

Housing

Housing is a basic need for all human beings, and is an important factor in community planning efforts. Housing is many homeowners largest source of personal wealth and is usually their largest expenditure. According to the US Bureau of Labor Statistics, in 2010 housing accounted for more than 35% of consumer spending.¹ Housing also affects personal behavior. Where people live affects who their friends are, where their children go to school, job opportunities, and many other aspects of daily life. Housing has a large impact on individual quality of life within the region.

Housing is one of local government's most important issues. In urban areas, housing can account for 50% of land uses, and residential property tax revenues make up a large portion of local government budgets. Because of its high level of importance, housing affects all other planning elements listed in this plan. Public services people require, how much those services cost, and who should pay for them all depend on where, how, and at what densities people live. Of the services provided by local governments, transportation is one of the most impacted by housing. Individual travel behavior is greatly affected by where people live, and as a result, housing and transportation planning must be closely coordinated.

Housing serves an important role in the regional economy, as it affects employers' ability to attract and retain good quality employees, and also creates jobs. If combined housing and transportation costs are too high, employers may lose employees to other regions. The housing sector also employs many workers within the region. Builders, lenders, construction workers, and real estate brokers are an important part of the regional economy.

Residential development can greatly affect the natural environment. A sustainable community needs to balance needs for new housing with environmental protections. Low impact development, conservation subdivisions, and other green building techniques can help mitigate impact of residential development on the natural environment.

The objective of this chapter is to encourage a diverse housing stock that serves people at all income levels and at all stages of life. Good-quality housing is the foundation of a stable sustainable community. To be effective, community planning efforts, including sustainability efforts, must be integrated into a community's housing policies.

Inventory of Existing Housing

The US Census Bureau provides a wide variety of data on housing through the decennial census and the American Community Survey (ACS). The following charts are selections from the census that depict the most important aspects of the Dubuque County housing market.

¹ "Consumer Expenditures 2010" *BLS.gov*. 27 Sept. 2011. U.S Bureau of Labor Statistics. 1 Dec. 2011. <http://www.bls.gov/news.release/cesan.nr0.htm>

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Inventory of Existing Housing

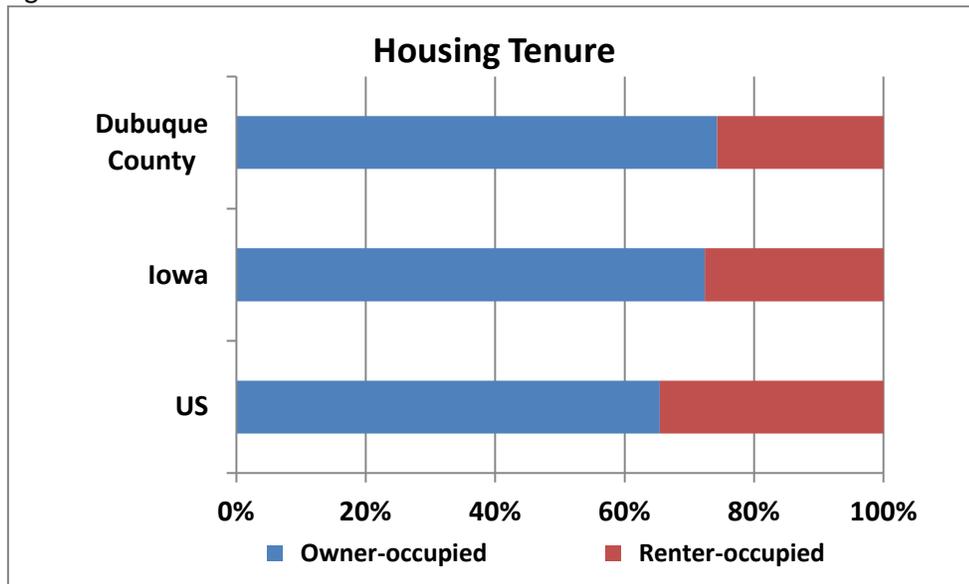
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Dubuque County’s vacancy rate is lower than state and national rates. In general, the Dubuque County housing market has weathered the housing crisis better than many markets in the country where large numbers of foreclosures have driven vacancy rates up.

Figure 1



Source: 2010 American Community Survey 1-Year Estimates

Dubuque County residents are more likely to own their house. According to the housing tenure data, shown in Figure 1, renters account for 25% of the occupied housing units in Dubuque County. Nationally renters make up about 35%.

