

HOUSING NEEDS ASSESSMENT JACKSON COUNTY, IOWA

PREPARED BY
EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
2015

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INTRODUCTION

ECIA has developed this study at the request of Jackson County and the Cities of Bellevue, Maquoketa, Miles, and Preston. The report uses a collection of data from a variety of sources to draw a picture of current housing conditions in Jackson County and in the four participating cities. The report then uses the information observed to identify trends and forecast future housing conditions in the community. The report concludes with a list of community priorities for the future and a brief description of some of the funding sources and assistance programs available to aid in implementing housing projects.

RESEARCH TOPICS

At the onset of the report development process, ECIA staff met with representatives of the City to discuss the topics to be covered in the report. The topics listed below are the primary areas of research to be addressed in the report.

- Collect and Analyze Demographic Data
- Assess Current Housing Market Trends
- Project Future Housing Demand
- Consider Housing Impacts of the Thompson Correctional Center

DATA AND METHODS

This report uses data from a variety of sources including the U.S. Census Bureau, Iowa Workforce Development, and the U.S. Bureau of Labor Statistics. These datasets provide information on a wide variety of topics that can help us understand the housing situation in Jackson County. Census data is especially helpful because it covers many years and is useful for tracking trends over time. Census data is also consistent nationally and is useful for drawing comparisons among communities.

The report uses a set of “comparison counties” to help provide a frame of reference for some of the data presented. The report compares data from Jackson County and the four participating cities to data from the State of Iowa and to data from neighboring Clinton, Dubuque, and Jones counties.

The report uses Multiple Listing Service (MLS) data to provide insights into recent housing market conditions in Jackson County. Local Jackson County Realtors generated reports from the MLS database and provided them for use in the report.

Census data provides important information, but it does not always provide a complete picture of the conditions on the ground. Staff accounted for these drawbacks by incorporating local information into the report. Jackson County officials assisted in this effort by setting up interviews with local city officials and relators. Local information provides context and can help substantiate the information derived from Census data.

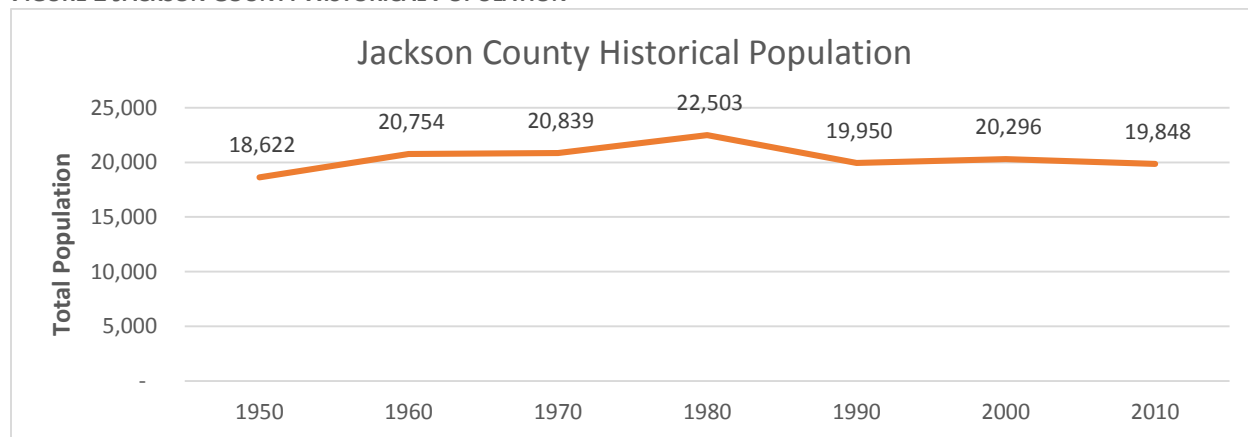
The report also uses national survey information from organizations including AARP and The National Association of Realtors. National survey information may not describe Jackson County perfectly, but it is important for Jackson County to understand national trends in housing. By understanding national trends, Jackson County can act to position itself for success in the future.

DEMOGRAPHIC CHARACTERISTICS

POPULATION

Jackson County had a 2010 Census Population of 19,848. Jackson County's population has fluctuated some, but has remained mostly stable over the past sixty years. Figure 1 charts the population of Jackson County since 1950.

FIGURE 1 JACKSON COUNTY HISTORICAL POPULATION



Source: U.S. Bureau of the Census, Decennial Census Prepared By: State Library of Iowa, State Data Center Program, 800-248-4483, <http://www.silo.lib.iowa.us/specialized-services/datacenter/index.html>

Like the rest of the county, the population of Jackson County's cities has remained relatively stable over the last 60 years. However, all cities participating in this study have seen a net increase in population since 1950. Figures 2- 5 chart the population of the participating cities since 1950.

FIGURE 2 BELLEVUE HISTORICAL POPULATION

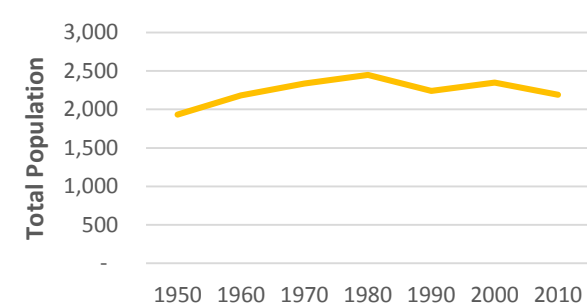


FIGURE 3 MAQUOKETA HISTORICAL POPULATION

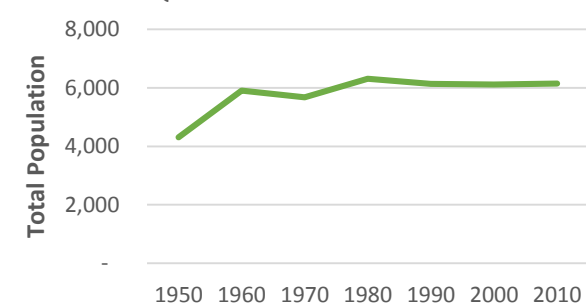


FIGURE 4 MILES HISTORICAL POPULATION

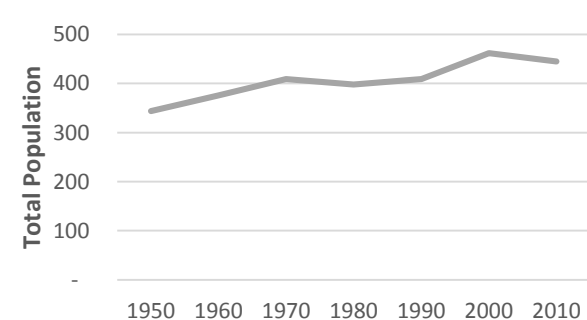
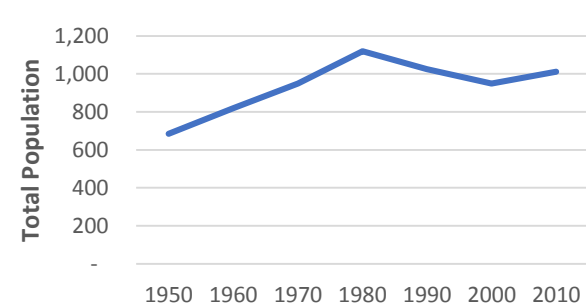


FIGURE 5 PRESTON HISTORICAL POPULATION



Source: U.S. Bureau of the Census, Decennial Census Prepared By: State Library of Iowa, State Data Center Program, 800-248-4483, <http://www.silo.lib.iowa.us/specialized-services/datacenter/index.html>

Jackson County contains thirteen incorporated cities. Maquoketa is the county seat of and largest city in Jackson County. In 2010, the majority of Jackson County's population lived in its cities with 11,722 people living in incorporated cities and 8,076 living in unincorporated areas of the county. Figure 6 shows the distribution of population across Jackson County.

FIGURE 6 DISTRIBUTION OF JACKSON COUNTY POPULATION

City	Population	Percent
Andrew	434	2%
Baldwin	109	1%
Bellevue	2,191	11%
La Motte	260	1%
Maquoketa	6,141	31%
Miles	445	2%
Monmouth	153	1%
Preston	1,012	5%
Sabula	576	3%
St. Donatus	135	1%
Spragueville	81	0%
Springbrook	144	1%
Zwingle	91	0%
Unincorporated Jackson County	8,076	41%
Total County	19,848	-
<i>Source: U.S. Bureau of the Census, 2010 Decennial Census</i>		

GENDER AND AGE COHORTS

Like many places across the United States, Jackson County is experiencing significant aging of its population. In 2000, the median age in Jackson County was 39.1. By 2010, the median age had increased to 44.0. The increase of median age is due to longer lifespans, lower birth rates, and the aging the Baby Boomer segment of the population.

