

AFFORDABLE AND AVAILABLE HOMES  
POLK COUNTY, IOWA  
MARCH 2023  
POLK COUNTY HOUSING TRUST FUND



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# Affordable and Available Rental Homes Polk County, Iowa

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An analysis of the 2019 Comprehensive Housing Affordability Strategy (CHAS) special tabulations representing a snapshot of the low-income rental market prior to the COVID-19 pandemic. This first-of-its-kind analysis provides a snapshot of the local rental housing market prior to the outbreak.

This report is part of a series of PCHTF reports committed to turning data into useful, actionable insights and support our mission to provide strategic leadership, expertise, and resources to strengthen communities by expanding affordable housing choices to all residents of Polk County.



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## Introduction

Affordable, safe, and accessible housing provides a foundation for people from Polk County to grow and prosper. Without access to housing, individuals have lower levels of life satisfaction, higher incidence of food insecurity, adolescent behavioral problems, and poor health outcomes (Acolin & Reina, 2022; Lee et al., 2021; Marçal, 2022; Stahre et al., 2015).

Despite efforts by state and local leaders and organizations, the supply of affordable and available rental units in Polk County remains insufficient for the county's lowest-income households. Using an analytical methodology developed by the National Low Income Housing Coalition, the Polk County Housing Trust Fund examined in-depth, publicly available 2019 five-year estimates of the Comprehensive Housing Affordability Strategy (CHAS) data to determine the affordability and availability of rental homes in the area for households earning less than the area median family income (NLIHC, 2022). These data represent what was occurring in the county before the COVID-19 pandemic and offer a snapshot of the condition of the rental housing market before the outbreak.

The private rental market does not and cannot provide enough units to ELI and VLI households. In 2019, an ELI household of four had a household budget of only about \$650 a month. According to HUD, the fair market rate in Polk County for a two-

bedroom in 2019 was \$910 (HUD, 2020). The difference between what a family can afford and the rent they pay is the cost burden they experience, leaving families to suffer a lack of resources for other necessities like health care, education, and transportation.

Key findings include:

- ELI households experience an absolute deficit of 11,635 affordable and available housing units, and nearly half of this group's affordable housing is occupied by higher-income households.
- ELI households face competition from higher-income families which sometimes reside in units that consume a smaller share of their incomes than they may be able to reasonably afford.
- Only 23 affordable rental units are affordable and available per 100 ELI households.
- Most (85%) of ELI households in Polk County are severely cost-burdened, meaning they pay more than half their income on housing expenses including rent and utilities.
- A cumulative deficit of 16,445 units exists for households that make less than 50% of the AMI. This includes a deficit of 11,635 for ELI households and 4,810 for VLI households.
- Of the 61,790 Polk County renters, 24,810 (40%) are cost-burdened, but this is not evenly distributed across all income groups.

### Definitions

**Area Median Income (AMI):** The median family income, calculated and adjusted annually by the Department of Housing and Urban Development (HUD).

**Extremely Low-Income (ELI):** Households with income with less than 30% of the AMI or the federal poverty guideline, whichever is higher.

