



CHAPTER 6

HOUSING

CHAPTER AT A GLANCE

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CHAPTER 6

HOUSING

One of the City's goals is to promote livable neighborhoods and housing – great places to live for all. This chapter focuses on the City's housing stock, and ways to both strengthen existing housing and neighborhoods while encouraging new housing opportunities to further diversify Dubuque's housing choices.

Housing Mix + Age

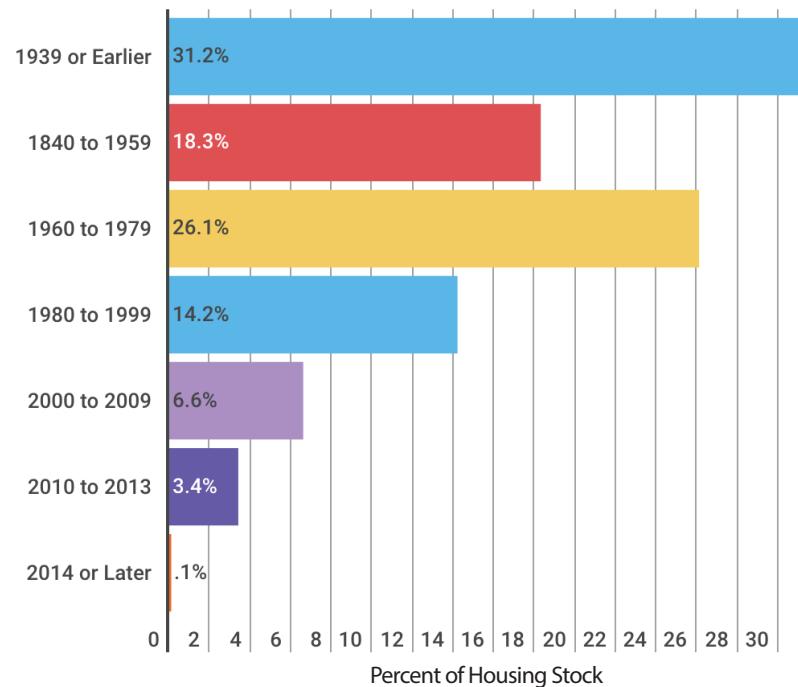
Dubuque developed around industry close to the Mississippi River during the 18th and 19th centuries. Consequently, its core is remarkably historic, with older neighborhoods in and around downtown exhibiting grid street patterns and walkable characteristics. In contrast, Dubuque's West End peripheral neighborhoods are rather auto-oriented, developed during the mid to late 20th century. Downtown neighborhoods and those surrounding the City's Universities and Colleges provide a wide array of housing types. An analysis of Dubuque's housing market segments and how to finance demanded housing products are outlined on pages 3-11 and 3-12 of this plan. Tax Increment Financing (TIF) (see discussion on page 6-9) and New Market Tax Credits are two of the primary financing options. Additionally, affordability and investment in the City's historic housing stock are discussed in the Economic Development Analysis, in the Appendix.

Age of Housing

A significant housing challenge and opportunity in Dubuque is the age of the City's housing stock. As Figure 6.1 shows, over 75% of the City's housing is over 38 years old (built in 1979 or earlier). Older homes are wonderful in many respects – they provide much of the needed quality, affordable housing opportunities, are located in close proximity to services, and have charm and character not found in newer housing. However, maintaining this older housing stock can be a challenge.