In Figure 7, the Baby Boomers are represented by the large bump in the 35-49 year-old age groups. Moving forward ten years to Figure 8, the bump from the Baby Boomers has now moved ahead and is now in the 45-59 age group.

FIGURE 7 JACKSON COUNTY AGE GROUPS BY SEX, 2000

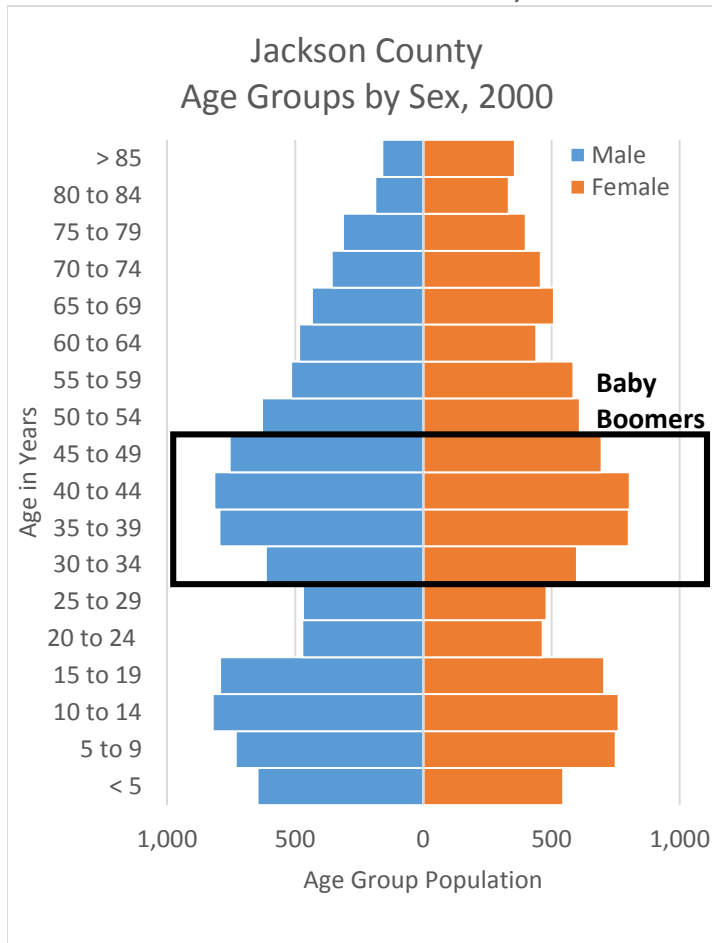


FIGURE 8 JACKSON COUNTY AGE GROUPS BY SEX, 2010

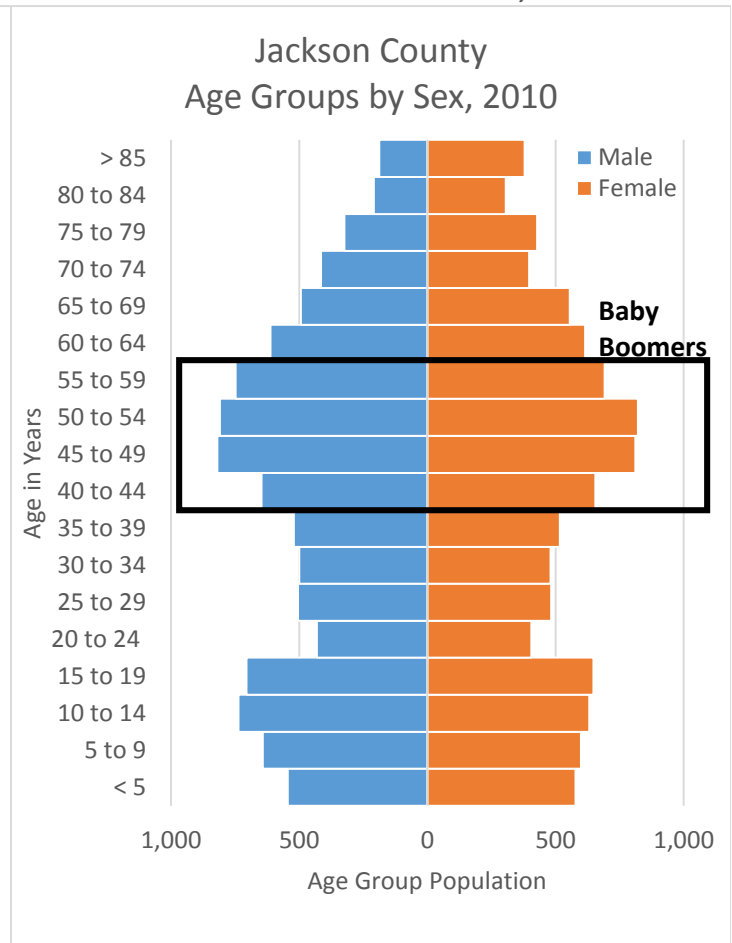
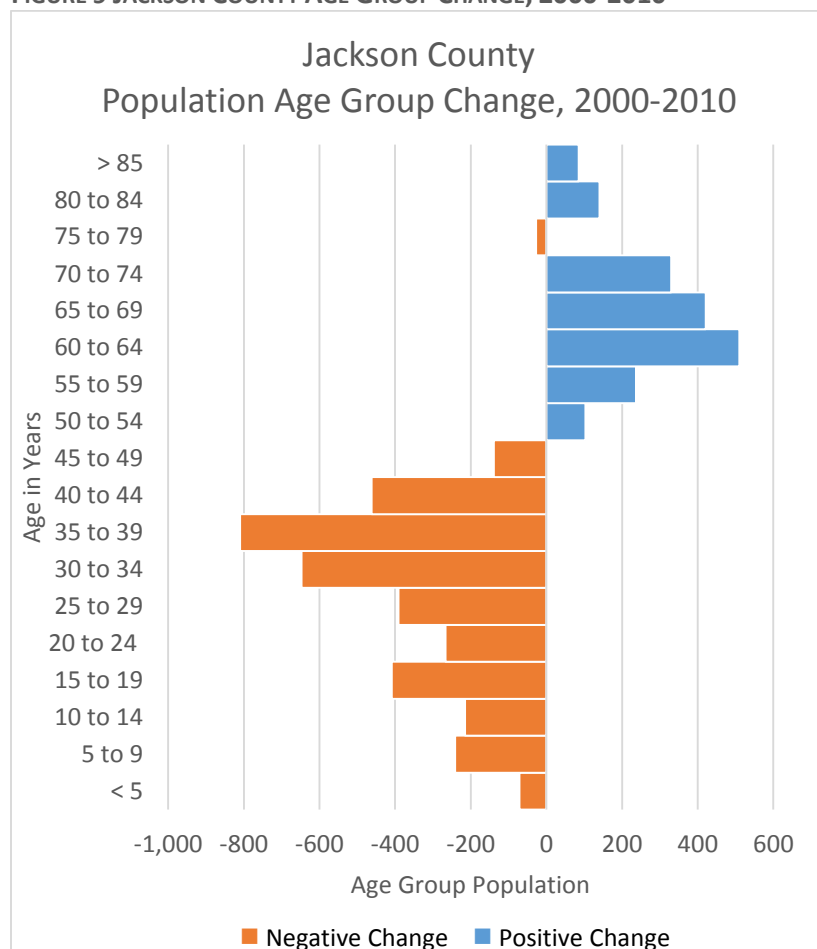


Figure 9 illustrates the change in age groups between 2000 and 2010. All 10 age groups under fifty lost population, while seven of eight age groups fifty and above gained population. This trend will continue in the future and will be an important force driving housing demand for the next several decades. It is difficult to say what the exact impact of the aging population will be on housing in Jackson County, but we can assume that because people's housing needs change as they age, a significant increase in older residents will change the type of housing needed.

