most pronounced conceptual frameworks to explain rural and urban difference is *gemeinschaft* (community) and *gesellschaft* (society) (Christodoulou, 1965; Perdue, 1986; Toennies, 1957). The classical theory is based upon a continuum of social relationships, and two forms of relationships at the societal level are identified. In the *Gemeinschaft* type of relationship, people on common beliefs, customs or values share a feeling of affection, the mutual sense brings in understanding, and these love and understanding lead them to stay united. On the contrary, people in the *Gesellschaft* form of relationship serve their own personal interests and expect to obtain equal value/worth in exchange for object/labor possessed. Given these qualities of two layers of social relationships, *Gesellschaft* is prevalent in urban settings while *Gemeinschaft*

represents the characteristics of rural communities.

Therefore, people in rural areas live closely and share common beliefs. Compared to urban areas in which heterogeneity is underscored, the formation of rural areas is associated with homogeneous individuals. The mutuality, shared deities and homogeneity enable rural residents to nurture culture and to stay together while being a strong base for community sustainability.

## (3) Community-based Housing for Sustainability of Rural Community

The rise of community-based housing that sustains a community is closely related to the new local housing policy paradigm starting from 1980s. The nature of capital mobility at a global level renders the uneven distribution of benefits from a series of local developments, and weakens sustainability at a local level. Goetz (1993a) explains the phenomenon by using the progressive policy model. The progressive policy is against the economic-constraints model that focuses on the public deregulations of market, provision of public resources to local development, and greater reign to private market actors. In other words, the model accentuates a wide dispersion of benefits from local developments (e.g., jobs, tax revenues, and property value). On the contrary to this model, the progressive policy raises the issue of equity resulting from economic growth since the ability of the market doesn't carry out to deliver the social distribution of benefits. The alternative paradigm emphasizes an equitable distribution of the equity by altering the relationship between capital and community, and it attempts to link the benefits of the development to targeted social and economic groups (Clarke, 1993; Goetz, 1993a). Therefore, the progressive policy stresses democratizing capital, land and labor. The progressive housing approach involves non-market actors and non-market alternatives in the production, ownership and management of land and housing, often possibly housing-related services. These measures tend to facilitate community sustainability by achieving local control over public resources, the imposition of social obligations on private development, and community-based planning on housing issues that embraces the purposive inclusion of all the interest groups in the process of policy formation and implementation (Goetz, 1993a, 1993b).

Community-based housing is regarded as a housing alternative to the traditional housing of single-family home, and the types vary. The specific alternatives that are mainly found include self-help housing, community land trust, community development corporations, and cooperative housing (Goetz, 1993a).

## 3. METHOD

The community-based housing that has been recently and notably developed in rural areas is cooperative housing, so the focus of this study was on co-op housing. A list of housing cooperatives that were developed for rural elderly was drawn by contacting many professionals in the senior housing industry<sup>1</sup>. While all of the co-

<sup>1</sup> Based on the interview with Cooperative Housing Resources, a total of 92 senior housing cooperatives have been identified in the U.S., and about 70% of them are scattered in rural areas across 10 states. Iowa was unique in that a sizable number of senior co-op housing (9) has been recently developed and all were found only in rural communities.

op housing developments in Iowa were identified and contacted, three rural communities out of them were purposively chosen - Hull, Estherville, and Spirit Lake. Several considerations to select the communities were made: 1) the population of each community was growing and the number of affordable housing was insufficient; 2) all the communities addressed the provision of housing for the elderly at grass roots level; and 3) the cooperation with the research study was allowed. To achieve the research goals, qualitative research methods were utilized, and site visits, observations, and individual interviews with managers, Board of Directors, and local residents who were involved in each housing development were employed. An array of qualitative research methods were useful to discover the information that otherwise would haven't been captured in quantitative research approaches, and significantly meaningful to examine the researched topics that are little known (Krueger, 1994; Krueger & Macey, 2000; Seidman, 2006; Strauss & Corbin, 2007; Templeton, 1996).