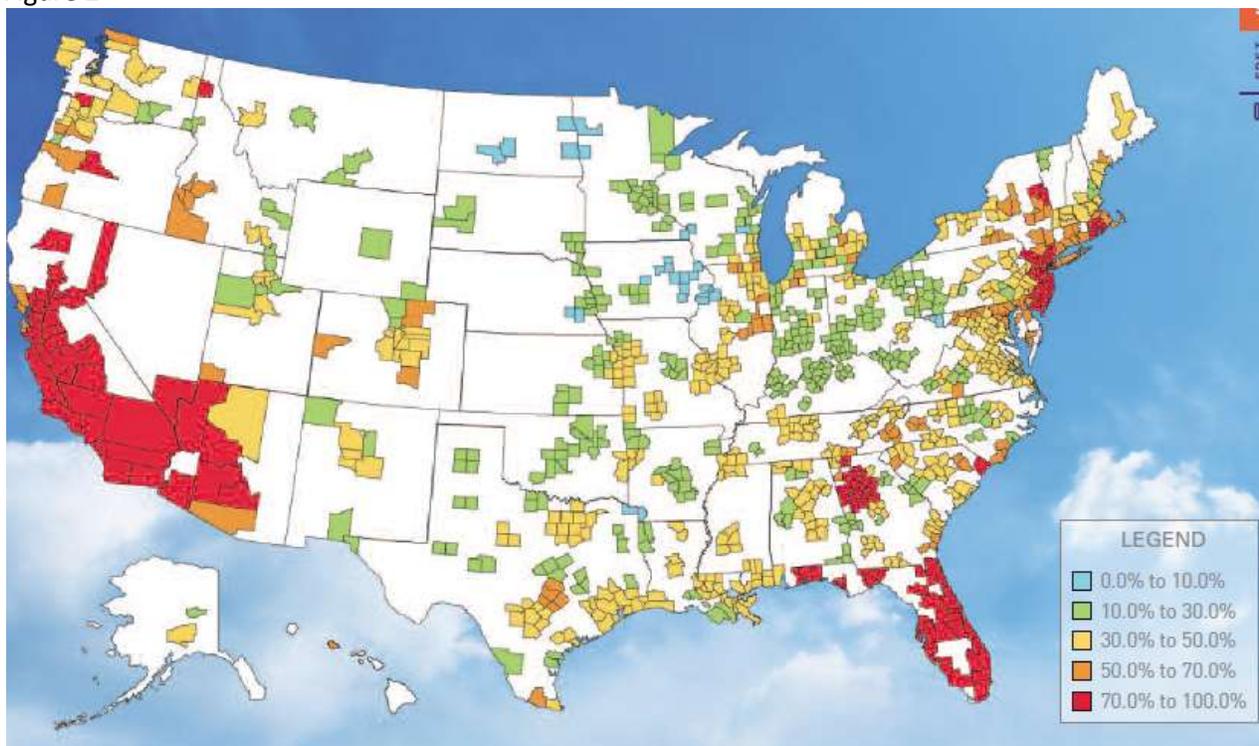
Dubuque County Housing Market

When compared with the rest of the US, the Dubuque County housing market has remained relatively stable through the recent economic downturn. According to research published by the mortgage insurance firm PMI, Dubuque County was among the least risky places in the country to buy a home. PMI’s Housing Appreciation Risk Index (HARI) measures the probability that house prices will be lower in two years. According to the HARI, Dubuque County homes had a 7.6% chance of falling in the next two years. Dubuque’s score is well below the national average of 43.3% and the riskiest regions in Nevada, Arizona, Florida, and California which have HARI scores between 80% and 90%. According to PMI, “In general, the states with the lowest scores are in the Great Plains – especially North Dakota, Iowa, and Nebraska. These states did not experience large housing booms, have low unemployment and foreclosure rates, and are very affordable.”² Figure 2 shows the geographic distribution of Housing Price Risk for metropolitan areas.

² Berson, David W. et al. “Economic and Real Estate Trends” PMI Mortgage Insurance Co. 2011, http://www.pmi-us.com/PDF/q3_11_pmi_eret.html

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Figure 2



Source: PMI Mortgage Insurance Co.³

Housing Affordability

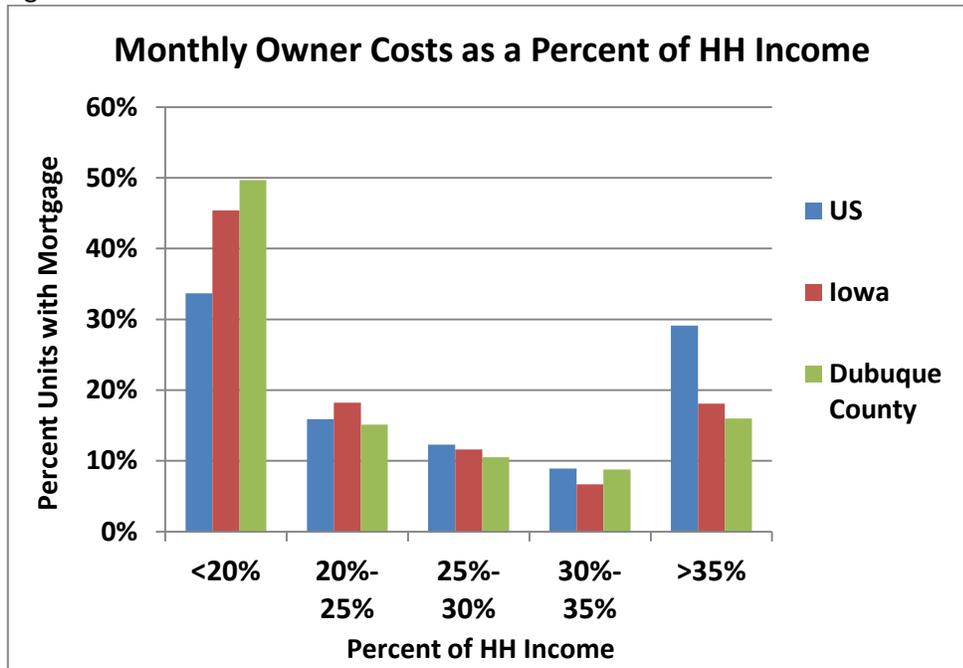
Housing costs as a percent of household income is a generally used measure of housing affordability. As a rule of thumb, spending less than 30% of income on housing is generally considered to be affordable. Households spending more than 30% are considered to be cost burdened and may have difficulty affording other necessities such as food, clothing, transportation, and medical care. Figures 3 and 4 show that Dubuque County is a relatively affordable region for homeowners compared to the rest of the country and the state of Iowa. According to 2010 ACS data, 75% of Dubuque County residents with a

³ Berson, David W. et al.

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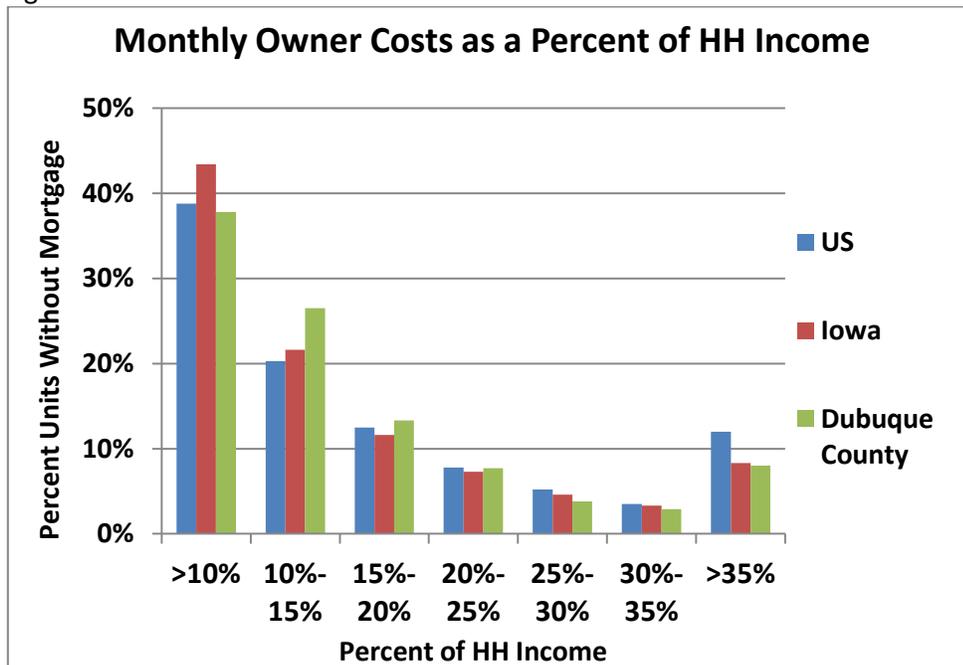
mortgage and 89% of residents without a mortgage are paying less than 30% of their annual income towards housing.