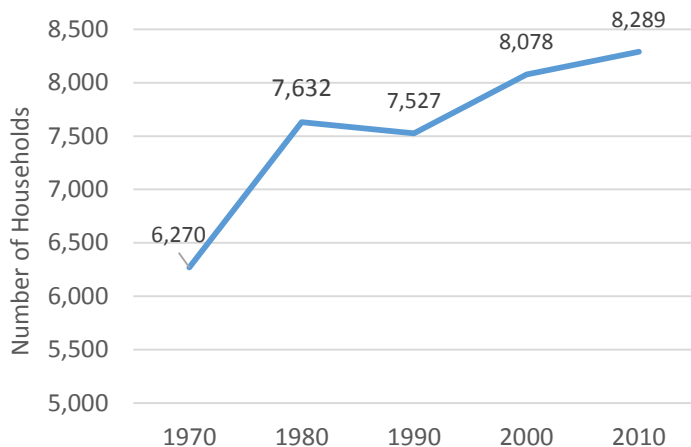
FIGURE 9 JACKSON COUNTY AGE GROUP CHANGE, 2000-2010



HOUSEHOLDS

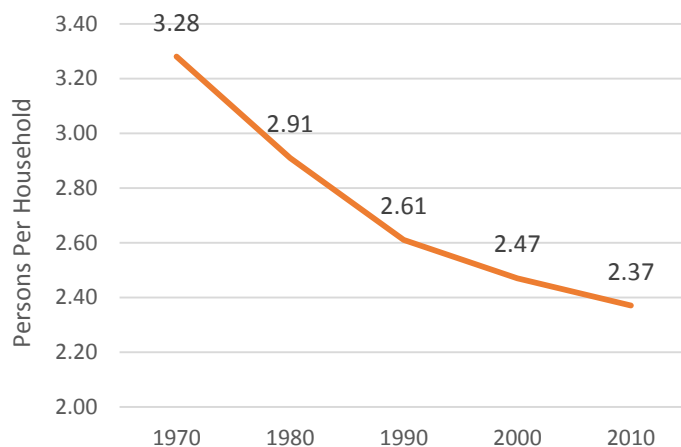
Population growth is a useful indicator of demand for housing. However, relying on population data alone does not provide a complete picture of the housing needs in a community. The total number of households in a community provides a much more accurate picture of community housing needs, as household is defined as the occupants of a single housing unit. Figure 10 shows that while Jackson County's population has decreased, the total number of households in the community has increased. Between 1990 and 2010, the population of Jackson County shrank by 2.2%. During the same period, the total number of households grew by 2.6%. Some of the growth in households is the result of changes in household size. Figure 11 shows that in 1990 the average household in Jackson County contained 3.28 persons. By 2010, the average had dropped to 2.37 persons. On average, each household in Jackson County now contains fewer people than it did 20 years ago.

**FIGURE 10 JACKSON COUNTY TOTAL HOUSEHOLDS
1970-2010**



Source: U.S. Bureau of the Census, Decennial Census
Prepared By: State Library of Iowa, State Data Center Program, 800-248-4483,
<http://www.silo.lib.ia.us/specialized-services/datacenter/index.html>

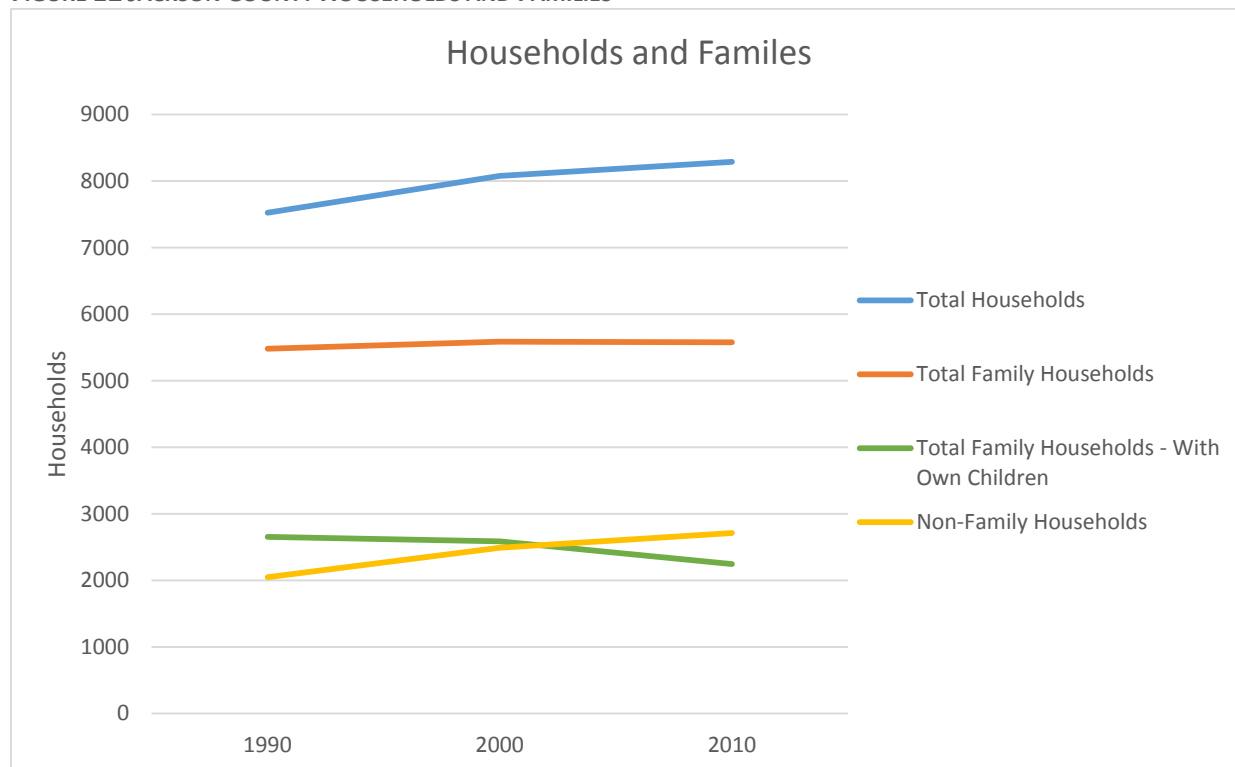
**FIGURE 11 JACKSON COUNTY AVERAGE HOUSEHOLD SIZE
1970-2010**



Source: U.S. Bureau of the Census, Decennial Census
Prepared By: State Library of Iowa, State Data Center Program, 800-248-4483,
<http://www.silo.lib.ia.us/specialized-services/datacenter/index.html>

Much of the decline in household size can be attributed to changes in family composition. Figure 12 shows that Family Households have decreased, while Non-Family households have all increased. These changes in household make-up have played a role the decline in persons per household and the rate of increase in the total number of households.

FIGURE 12 JACKSON COUNTY HOUSEHOLDS AND FAMILIES



Source: U.S. Census Bureau, Census 1990, Census 2000, and Census 2010.

Changes in the demographic makeup of Jackson County have and will continue to drive changes in the local housing market. With little population growth, demographic changes and resulting new household formations have driven housing demand in Jackson County. Family households have declined, while non-family household types have grown. This change will affect the level of demand for housing in general, but it will also affect the types of housing demanded.

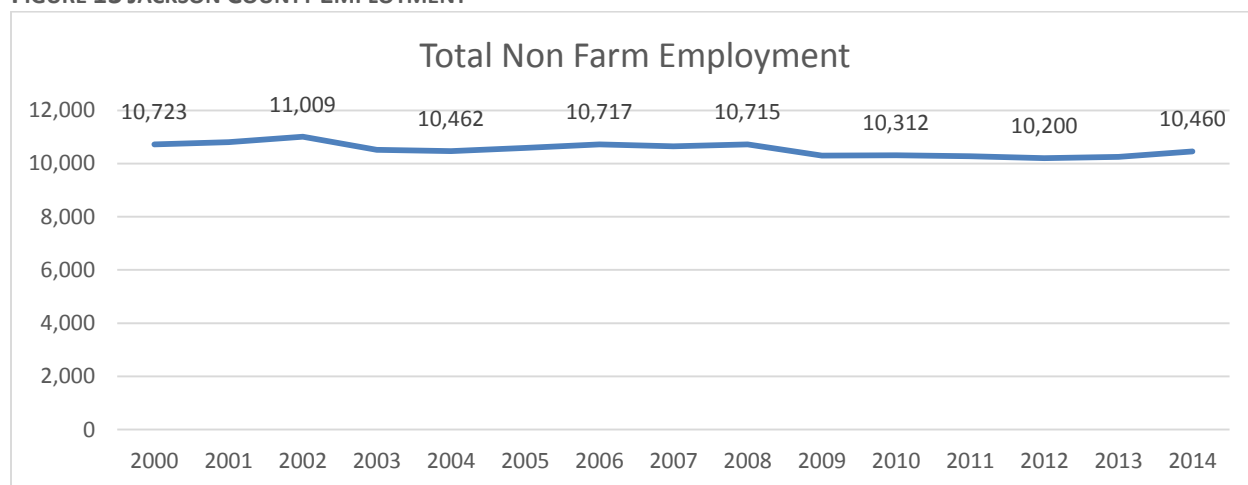
Smaller household sizes will likely lead to an increased demand for smaller housing units. Households with fewer people may not require as many square feet or bedrooms as a large household. The increase in non-family households could also mean fewer dual income households. Without a second income, single income households may have less to spend on housing.

ECONOMIC CHARACTERISTICS

EMPLOYMENT

Employment has a large effect on housing demand. If an area is growing and adding jobs, it will be an attractive place to live. If an area is losing jobs, people may move elsewhere to find work. Total employment in Jackson County has declined slightly over the past 10 years, but over the long term has been stable. Figure 13 displays Jackson County's total non-farm employment from 2000-2014.

