

Analysis of Housing in Iowa July 2017

DRAFT

Ehren Stover-Wright

Research Director

Institute for Community Alliances

1111 9th St Suite 245

Des Moines, IA 50314

Phone: 515.246.6643

Fax: 515.246.6637

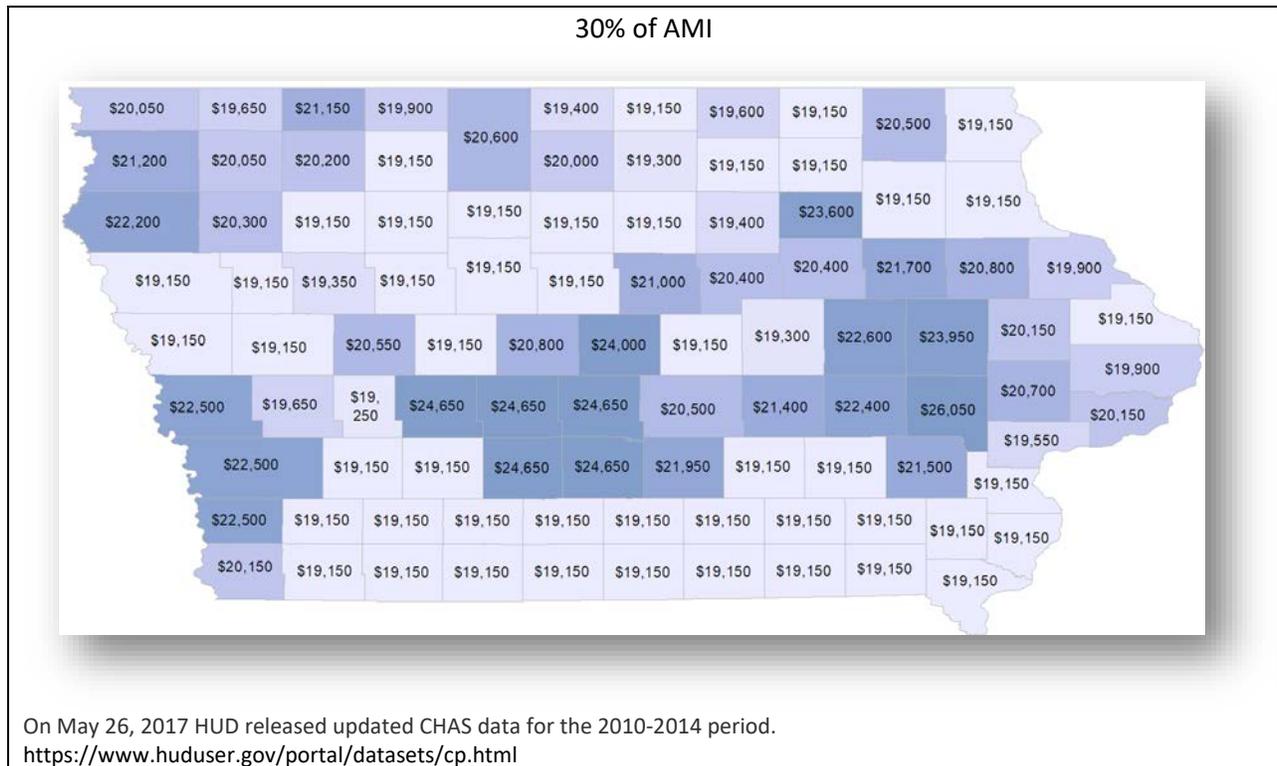
ehren.wright@icalliances.org

www.icalliances.org



Analysis of Housing in Iowa, July 2017

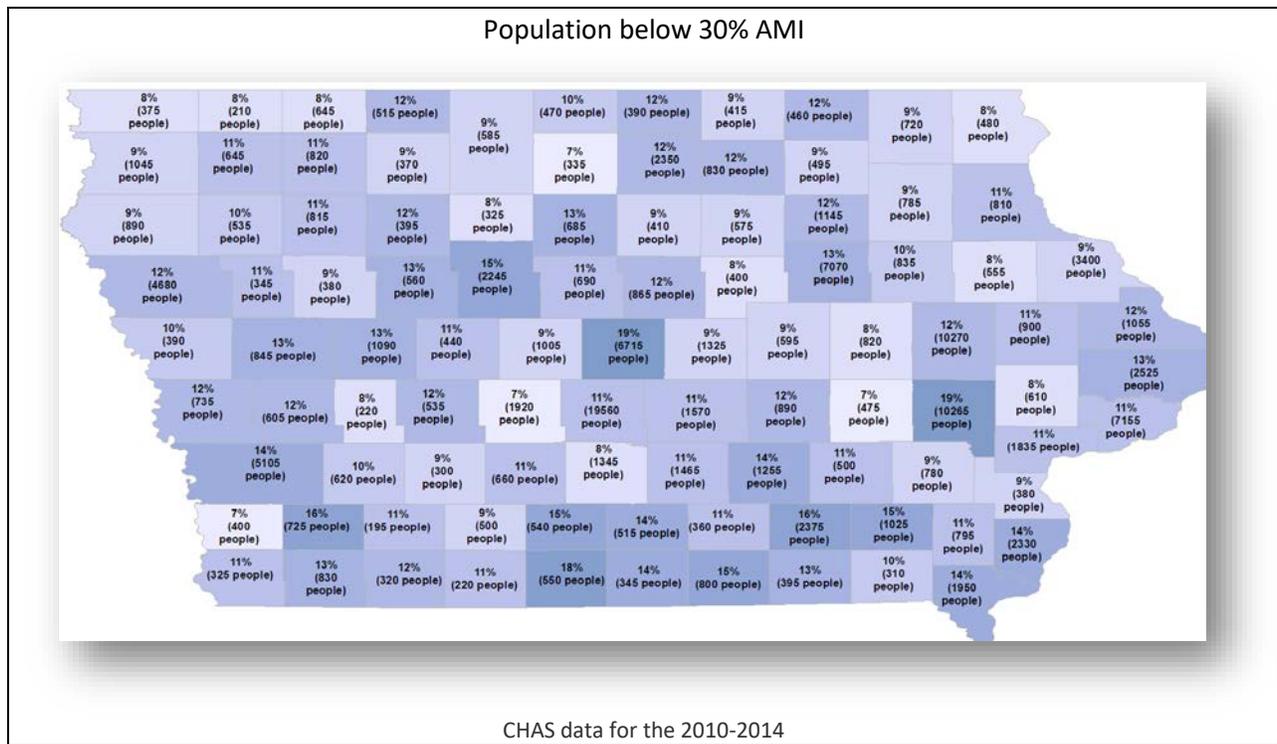
Federal poverty guidelines say that a family of four making less than \$24,600 per month is in “poverty”. HUD recognizes that determination for eligibility should be more local and determined by the income of the family relative to the local (*area*) average (*median*) *income* (AMI) because it is more likely to reflect the local housing market. Generally, families and individuals making less than 30% of the Area Median Income will be eligible for assistance like permanent supportive housing and rapid re-housing. Most counties place that mark well below poverty (\$19,150 mode), so in those places there will be a portion of the population that is “in poverty” but not below 30% of AMI. Polk, Dallas, Warren and Madison counties, along with Guthrie county, form an area where the poverty line is just \$50 below the 30% of AMI line. In Johnson county, there is a segment of the population that is not in poverty but is below 30% of AMI.



Within each county we can identify the count of persons who have income in that range, by county. This map is shaded according to the percent of the population in the county with income below the threshold, the percent of population under 30% of Area Median Income. From 7% of the population up to 19% of the population is below 30% of AMI. Story County and Johnson county are high end counties at 19%, which is not surprising because they are counties that also have high AMI. But Decatur county with 18% and several counties at 16% and 15% are at the bottom of the AMI range but near the top of the population below 30% of AMI, indicating that those are counties with a significant population with low income.