Figure 3



Source: 2010 American Community Survey 1-Year Estimates

Figure 4

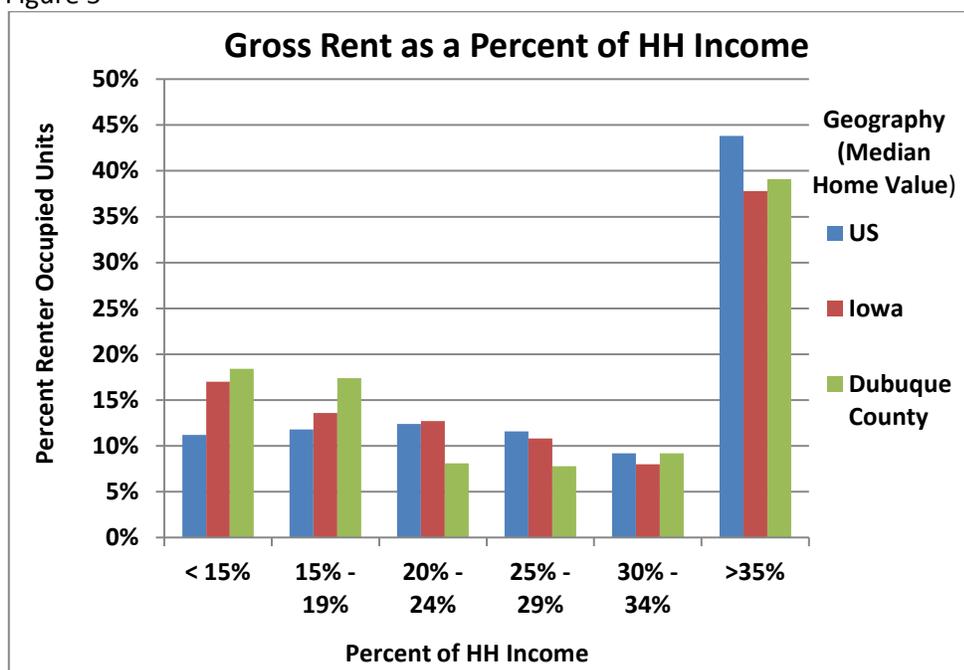


Source: 2010 American Community Survey 1-Year Estimates

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While owner occupied housing may be relatively affordable in Dubuque County, the same cannot be said about renter occupied housing. Figure 5 shows gross rent⁴ of as percent of household income. The chart shows that housing affordability rates are similar to state and national rates: 48% of Dubuque County households pay 30% or more of their income towards housing.

Figure 5



Source: 2010 American Community Survey 1-Year Estimates

See the end of the chapter for additional city data for housing cost as a percentage of household income.

Combined Housing and Transportation Costs

Over the past fifty years many people have chosen to leave urban areas for rural and suburban communities as a way to reduce housing costs. For the most part home prices are lower in suburban areas when compared to urban areas. However, on the suburban and rural areas the distance is greater between work, school, and other daily needs. The increased distance results in residents spending increased time and money on transportation. According to a report entitled *Penny Wise, Pound Foolish* produced by the Center for Neighborhood Technology (CNT), the increased transportation costs associated with living in the suburbs can outweigh the savings on home costs and residents of these communities are more vulnerable to fluctuations in gas prices.⁵ CNT has developed Housing and

⁴ Gross Rent. The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).