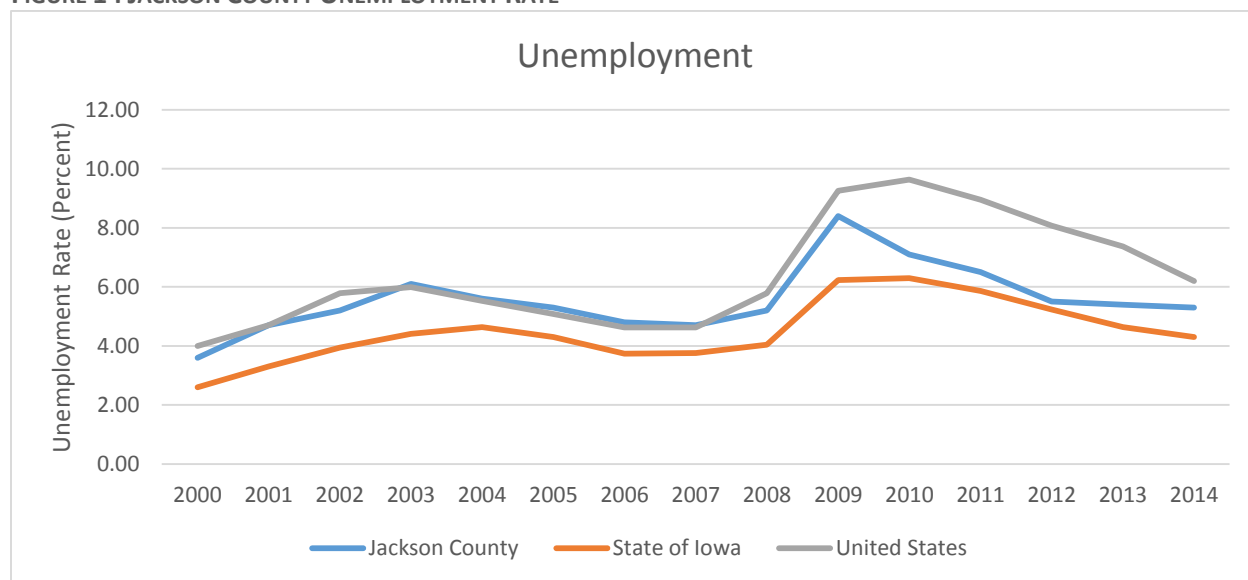
FIGURE 13 JACKSON COUNTY EMPLOYMENT



Source: Iowa Workforce Development

Between 2000 and 2010, Jackson County's unemployment rate was very similar to the national unemployment rate, but since 2010, the County's unemployment rate has declined faster than the national average and has been closer to the State of Iowa rate. Figure 14 shows the Annual Unemployment Rate for Jackson County, the State of Iowa, and the United States.

FIGURE 14 JACKSON COUNTY UNEMPLOYMENT RATE

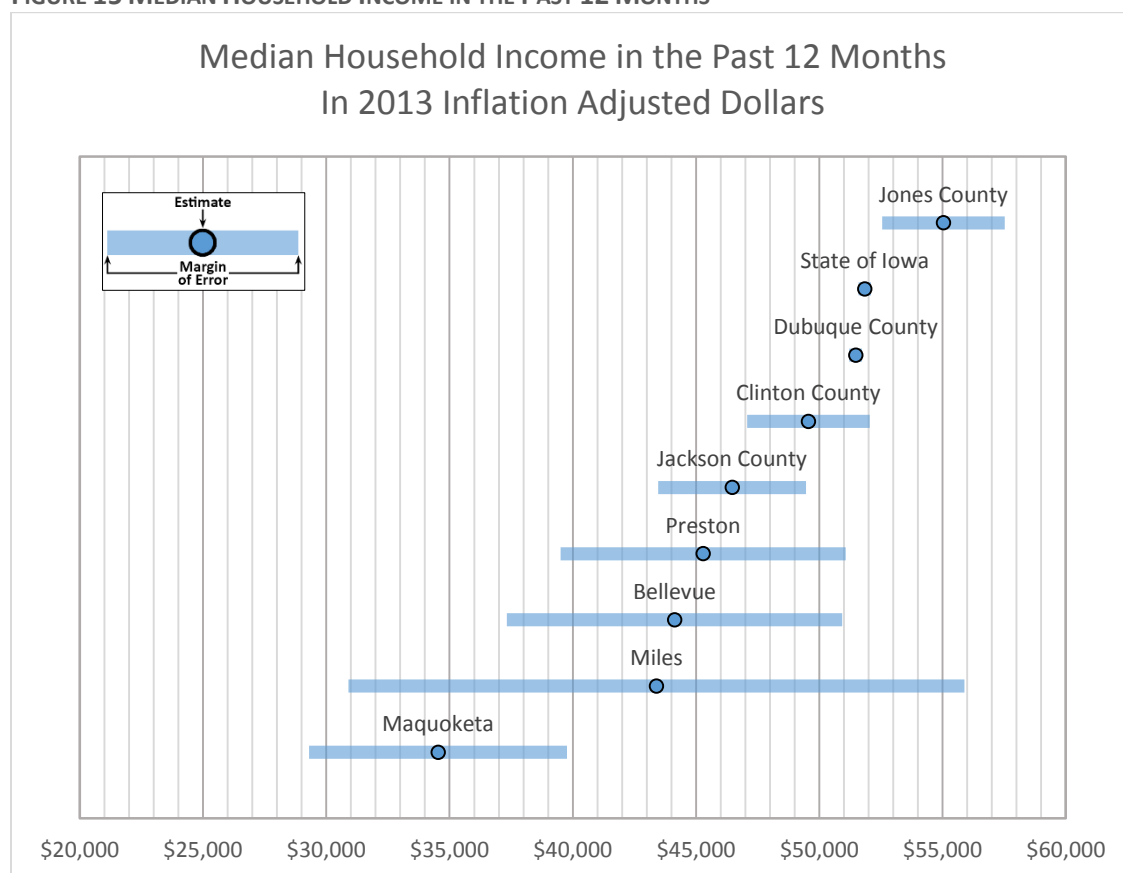


Source: US Bureau of Labor Statistics & Iowa Workforce Development

INCOME

According to the Census Bureau's American Community Survey (ACS), median household income in Jackson County for the 2009-2013 survey period was \$46,467. Figure 15 displays the median household income for Jackson County, Bellevue, Maquoketa, Miles, Preston, the comparison counties, and the State of Iowa. Jackson County's median household income falls below comparison counties and under the statewide median of \$51,843. Figure 15 shows the ACS estimated median household income and the margin of error for the estimate.

FIGURE 15 MEDIAN HOUSEHOLD INCOME IN THE PAST 12 MONTHS



Source: U.S. Census Bureau, ACS 2009-2013.

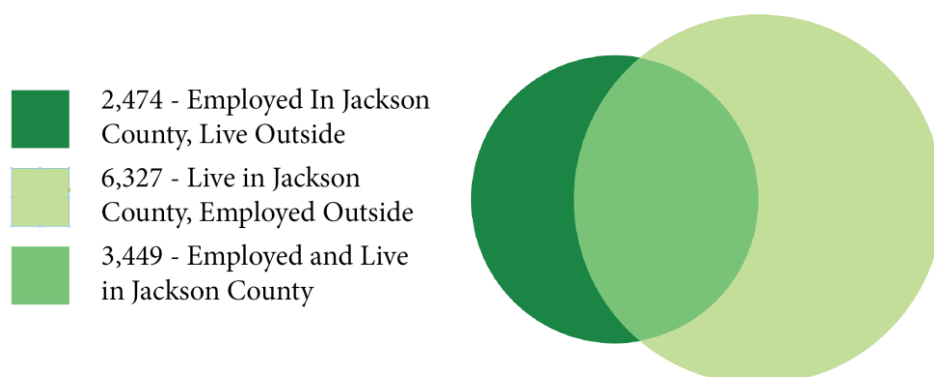
Figure 15 illustrates the some of the difficulties of using ACS data for smaller communities. The ACS is a survey that the US Census Bureau sends to 3.5 million randomly selected addresses across the United States each year. Communities with small populations have fewer opportunities to fill out the survey. Fewer surveys causes uncertainty in the data and a high margin of error. For most cities, the margin of error is manageable. However, for a city of less than 500 people like Miles, the margin of error is so large it substantially limits the usefulness of the estimate.

While margin of error is an issue, the ACS is the only source of data available for most of the demographic data required for this report. The report will use ACS data, with the knowledge that the potential for error increases in small communities.

COMMUTING

Most workers that live in Jackson County work in another county. According to 2011 data from the US Census Bureau, of the 9,776 workers that live in Jackson County, about 6,327, or 65% work in another county. The remaining 35% live and work in Jackson County. About 2,774 workers travel into Jackson County for works. Workers from other counties account for about 42% of all workers in Jackson County. Figure 16 charts worker flows in and out of Jackson County.

FIGURE 16 JACKSON COUNTY WORKER FLOWS



Source: U.S. Census Bureau's OnTheMap <http://onthemap.ces.census.gov> on 06/08/2015

Workers commuting in and out of Jackson County come primarily from the counties immediately adjacent to Jackson on the Iowa side. Figure 17 shows the counties Jackson County residents commute to, and Figure 18 shows where Jackson county employees commute from.

