



HOUSING REPORT

LIVE UNITED



United Way
of East Central Iowa

WE FIGHT FOR HOUSING STABILITY IN EAST CENTRAL IOWA

WHY HOUSING MATTERS

Shelter is widely understood as a basic need and protection from external threats. But access to a home is so much more and even directly affects overall health and well-being.

In 2016, the MacArthur Foundation conducted a survey to find out what Americans think and feel about their homes. MacArthur President, Julia Stasch explained, “Having a decent, stable, affordable home is about more than shelter: It is at the core of strong, vibrant, and healthy families and communities.”¹ A home is the primary place for family life and an asset which builds financial wealth and stability. When families lack stable housing, the entire family suffers.

In another study, respondents indicated a direct correlation with access to a home and their health, both physical and mental, and ability to attain self-fulfillment and self-development.² For children, lack of stable housing can translate to poor academic achievement, chronic absenteeism, and poor health outcomes like asthma and decreased growth and development.

Housing also has a distinct multi-generational impact. In adults, a stable home not only increases an individual’s likelihood to stay in a job longer, it also increases productivity at work. When parents are not struggling to find safe, stable housing, they are able to interact with their children and take an active role in their development. Homeownership is a way families transfer wealth from parent to child.³ Housing has a multiplying impact through the community.

WHAT IS THE ISSUE?

In United Way of East Central Iowa’s (UWECI) five-county service area, housing stability continues to be the number one need.⁴ One in three renters and one in five homeowners are housing cost burdened. Households become housing cost burdened (HCB) when they spend more than 30% of their monthly income on housing.

FIGURE 1

Housing Cost Burden in UWECI Five-County Area ⁵					
	Benton	Cedar	Iowa	Jones	Linn
Renter	27%	27%	31%	29%	38%
Owner	21%	21%	18%	20%	20%

This is particularly staggering in Linn County, where HCB households represent 38% of renters, and the extremely housing cost burdened households represent nearly one in five (18%). Extremely housing cost burdened families spend 50% of their monthly income on housing, severely limiting their ability to afford other necessities like food, clothing, and healthcare.

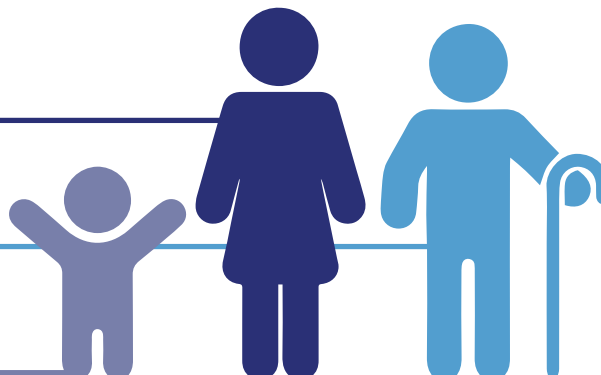
Since 1990, the number of housing cost burdened families has increased 123% in Linn County. Wages have not increased at the same rate as housing costs, particularly rental rates, which makes it harder for families to find affordable housing. In just two years (2013–15), the average housing costs increased 6.8% for one bedroom and 8.2% for a two-bedroom apartment.⁶

A home is critical to the success of anyone in a household young or old, male or female.⁷

Adequate housing is critical for local jobs & strong economies.