■ FIGURE 6.1

□ Age of Housing Stock in Dubuque



Source: American Community Survey, 2015 5-Year Estimates

■ FIGURE 6.2

□ Typical Housing Typologies by Demographics



Renters Profile

Millennials, Downsizing
'Baby Boomers', Transient



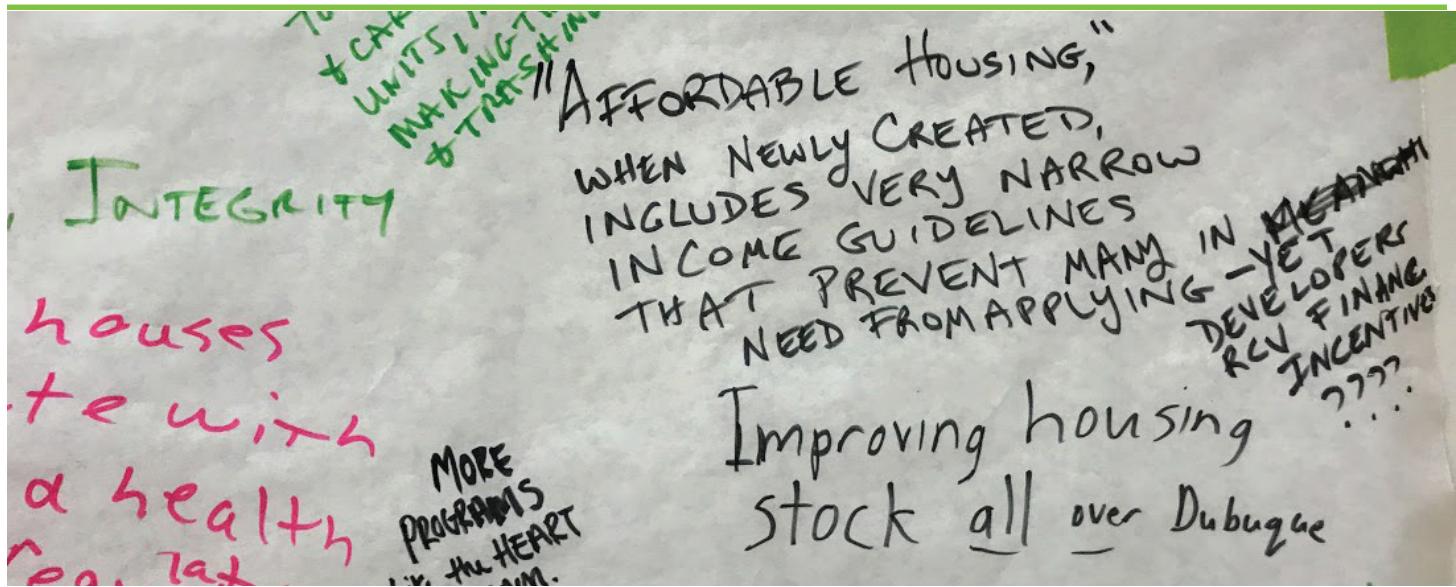
Attracting Families

Primarily Single-Family
Homes



Multi-Family Units

Apartments or Condos,
Renters and Buyers Vary



▲ Ideas regarding housing and affordability shared at the Imagine Dubuque Equity Workshop

Quality Affordable Housing

Strong Housing Market | Affordability Concerns

Throughout public engagement, residents expressed concern regarding the availability of affordable owner-occupied and rental housing as well as wage rates. Regarding affordability, a positive note is slow appreciation of housing prices that have not increased as fast in Iowa or Dubuque as they have in other parts of the country (see table below). However, on a more regional level, as data provided in the Economic Development Analysis included in the Appendix indicates, the less than 3-month supply of inventory on the market and increase in the average sales price of approximately 8% per year indicates a strong sellers' market, particularly for homes priced less than \$350,000 (a 7-month supply exists for homes over \$350,000).

Data from the National Low Income Housing Coalition supports residents' concerns regarding affordability.

- In their "Out of Reach 2017" publication, they note that the Dubuque metropolitan statistical area is the fourth most expensive area in the State of Iowa – requiring a wage of \$15.75 to be able to afford a two-bedroom apartment at an 'affordable' rent.
- An affordable rent is one that would mean not spending more than 30% of gross income on housing. At a minimum wage of \$7.25 per hour, that equates to 2.2 full-time jobs to afford a two-bedroom apartment.

■ FIGURE 6.3
□ Home Appreciation



	1-Year	5-Year
USA	+6.00%	+34.14%
Iowa	+4.53% (32nd)	+18.20%
Dubuque MSA	+2.35% (211 of 256 MSA's)	+9.44%

MSA = Metropolitan Statistical Area

Source: Federal Housing Finance Agency, May 24, 2017 News Release



Location-Efficient Neighborhoods

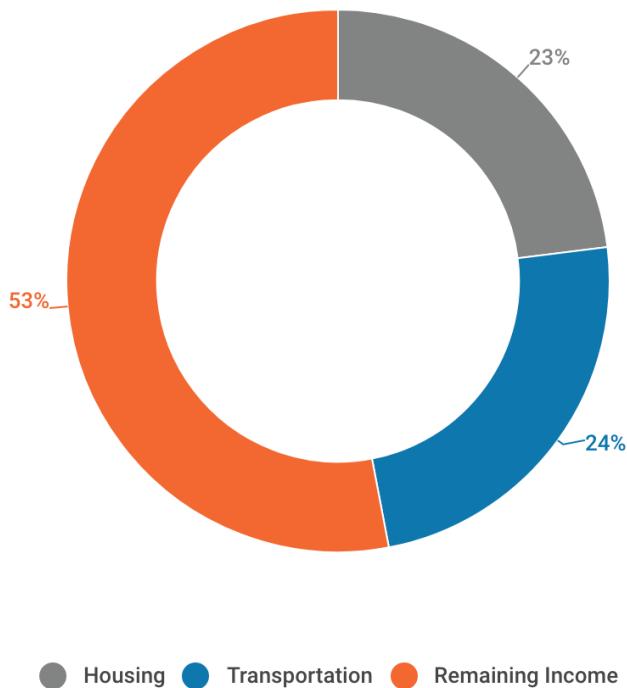
Another insightful way to look at the affordability issue is to examine both housing and transportation costs together.