FIGURE 17

Counties where workers who live in Jackson County are employed - 2011		
	Count	Share
Jackson County, IA	3,449	35.3%
Dubuque County, IA	2,033	20.8%
Clinton County, IA	1,040	10.6%
Scott County, IA	828	8.5%
Linn County, IA	618	6.3%
Johnson County, IA	231	2.4%
Polk County, IA	181	1.9%
Black Hawk County, IA	146	1.5%
Rock Island County, IL	144	1.5%
Jones County, IA	130	1.3%
All Other Locations	976	10.0%

FIGURE 18

Counties where workers who work in Jackson County Live - 2011		
	Count	Share
Jackson County, IA	3449	58.2%
Clinton County, IA	631	10.7%
Dubuque County, IA	422	7.1%
Scott County, IA	148	2.5%
Jones County, IA	133	2.2%
Linn County, IA	112	1.9%
Delaware County, IA	81	1.4%
Polk County, IA	62	1.0%
Whiteside County, IL	51	0.9%
Cedar County, IA	50	0.8%
All Other Locations	784	13.2%

U.S. Census Bureau. 2014. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. <http://onthemap.ces.census.gov/>

THOMSON CORRECTIONAL CENTER

The Thomson Correctional Center is a future development that will have an impact on employment and housing in Jackson County. The State of Illinois completed construction on the Thomson Correctional

Center in 2001, but because of budget cuts, the state-of-the-art prison never opened. The prison sat empty until 2012, when the Federal Bureau of Prisons purchased it with the intent of renovating and reopening the facility as a federal maximum-security prison. Congress has approved funding to operate the prison and the process of hiring workers began in spring 2015. Prison officials have said that the prison will employ 1,100 workers when it is fully operational. Officials anticipate the prison will be at full capacity sometime in 2016.

New prison employees will need a place to live and Jackson County is within commuting distance. The County's southeastern corner, including the cities of Preston (26 miles), Miles (22 miles), and Sabula (14 miles), are the most likely candidates for new housing growth, but Maquoketa (42 miles) and Bellevue (35 miles) are also within a reasonable distance.

The addition of 1,100 workers into the regional economy will generate a positive economic impact across the region and should provide a boost to the local housing market in Jackson County. Iowa State University conducted an economic impact analysis in 2010.¹ The study estimated the new housing unit distribution shown in Figure 19. The study estimates the City of Clinton and the Quad Cities have the highest housing location probabilities based on their larger housing and labor supplies. The report does not assign a specific probability to Jackson County. Jackson County is included in the "Remainder of the measurement area" category along with portions of Jo Daviess, Whiteside, and Carroll counties. For the purposes of this study, staff have estimated that Jackson County will receive 4% of the housing demand generated by the prison.

The Iowa State University study also estimated the number of indirect and induced jobs that would be supported by the prison's economic activity. Staff used these estimates combined with updated employment estimates to come up with an estimate of the total jobs generated by the prison. Based on these assumptions, staff have estimated that the prison will generate a total of 1,750 jobs. 1,750 new jobs will result in an increase of 70 households in Jackson County, assuming that 4% of workers locate in the county.

FIGURE 19 HOUSING AREA ESTIMATE

Area	Housing Probability
Clinton City	35%
Rest of Clinton County	5%
Quad Cities	24%
Fulton, IL	7%
Thomson, IL	5%
Remainder of the measurement area	14%
Outside the measurement area	9%

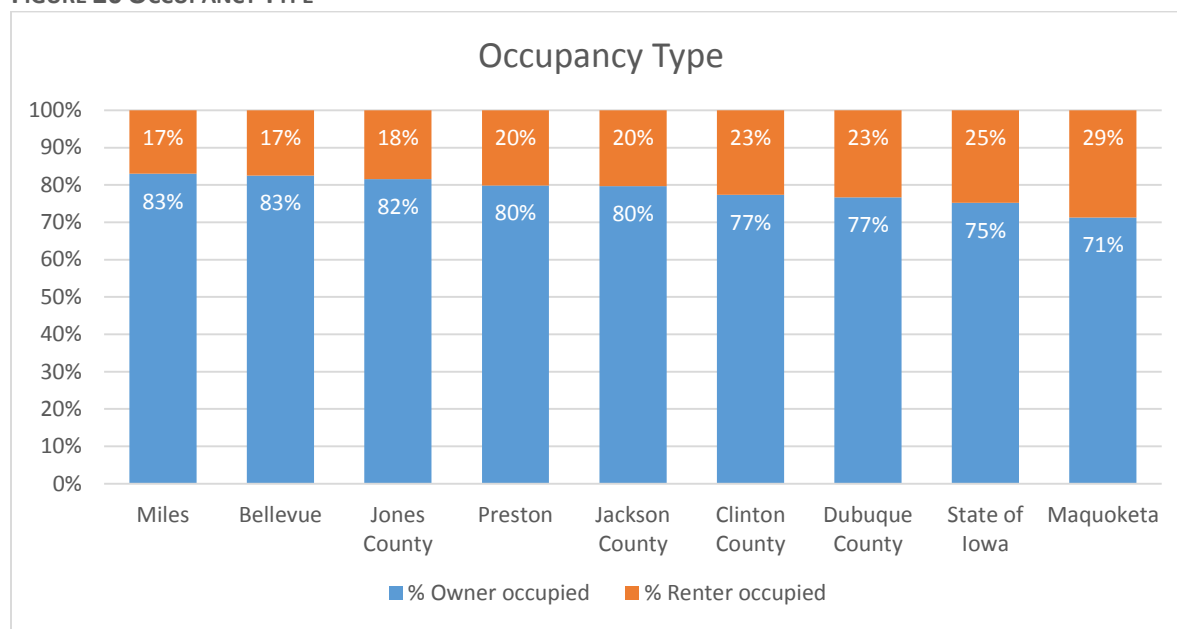
¹ Swenson, Dave. "An Evaluation of the Regional and Local Economic Values of the Thomson Correctional Center." Iowa State University Department of Economics. December 2010.

HOUSING CONDITIONS

OCCUPANCY

The majority of Jackson County's housing units are owner occupied. Of all occupied units in Jackson County, 80% are owner occupied and 20% are renter occupied. Statewide 75% of units are owner occupied and 25% are renter occupied. Jackson County's home ownership rate is higher than Clinton and Dubuque counties and is lower than Jones County. Generally, communities with a larger urban population tend to have higher percentages of rental units, while more rural counties and smaller towns have higher percentages of owner occupied housing. Figure 20 shows home occupancy type for Jackson County, Bellevue, Maquoketa, Miles, Preston, the comparison counties, and the State of Iowa.

FIGURE 20 OCCUPANCY TYPE



Source: U.S. Census Bureau, ACS 2009-2013.

OCCUPANCY STATUS

According to the 2009-2013 American Community Survey, of Jackson County's 9,396 housing units, 8,479 were occupied and 917 were vacant. Jackson County's vacancy rate of 9.8% is higher than the statewide average of 8.5% and is as higher than the surrounding comparison counties. Figure 21 shows the vacancy rate of Jackson County, the comparison counties, and the four participating cities.

High vacancy rate is oftentimes used as an indicator for low housing demand, but that is not necessarily the case in Jackson County. Drilling down farther into the data reveals that The County's elevated vacancy rate is due, in part, to a larger percentage of second homes. The Census Bureau includes seasonal, recreational, or occasional homes in its definition of vacant homes. In Jackson County, these seasonal residences make up more than 5% of all housing units. If seasonal homes are removed from the vacancy total, Jackson County's vacancy rate drops to 5.1% and the statewide total drops to 7.1%. See Figure 22 for the adjusted vacancy rate.

FIGURE 21 VACANCY RATE

	Percent Vacant Units
Maquoketa	2.8%
Dubuque County	5.1%
Clinton County	7.8%
Preston	7.8%
State of Iowa	8.5%
Jackson County	9.8%
Jones County	9.2%
Bellevue	10.4%
Miles	17.5%

Source: U.S. Census Bureau, ACS 2009-2013

FIGURE 22 ADJUSTED VACANCY RATE

	Vacancy Rate with seasonal, recreational, or occasional use units removed
Maquoketa	2.8%
Dubuque County	4.2%
Jackson County	5.1%
Bellevue	7.0%
State of Iowa	7.1%
Clinton County	7.1%
Preston	7.8%
Jones County	8.6%
Miles	16.5%

Source: U.S. Census Bureau, ACS 2009-2013

HOUSING STOCK

The majority of Jackson County's dwelling units are in single family structures. Countywide, single family structures make 88% of the housing units. Multiple Unit structures and apartments are primarily located in the larger cities of Maquoketa and Bellevue. In Preston and Miles nearly 90% of structures are single family units. In the more rural areas of the county, outside of the participating cities, single family structures make up about 98% of all dwelling units. Mobile homes make up a significant percentage of dwellings in Maquoketa. 10% of Maquoketa dwelling units are mobile homes. Mobile homes make up 4% of all dwelling units countywide. Figure 23 provides a breakdown of units in structure for Jackson County.