Affordable housing is vital to positive health outcomes

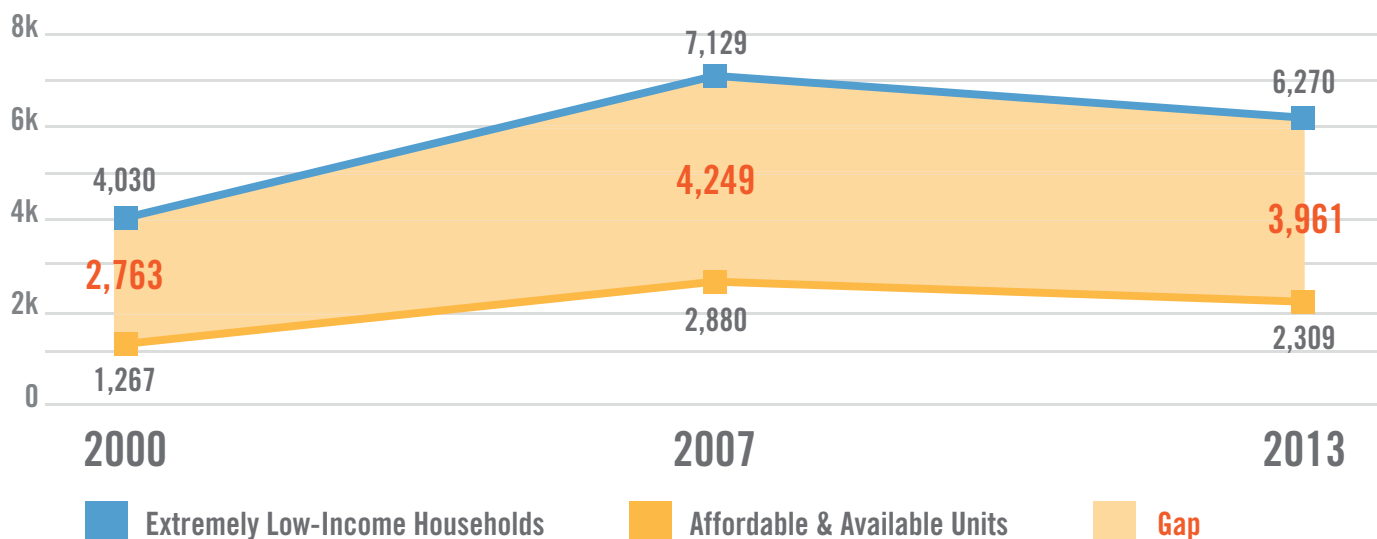
Stable housing is essential to kids’ success in school.



Access to publicly subsidized housing is not available to many low-income families. Nationally, three out of four households qualify for subsidized housing but do not have access to it. The City of Cedar Rapids Section 8 program currently houses 1,165 households. However, there are 1,321 households on the waiting list. In some of our nation’s larger cities,

FIGURE 2

Gaps Between Available Units & Number of Households in Linn County



the wait can take decades. While this trend locally is not as severe, Section 8 alone is not a reliable solution for families in need of stable, affordable housing today.

WHO IS IN SECTION 8 HOUSING?⁸

- 72% Annual income less than \$15,000
- 51% Families with children
- \$13,000 Average income at program exit (Affordable rent: \$325)

Another common way families gain access to safe and affordable housing is through federal programs like the Low-Income Housing Tax Credit (LIHTC) and the HOME program. To keep units affordable, the government provides financial benefits to developers to keep units at affordable rates for an extended period. Per the National Housing Preservation Database, that period is running out. In fact, in Linn County, an average of 177 affordable units will expire annually for the next 10 years, totaling more than 1,700 units of the total subsidized stock of 2,906 units.⁷ Without additional subsidy, developers will most likely not keep units at affordable rates.⁹

Most of the 2,906 units are limited to low-income households with an annual income of 60% Area Median Income (AMI) or less, which in Cedar Rapids is \$41,160 for a household of three. A recent Urban Institute study estimated 6,270 extremely low-income households in Linn County, as seen in **Figure 2**, earning 30% AMI which is an annual income of \$21,500 for a household of three.¹⁰

WHO DO THESE TRENDS IMPACT?

While homeowners face the risk of unaffordable housing costs, the gap in affordable housing is greater for renters. As shown in figure one, homeowners are also HCB but at lower rates. The negative consequences on mental and physical well-being are significantly lower for HCB homeowners than they are for HCB renters.¹¹ Homeowners also gain an asset by owning a home since mortgage payments create equity. Equity is a portable asset that belongs to the homeowner. Renters are at more risk of housing instability, higher HCB rates, and eviction.

Renters in Linn County tend to be younger and lower income compared to homeowners. To become a homeowner, one must save enough money for a down payment, so homeowner rates increase with age. However, across all age groups, the median income of renters is about half that of same-aged owners.