The Center for Neighborhood Technology's Housing and Transportation (H+T®) Affordability Index provides a more comprehensive approach to examining the true affordability of place. The Index shows that transportation costs vary between and within regions depending on neighborhood characteristics. Location-efficient neighborhoods, like many older neighborhoods in Dubuque, are typically more compact, mixed-use, and with convenient access to jobs, services, transit, and amenities. Location-inefficient places are the opposite – they are less dense and require automobiles for most trips, and thus typically have higher transportation costs. This evaluation highlights the comparative advantage of a location in Dubuque, with reduced transportation costs compared with some neighboring communities.

FIGURE 6.4

□ What Remains? Comparing Average Housing, Transportation Costs and Remaining Income in Dubuque

Factoring in both housing and transportation costs provides a more comprehensive way of thinking about the cost of housing and true affordability.



Dubuque Consolidated Plan

Cost-Burdened Households = Spending more than 30% of one's Income on Housing Costs

The U.S. Department of Housing and Urban Development requires communities that receive funding under the Housing and Urban Development programs to complete a Consolidated Plan. Consolidated planning is a collaborative process whereby the City of Dubuque establishes a unified vision for community development actions. The Consolidated Plan is a citizen- and data-driven process which identifies general areas of need in the community and how to address them, particularly in the areas of housing, economic opportunity, and community development.

The percentage of household income spent for mortgage costs or gross rent, commonly called cost-burden, is by far the most prevalent problem in Dubuque, for owned and rented households alike. According to Housing and Urban Development guidelines, households spending more than 30 percent of income for these housing costs are “cost-burdened.”

□ Location Matters: Dubuque Transportation Costs

In dispersed areas, people need to own more vehicles and rely upon driving them farther distances which also drives up the cost of living.