FIGURE 23 DWELLING UNIT TYPES 2014

	Maquoketa		Bellevue		Preston		Miles		All Other		County Total	
All Dwelling Units	2,647		986		408		193		4,316		8,550	
Single Family Units	1,932	73%	802	81%	364	89%	168	87%	4,220	98%	7,486	88%
Multiple Unit & Apartment	419	16%	64	6%	44	11%	20	10%	54	1%	601	7%
Mobile Home	259	10%	74	8%	-	0%	5	3%	42	1%	380	4%
Condominium	37	1%	42	4%	-	0%	-	0%	-	0%	79	1%
Townhouse	-	0%	4	0%	-	0%	-	0%	-	0%	4	0%

Source: Jackson County 2015

CONDITION OF HOUSING STOCK

Overall Jackson County's housing stock is older, but in good condition. Figure 24 shows the median year structure built for housing units in Jackson County, the participating cities, the comparison counties, and the State of Iowa. Jackson County has the oldest housing stock of all the comparison counties and is five years older than the statewide average. Of the four participation cities, Maquoketa has the newest housing stock, while Miles has the oldest with a median year structure built value of 1944.

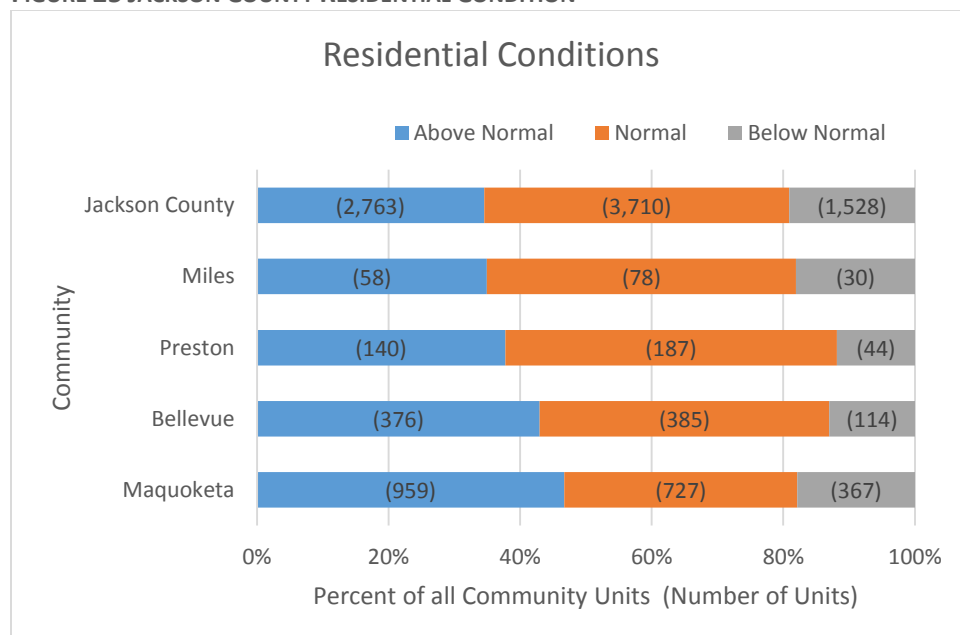
Despite being older than average, most of Jackson County's housing is in good condition. Data provided by the Jackson County Assessor's office shows that only about 7% of the city's residential properties fall into the Poor or Very Poor categories. Appendix A includes maps of housing condition data provided by the Jackson County Assessor. Figure 25 displays the condition data for all residential properties in Jackson County.

FIGURE 24 MEDIAN YEAR STRUCTURE BUILT

Dubuque County	1966
State of Iowa	1965
Jones County	1964
Jackson County	1960
Maquoketa	1960
Preston	1958
Clinton County	1956
Bellevue	1953
Miles	1944

Source: U.S. Census Bureau, ACS 2009-2013.

FIGURE 25 JACKSON COUNTY RESIDENTIAL CONDITION



Source: Jackson County Assessor

FINANCIAL CONDITIONS

The median value of owner occupied units in Jackson County falls below the statewide average and is at the bottom when ranked against the comparison counties. Median contract rent in Jackson County is also below the state average and ranks below the comparison counties. Figures 26 and 27 contain median housing value and median rent cost comparisons. Figure 27 includes values for contract rent and gross rent. Contract Rent is the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. Gross rent is 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). Gross rent is intended to eliminate differentials which result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

FIGURE 26 MEDIAN VALUE OF OWNER OCCUPIED UNITS

Dubuque County	\$145,900
State of Iowa	\$124,300
Jones County	\$122,100
Bellevue	\$116,900
Clinton County	\$110,300
Jackson County	\$110,000
Preston	\$98,800
Miles	\$94,000
Maquoketa	\$83,000

Source: U.S. Census Bureau, ACS 2009-2013.

FIGURE 27 MEDIAN RENT

	Contract Rent	Gross Rent
Dubuque County	\$ 540	\$670
Iowa	\$ 534	\$670
Clinton County	\$ 446	\$594
Maquoketa	\$ 440	\$531
Jones County	\$ 423	\$598
Jackson County	\$ 418	\$564
Bellevue	\$ 404	\$570
Preston	\$ 380	\$493
Miles	\$ 350	\$450

Source: U.S. Census Bureau, ACS 2009-2013.

The U.S. Department of Housing and Urban Development (HUD) calculates 50th Percentile Rent values for rental units in a community. HUD uses the 50th Percentile Rent values to determine eligibility for some housing programs, but they can also be a useful estimate of how much a unit might rent for in a specific market. HUD calculates 50th Percentile Rents at the county level. 50th percentile represents what the median standard unit would rent for in the Jackson County market. 50th percentile rents are a gross rent estimate. Figure 28 shows the 50th Percentile Rent by number of bedrooms for Jackson County.

FIGURE 28 HUD 50TH PERCENTILE RENT ESTIMATE

Jackson County Iowa	Efficiency	One - Bedroom	Two - Bedroom	Three - Bedroom	Four - Bedroom
Final Fy 2015	\$430	\$536	\$635	\$936	\$939

Source: US Department of Housing and Urban Development, 2015

HOUSING MARKET

Housing market data used in this report was provided by the Maquoketa Area MLS. According to the MLS reports, 372 homes were sold in Jackson county between January 1, 2012 and December 31, 2014. Median sale price for these homes was \$99,700 and these homes were on the market for 76 days. Figure 29 shows a summary of home sales data provide by the Maquoketa Area MLS Report. Figure 30 provides additional detailed information for Jackson County, Bellevue, Maquoketa, Miles, and Preston. MLS data for cities includes the city's corporate limits and surrounding areas.

FIGURE 29 HOME SALES 1/1/2012 – 12/31/2014

	Number Sold	Median Sale Price	Median Days on the Market
Jackson County	372	\$99,700	76
Bellevue	80	\$146,950	88
Maquoketa	233	\$89,900	56
Miles	4	\$96,950	111
Preston	15	\$106,000	80

FIGURE 30 HOME SALES 1/1/2012-12/31/2014

Jackson County	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM
Minimum	0	0	532	\$1	\$5,000	0
Average	3	1.67	1,598	\$121,030	\$113,248	105
Median	3	1.75	1,422	\$99,700	\$92,250	76
Maximum	8	4	18,960	\$1,400,000	\$1,045,000	907
Total Dollar Value					\$42,128,074	

Miles	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM
Minimum	3	1	1,248	\$32,500	\$15,000	24
Average	4	1.38	1,503	\$96,325	\$82,000	108
Median	4	1	1,541	\$96,950	\$86,500	111
Maximum	4	2.5	1,680	\$158,900	\$140,000	185
Total Dollar Value					\$328,000	

Bellevue	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM
Minimum	0	0	532	\$40,000	\$40,000	0
Average	3	1.71	2,081	\$169,950	\$155,858	145
Median	3	1.75	1,500	\$148,950	\$135,000	88
Maximum	6	3.5	18,960	\$1,400,000	\$1,045,000	843
Total Dollar Value					\$12,468,640	

Maquoketa	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM
Minimum	1	0	586	\$1	\$5,000	0
Average	3	1.68	1,477	\$108,787	\$103,126	88
Median	3	1.75	1,385	\$89,900	\$87,000	56
Maximum	8	4	4,648	\$378,500	\$366,765	907
Total Dollar Value					\$24,028,259	

Preston	Bedrooms	Bathrooms	Square Feet	List Price	Selling Price	DOM
Minimum	2	1	1,104	54,500	\$54,500	12
Average	3	1.73	1,452	\$110,067	\$100,752	106
Median	3	1.75	1,431	\$109,000	\$103,000	80
Maximum	5	2.5	1,934	\$189,900	\$162,500	328
Total Dollar Value					\$1,511,275	

Source: Maquoketa Area MLS

FUTURE PROJECTIONS

Staff created a forecast to estimate the demand for additional housing units between 2015 and 2025.