Interviews with on-site housing managers who were female in all the studied co-op housing developments, were conducted at the first stage of this research, and observations in every housing developments took place in the second step. Then, the cooperation with on-site housing managers was critical to recruit Board of Directors and local residents who voluntarily participated in the focus group interviews. Consequently, 1 interim board, and 3 local people in Estherville, 2 interim boards and 3 local people in Hull, and 2 interim boards and 2 local people in Spirit Lake participated in the third stage of the field study.

In line with the stated research purposes, the contents for in-depth interviews and focus group mainly included the general information of each housing development (e.g. property features, operation, management characteristics, financing sources, and culture), and further included the demand and supply of local housing, local housing issues, housing financing tools, primary stakeholders of the development and their roles, housing mechanism, triggers and barriers of housing development, relationships with neighboring communities, development process, precedents of senior housing development and other considerations.

#### 4. RESULTS

##### (1) Description of the Studied Community-based Housing Developments for Rural Elderly

All of the studied rural communities were relatively small towns of which the population ranged from 1,960 to 6,656. As in the Table 1, the three communities had experienced the growing number of the elderly, and one out of five in each community was an individual aged 65 years or above. Due to the high concentration of the elderly, all of the communities had the strong demand for senior housing. The 2000 Census indicated that the number of the elderly population in the state of Iowa was higher than in the nation, and the figure in all the counties of the selected rural communities was higher than the state level. While each of the selected rural communities was aging, all of them underwent a shortage of affordable housing available for young families who were attracted to the vibrant economy (e.g., tourism, agriculture and manufacturing factories).


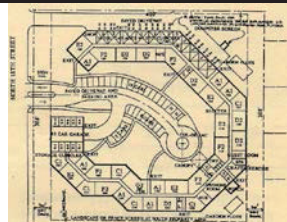



Table 1. Demographics of the Selected Rural Communities

Category	Elderly Population <sup>a</sup>		Total Population
	f	%	f
Nation	34,991,753	12.4	281,421,906
State of Iowa	436,213	14.9	2,926,324
Emmet County	2,135	19.4	11,027
Estherville City	1,343	20.2	6,656
Sioux County	4,753	15.0	31,589
Hull City	361	18.4	1,960
Dickinson County	3,389	20.6	16,424
Spirit Lake City	800	18.8	4,261

Note. <sup>a</sup> Elderly defined as a person aged 65 years or older; Data from 2000 Census Block & Track

The three selected housing cooperatives implemented by the Homestead Housing Center incorporated in 1991 had similar design features like cul-de-sac, exterior materials, and layout (Table 2). Not surprisingly, they all were located in the outskirts of each city downtown. All of the studied housing cooperatives were developed between 1995 and 1996, the minimum age for occupancy was 55 years old or above, and all of them were small-sized communities with units from 16 to 26 (Table 3). Kinds of floor plans in each development were primarily selected by the prospective residents who pledged to sign in the contract of purchasing the shares designated to a unit to occupy. Therefore, the Homestead Cooperative of Spirit Lake offered the various types of floor plans among the studied developments (Table 4). While only one type of each floor plan was available in the Homeste-ad Cooperative of Estherville, Spirit Lake had larger units available, and also the monthly carrying charges were somewhat higher than those of the other two communities.

Table 2. Studied Housing Developments in Rural Communities

Homestead Cooperative of Estherville and its Sitemap	
	
Homestead Cooperative of Hull	
	
Homestead Cooperative of Spirit Lake and its Sitemap	
	

Note. Site map of Homestead Cooperative of Hull wasn't available.

Generally, it is noted that the monthly fees were lower as the initial share value increased. The reason is closely associated with financing sources. In fact, the financing source chosen by the studied housing cooperatives was share loans that are compared to a conventional mortgage of traditional home. Residents were

Table 3. Description of the Studied Housing Developments in Rural Communities

Location	County	Year built	Minimum age for occupancy	Building story	No. of Units	Floor plan types available	Unit size (sq. ft.)	Initial share value (\$)	Monthly carrying charges (\$)	Funding source
Estherville	Emmet	April in 1996	55	1	26	2	676 to 936	60,700 to 99,200	220 to 390	Share loans
Hull	Sioux	Jan. in 1995	55	1	16	2	676 to 1,066	58,500 to 99,820	210 to 385	Share loans
Spirit Lake	Dickinson	Mar. in 1996	55	1	25	6	676 to 1,092	59,900 to 104,400	277 to 457	Share loans

Note. The bedroom types available were either one- or two-bedroom types

Table 4. Various Floor Plans of 1-Bedroom and 2-Bedroom Units in the Studied Housing Developments

Types	Estherville	Spirit Lake		
1-Bed-room				
2-Bed-room				

Note. Floor plans of Homestead Cooperative of Hull were not available.