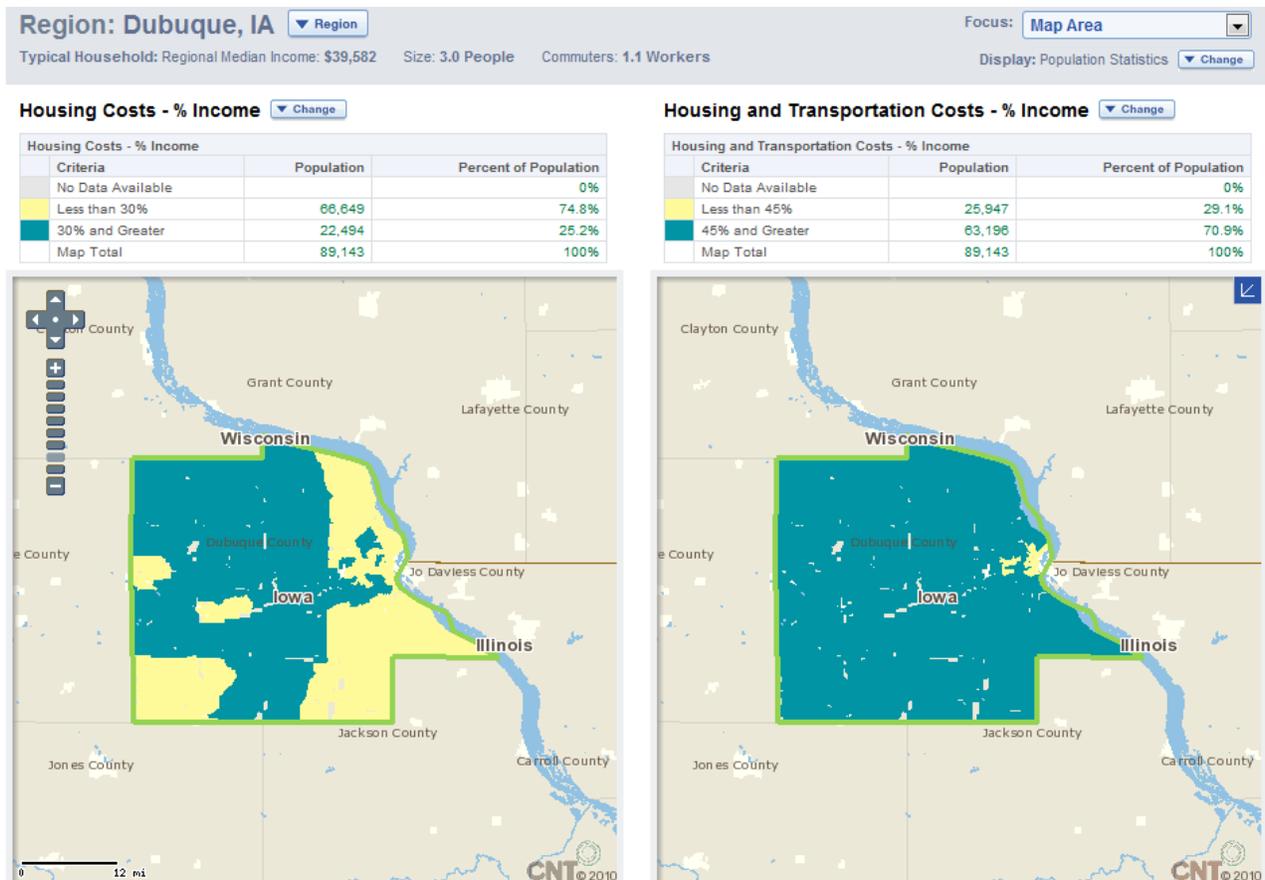
⁵ "Penny Wise, Pound Foolish" The Center for Neighborhood Technology. March 2010, <http://www.cnt.org/repository/pwfp.pdf>

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Transportation cost index (H+T Index) that allows users to compare the traditional view of affordability with the new view including transportation costs. According to the Index in all cities, many distant suburbs are less affordable than they appear. The H+T Index takes the traditional 30% of household income measure for housing and adds an additional 15% for transportation resulting in a combined affordability measure of 45%.

H+T Index results for Dubuque County are displayed in Figure 6. In Figure 6, the traditional 30% affordability measure is displayed on the left and the 45% H+T threshold is displayed on the right. According to the traditional measure 75% of Dubuque County residents are living in affordable housing. However, according to the H+T measure, 70% of residents pay more than 45% in housing and transportation costs and only 30% are paying less than 45%. The maps in Figure 6 display the geographic distribution of the housing cost index and the H+T index by census block. According to the H+T index the affordable areas of the county are the urban areas that are close to work, school, and services and have access to public transit.

Figure 6



Source: Center for Neighborhood Technology, 2012.

Federal Housing Programs

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The federal government has created several programs to help those individuals that are cost burdened by housing. Many of these programs operate under the US Department of Housing and Urban Development (HUD). HUD is the primary resource for housing related issues at the federal level. HUD's mission is to "to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes: utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business."⁶

Section 8 Housing Choice Voucher

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the HUD to administer the voucher program. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

Public Housing

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high-rise apartments. There are approximately 1.2 million households living in public housing units, managed by some 3,300 local Housing Agencies (HAs) nation wide. HUD administers federal aid to HAs that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing and managing these developments.

Dubuque County Housing Agencies

⁶ "Mission" HUD.gov. Department of Housing and Urban Development. 1 Dec. 2011
<http://portal.hud.gov/hudportal/HUD?src=/about/mission>.

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HUD works with local housing agencies to implement many of their programs. The City of Dubuque Housing and Community Development Department and the Eastern Iowa Regional Housing Authority work with HUD and the State of Iowa to assist Dubuque County residents with their housing needs.

City of Dubuque Housing and Community Development Department

The City of Dubuque Housing and Community Development (HCD) Department coordinates the efforts of a number of program areas to ensure residents in the City of Dubuque receive safe and affordable housing and to provide a more livable community.

The HCD department is responsible for administering and coordinating activities relating to the use of Community Development Block Grant (CDBG) funds. Each year the City of Dubuque receives approximately \$1.2 million in federal CDBG funds from HUD. The funds are used for eligible activities in the areas of housing, economic development, neighborhood and public services, public facilities, and planning/administration.

The City of Dubuque's 7,600 rental units are periodically inspected by the HCD department for compliance with the Housing Code and to ensure that the units provide decent and safe rental housing. Each rental unit must be annually licensed and an annual fee is charged. All owners are required to comply with these requirements. The HCD department maintains an inventory of all licensed rental units, issues license applications, and receives all fees.

The Lead Hazard Reduction Program provides for the administration of a HUD funded forgivable loan for lead hazard reduction by providing financial assistance to low- and moderate-income homeowners and rental property owners to reduce or eliminate lead-based paint hazards in their properties. The program is specifically targeted to assist families with children under the age of six.

The Rental Assistance, or Section 8, Program receives federal funding to provide Housing Choice Vouchers to assist 900 households with rent payment assistance in the City of Dubuque. Individuals and families wishing to participate fill out a rental application, submit to a background check, and after approval, are issued a Housing Choice Voucher they may use at a rental unit of their choosing. If the landlord of the rental unit agrees to lease to the household under the Housing Choice Voucher Program and the unit is approved by HCD department, then the Housing Authority will make monthly rental assistance payments to the landlord. Generally, participating households pay about 30% of their monthly adjusted income towards their rent. While receiving rental assistance, Section 8 participants have the opportunity to engage in services and programming to develop their skills and become self-sufficient.

The Shelter Plus Care (S+C) Program provides rental assistance for homeless persons with disabilities in connection with supportive services funded from sources throughout the community through other agencies and programs. The City of Dubuque has received a five-year grant from HUD to operate a Sponsor-based Rental Assistance (SRA) Program through the Shelter Plus Care. The City has entered into a subcontract with a nonprofit local organization, Project Concern, to provide rental assistance, screen

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prospective participants, and perform assessments of client's needs. Project Concern leases the units to be occupied by the participants.