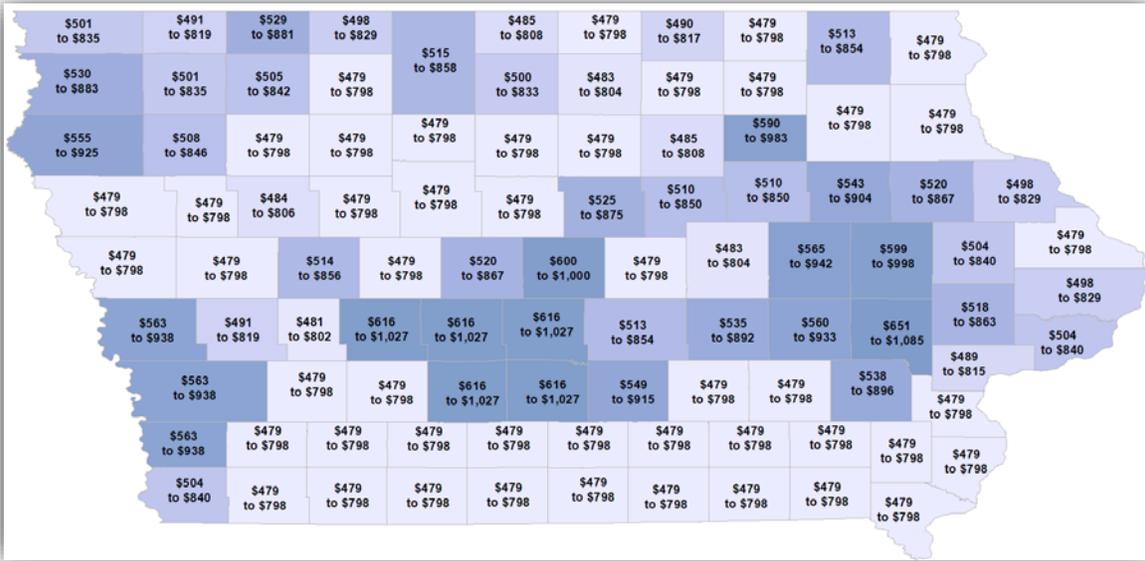
This map also shows the absolute number of people in that population. Of course, higher population counties will have more people below the 30% threshold. Polk is approaching 20 thousand people. Johnson and Linn are both above 10 thousand. Scott, Blackhawk and Story are around 7 thousand. Several counties are in the 5000 to 2000 range.

Woodbury county is eighth in Iowa at 4,680 and Dubuque county is ninth in Iowa at 3,400 people.



We consider those with income at 30% of AMI, and remember the population identified is *below* that, then allow that the family can reasonably spend between 30% and 50% of their income on rent. So, we call that rent rate between 30%-50% of Area Median Income *Affordable Rent*. There is a traditional understanding that a third of income should be spent on rent, a third on food and a third on other expenses. In recent time that view has given way to the reality that, with SNAPs and pantry use it is possible to spend more than a third of income on rent, and so some consider 50% of income going to rent is reasonable. This approaches the calculated value for fair rent, but is specifically calculated to show what is affordable for this specific group.

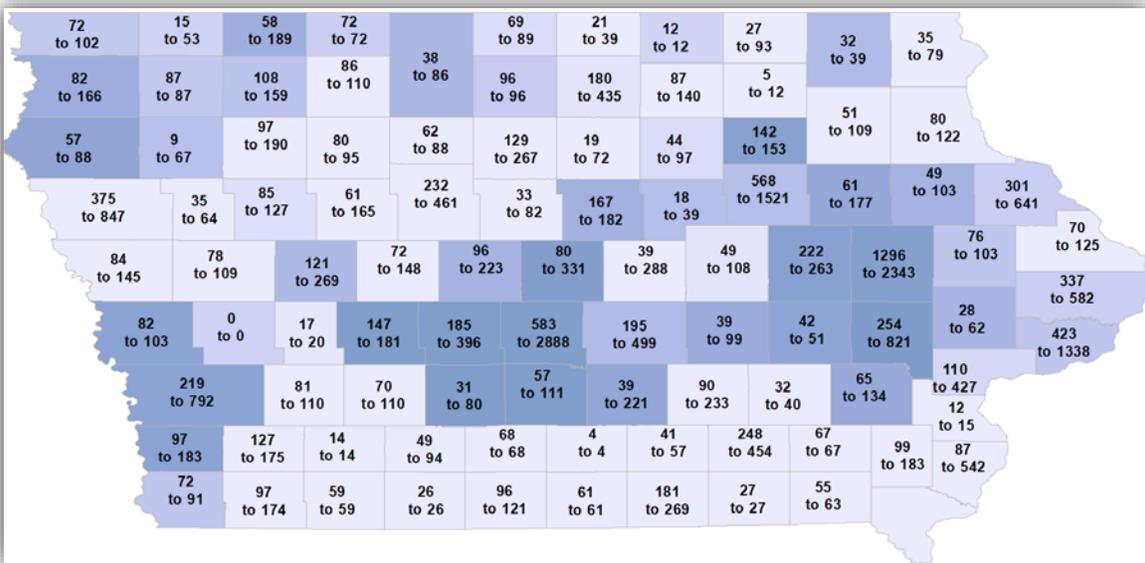
Affordable Rent at 30% to 50% of an income at 30% of AMI