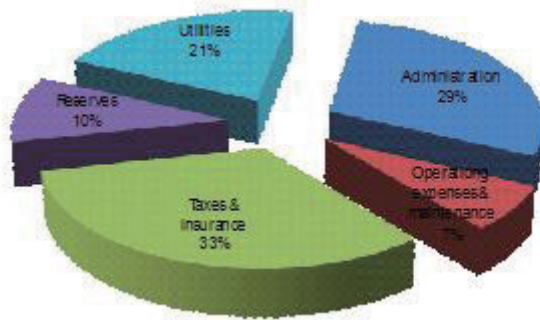
supposed to individually take out the loans from bank if they couldn't afford the purchase amount of the share. In fact, the financing rendered the removal of the mortgage or financing-related matters decreased the monthly fees.

As in Table 5 and Picture 1, the monthly carrying charges of the selected communities were largely grouped into six items - real estate taxes/insurance (32.5%), administration (29.1%), utilities (20.7%), reserves (10.3%), basic service (6%), and repairs and maintenance (1.5%). Indeed, real estate taxes and insurance included real estate taxes and property insurance against entire building. Administration specified manager/maintenance salary, office expense, management service fee, and legal/audit expenses while electricity/gas, water and sewer, and basic cable TV were included in utilities. Also, reserves was a contingency fund for repair and replacement of roof, appliances, carpet and others. Garbage service, grounds maintenance, pest control service, maintenance supplies, and snow removal were included in the item of basic services. The expense allocated to repairs and maintenance was used for building repairs, equipment repairs, and vehicle maintenance.

While almost all of the fees were assigned to the property operation, only less than two-digit percent was used for basic services. Due to the nature of the co-op housing that allowed residents to take a part in the development process, some of the services were easily and commonly found across the housing cooperatives for the elderly (Table, 6). In spite of the fact, the scope of the basic services was crucially influenced by the budget and needs of local communities, and accordingly the building features

Table 5. Percentage Distribution of Monthly Carrying Charges in the Studied Housing Developments

Category	Items	Percent
Administration	Manager/maintenance salary	15.81
	Office expense	3.32
	Management service fee	8.03
	Legal/audit expenses	1.91
	Total	29.07
Basic services	Garbage service	1.62
	Grounds maintenance	1.72
	Pest control service	0.72
	Maintenance supplies	1.20
	Snow removal	0.77
	Total	6.03
Repairs and maintenance	Building repairs	0.26
	Equipment repairs	0.24
	Vehicle maintenance	0.96
	Total	1.46
Real estate taxes/insurance	Real estate taxes	28.40
	Property insurances (building only)	4.11
	Total	32.51
Reserves	Roof, appliances, carpet, etc.	10.26
	Total	10.26
Utilities	Electricity/gas	13.20
	Water/ sewer	2.66
	Basic cable TV	4.83
	Total	20.69
Total		100.00



Picture 1. Distribution of the Components of Monthly Fees in the Studied Housing Developments

Table 6. Summary of Basic Services Included in Monthly Carrying Charges in the Studied Housing Developments

Basic services	Housing Developments		
	Estherville	Hull	Sprit Lake
Heating/Air conditioning <sup>a</sup>	●	●	●
Electricity <sup>a</sup>	●	●	●
Basic cable TV service	●	●	●
Water and sewer	●	●	●
Softened water		●	●
Garbage pick-up	●	●	●
Cooperative property and liability insurance	●	●	●
Part-time manger and maintenance staff <sup>b</sup>	●	●	●
Building maintenance <sup>c</sup>	●	●	●
Contingency fund for repair and replacement	●	●	●
Grounds <sup>d</sup>	●	●	●
Local transportation <sup>e</sup>	●	●	●
Emergency response system <sup>f</sup>	●	●	●
Assistance in remarketing individual units <sup>g</sup>	●	●	●