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) is to assist persons and families who are currently housed, but who are at risk of becoming homeless and may need temporary rent or utility assistance; and persons and households who are currently homeless and need temporary assistance in order to find housing and stabilize their living situation.

Eastern Iowa Regional Housing Authority (EIRHA)

EIRHA was established in 1978 to meet the housing needs of low and moderate income families and the elderly. EIRHA serves Cedar, Clinton, Delaware, Dubuque, Jackson, and Jones Counties in Eastern Iowa excluding the cities of Clinton and Dubuque. EIRHA has a contract with HUD to serve as many families as possible using their calendar year budget for Housing Assistance Payments (HAP) through the Section 8 program.

EIRHA has an annual contributions contract to assist up to 883 households, within its budget authority, with rental assistance in the region through Housing Choice Vouchers (HCV). The participating family chooses a decent, safe, and sanitary rental unit in which to reside. If the landlord agrees to lease the unit to the household under the Section 8 HCV Program, and EIRHA approves the rental unit, EIRHA will make monthly rental payments to the landlord to help the household pay their rent each month. Participating households pay a minimum of 30% of their adjusted income for rent and utilities or \$50, whichever is greater.

EIRHA owns and manages 164 rental units in Dubuque, Jackson, Delaware, and Clinton Counties. These Public Housing units consist of apartments, duplexes, and single family homes to provide housing for low-income families, seniors, and persons with disabilities. Participants in the program pay a minimum of 30% of their adjusted income toward rent and utilities or \$50, whichever is greater. Payments are made directly to EIRHA on the first of each month.

The Eastern Iowa Regional Housing Corporation (EIRHC) is a subsidiary of EIRHA and was established in 1990. It is organized as a not-for-profit under the provisions of Chapter 504A of the Iowa Code and serves six counties: Cedar, Clinton, Delaware, Dubuque, Jackson, and Jones Counties in Eastern Iowa. The purpose of EIRHC is to promote the general social welfare of eligible occupants of rental housing as determined by the US Department of Agriculture (USDA), Iowa Finance Authority (IFA), and Iowa Economic Development Authority (IEDA) regulations, without regard to race, color, religion, creed or national origin; to acquire, construct, improve, and operate any real or personal property or interest or rights. EIRHC owns and manages 10 elderly and/or disabled 1 bedroom rental units: six in Grand Mound, Iowa, and four in Worthington, Iowa. Rental assistance is financed by USDA for these units.

The Eastern Iowa Development Corporation (EIDC) is a for-profit entity and a wholly owned subsidiary of EIRHC. The EIDC was formed to serve as the general partner in all Low Income Housing Tax Credit

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(LIHTC) projects. The Peosta Evergreen Meadows (32 units) and Asbury Meadows (24 units) properties resulted from this formation

Sustainable Design

To encourage a more sustainable region, the Dubuque Smart Plan encourages green building strategies for residential development including: public health, energy efficiency, water conservation, smart locations, operational savings, and sustainable building practices. These strategies enhance affordable housing, community facilities, town centers, and communities as a whole.

In addition to increasing resource efficiency and reducing environmental impacts, green building strategies can yield cost savings through long-term reduction in operating expenses. The benefits include improved energy performance and comfort, a healthier indoor environment, increased durability of building components, and simplified maintenance requirements that can lead to financial efficiencies for property managers and owners. Green building practices improve the economics of managing affordable housing, community facilities, and Main Street businesses while enhancing quality of life for residents, visitors and employees. When green building practices guide the location of our buildings – placing homes, community facilities and businesses near community amenities such as public transportation to create walkable, livable neighborhoods – the benefits for citizens and communities expand to include fewer sprawl-related transportation impacts. Housing built using the green building strategies must be cost effective to build, and durable and practical to maintain. In addition, the principles work together to help produce green buildings that, result in a high-quality, healthy living and working environment, lower utility costs, enhance connections to nature, protect the environment by conserving energy, water, materials and other resources, and advance the health of local and regional ecosystems.

The City of Dubuque’s Green and Healthy Homes Initiative (GHHI) is designed to address home-based environmental health hazards and energy efficiency issues with integrated health, safety, lead hazards reduction, energy efficiency and weatherization interventions in low-to-moderate income homes. The City of Dubuque is currently seeking funding to implement the GHHI within the city, and planning is underway to expand the initiative to other communities within Dubuque County.

Future Needs

Senior Housing – Over the next 30 years the population of Dubuque County will continue age. The communities of Dubuque County should plan for increased demand for extended care and assisted living facilities. Communities should also look into strategies, such as universal design and mixed-use transit-oriented development patterns that give elderly residents access to daily needs and allow them to stay in their own home and maintain an independent lifestyle.