**Very Low-Income (VLI):** Households with income between ELI and 50% of the AMI.

**Low-income (LI):** Households with income between 31% and 80% of the AMI.

**Middle-Income (MI):** Households with income above 80% of the AMI

**Moderate Cost Burden:** Spending more than 30% of household income on housing costs (including utilities).

**Severe Cost Burden:** Spending more than 50% of household income on housing.

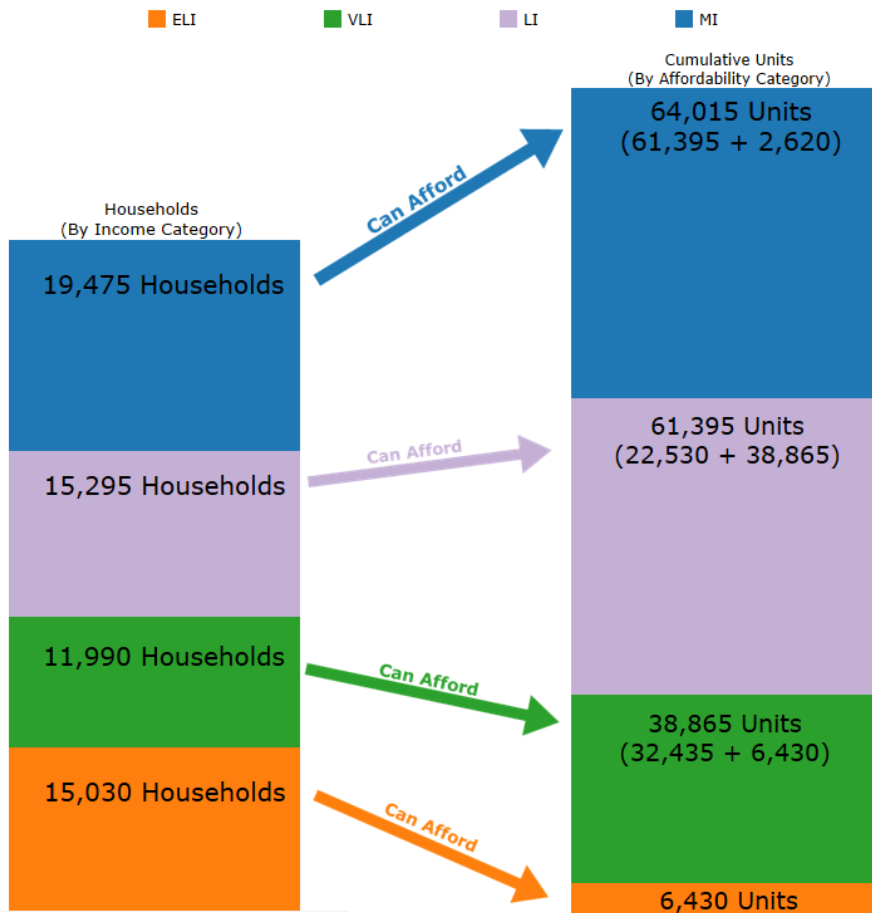
### Affordable Rental Homes

Polk County, Iowa, has a shortage of affordable homes available for households at some income categories, especially those who earn 30% or less of the Area Median Income (AMI) and those who earn more than 30% but less than 50% of the AMI, as shown in Figure 1. The 2019 AMI was \$88,000 annually for a family of four. To be considered affordable, a rental unit costs less than 30% of household income and has complete kitchen and plumbing facilities. The approximately 15,000 extremely low-income renters face a very tight rental market with only 6,430 affordable available units to this income category. Extremely Low-Income (ELI) renting households face an absolute

deficit of 8,600 affordable homes. No other income categories face an absolute deficit in the county. *Absolute deficits* indicate there are fewer affordable units available than households regardless of availability to a certain income group.

Very Low-Income (VLI) households (incomes above 30% but below 50% of the AMI) have an additional 32,435 affordable units available for rent, plus the 6,430 units affordable for extremely low-income households. Polk County has nearly 12,000 VLI Households with a cumulative 38,865 affordable units available for rent creating a surplus of 11,845 units. A *cumulative surplus or deficit* occurs when the number of

Figure 1. Rental Units & Renters in Polk County, Iowa – Matched By Affordability & Income Categories



Source: PCHTF calculations of 2019 HUD Five-Year CHAS data.

affordable units exceeds the number of households in a particular income group. Each income group can afford the units affordable to the income groups who earn less. The increased income of this group over ELI households allows them to lease units affordable for both VLI and ELI categories. The cumulative surplus of 26,875 combines the existing 20,445-unit surplus plus the 6,430 units affordable to ELI households.

Approximately 15,000 households in the county have low incomes (above 50% but below 80% of the AMI). Low-Income (LI) households can afford the 32,435 units affordable to VLI households and 6,430 units affordable to ELI households, plus the 22,000 units affordable to this income category leading to a cumulative 62,395 units. LI households have an estimated surplus of over 46,000 units.

Over 19,000 households with moderate income (greater than 80% of the AMI) can

afford LI, VLI, and ELI affordable units. Middle-income (MI) households can afford about 64,000 units, including the 61,395 units of lower-income households and the over 2,600 affordable units. Much like other income groups, MI households often reside in units that take a much smaller share of the household income towards housing costs.

Many households choose to reside in units that cost less than a third of the household income. Higher-income households choosing to live in units affordable to low-income households adversely affects the availability of an already tight rental market for ELI households.

### Affordability and Availability

Unfortunately, affordable units may not be available to lower-income households because, in the private rental market, no rules or restrictions prevent a higher-income household from leasing a unit that is affordable to a lower-income household. Many below-median-income households must compete with higher-income households for rental units. As discussed earlier, all income categories except for the ELI category have an actual surplus and a cumulative surplus of affordable units. Developing an accurate picture of the rental market for households requires examining

how many affordable units are available to these households. Rental units are affordable and available to each income category if they are both affordable and not occupied by a higher income category.

For households with higher incomes, additional units become affordable and available to each income category. As shown in Figure 2, for every 100 households with incomes at 30% or less of the AMI, only 23 units are available, while 82 units for households with incomes at 50% or less of the AMI. For both households at less than

80% and 100% of the AMI there were 104 affordable and available units per 100 households, showing a surplus of units in these income categories.