Note. <sup>a</sup> only in common areas; <sup>b</sup> including social activities; <sup>c</sup> including interior and exterior maintenance like carpeting, roofing and appliances; <sup>d</sup> including lawn care, landscaping and snow removal; <sup>e</sup> mini-van service; <sup>f</sup> pull-cord installed in all bedrooms and bathrooms; <sup>g</sup> including waiting list maintained for new buyers

Table 7. Summary of Basic Building Features in the Studied Housing Developments

Basic features	Housing Developments		
	Estherville	Hull	Sprit Lake
Secured entry with controlled access	●	●	●
Fully furnished common area with kitchen and fireplace <sup>a</sup>	●		●
Social room	●	●	
Sunroom	●		●
Lounge	●	●	●
Craft and exercise room	●	●	●
Wood shop <sup>b</sup>	●	●	●
Guest room <sup>c</sup>	●	●	●
Individually separated storage room		●	●
Attached garages <sup>c</sup>	●	●	●
Laundry rooms	●	●	●
Barrier-free design <sup>d</sup>	●	●	●
Fire protection system	●	●	●

Note. <sup>a</sup> reserved for resident's personal use; <sup>b</sup> game and workshop room in Estherville; <sup>c</sup> at additional charge; <sup>d</sup> including hallway handrails and handicap accessible

were somewhat different (Table 7). For instance, controlled access to main entrance, elderly-friendly design features like barrier-free design, emergency response system, and attached indoor garages were commonly equipped in all the studied housing development. On the other hand, common space with furnished kitchen and fireplace found in the other two developments wasn't available in Hull, and individually separated storage room wasn't available in Estherville. In addition to the basic services provided by the cooperatives, managers could arrange some services at resident's own expense upon the request, and they included alternative transportation, home health aids, meal service, housekeeping service, in-home care, and laundry service.

All the studied housing developments had the same features of the residential units (Table 8). It was attributed to the practical reasons - economies of scale; the use of prototypes of floor plans provided by the sponsor, Homestead Housing Center, was economical, and also the techniques and expenses accompanied with housing development could be easily applied to rural communities. The approach intended to decrease the cost by controlling foreseeable expenses, and further housing cooperatives across regions or local areas helped to build up a sort of community solidarity, so-called Homestead Community.

Table 8. Summary of Basic Features or Services in Individual Residential Unit of the Studied Housing Developments

Basic features	Housing Developments		
	Estherville	Hull	Sprit Lake
Fully equipped kitchens with self-defrosting refrigerator, self-cleaning electric stove, dishwasher, garbage disposal and oak cabinetry	●	●	●
Carpeting	●	●	●
Window treatments	●	●	●
Storage space	●	●	●
Medic alert cords in bedrooms and bathrooms	●	●	●
Smoke detectors	●	●	●

## (2) Case Studies of the Selected Community-based Housing Developments for Rural Elderly

All the studied community-based housing developments were cooperatively owned and developed one another within a couple of years, and they were initiated by the idea that a growing number of the elderly was an imminent issue to address at a local level. As a consequence, the collaboration of stakeholders such as local community leaders, local residents, and banking institutions were involved in the process from the inception of the development and supervised the entire progress (Table 9). Some of them served the Board of Directors even after the completion of the development. All the developments were sponsored by the Homestead Housing Center, and turned out to be small-sized communities but vibrant. Indeed, all the housing developments found it important that keeping the elderly who spent their entire life in a local community and had to move out to larger cities that enabled them to meet the needs like medical care and senior housing continued the sustainability of rural communities.

The results presented here depict the findings of the in-depth interviews with interest groups in each of the studied communities.

### ① Estherville

The City of Estherville was the largest among the studied towns, and the town had witnessed the gradual rise in the number of population. The proportion of the elderly to the total population in Estherville was fairly high, and the figure drew the attention of the city to the issue. There were many types of alternative housing such as trailers, motels, and apartments, but none of them satisfied the needs of the elderly because most of them were inexpensive, very old and located in remote areas. The most known senior housing available in the city was nursing home in which most elderly people were not ready to move in terms of health and financial statuses. It was stated that most local people thought those living in nursing home as patients, not residents, and the perception was pervasive. An alternative residential setting for the independent elderly people was apartment, but the living arrangement accommodated not just the elderly but young people whose lifestyle was very active and quite different from that of the elderly. It was hard to see both

young people and elderly people get along each other in such a setting due to noise and privacy. Many local people recognized that such an age-integrated residential setting was not successful and not desirable for the elderly.