CHAS data for the 2010-2014

How many units in the local area are available for this population? We can use census data on the number of units available for rent in various price categories to get a sense of how many units are available in the price which would fall below in the range of affordable for a family making 30% of AMI spending between 30% and 50% of their income on rent. Then we can see that in each county there are some quantity of units available.

Available units that are affordable spending between 30% and 50% of 30% of AMI

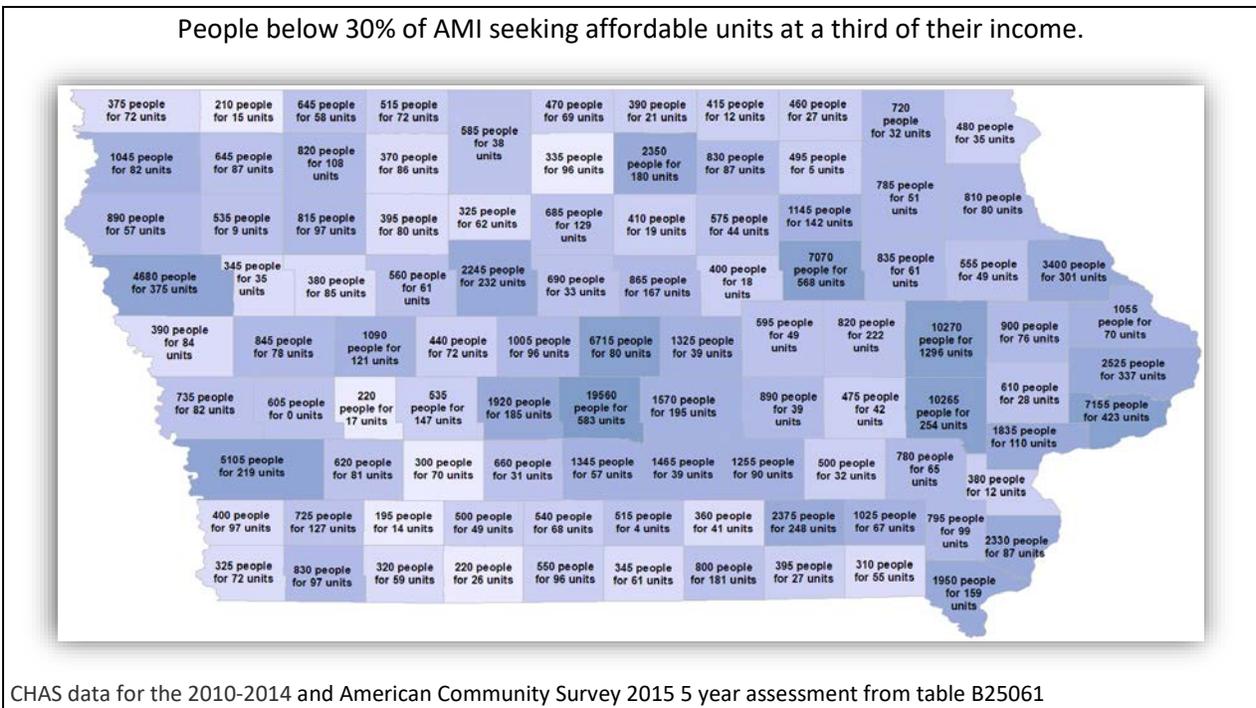


American Community Survey 2015 5 year assessment from table B25061

Now we can calculate deficits of units in the county. We operate under the best possible assumption, that those who are poor still should be able to afford food, rent, and other necessities, a sense of economic justice consistent with the practices of the United Nations as described by Amartya Sen. We need to arrive at a single number as the point of comparison. We use the idea that a third of income is spent on rent at 30% of AMI.