This indicates an inability to increase income. As one Harvard study explained, “Recessions have been a major factor in holding back renter income growth, suggesting that renters are more susceptible to layoffs and unemployment in weak labor markets and have a more difficult time recovering afterward. The downturns in the early 1990s and 2000s hit renters especially hard, pushing their real median household incomes down three times more than those of homeowners.”¹²

Nationally, homeownership rates have fallen across all demographic groups. However, in Linn County, renter rates have grown especially high for young, single female-headed, and African American households.

FIGURE 3

Income and Rates of Poverty by Occupancy Type ¹³			
	Median Income	Percent below 100% FPL	Percent below 250% FPL
Owner	\$72,774	2%	31%
Renter	\$29,765	28%	72%

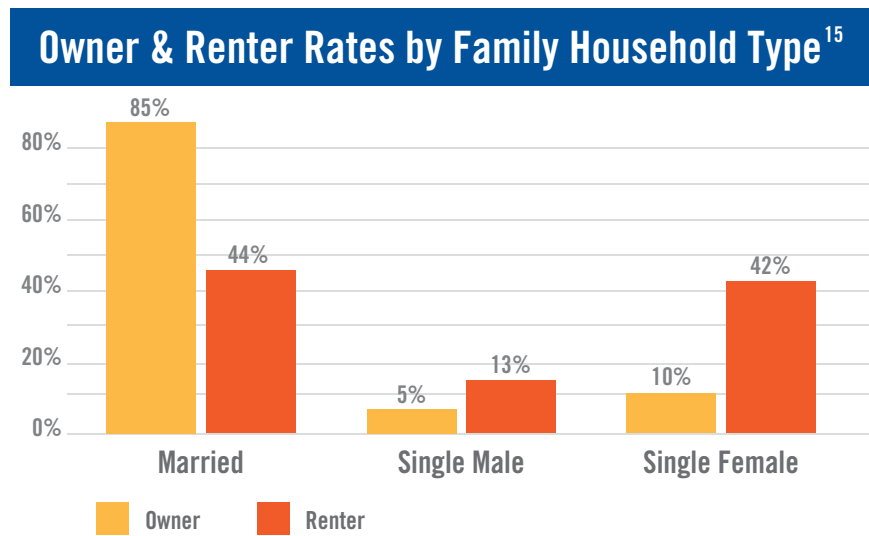
In Linn County, the median income is 2.5 times higher than that of renters, who are more likely to be below the federal poverty line.

FIGURE 4

Income by Household Type in Linn County ¹⁴		
	Percent of Households	Median Income
Married-couple families	78%	\$88,094
Male householder	6%	\$43,997
Female householder	15%	\$34,274

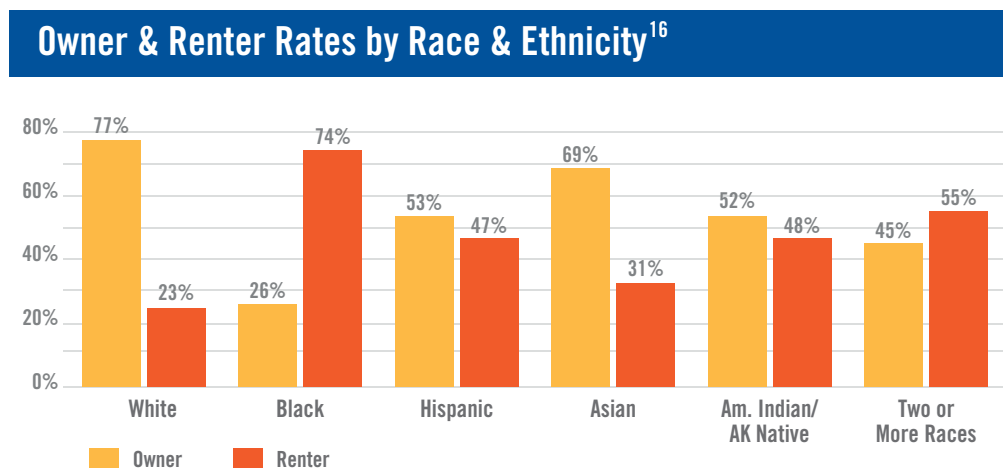
The income gap between renters and owners, regardless of age, is also due to the number of low-income households with one wage earner.