With the circumstances, the city council investigated a new idea that better fit in the independent living of the elderly, and closely looked at neighboring communities. As cooperative businesses were dominant in the agriculture-based town, co-op housing seemed to be the most likely option when one local resident came up with this idea. The city council not just provided the site that used to be a small city park but endorsed the financial guarantee of the housing development. Besides, this positive and proactive attitude of the city assured the extensive involvement of many local businesses, so that the town planning committee of the development was partly governed by six different business entities including hospital, funeral home, and realtor. Although the agricultural cooperatives like Cenex and Land O'Lakes had

Table 9. Comparison of the Housing Developments in the Three Studied Rural Communities

Category	Estherville	Hull	Spirit Lake
General information Community profile	<ul style="list-style-type: none"> <li>- natural amenities</li> <li>- an agriculture-based town</li> <li>- high increase in the number of the elderly</li> </ul>	<ul style="list-style-type: none"> <li>- the smallest town in the state</li> <li>- a farming-based town</li> <li>- high concentration of the elderly</li> </ul>	<ul style="list-style-type: none"> <li>- many beautiful lakes</li> <li>- a sizable town dependent on tourism and manufacturing</li> <li>- fast rise in the number of the elderly</li> <li>- high demand of young households for housing</li> </ul>
Local housing options available for the elderly	<ul style="list-style-type: none"> <li>- one nursing home,</li> <li>- some rental apartments</li> </ul>	<ul style="list-style-type: none"> <li>- one nursing home</li> </ul>	<ul style="list-style-type: none"> <li>- one nursing home</li> <li>- one assisted living</li> </ul>
Development Stakeholders Public sector	<ul style="list-style-type: none"> <li>- city council</li> <li>- town planning committee</li> </ul>	<ul style="list-style-type: none"> <li>- city government,</li> <li>- planning committee</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>
Private sector	<ul style="list-style-type: none"> <li>- hospital,</li> <li>- funeral home,</li> <li>- realtor,</li> <li>- local media,</li> <li>- local agriculture business</li> </ul>	<ul style="list-style-type: none"> <li>- agricultural cooperatives</li> <li>- local bank</li> </ul>	<ul style="list-style-type: none"> <li>- none</li> </ul>
Non-profit sector	<ul style="list-style-type: none"> <li>- Homestead Housing Center (not-for-profit organization)</li> </ul>		<ul style="list-style-type: none"> <li>- Homestead Housing Center (not-for-profit organization)</li> <li>- a local church</li> </ul>
Others	<ul style="list-style-type: none"> <li>- a local resident who brought up the idea</li> </ul>	<ul style="list-style-type: none"> <li>- a local dairy farmer who initiated the idea</li> <li>- community leaders</li> <li>- citizens' participation</li> </ul>	<ul style="list-style-type: none"> <li>- a church member who introduced the idea</li> <li>- church members' participation</li> </ul>
Resources used	<ul style="list-style-type: none"> <li>- publicly owned land</li> <li>- financial endorsement</li> </ul>	<ul style="list-style-type: none"> <li>- a citywide survey conducted</li> <li>- a piece of land assigned by the city</li> </ul>	<ul style="list-style-type: none"> <li>- church-owned land donated for the development</li> </ul>
Facilitators/Strengths	<ul style="list-style-type: none"> <li>- public support</li> <li>- neighboring communities</li> </ul>	<ul style="list-style-type: none"> <li>- a firm bond between the city and citizens</li> <li>- public support</li> <li>- senior housing development in Spirit Lake</li> </ul>	<ul style="list-style-type: none"> <li>- neighboring state</li> </ul>
Barriers/Weaknesses	<ul style="list-style-type: none"> <li>- none</li> </ul>	<ul style="list-style-type: none"> <li>- limited participation of prospective residents</li> <li>- rising cost in land transformation</li> </ul>	<ul style="list-style-type: none"> <li>- unawareness of ownership</li> <li>- no endorsement from local banks and realtors</li> </ul>