ASSUMPTIONS

Staff used a cohort component projection method to develop a population forecast for Jackson County. The analysis assumes that each city's proportion of the total county population will remain constant. Figure 31 shows the forecast population growth.

FIGURE 31 FORECAST POPULATION AND HOUSEHOLD GROWTH

Year	2010	2015	2020	2025
Total Population	19,848	20,018	20,080	20,005

The forecast scenario assumes that the decline in average household size will continue during the forecast period. Figure 32 includes the estimated household size for the forecast years.

FIGURE 32 FORECAST AVERAGE HOUSEHOLD SIZE

Year	2010	2015	2020	2025
Persons Per Household	2.37	2.28	2.21	2.15

The analysis also estimates that the opening of the Thomson Prison will add 70 households to the county over the ten-year forecast period.

FORECAST RESULTS

Based on the forecast assumptions, Jackson County will need to house approximately 344 additional households between 2015 and 2025. Growth in this forecast scenario will be the result of population growth and small decline in overall household size over the 10 year forecast period. Figure 33 shows the forecast number of households 2015-2025.

FIGURE 33 HOUSEHOLD FORECAST RESULTS

Year	2010	2015	2020	2025
Initial Projection	8,289	8,541	8,718	8,875
Thompson Prison Adjustment	-	-	35	35
Total Projected Households	8,289	8,541	8,753	8,910

Figure 34 shows the forecasted number of households distributed across the four participating cities and the rest of Jackson County. The analysis assumes that the proportion of housing units in each city will remain constant.

FIGURE 34 HOUSEHOLD FORECAST

	2010	2015	2020	2025	Growth 2015 - 2025
Bellevue	966	995	1,020	1,038	43
Maquoketa	2,655	2,736	2,804	2,854	118
Miles	184	190	194	198	8
Preston	418	431	442	449	19
Rest of Jackson County	4,066	4,190	4,293	4,371	181
Jackson County	8,289	8,541	8,753	8,910	369

Figure 35 shows the forecasted number of owner occupied and renter occupied housing units distributed across the four participating cities and the rest of Jackson County. The analysis assumes the proportion of renter and owner occupied housing units in each city will remain constant.

FIGURE 35 FORECAST OWNER AND RENTER OCCUPIED UNITS BY CITY

	Percent of Current Units Owner Occupied	Number of Projected Units	Percent of Current Units Renter Occupied	Number of Projected Units
Bellevue	82.5%	33	17.5%	8
Maquoketa	71.3%	84	28.7%	34
Miles	83.0%	7	17.0%	1
Preston	79.8%	15	20.9%	4
Rest of Jackson County*	98%	177	2%	4
		316		51

* The percent of current units was not used to estimate the renter owner split for the rest of Jackson County Category. Currently, rental units make up about 20% of units in rural Jackson County. However, local officials see little demand for new rental housing in rural areas. The estimated percentage of renter and owner occupied units was modified to reflect the estimated demand.

RENTAL HOUSING TYPE FORECAST

Staff estimated demand for different housing types based income current renters in Jackson County. Census data shows that 45% of renting families in Jackson County live below the federal poverty line.² Staff grouped rental housing types into three categories: (1) Subsidized – housing that is restricted to less than 30% of area median income; (2) Affordable – Housing that is income restricted to between 30% and 80% of area median income; (3) Market rate – Housing that is not income restricted. Figure 36 shows the projected number of units by type. This forecast is a planning level estimate that does not account for other factors such as family size that may determine whether a family needs housing assistance.

² U.S. Census Bureau. 2011-2013 ACS. Poverty Status in the Past 12 Months of Families by Tenure. Jackson County, Iowa.

FIGURE 36 FORECAST RENTAL HOUSING DEMAND BY TYPE

Type	Percent of Units	Number of Units
Subsidized	20%	10 Units
Affordable	25%	13 Units
Market Rate	55%	28 Units
Total		51 Units

OWNER OCCUPIED HOUSING AFFORDABILITY

Staff estimated housing affordability for different price ranges of owner-occupied housing units based on current household income data from the U.S. Census Bureau. The federal government uses 30% of household income as a rule of thumb for housing affordability. A household that spends 30% or less of its income on housing costs has affordable housing, where a household that spends more than 30% does not. According to the Census Bureau, housing costs include mortgage payments, insurance, taxes, and utilities including electricity, water, sewer, and gas.

Housing studies often use the 30% rule of thumb to estimate affordable housing price levels based on Census Bureau household income data. Using the 30% rule of thumb to link household income to its housing price can be helpful, but using 30% alone can overestimate the demand for higher end housing units. This can happen because many households that could afford spending 30% of their income on housing choose to spend less. Each household develops its housing budget based on several factors. Income is the primary factor, but other factors including credit score, job stability, and number of children all affect housing decisions.

Figure 37 shows housing costs as a percentage of household income for housing units with a mortgage in Jackson County. The data indicates that many lower income households with a mortgage spend 30% or more of their income on housing. However, as income increases the percentage of income spent on housing goes down. 100% of households making less than \$20,000 spend 30% or more of their income on housing. For households making \$75,000 or more, only 4% spend 30% or more while 73% spend 20% or less of their income on housing. The income divide indicates that most households would prefer to spend 20% of their income on housing if they can.

FIGURE 37 HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME FOR HOUSING UNITS WITH A MORTGAGE IN JACKSON COUNTY

Household Income	Number Of Households	Percent of HH Income Spent on Housing Costs		
		Less than 20%	20% to 29%	30% or more
Less than \$20,000:	210	0%	0%	100%
\$20,000 to \$34,999:	303	5%	33%	62%
\$35,000 to \$49,999:	657	14%	45%	41%
\$50,000 to \$74,999:	880	49%	31%	20%
\$75,000 or more:	1473	74%	23%	4%
Zero or negative income	8	0%	0%	0%

Based on the information presented above, Staff developed a housing affordability analysis. To account for some of the variation in the percentage households spend on housing, the analysis estimates the minimum income required to afford a home at different price levels for both 30% and 20% of income. The monthly payment was calculated assuming a good credit and a 30 year mortgage with a 4% annual

interest rate and 10% down. The analysis also includes an estimate of additional housing costs including an annual 1.25% for property tax, an annual 0.5% for PMI insurance, and \$200 per month for utilities. The results of the analysis are presented in Figure 38.

FIGURE 38 JACKSON COUNTY HOUSING AFFORDABILITY BASED ON HOUSEHOLD INCOME

Housing Affordability	Entry Level	Move Up	Executive
Home Value	\$100,000	\$160,000	\$250,000
Down Payment 10%	\$10,000	\$15,000	\$25,000
Loan Amount	\$90,000	\$145,000	\$225,000
Interest rate	4.00%	4.00%	4.00%
Number of Payments	360	360	360
Monthly Payment	(\$477.42)	(\$763.86)	(\$1,193.54)
Property Tax Estimate	(\$125.00)	(\$200.00)	(\$312.50)
Monthly Utility Estimate	(\$200.00)	(\$200.00)	(\$200.00)
PMI Estimate	(\$33.33)	(\$53.33)	(\$83.33)
Subtotal Monthly Costs	(\$835.75)	(\$1,217.20)	(\$1,789.37)
Affordability			
Housing Cost as % of Income	30%	30%	30%
Minimum Income Required	\$33,429.95	\$48,687.91	\$71,574.86
Affordable to Percent of Jackson County Households	57%	47%	34%
Housing Cost as % of Income	20%	20%	20%
Minimum Income Required	\$50,144.92	\$73,031.87	\$107,362.29
Affordable to Percent of Jackson County Households	47%	35%	9%

The percent of income spent on housing can cause a variation in what types of housing area affordable, especially for higher end housing units. Using 30% of annual income, 34% of households in Jackson County could afford a \$250,000 house, but using 20% of income makes a \$250,000 home affordable to only 9% of households. Based on the information presented in Figure 37 one could assume that a household looking to buy in \$250,000 price range would be more likely to spend 20% rather than 30%.

Using this estimate a household making the area median income of \$46,467 would be able to afford a house up to the \$150,000. However, a buyer at this income level looking to spend 20% or less could be looking for homes at the \$90,000 and under level. This shows that at any given income level there can be a wide range in affordable home price based on other unknown factors.

FACTORS IMPACTING FORECAST RESULTS

The housing unit forecast presented in this document represents a best estimate of future housing needs based on reasonable projections of current trends. It is important to remember that trends can change and unforeseen factors can affect the accuracy of the forecast. This forecast should be updated over time to ensure that the most accurate information is used.