FIGURE 5



In Linn County, single female-headed households with children make up 42% of family renter households, whereas 85% of owner households are married households.

FIGURE 6



In addition, white households are more likely to be homeowners than other races and ethnicities. Only 23% of African American households are homeowners compared to 77% of white householders.

HOW MANY PEOPLE DOES THIS AFFECT?

About 8,757 renter households do not have access to affordable housing in Linn County. This does not include households that choose to live in more expensive housing, despite ability to find more affordable housing; families who live in affordable but poor quality housing; or households renting illegally without a rental permit or lease agreement.

When affordable housing isn't available, families must decide if they want to spend more than they can afford on housing or live in poor quality housing. Communities need to have a variety of options to ensure affordable housing at every income level since not all families have the same needs. Some require deep intervention to find and keep housing, while others simply need affordable options to be successful. Regardless, there is a distinct gap between homeless and resilient households in Linn County.

Similar to, but different from affordable housing, supportive housing, is a highly effective strategy that combines affordable housing with intensive coordinated services. Supportive housing provides assistance for the most vulnerable community members including those with mental illness, chronic health conditions, histories of trauma, and other struggles that make it difficult to maintain a stable home.

For households to stabilize, they need to move out of temporary or transitional housing. Households cannot stabilize long enough to move up without safe and affordable options at their income level. Without affordable options, renters in the middle are stuck unless they jump into homeownership opportunities which are often not possible for families that have been in crisis. To purchase a home, buyers need to meet criteria including having a decent credit score, a savings account, and a down payment.

As households enter the workforce, they need safe, affordable housing options. Many entry-level positions pay minimum wage, currently \$7.25 per hour or an annual full-time salary of \$15,080. A person earning this salary could afford \$377 per month in rent and still afford other expenses. Access to Section 8 housing is

an option for a household at this level; however, this is not currently an option for many families. In Linn County, it is difficult for a family of three or more with housing barriers to find safe and quality housing with rental rates below \$550 per month.¹³ **In fact, extremely low-income households are more than three times more likely to live in inadequate housing.**¹⁴



WHO IS DOUBLED UP?
Single mom, two kids
\$15,000 per year

A mom was evicted because of domestic violence and now lives with a friend. She works as a waitress at a local restaurant. She never knows how much she will be scheduled to work which impacts finding reliable childcare and her ability to budget.



WHO IS HOMELESS?
Mom, dad, five kids
\$27,000 per year

A family new to the area is struggling to find housing. They lived in their car before moving to Waypoint's shelter. The dad found work at a factory and mom in retail. They can afford \$800 in rent, but cannot find affordable housing that can accommodate their family.



WHO IS AN AT-RISK LEASE HOLDER?
Home Health Aide
\$14 per hour/
\$29,000 per year

A volatile work schedule makes maintaining housing very difficult. She doesn't know when she will work or how many hours per week, which makes budgeting for her housing impossible. Her car broke down, which means she will pay rent late and run the risk of eviction, or have her car fixed so she can continue to work.

FIGURE 7

	Homeless	Doubled-Up	Lease holder, at risk	Lease holder	Stable	Resilient
	Can't pay for housing		>50% HCB	~30% HCB	>30% HCB	<30% HCB
Household Income	< \$10,260	\$20,600	\$27,360	\$41,040	\$54,750	> \$54,750
Affordable Rent	\$256	\$515	\$684	\$1,026	\$1,368	\$1,368
Number in Need	3,024	4,625	2,195	5,825	3,051	9,570
Units Available	820	4,188	6,300	7,224	2,997	741
Housing Unit Need	-2,204	-437	4,105	1,399	-54	-8,829

CONSEQUENCES FOR FAMILIES AND IMPACT ON CHILDREN

When families do not have access to appropriate housing, the community and families face extra costs and consequences¹⁵:

Short-Term Consequence

- Homelessness
- Eviction
- Financial insecurity
- Job loss
- Lower investment in education

Indirect Consequence

- Lower educational attainment for self and children
- Worse health
- Lower home ownership rates

Lifetime Consequence

- Long-term under- or unemployment
- Lower retirement income
- Lower wealth at retirement
- Higher health costs
- Shorter life span

more than 40%. The January 2017 Point in Time report showed 234 homeless children in one night. During the 2015–16 school year, school districts reported 845 children experienced some level of homelessness, or doubled-up situations, with 71% living in Cedar Rapids.¹⁶ The number of students in the Cedar Rapids School District experiencing some level of homelessness increased by 27% the past five years (Figure 8).