Figure 2. Affordable & Available Rental Homes Per 100 Renter Households: Polk County, Iowa



Source: PCHTF calculations of 2019 HUD Five-Year CHAS data.  
AMI=Area Median Income



Of the 6,430 units affordable by ELI households, nearly half are occupied by higher-income households leaving only about 3,400 units that are both affordable and available to ELI households. About 1,200 (18%) ELI affordable units are occupied by VLI households, 1,050 (16%) are occupied by LI households, and 800 (12%) are occupied by MI households.

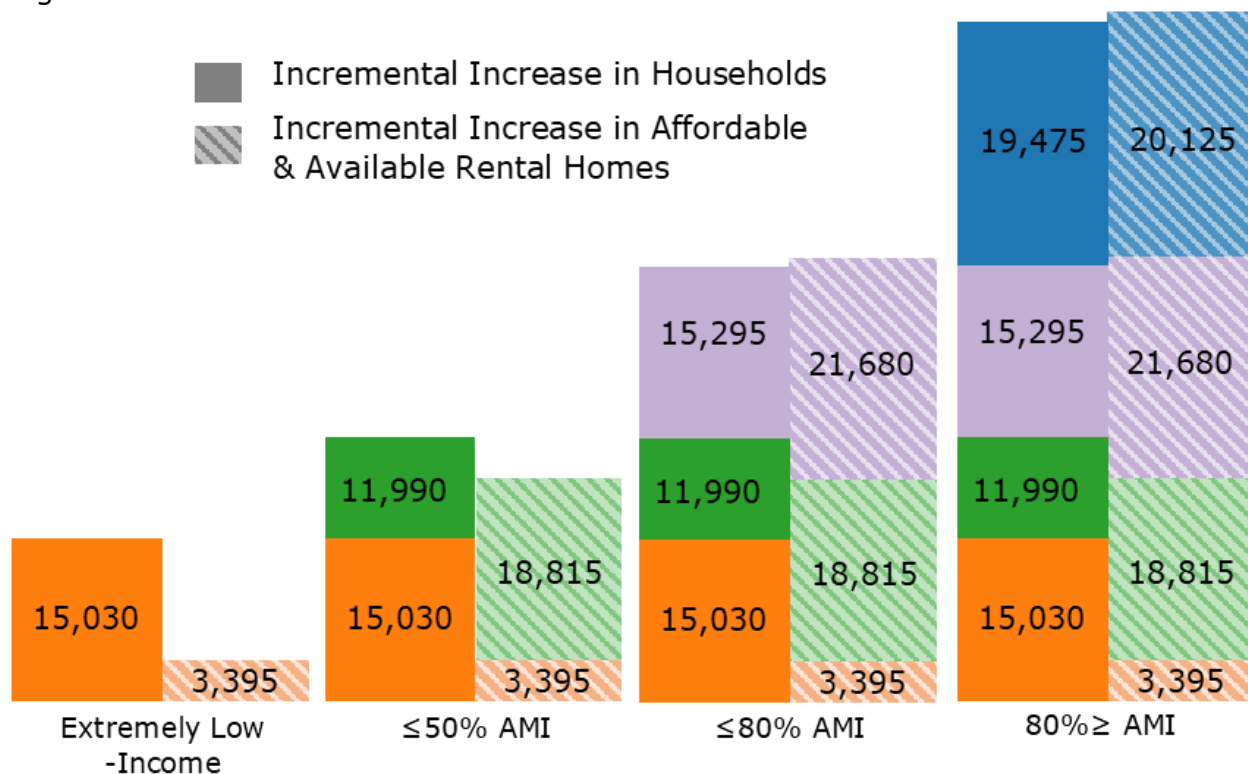
The shortage of rental units available for households making less than 30% of the AMI exists primarily because of the limited affordable rental options in the market. Over half of these households reside in units affordable to household earning between 30% and 50% of the AMI, and 20% live in homes affordable to households earning between 50% and 80% of the AMI. As shown in Figure 3, only 3,395 affordable units are available to ELI households leading to a deficit of 11,635. Nearly half of this group's affordable housing is occupied by higher-income households. Three-quarters reside in

unaffordable housing due to the deficit and competition from higher-income households. For detailed information about where each income group resides, please refer to Table 1A in Appendix A.

Households equal to or below 50% of the AMI face competition for affordable housing from other income groups. Despite this, nearly 80% of these households live in affordable housing. About 10% reside in housing affordable for ELI households, and just over a quarter reside in housing that is affordable for higher income households.