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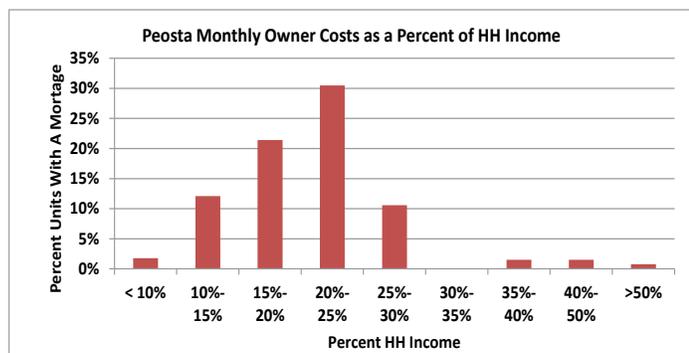
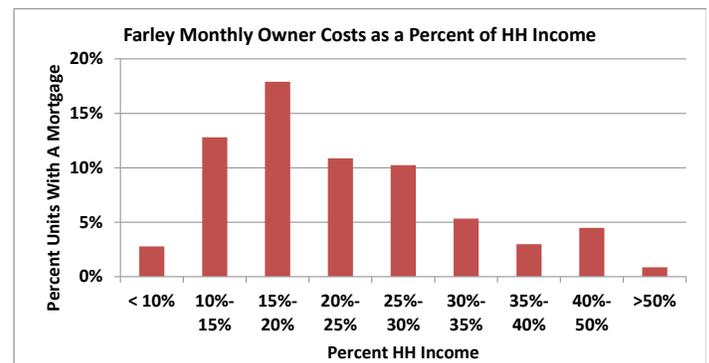
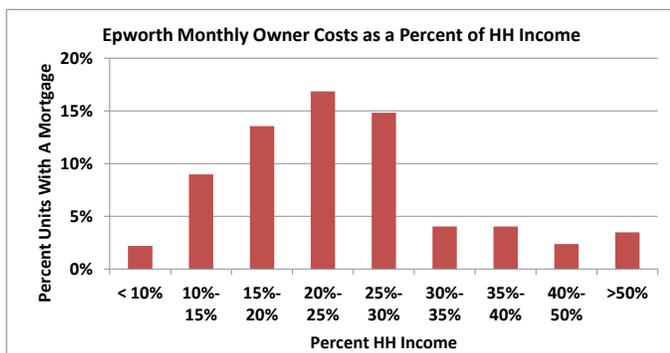
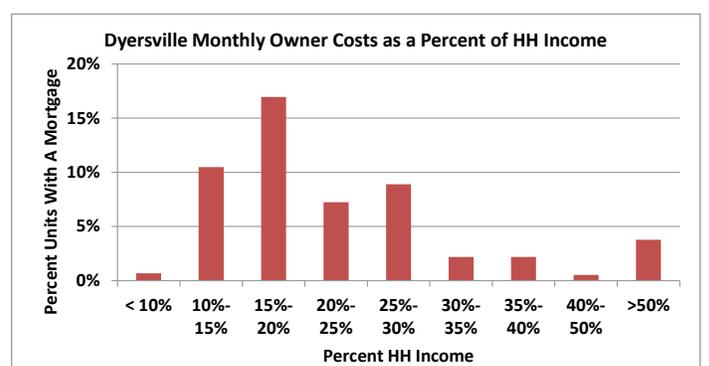
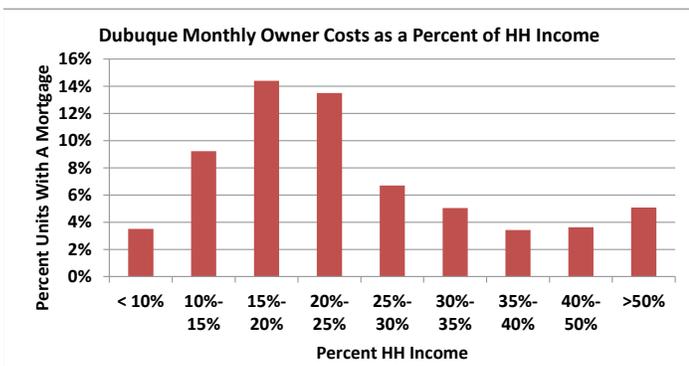
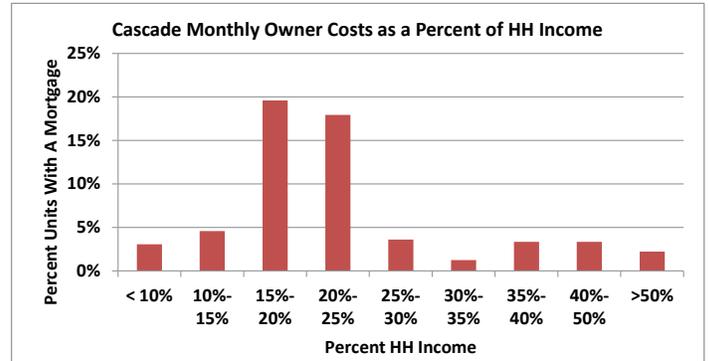
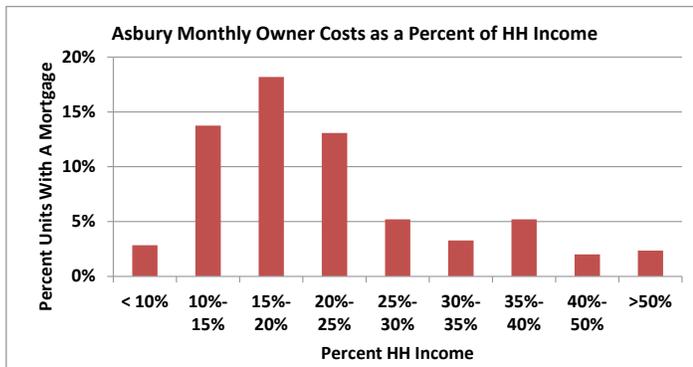
Low and Extremely Low Income Housing – The economic downturn has created more demand for low income housing services. Communities should continue to work with HUD and other agencies to expand homeownership opportunities, preserve existing affordable housing, and prevent homelessness.

Workforce Housing – Many households of moderate income can have difficulty getting into good quality housing. Communities should implement programs to help working families find housing that is affordable.