Impacting Children

Children living in doubled-up situations, or who are homeless, lack conditions needed to be academically successful. Shelters are full in Linn County, which can make them noisy, chaotic, and overwhelming for children. This can interfere with a child’s ability to complete homework assignments and get sufficient rest. Additionally, “parents experiencing homelessness or residential instability may not be able to prioritize helping children with their homework or be involved in school activities and when controlling for family characteristics, children living in overcrowded conditions completed less schooling than their counterparts.”¹⁷

When families can only afford \$550 or less per month in rent and do not have access to a housing subsidy, they often live in

poor quality housing. Poor quality homes negatively impact health by exposing families to mold, dust, insects, and rodents. These conditions increase the risk of asthma and other ailments and cause lower educational outcomes for children through poor school attendance. Asthma is the number one reason children miss school, and when linked to a child’s surroundings, can lead to chronic absenteeism. Chronic absenteeism impacts all children in the classroom, even those in good health with stable housing.¹⁸

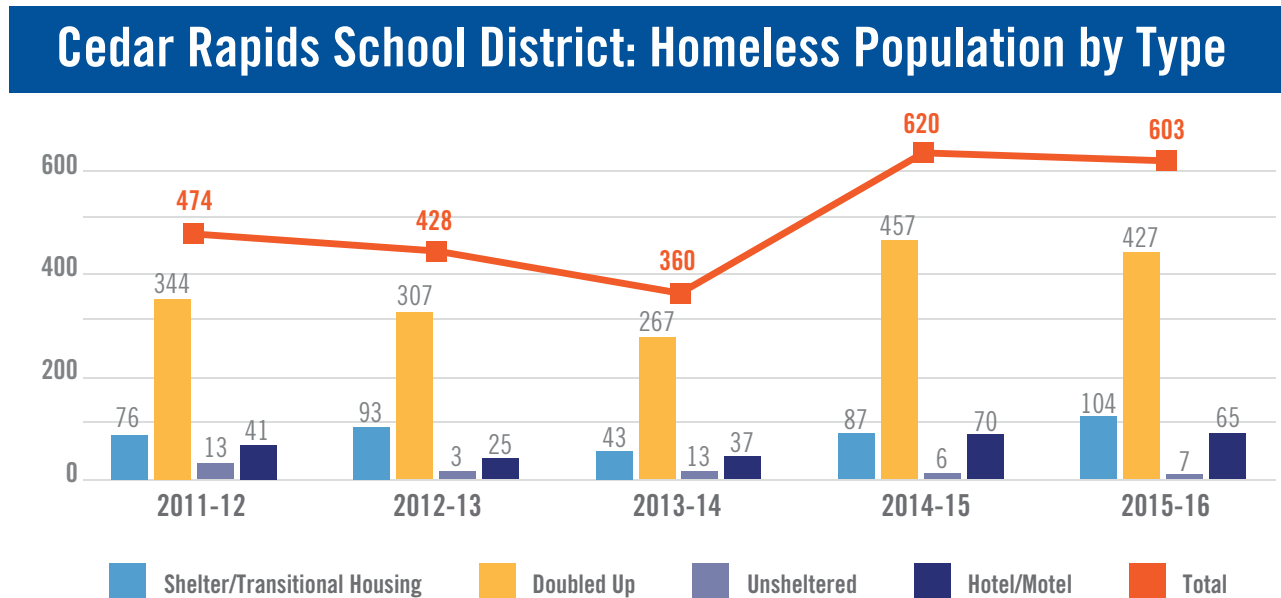
Poor quality neighborhoods have higher crime rates and further affect children’s well-being. This is due to “the increased risk of physical harm when children live in unsafe neighborhoods which impose severe psychological stress on residents, and concerns about safety may prevent them from participating in outdoor activities. These pressures not only have significant health consequences that undermine the fundamental well-being of families and individuals, but also impair their ability to escape poverty.”¹⁹