*Note.* The components for comparison were partly based on Clarke (1993), Goetz (1993a, 1993b).

been in town for many years, co-op housing was a sort of new idea to almost all the people. The advertising of this idea was very important, and a local newspaper played the key leading role in promoting the concept. Also, the town planning committee decided to hire a real estate agent for marketing from the inception, and the approach worked wonder. Backed by the high demand, almost all the units were sold out before the construction began, and further it maintained the waiting list. Moreover, one local farmer who got involved in agricultural business served the planning committee that later became the board of the co-op housing made a lot of efforts and time in order to make sure that every stage of the progress should be set forward.

The success behind the community-based housing in Estherville was largely influenced by the support of the city council, collaboration of different businesses, and the firm commitment of several local individuals.

## ② **Hull**

The City of Hull was one of the smallest towns in the State of Iowa and located south of the border to Minnesota. The Homestead Cooperative of Hull was affected by the development in the City of Spirit Lake, where Homestead Cooperative of Spirit Lake was presented earlier. Although the community-based housing development in Hull was discussed later than in Spirit Lake, the development in Hull was completed sooner than in Spirit Lake. The reason was the firm commitment of the community, the strong leadership of community leaders, and the great support from the entire community.

The community-based housing development serving for the elderly in Hull came from the idea of a long-time local resident. As a dairy farmer, he was a local figure and one of the lifelong community leaders, and had served on the board members of a local business, Land O'Lakes Cooperative, which was one of the major sponsors of Homestead Housing Center and one of the primary businesses in the city. The local resident and other community leaders were already concerned about a place to accommodate the elderly and started to think of solutions. In earlier years, the city conducted a survey on demographic information that showed a vast majority of the local residents owning a home were 55 years and older. The vivid evidence pushed the city and its community leaders to the edge of resolving the provision of adequate housing for those people in later life. However, the city leaders considered alternative housing types for the elderly such as assisted living and congregate housing, and they found many as expensive and inappropriate for independent elderly people.

Since the individual who brought up with the co-op housing to the city worked in a local cooperative business sponsoring community-based housing developments for the elderly and was in a position that allowed him to easily see how to solve such a local concern in other communities, the development was positively reviewed at the city level. In fact, the planning committee of the city examined the idea of an independent living arrangement, and it was easily feasible because many of the committee members who were not the elderly were local business leaders affiliated with different kinds of cooperative businesses and all they agreed with the supply of such housing for the elderly. Great enthusiasm at the city level and enormous support from local businesses helped

local banking institutions to generate loans for the development. Also, the trust between the city and local people was another factor to make the development process fairly smooth. The planning committee worked with each detail of the process regularly and a local real estate agent was hired to sell dwellings of the prospective residents so as to facilitate the move-in in a timely fashion. Selling more than a half of the units in the development didn't take much time. As the sale reached to the point, the Homestead Housing Center endorsed financial guarantee, and then the construction started with technical support from the Center. However, the idea was raised by and the process was largely made by the local business leaders, so that the participation of prospective residents was relatively limited.

During the development process, it was somewhat difficult to find a site for housing, and it took a time to draw the consensus on the location. Also, the site condition was not suitable to build housing. The unexpected problems caused additional cost and delay of the process.

## ③ **Spirit Lake**

The City of Spirit Lake was located in the Dickinson County that embraced the state's largest natural lake, Spirit Lake and five interconnected lakes, West Okobojo, East Okobojo, Upper Gar, Lower Gar and Minnewashta. Along with Arnolds Park, Milford, Okobojo, Spencer, Wahpeton, and West Okobojo, Spirit Lake was one of the City of Iowa Great Lakes in the county, and the largest city in the county. The town was known for fishing and some industrial factories, primarily manufacturing. With the influences of the natural beauty and businesses, the city faced with growing manufacturing businesses that drew labor force, but young population coming to the town learned that it was challenging for them to find affordable housing. Although the high demand for decent housing was persistent, any strategy for the supply of affordable housing was made by neither the city nor the business side. On the other hand, the city witnessed the fast increase in the number of elderly population, but it didn't deal with the issue in a serious way.