Housing unit price range estimates use a basic rule of thumb, and are intended to provide a rough estimate. Real-world homebuyer's decisions are formed by a wide variety of factors that are not accounted for in this analysis.

PRIORITIES

Based on the information presented in this report and discussions with local representatives, staff have developed priority areas for the Jackson County to focus on in future years. This section highlights four priority areas for future action.

THOMSON CORRECTIONAL CENTER

The Thomson Prison presents a unique opportunity for Jackson County. The correctional facility will generate direct and indirect economic impacts across the region. The prison will reportedly employ 1,100 workers could generate an additional 646 indirect and induced jobs.

New prison employees will need a place to live and Jackson County is within commuting distance of the new prison. The County's southeastern corner including the cities of Preston (26 miles), Miles (22 miles), and Sabula (14 miles) are the most likely candidates for new housing growth, but Maquoketa (42 miles) and Bellevue (35 miles) are also within a reasonable distance.

Using information from a 2010 economic impact study conducted by Iowa State University study combined with more recent estimates of the total prison employment, this report assumes that around 4% of new employees employed directly or indirectly by the Thomson Prison will choose to live in Jackson County.

There is, however, no guarantee that the new workers will choose to live in Jackson County. The ISU economic impact study estimated that the majority of prison employees would be located in larger cities such as Clinton and the Quad Cities, and the remaining will spread out across an area that includes several counties in Illinois and Iowa.

Communities in Jackson County may find it advantageous to invest in marketing to new Thomson Prison employees. Marketing efforts will be most important over the next year as the initial phase of hiring continues, but continued efforts in following years could also be important as employees turn over and other local companies increase hiring to meet the demand of the new prison and its employees.

According to the Federal Bureau of Prisons, prison staff tend to relocate frequently for career opportunities, and prefer a 30-35 minute commute to work at the prison. Prison staff tend to focus on quality of life when choosing where to live. Staff will search using the internet to look for areas with good schools, childcare options, and a variety of amenities.

HOUSING AFFORDABILITY

Based on current home prices, the majority of households in Jackson County could afford to purchase an entry level home. Many householders would also be able to afford an average market rate rental unit in the County as well. In many cases, the buying a house may be the more affordable option, if the household has cash on hand for the down payment and can find financing. Housing affordability can be an issue for renters as around 45% of renters in the County are living below the federal poverty line.

AGE FRIENDLY HOUSING AND COMMUNITY

The population of Jackson County is getting older. Demographic data shows that the Baby Boomers, which make up a large segment of the City's population, are now reaching retirement age. As this trend

continues, older residents will make up a larger portion of the population, and as a result, Jackson County will need to consider the needs of this population in future housing plans.

Survey data from AARP has shown that older people prefer to stay in their existing home and in their existing community as long as possible.³ Living independently at home is beneficial for the individual and the community as the longer seniors are able to live on their own the less they have to spend on nursing care, which keeps health care costs down and can help keep seniors out of poverty.

Age friendly home and community design are two keys to helping seniors live in their homes longer. Modifying existing homes will be the responsibility of the private property owner most of the time, but the city is directly responsible for things like transportation safety that make it easier for seniors to live independently. The AARP has created fact sheets for improving community livability for people of all ages. They are available at: <http://www.aarp.org/livable-communities/info-2014/livable-communities-fact-sheet-series.html>

WORKFORCE HOUSING

The aging Baby Boomer population also signals an approaching a period of accelerated renewal and change in the workforce as workers in the baby boomer generation are approaching retirement and employers need to find additional workers to fill their place. The increase in retirements presents a challenge for employers, who must now recruit new employees to replace retiring employees.

While challenging for employers, new worker employment presents an opportunity for a community like Jackson County. Employers in Jackson County and surrounding communities will be hiring and bringing new employees to the area. Attracting younger workers to live in Jackson County will be especially important. Census and survey data have shown that many workers travel outside the community they live in for work. Employer surveys show that many workers who currently live outside Jackson County do so because they were already established in another community before getting the job. If Jackson County is able to attract younger workers to live in the community, they may develop ties to the community and choose to live there long term.

Good quality rental housing may be a good way to attract younger workers. Younger workers have income coming in, but they may not have enough saved up for a down payment or may not have enough credit history to get a mortgage. A young worker could rent for a few years, save up some money, develop ties to the community, and eventually choose to buy a house Jackson County.

A community that has a good resident workforce will be attractive to employers, as many employers want the ability to choose from a pool of good workers. Over time, a good workforce will attract new jobs, which will attract more workers creating a cycle of economic growth and development.

HOUSING STOCK

Jackson County's housing stock is composed primarily of well-maintained older single-family homes. Continued maintenance of existing housing stock will be important for Jackson County's future. The median year structure built for housing units is 1960. Even with accelerated new housing construction in the future, older units will still make a large portion of the area's housing stock for the foreseeable future. Most properties in the community are in good condition, but some older homes may not meets

³ AARP. "Home and Community Preferences of the 45+ Population" <http://assets.aarp.org/rgcenter/general/home-community-services-10.pdf> 2010. Web. November 2014.

the needs and expectations of current buyers. City can employ several strategies to ensure the continued quality of its housing stock.

- Code Enforcement. The city can address problem properties through the city code and the nuisance abatement process that detailed in Section 346.12 of the Iowa Code.
- Rental inspection ordinance
- Non-Profits. Organizations such as Habitat for Humanity can help households who would not normally be able to afford a home through new construction or rehabilitation.
- External Funding. The City may need to utilize external funding to implement some housing programs. Information on funding sources is located in the Funding section of this document.

In addition to maintaining the older housing stock, ensuring that the older stock meets the needs of today's families will also be an important priority for Jackson County. Census data shows a decline in household size over the past several decades. Numerous factors have led to this decline including families having fewer children, and older population with fewer children living at home, and an increase in single person households. The recession has slowed the decline in household size somewhat.

Looking to the future, the single family home will continue to be the dominant housing type in Jackson County for many years to come. However, the changes in household configuration will create increased demand for other housing types. The City has several options for accommodating smaller households including:

- The City could zone for additional mid-sized owner occupied units like townhouses and smaller single-family homes. Mid-sized units provide workforce housing, but city Zoning may exclude some of these units.
- Residents may be looking to modify older homes to meet the needs of their specific household. The city could evaluate its zoning code to allow for some changes in appropriate areas of the community. Possible changes include allowing for accessory dwelling housing units or dividing larger single-family homes into multiple units.
- Rehabilitation of upper story apartments above downtown businesses is another way to create smaller housing units. These units are attractive to tenants because of nearby shopping and restaurants, and increase community tax base by improving underutilized space in existing buildings.

FUNDING

Funding and implementing housing projects can seem like a monumental task. The good news is that several funding sources and assistance programs are available to cities and to private entities through the State of Iowa and the Federal Government. The list below contains a brief description of some of the funding programs that are available to communities in Iowa.

Community Development Block Grants – provide assistance on a wide variety of projects, including low and moderate – income housing, prevention and elimination of slum and blight, and housing rehabilitation. In Iowa, the Iowa Economic Development Authority (IEDA) administers the federal CDBG program. <http://www.iowaeconomicdevelopment.com/CommunityDevelopment/CDBG>

EIRHC Housing Trust Fund – The Eastern Iowa Regional Housing Corporation Housing Trust Fund provides financing to expand housing opportunities for moderate, low, very low, and extremely low income families in Cedar, Clinton, Delaware, Dubuque, and Jackson Counties. <http://www.easterniowaregionalhousing.org/ownyourown/htf.cfm>

Iowa Economic Development – In addition to CDBG, IEDA offers several housing and economic assistance programs including tax credits and Main Street Iowa. <http://www.iowaeconomicdevelopment.com/Programs/CommunityDevelopment>

Iowa Finance Authority (IFA) – the IFA offers a variety of programs including affordable rental, affordable home ownership, and economic development. For more information visit <http://www.iowafinanceauthority.gov/>.

U.S. Department of Agriculture Rural Development – USDA offers several programs available for houses and apartments in rural communities. Loans for construction and rehabilitation of rental housing in rural areas, home repair loans and grants, and home loans for low income families. http://www.rurdev.usda.gov/IA_hp.html

Tax Increment Financing (TIF) – Cities in Iowa have the option to use TIF to fund housing projects. However, when TIF is used for housing development, a percentage of the future tax increment revenues from the project must be used to provide housing assistance to low- and moderate-income families. <http://www.iowaeconomicdevelopment.com/CommunityDevelopment/TIF>

This list represents a small sample of available programs. The Iowa League of Cities offers a more comprehensive overview of housing funding resources at their website. <https://www.iowaleague.org/members/Pages/HousingAssistanceandResources.aspx>

With any funding source or assistance program, the recipient should do their due diligence, making sure that all parties involved are aware of all program requirements up front. This will help the city determine which programs are the best fit for the community, and will help ensure the long-term success of the projects implemented through the program.

APPENDIX A. HOUSING CONDITION MAPS