In every county, there is a shortage of units for rent at the affordable rate. This map is shaded by the ration. Darker counties have fewer units per person in need. Lighter counties have more units per person seeking units. Shelby county has zero available units at the price asked in the affordable range. 11 counties have more than 30 people seeking each available unit. 11 counties have fewer than 5 people seeking each unit. Ignoring Shelby county, the median of the other 98 counties is 11.2 people per unit.

Every single county has a crisis of affordable housing at the low end of the market. The darker counties have larger crisis. Shelby county is off the charts.



People who have become homeless in Iowa and went into a shelter are the extreme end of poverty. The programs in Iowa range from serving street outreach addressing people living in their cars or in tents, those in emergency shelter, those in transitional housing programs to address shortcomings in their lives that have been identified as causal of their instability, those living in rapid-rehousing programs which move people from homelessness to stability using a housing first model, and permanent supportive housing which provide supports for people with significant disabilities. Their ability to manage living in this housing crisis has failed to the point that they do not or did not have a place to sleep.

The Homeless Management Information System (HMIS) captures data about those people who were served.

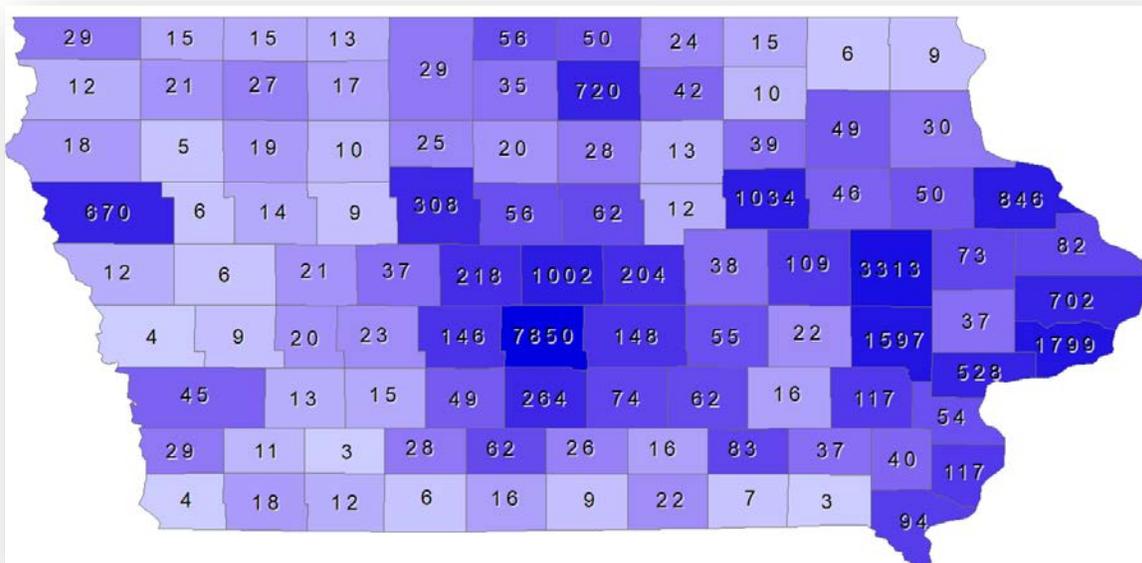
We know where those people received services. We also know where they lived before they came into service, based on the zip code of their last permanent residence. We can use the HMIS data to get a total count for the year and we use the HUD formula based on participation rate to extrapolate to the broader community and get a sense of how many people were served in each county. 19 counties have HMIS participating providers.

We understand that people who are homeless or experience extreme housing instability have a variety of strategies. Generally, moving to an urban center and seeking services is a last resort. More often people will move into shared households or *double-up*. This is a frequently problematic solution, because people available to double-up with are also experiencing instability and there is lack of choice, so shared households often include unreliable or even dangerous people.

We use the data we have about zip code of last permanent address with the multiplier based on the HUD formula derived from HMIS participation rates to arrive at. All are certainly under 30% of AMI. If they were not, they would not resort to shelter.

HMIS data shows that people who are homeless have very low income. About 50% have no income at all. The other half average 10%-12% of AMI.

Estimate of how many people from each county became homeless in 2016



HMIS and HUD formula for extrapolation.