The community-based housing development in the town was possibly doable with a pastor of one local Lutheran church who owned a site and donated the property. Originally, the wife of the pastor owned a large parcel of land that was about 10 acres, and designated it for the purpose of the church even though the detail wasn't particularly specified. The church wanted the land to be used for long-term investment, and one of the ideas was to develop a golf course since the natural amenity of the city was attracted by tourists. Meanwhile, it was a secretary of the church who brought an idea of co-op living and introduced the idea to the pastor. She sat on the board of a rural electrical cooperative at that time, served on the planning committee of co-op housing development, and later became a resident sitting on the board of the co-op housing. While many considerations had been examined, the pastor and the secretary perceived that there was no independent living arrangement for the elderly in the town. Then, the church agreed that the priority to use the land was a sort of investment for the particular group of people, and it should be exclusively used for the commitment of serving them. After several visits at cooperative housing developments in the neighboring state in which many of the earlier housing cooperatives were located were made and the

feasibility study in the city was implemented, the church decided to build co-op housing for the elderly who could maintain their independence.

Due to the unfamiliar concept of cooperative ownership, most of the realtors and bankers were not willing to give the financial support to the church. Unlike any other Homestead Housing development, none of bankers or realtors in Spirit Lake were willing to be on the planning board, so the resistance delayed the construction. One of the critical stages in the development process was that two thirds of the total units should be sold prior to ground-breaking, but the prerequisite was not easily resolved quickly. With the absence of public support, the Homestead Housing Center was invited to the development process, and its technical support helped to locate the financing source. Thus, the development took more months than the expected period. Any support either from financial institutions or local business could have made the housing development easy and fast.

Besides, most local people had misconception on group living of the elderly, and the housing development was mistakenly considered as nursing home which contained numerous negative images. Despite all the odds, the church-initiated housing development was completed with collaboration and support outside community. In fact, the completion came to change the perception of local people on senior housing and it facilitated the importance of housing development at grass roots level.

## 5. CONCLUSIONS

Localities have been forced to deal with housing issues on their own way since the global economy surged from the second half of the last century. Many progressive approaches at a local level have been emerging, and the unique mode that ensures affordable housing supply and maintains the community sustainability is community-based housing driven by the third sector – not-for-profit organizations filling the void in the dynamic housing market mechanism. This study reviewed one of the innovative organizations and its role in fostering the development of the housing for the elderly in rural towns with high rate of aging population. Using the qualitative research methods, this study conducted in-depth interviews with on-site housing managers and community leaders who were involved in three community-based housing that had been developed and widely known as successful. After each case of the selected communities was depicted, the findings indicated that the success of the community-based housing development in rural areas was possibly achieved by such factors as the striking leadership of community leaders to meet local needs of the special population, discreet dispersion of public resources, collaboration of business leaders, and a strong bond among the public sector and local people. Considering the nature that one prominent characteristic of rural communities is conservatism, this community-based housing development proves to be experimental, and the attitude toward the new and unfamiliar method to satisfy the local housing needs is quite unprecedented. As illustrated in the case studies, the financial support from the banking industry has been recognized as a key factor in making the progress forward, and more practical strategies to make the development feasible include marketing and advertising. The first draws the financial pledge of pre-construction guarantee while

the second is critical to the communities where any independent living arrangement or whatsoever does not exist at all, single-family home perceived as only housing structure norm is heavily dominant, and sole ownership with clear and absolute rights outweighs collective form of ownership. From this viewpoint, the involvement of marketing-related professionals in the board of housing development turns out to be useful. Most importantly, public support and endorsement in rural communities or small towns are crucial to make such kind of developments doable. Since community-based housing as one mode of housing provision requires quite amount of time and efforts and adopts the bottom-up approach, it's important that the commitment remains firm in the whole process, and also cooperation and collaboration among community leaders and interested parties are requisites. This study implies that the provision of community-based housing for the elderly sustains rural communities that value self-sufficiency and self-independence but face with lack of financial resources in that the approach ensures the residential stability of the local people with special needs in their later life and keeps all the resources they possess in a community.

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