\$12,310
Annual Transportation Costs



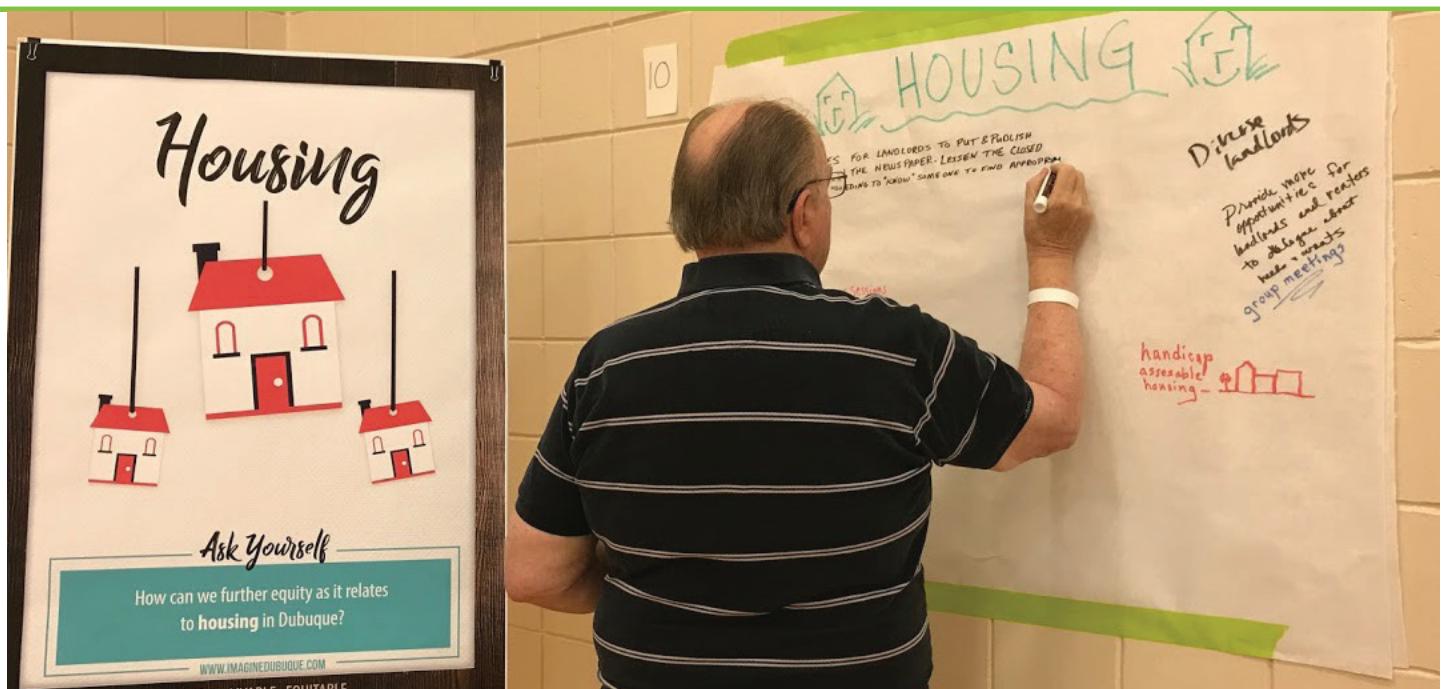
1.73
Autos Per Household



21,740
Average Household Annual
Vehicles Miles Traveled



Source: Center for Neighborhood Technology

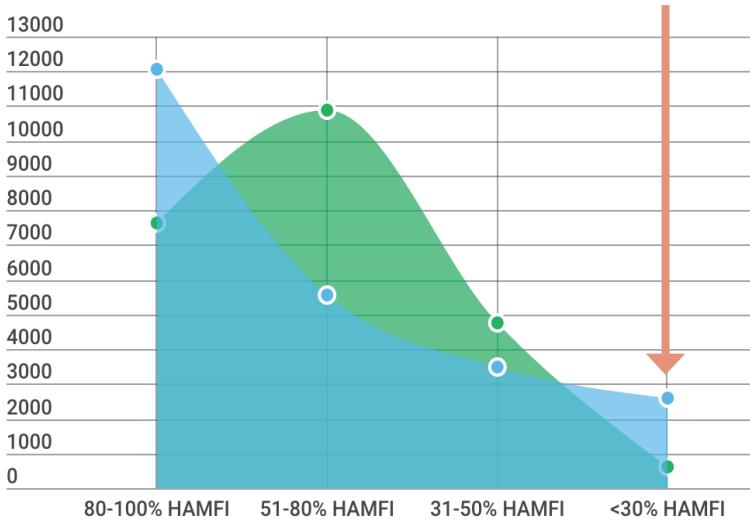


▲ Residents share ideas regarding housing at the Imagine Dubuque Equity Workshop

■ FIGURE 6.5

Housing Affordability and Availability Mismatch
Household Area Median Family Income | HAMFI

There are less units available than households in need for those who make <30% Household Area Median Family Income (HAMFI).

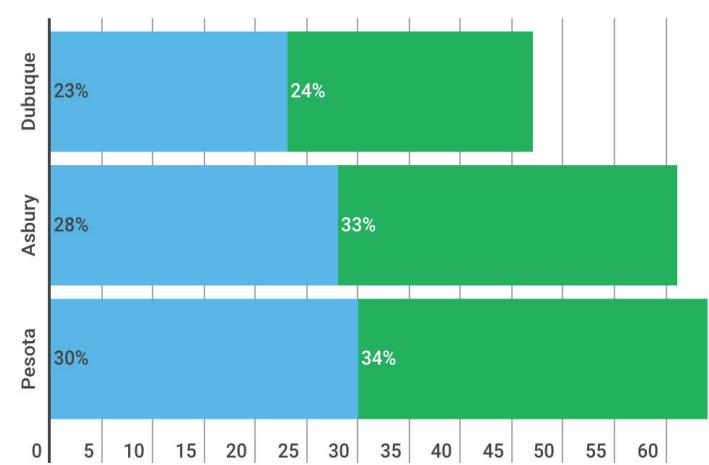


● Affordable Units by Income ● Households by Income

■ FIGURE 6.6

Housing and Transportation Costs
Comparison of Surrounding Communities

Cost of housing and transportation costs are lower for Dubuque residents in comparison to the the communities of Peosta and Asbury.



● Housing Cost % ● Transportation Cost %

Source: Dubuque Consolidated Plan

HAMFI = Household Area Median Family Income (members of the household may be related (family) or unrelated).

Source: Center for Neighborhood Technology

In total, approximately one quarter of the households in Dubuque experience cost burden, and it is the most widely experienced problem among all income categories, particularly among rental households.