Impacting Families

Renters are more likely to face housing instability, and nearly half of the renter population are single-mother households. Single-mother households on average

Homelessness is a common outcome families face in Linn County. Since 2014, homelessness has wavered between 388–523 people, with children representing

FIGURE 8



make \$10,000 less per year than single-father households and \$54,000 less than married households. This puts single female-headed households at most risk of becoming HCB in Linn County. “The struggle to meet high housing costs forces the lowest-income families to move often, disrupting daily routines and social networks and mobility rates are highest for low income households”. Matthew Desmond’s research shows single mothers with children are more likely to face eviction and even posits that this phenomenon has become an epidemic.²⁰

In 2016, there were 1,612 evictions in Linn County which equates to more than four households per day.²¹

This represents evictions through the civil court system and does not include evictions outside of the court system. Through his research, Desmond found for every formal eviction, there were 10 informal evictions.²² For families with a record of eviction, it is harder to access any quality of housing, and even impacts job stability.

Forced removal from housing, such as eviction, hinders low-wage workers’ job performance. “Undergoing a forced move can consume renters’ time and cause them to miss work; consume their thoughts and cause them to make mistakes on the job; overwhelm them with stress and cause them to act unprofessionally in the office; result in their relocating farther away from their worksite and increase their likelihood of tardiness and absenteeism; and lead to homelessness, relationship dissolution, and other severe consequences.”²³

These events often happen in a short amount of time, uproot families, and leave them with few options, impacting both physical and mental health. In fact, “after eviction, renters report significantly higher rates of depression; and some studies have even linked eviction to suicide.”The likelihood of job loss following housing instability like eviction is as much as 22% higher, even among workers who were otherwise stable.²⁴ As the number of HCB households increases, so will housing instability, forced

removals, employment instability, and loss in productivity.

Impacting Communities

Housing instability impacts the whole community. It affects employers’ ability to attract and maintain employees, stability and quality of neighborhoods, parent’s ability to care for children, health and well-being of families, a child’s ability to be successful in school, and both short- and long-term stability. Because these issues can last for generations, the entire community’s future well-being relies on housing stability.

NEXT STEPS:

- Conduct a neighborhood-level trends analysis and learn how to better address needs and issues.
- Continue research on how evictions impact our community.
- Assess possible cost to taxpayers if housing issues continue.
- Develop pathways to increase income for housing insecure individuals.

WHAT ARE WE DOING ABOUT IT?

Coordinated Housing System: UWEI supports several housing entities that serve some of the most vulnerable people in our community. These organizations provide critical coordinated services to help families find stable housing:

- **Catherine McAuley Center:** Transitional housing for single women and care for individuals who have suffered significant trauma and need additional support to become stable.
- **HACAP:** The Transitional Housing and the Operation Home programs work closely with families and veterans to stabilize in temporary housing, provide long-term case management, and assist in the search for permanent housing.
- **Iowa Legal Aid:** Iowa Legal Aid plays an important role in the housing system by providing legal services to homeowners facing foreclosure, individuals facing homelessness due to domestic violence situations, and tenants facing wrongful eviction.
- **Waypoint Services:** Single female and families with children shelter, Rapid Re-housing, coordinated entry, domestic violence services, Tenant Academy, and landlord outreach and advocacy.

- **Willis Dady Emergency Shelter:** Single men and family shelter which allows families to stay together in times of crisis. Willis Dady also employs a homeless prevention specialist who helps find stable housing for families before they are in crisis.

Member of Linn County Continuum of Care (CoC): UWEI leads the Data Subcommittee, producing the bi-annual Point in Time counts and the annual Individual Family Needs Reports. Both reports work to inform the community on the state of homelessness in Linn County. UWEI also supports the Public Awareness Committee, which educates the public on housing and homeless needs in our community and encourages active engagement.

Cedar Rapids Supportive Housing Evaluation: It is important to include supportive housing strategies in our community’s housing continuum. United Way and others organizations are part of a Four Oaks study to establish what the need for supportive housing is now and what it will likely be in five years and investigate strategies to fill this need.

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