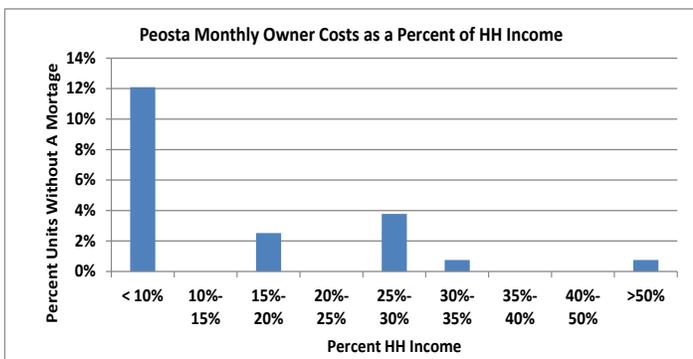
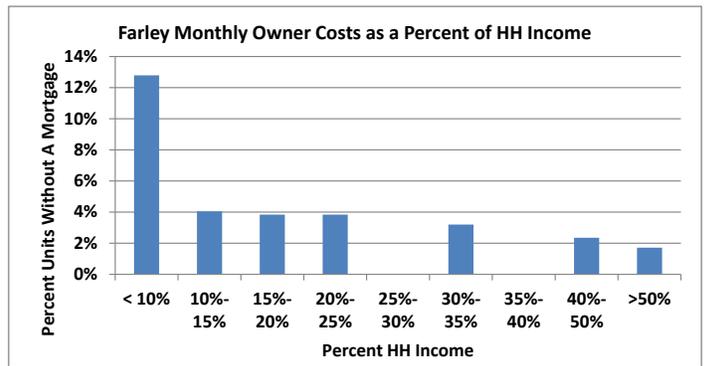
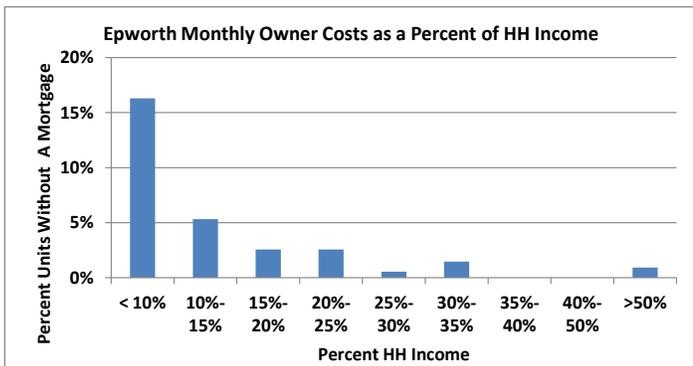
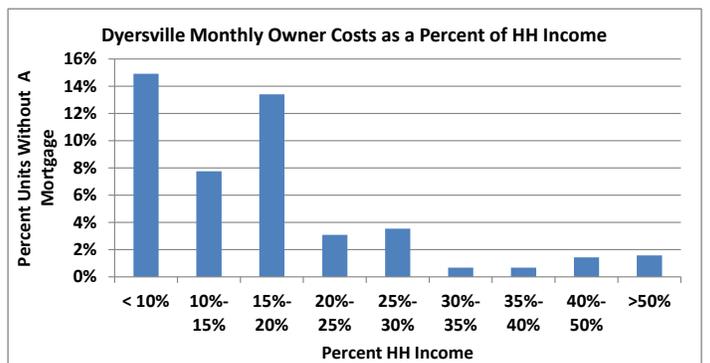
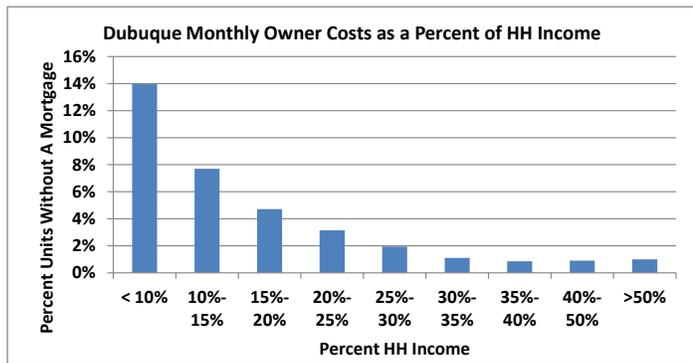
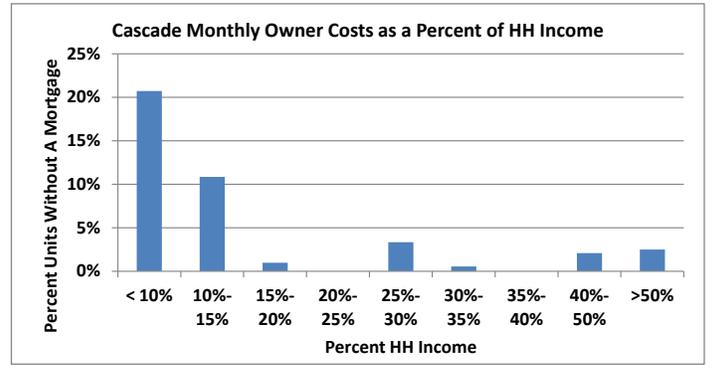
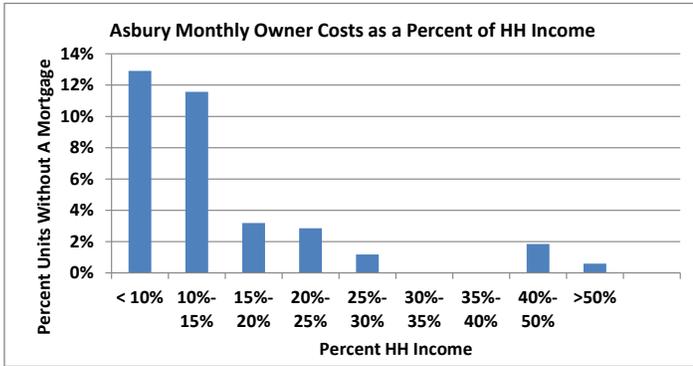
Rental Housing – Examination of census data has shown that while owner-occupied housing units in Dubuque County are relatively affordable when compared with the rest of the Country, the same can not be said about rental housing. Many renters are paying upwards of 35% of their income for housing. Communities should conduct further analysis to determine the factors behind the high cost of rental housing and look into methods to improve rental housing affordability.

Housing + Transportation Costs – Data from the Housing + Transportation Index shows that 70% of Dubuque County residents spend more than 45% of their income on housing and transportation. The data also reveals that the most affordable areas are located within urban areas. Communities should look into methods to direct more housing towards urban areas and to help reduce transportation costs.

Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months
 Owner Occupied Housing Units With a Mortgage
 Source: 2005-2009 American Community Survey 5-Year Estimates

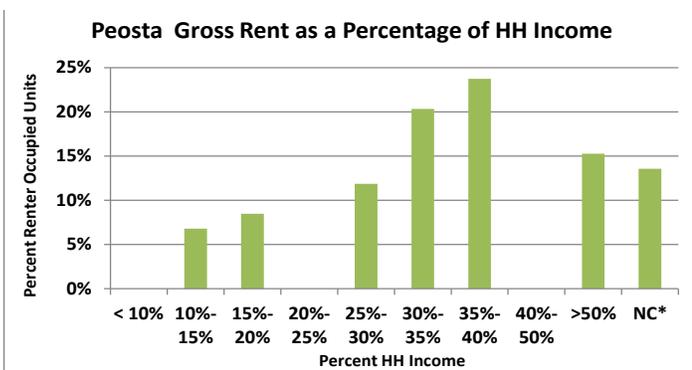
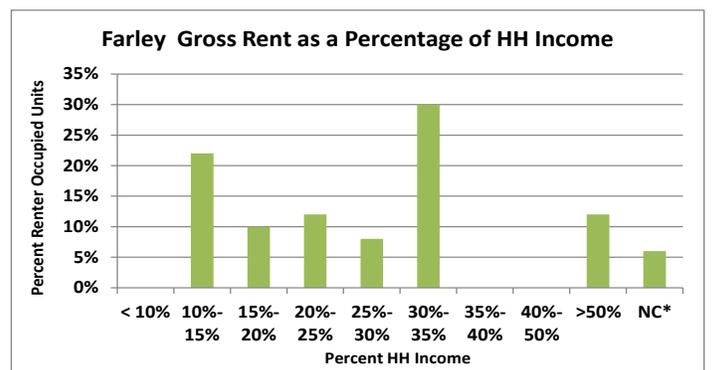
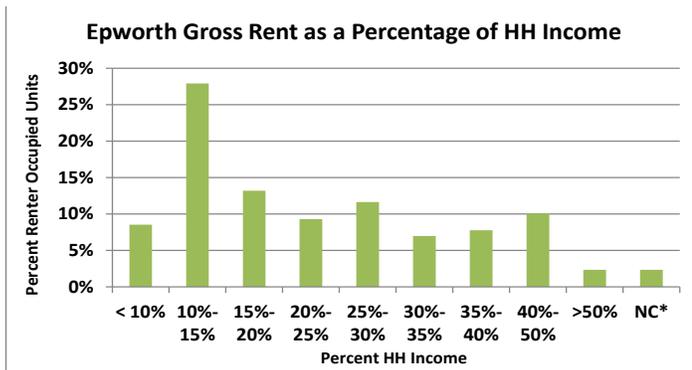
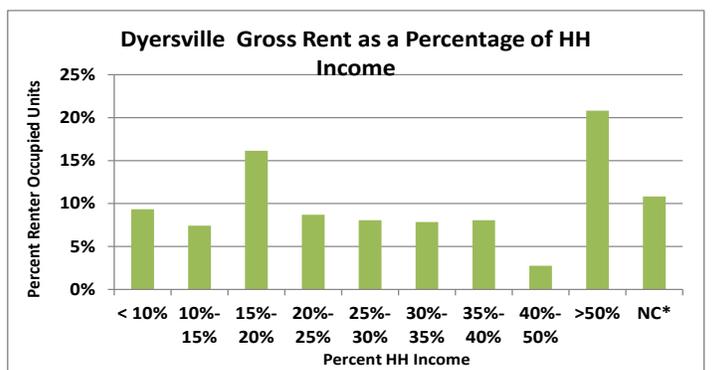
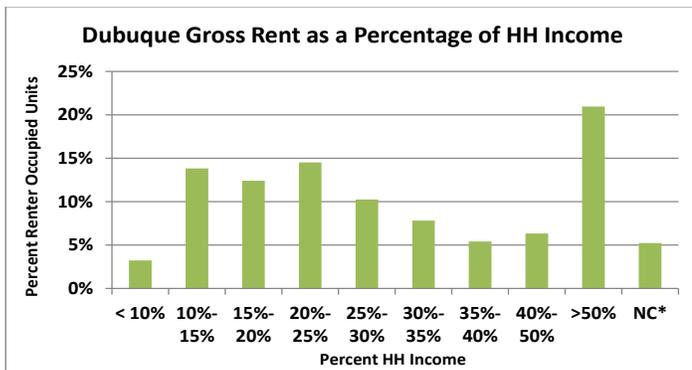
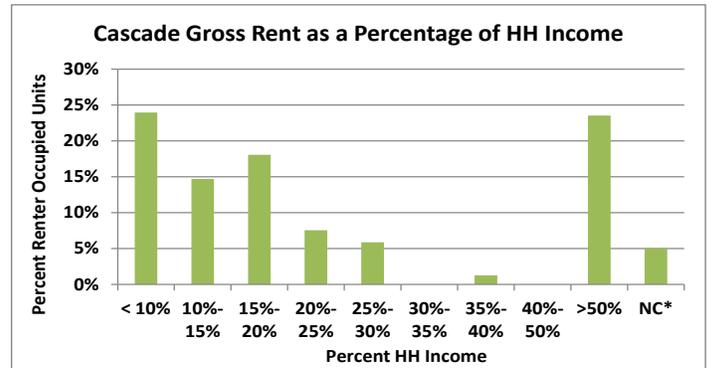
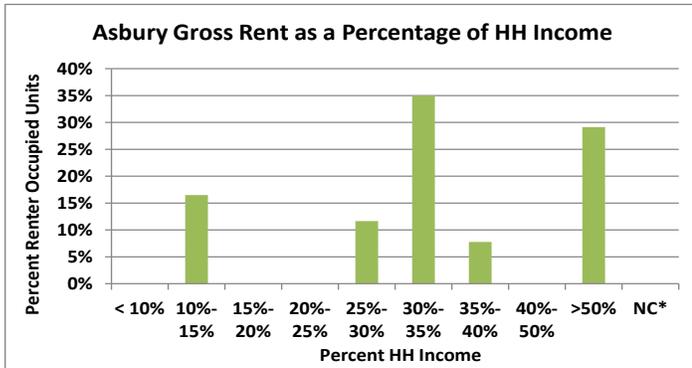


Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months
 Owner Occupied Housing Units Without a Mortgage
 Source: 2005-2009 American Community Survey 5-Year Estimates



Gross Rent as a Percentage of House Hold Income in the Past 12 Months

Source: 2005-2009 American Community Survey 5-Year Estimates



Gross Rent. The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).

*NC = Not Computed