"Attract and support diverse populations; understand the barriers they face and create solutions that speak to/address such (language, childcare, transit, wages, community integration)" - Idea shared via project website

In general, minority populations experience a disproportionately higher percentage of housing problems compared to the population as a whole. African American populations in Dubuque are much more likely to rent than own a home. According to the American Community Survey, 11% of Black/African American populations owned their home compared to 74% of White (not Hispanic or Latino) population. For the City to effectively reach Black/African American populations and reduce housing problems among this population, efforts to provide quality, affordable rental housing must be addressed. Hispanic populations experience housing problems at a higher rate as well. The American Community Survey estimates 65% of Hispanic households are renter occupied. A targeted approach to address affordability of rental units would likely benefit minority populations as a whole, including the small samples sizes of Asian, American Indian, Alaska Native, and Pacific Islander.

The provision of quality affordable housing is a challenge across the country, and Dubuque is no exception to that issue. Addressing housing affordability requires a multi-tiered strategy. Though suggested during outreach, raising the minimum wage alone will not be enough. In fact, recent legislation in the State of Iowa has taken away the ability for a local government to establish its own minimum wage. Any changes to the minimum wage will either need to come from the State Legislature or the Federal Government. Chapter 3, on Economic Prosperity, focuses on actions the community can take to promote and attract quality, good paying jobs.

Regarding quality housing, the City utilizes the 2015 International Property Maintenance Code, along with local amendments, to promote sound safety and quality property maintenance. The City has also focused on improving the existing housing stock (see Healthy Homes discussion on page 6-9).



▲ Multi-Family Apartment Complex, Dubuque, IA

Regarding affordability, there are several programs available at the federal, state, regional and local level that provide housing assistance, including:



Housing Choice Voucher Program

This Federal Housing and Urban Development funded program is designed to assist very low-income families, the elderly, and the disabled with affordable, decent, safe, and sanitary housing in the city of Dubuque. This program is focused on rentals, but can include single-family homes, townhouses, and apartments whose property owners accept the housing subsidy. Due to funding limitations, a waiting list exists for vouchers.

Housing Choice Voucher Homeownership

This Housing and Urban Development-funded program is designed to assist first-time homebuyers. Instead of going toward rent, funds go to pay the mortgage lender.

Family Self-Sufficiency

Designed to help people currently participating in the Housing Voucher Choice program to set goals, connect with resources such as career planning and life skills, seek and maintain employment, and save for a future home purchase.

Iowa Finance Authority Programs

Provides a range of housing assistance programs. For first-time home buyers, they offer the FirstHome and FirstHome Plus programs (the Plus program also provides down payment assistance). For both first-time and repeat buyers, they offer the Homes for Iowans and Homes for Iowans Plus program. They also offer a Military Service Member Homeownership Assistance Program and a Mortgage Credit Certificate program. More information on these programs is available at www.iowafinanceauthority.gov

First-Time Homebuyer Loan Program

Provides long-term, no-interest \$5,000 loans to help purchase your first home. For households at less than 30% of the area median income, the loans could increase to \$25,000. More information can be provided by the City of Dubuque Housing & Community Development Department.

First-Time Moderate – Income Homebuyer Loan Program

Provides long-term, no-interest \$5,000 loans to help purchase your first home. Borrowers must earn between 80% and 100% of area median income. The program is administered by the City of Dubuque Housing & Community Development Department.

Single Family Affordable Homes

The Eastern Iowa Regional Housing Corporation will sell older single family homes for less than \$90,000 that meet all local codes and have rehabilitated all major components such as roof, mechanicals, plumbing, and electric.

Home Repair Program

The City of Dubuque Housing and Community Development Department offers a no-interest loan up to \$5,000 to income-qualified applicants to improve home conditions.

Homeowner Rehabilitation Loan Program

Low-interest, long-term loans of up to \$25,000 to rehabilitate properties provided by the City of Dubuque Housing and Community Development Department.

The Accessibility Rehabilitation Program

Provides forgivable loans to homeowners to provide physical accessibility. Eligible applicants earn no more than 80% of area median income. Loans could total up to \$5,000 per individual needing special accommodations in the home.

Washington Neighborhood Program

Specific to the Washington Neighborhood (11th Street to 22nd; Elm to Central), this program provides special incentives toward home rehab or purchase.

Historic Preservation Housing Forgivable Loan Program

Forgivable loans are available to income-qualifying owner-occupants and to qualified non-profit organizations in an local historic district for rehab projects that preserve the original building materials or character-defining features of the home. Up to \$5,000 can be fully forgiven after five years if the owner-occupant remains in the home or if the non-profit continues to provide a residence to Housing and Urban Development income-eligible tenants.

CHANGE Program

The CHANGE Program is a multi-faceted housing program geared towards homeowners, landlords, renters, developers, and contractors to spur economic and community development in Dubuque's older neighborhoods. A discussion of this program, including information on the Bee Branch Healthy Homes initiative, is discussed in the Environmental Integrity Chapter of the plan.

Housing Choice Voucher Program

The Housing Choice Voucher program has had its challenges. In 2013, the US Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity found Dubuque to be noncompliant with regards to its voucher residency preference policies, leading to a Voluntary Compliance Agreement. Since the finding, Dubuque has undertaken the following efforts to address this issue:

- Eliminating local residency preference points.
- Maximizing voucher lease ups for five years.
- Propose and implement means by which current and future Community Development Block Grant expenditures may mitigate the adverse effects of the City's prior actions.
- Maintain a monthly accounting of the voucher waiting list, including information on applications received, rejected and accepted, and applicant information such as race, ethnicity, and current or originating address.
- Developed an Analysis of Impediments to Fair Housing in 2015
- Addressed Fair Housing in the 2016-2020 Consolidated Plan



IowaHousingSearch.org, Iowa's premier housing locator service, was created to help people list and find safe and decent, affordable, accessible and, when necessary, emergency housing. This web-based service, supported by a toll-free, bilingual call center (1-877-428-8844, Monday - Friday, 8:00am - 7:00pm CDT), provides information for the general public as well as for housing professionals seeking vital resources for their clients.

Launched in November 2013, IowaHousingSearch.org is funded by the Iowa Finance Authority. IowaHousingSearch.org fosters collaboration among Iowa landlords, various housing organizations and Iowans seeking rental housing. The initiative is supported by an advisory group of representatives from agencies, organizations and professional associations from across the state.

Source of Income Committee

In late 2014, the City Council approved formation of a Source of Income Committee to conduct a two-year study examining the Housing Choice Voucher Program and its relationship to fair housing, with a goal of identifying ways to enhance fair housing in Dubuque. Committee members were drawn from City boards and commissions, Dubuque Area Landlords Association, and Dubuque Chapter of National Association for the Advancement of Colored People.

One of the concerns was the fact that not all landlords accept HCVs. The Source of Income Committee name comes from the practice of landlords in identifying the source of income to pay rent prior to leasing an apartment. Some landlords specifically advertise that they do not accept these vouchers (typically called Section 8) as a source of rent.

The Source of Income Committee evaluated creation of an ordinance that would have considered it discrimination to not accept vouchers, researched the Housing Choice Voucher program, conducted residential rental surveys for housing providers and renters, and held community dialogues. The Source of Income Committee ultimately recommended a collective impact approach to adopt and implement a mix of educational, outreach, and financial programs to increase housing provider participation in the Housing Choice Voucher program.

This effort will include a re-branding and redesign of the Housing Choice Voucher program, and adoption and implementation of a mix of educational/outreach programs to increase participation in the Housing Choice Voucher program.

The committee also recommended to adopt and implement a mix of financial incentives/policies for creation of Housing Choice Voucher units throughout community. These incentives and policies will include fostering partnerships with private and non-profit housing developers to provide affordable, quality housing units.

There are a variety of programs that exist within different public, private, and non-profit agencies that are not collectively orchestrated to address low-income renter issues around the city like they could. It is also clear the that the topic of Housing Choice Vouchers and greater issues related to affordable, quality low-income rental units is complex and a collective impact model is needed.

Collective impact initiatives involve a backbone organization, in this case the City, and a structured process that leads to a common agenda, shared measurement, continuous communication, and mutually reinforcing activities among all participants. The collective impact model for re-branding the Housing Choice Voucher program will be led by the City's Housing & Community Development department. The department will utilize City commissions and other advisory groups that play an important role in the governance of department programs. Members of the commissions and advisory groups are community volunteers whose contributions help maintain and improve the quality of life for Dubuque residents.

Healthy Homes

Dubuque's residents have expressed a consistent desire to live in a community that is safe, energy and water efficient, healthy, and reflective of Dubuque's architectural heritage. Housing quality and affordability also has direct and significant effects on public health, economic vitality, and equity. Policies promoting green buildings, effective historic preservation strategies, and investments in safe and affordable housing thus are a tangible way to express and support the desire for vibrancy.

Housing Quality and Affordability

The overall quality and affordability of Dubuque's housing stock is a significant positive factor for social and cultural vibrancy. Historically, Dubuque has been able to market itself more effectively to companies and individuals seeking a cost-efficient place to establish work or families. Dubuque also scores well on several measures of health related to housing including overall adult health status, lower cost barriers to care and lower number of uninsured residents, and lower death rates due to diabetes, kidney disease, or motor vehicle fatalities. However, there are both emerging and legacy issues with the City's housing stock that affect aspects of vibrancy. Rental housing costs have been rising more rapidly than home purchase prices, placing an economic stress on renting households who are typically younger or economically disadvantaged relative to homeowners. This, like the added cost and health burden of energy-inefficient or aging housing, presents an issue for equity as well as economic vitality. The lack of energy efficiency measures in much of Dubuque's housing stock and the persistence of lead paint in many structures, are a documented health, economic, and equity challenge for the City. Measures that increase rental stock, quality, and affordability, and initiatives around health and energy efficiency, will have a beneficial effect on social and cultural vibrancy.

Securing Federal Funding

Ongoing efforts to secure federal funds to abate lead paint and flooding hazards are an important green building, health, and equity initiative in Dubuque. The Green and Healthy Homes Initiative, coordinated by the Community Foundation, is a signature response and example of how the City can direct resources and civic support towards a multi-benefit program. Green and Healthy Homes Initiative (one of 17 programs in the U.S., the only such program in a city of under 100,000, and the only one in Iowa) provides health, safety, lead hazards reduction, energy efficiency and weatherization interventions in low- to moderate-income homes. The City's Health Services Department and Housing & Community Development Department collaborate with the GHHI and work through conventional inspections and enforcement as part of the City's overall abatement and weatherization effort, which is vital to the safety and quality of the city's housing stock.

Urban Revitalization

The City of Dubuque Urban Revitalization Program targets older neighborhoods in the city through incentives such as property tax exemptions that can go towards new improvements. Owners within designated Urban Revitalization districts are eligible to receive a 10-year exemption from property tax liability that would normally be associated with improvements. These efforts are managed by the City's Housing & Community Development Department.

Urban Renewal

To expand housing options while promoting both economic development and affordable housing, the city of Dubuque has been utilizing a tool called Tax Increment Financing. Tax Increment Financing is typically used by cities to fund public improvement projects or to provide private project-based financing assistance in conjunction with developing or redeveloping different parts of the City.

In recent years, the City has created four Housing Tax Increment Financing districts around the periphery of the community. Each of these districts has an Urban Renewal Plan that describes the specific use of tax increment funds. Consistent with state law, these Districts have set aside approximately 38% of project cost increment to benefit low- and moderate-income family housing opportunities anywhere in the city of Dubuque. This is starter housing for Dubuque's current and future workforce and for vulnerable populations like the elderly and disabled. Initial plans call for much of this assistance to occur in downtown neighborhoods through the City's CHANGE Program.

From 2016-2022, Dubuque's four Housing Tax Increment Financing Districts are projected to generate \$3.9 million for affordable housing. Housing Tax Increment Financing Districts include:

- **Timber Hyrst** – created in 2014 to promote additional residential options by assisting with the funding of road and utility improvements along portions of North Cascade Road.
- **English Ridge** – formed in 2015 to promote additional residential options and provide funding for water main installation.
- **South Pointe** – created in 2017 to generate funds for improved roads and utilities in the designated area, as well as provide funding to assist with affordable housing anywhere within the city of Dubuque.
- **Rustic Point** – created in 2017 to help fund installation of sewer and water utilities related to housing and residential development.

Partnerships and Incentives

People, planning, and partnerships is a phrase that is often heard in Dubuque, and for good reason. No one person, or one group, can address all the issues related to enhancing the livability of the community.

Dubuque -- not just the city government, but the entire community -- is committed to promoting an interconnected network of residents, non-profits, and task forces to improve the public safety, equity, and quality of life for all its residents. Dubuque has embarked on a variety of partnerships to promote public safety and the overall viable, livable, and equitable character of its neighborhoods:

- **Promoting neighborhood involvement** and communication among residents.
- **Monthly meetings** with Downtown and Washington Neighborhood representatives.
- **City staff attendance** at neighborhood association meetings.
- **City staff meet monthly** with Dubuque Landlord Association representatives.
- **Neighbor2Neighbor** – Is a resident-driven program being piloted in 12 neighborhoods to increase interaction, collaboration, and strong, positive relationships among neighbors.
- **The Dubuque/Jackson County Habitat for Humanity** is an important partner in addressing local housing issues. Their mission is “to eliminate poverty housing”. Founded in 1991, they have remodeled or constructed over 20 homes. Some local Habitat chapters conduct annual Rock the Block ® programs, providing a path for homeowners, organizations, and volunteers to come together to assist low-income residents with needed repair, maintenance, weatherization, safety, accessibility, and beautification of homes. The program typically focuses on a select area of the community – perhaps a specific block, and focuses enhancement efforts in that area, all within a particular week. Such a program would be very beneficial in some of Dubuque’s older neighborhoods.

Property Maintenance

The City also monitors and seeks to curb problem properties related to public nuisances. Since 2006, the City and partners have negotiated the re-sale of 55 neglected properties as single-family homes. Increased enforcement of the public nuisance and a vacant and abandoned building ordinance has also been developed. As for unlicensed rentals, the City has issued over 300 apartment licenses through a recent campaign, ensuring healthy and safe living conditions for all.



“



“My vision is affordable housing through the city leading to city-wide diversity and equitable neighborhoods and schools rather than concentrated areas of poverty and wealth.”

“More affordable senior housing.”

“Section 8 housing that is more fair to Iowans. This doesn’t affect me, but seems highly common sense!”

“More housing options/cool apartments for young adults (like in the Millwork District but less expensive).”

“Affordable housing for families and single parent households.”

“More senior housing options for “people in the middle” that are not institutional-looking, environmentally friendly, etc”

“Housing could be better and affordable.”

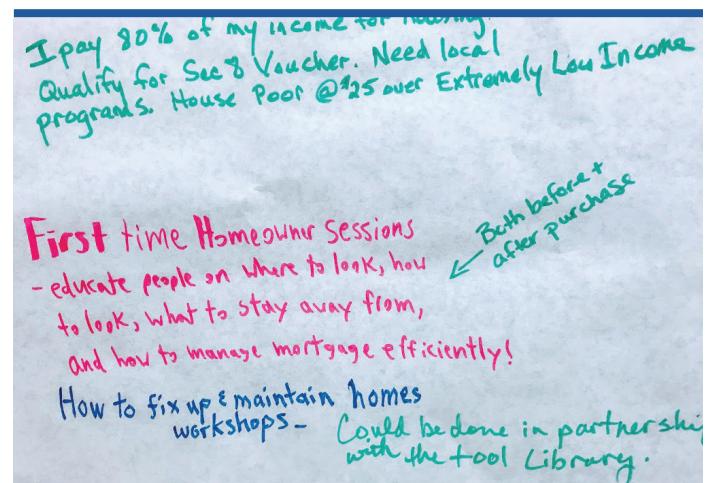
“Support for unmarried women with children, housing for those affected, food-stamps.”

- Ideas shared via the project website

”

Housing Recommendations

With a strong and growing employment base, demand for housing should remain strong within the region. In recent years, much of the housing and population growth has been outside the city. This Imagine Dubuque Plan is focused on returning this growth back to the city, with its better direct access to jobs, shopping, and other support facilities – thus reducing travel times and related environmental impacts. It will need to strategically position itself to capitalize on market trends to cater to segments of its population (i.e. first-time buyers, retirees, etc.). The City is already investing in its older neighborhoods and providing assistance, along with the federal and state agencies, to support first-time homeowners and owner-occupants seeking to rehab and update their properties. The following actions can help ensure that Dubuque's housing stock and neighborhoods are viable, livable, and equitable well into the future.



▲ Top: Ideas shared at the Imagine Dubuque Equity Workshop | Bottom: Single Family home atop a hill in Dubuque.

Housing Recommendations

- Continue to review the City's codes and incentives to ensure what is working continues, and that any other barriers are a priority to address and remove.   
- Recognizing the importance of historic preservation and adaptive reuse, promote waste recovery and consider recruiting a Habitat for Humanity ReStore or other building reuse retailer.   
- Support the City's inspection programs as well as Green and Healthy Homes Initiative.   
- Monitor affordability and housing stress, an important health indicator, annually.   
- Illustrate the tangible economic and sustainability benefits—direct, indirect, and induced—to Dubuque's economy and community from the work done by the City's historic preservation program and the City's private and public sector partners. Communicate these benefits consistently to all local, state, and federal constituencies.   
- Identify and collaborate with new partners in other fields, such as health and welfare, environmental, education, and the cultural arts, to strengthen the links between Dubuque's neighborhoods and their evolving story.   
- Promote mixed-use development both downtown, within the John F. Kennedy Road Corridor, and key intersections along the Southwest Arterial. These mixed-use areas should provide a variety of residential choices, access to goods and services, and neighborhood amenities like parks and schools within a walkable environment.   
- Look to increase wages and self-sufficiency opportunities in the community to make housing more attainable.   
- Adopt and implement a mix of educational/outreach programs to increase housing provider participation in Housing Choice Voucher program.   
- Adopt and implement a mix of financial incentives/policies for creation of Housing Choice Voucher units throughout community.   
- Foster partnerships with private and non-profit housing developers to provide affordable, quality housing units.   



Each recommendation listed relates to making Dubuque more viable, livable, and equitable. The symbols noted above correspond to these guiding principals and are listed along with the recommendations they pertain to.