Households earning less than 80% of the AMI have access to a surplus of affordable and available units. Some of these households choose to reside in lower-cost housing options with over half of these households residing in homes affordable to households earning less than 50% of the AMI. Living in homes below the household's affordability level creates a tightening of the lower income rental market. Households with lower

Figure 3. Renter Households and Affordable & Available Rental Homes



Source: PCHTF calculations of 2019 HUD Five-Year CHAS data



incomes feel pressure when trying to access affordable housing. Only 40% of LI households reside in affordable housing for this income group. A minimal share (2%) resides in housing affordable for those in the middle-income group.

Middle-Income (MI) have the most affordable and available units compared to any other group. Estimates of affordable and available units for this income group are quite low, with only an additional 2,620 units for 19,475 these households. About half of them reside in affordable units for households earning less than 80% of AMI, and a third live in affordable units for households earning less than 50% of AMI.

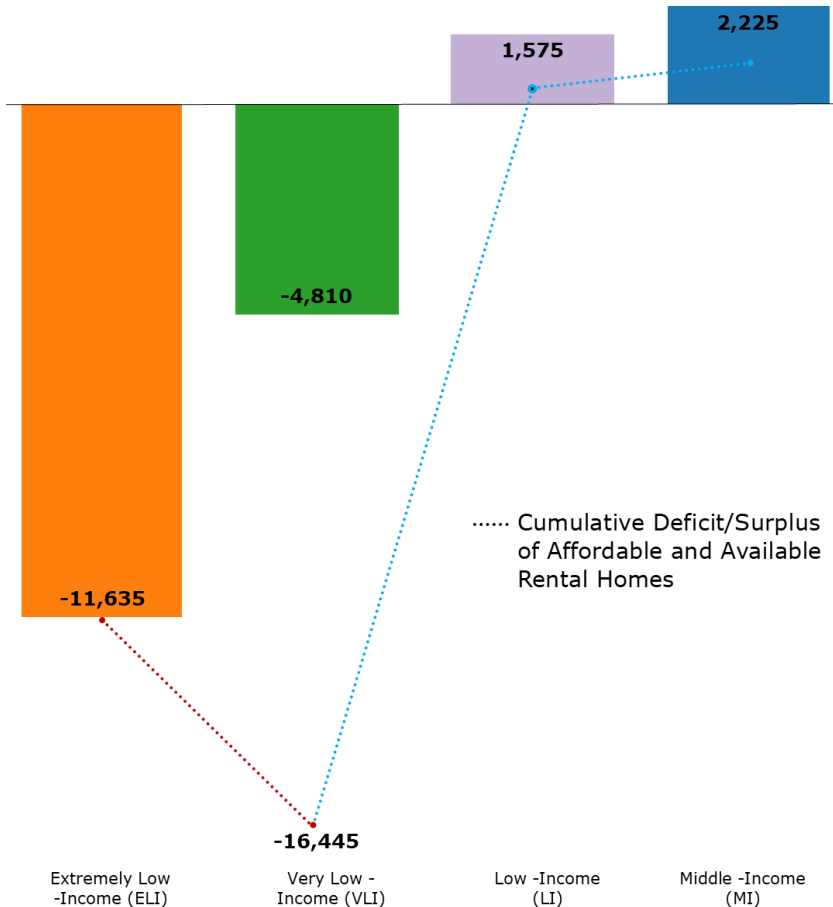
Downward pressure from higher-income households on lower-income households creates an environment where some may be forced to accept higher rents than they would otherwise prefer or can realistically afford. In addition, the lower availability of affordable units contributes to substantial deficits among some income groups.

The private rental housing market in Polk County provides housing options for many different income groups. Unfortunately, there are considerable gaps in affordable housing for households earning less than 50% of AMI. Figure 4 shows ELI and VLI households face substantial affordability and availability challenges. Among ELI and VLI households, there are deficits of 11,635 and

4,810 units which contribute to a cumulative 16,445 deficit. Over half of all rental units affordable to ELI households are occupied by VLI households. Despite there being more than 32,000 affordable units to VLI households in the market, many of these units are occupied by higher income households creating a deficit of 4,810 units. Competition for affordable housing among lower income households forces them to reside in unaffordable units, causes housing cost burdens, and places them at higher risk for experiencing homelessness.

Fortunately, the market provides a housing surplus to both LI and MI households. These households have access

Figure 4: Incremental Change to Surplus (Deficit) of Affordable & Available Rental Homes



Source: PCHTF calculations of 2019 Five-Year CHAS data.

to a surplus of affordable housing options because they can afford both the units affordable for their income groups plus the units affordable to groups with lower

incomes. Having greater access to affordable housing leads to reduced housing cost burdens.

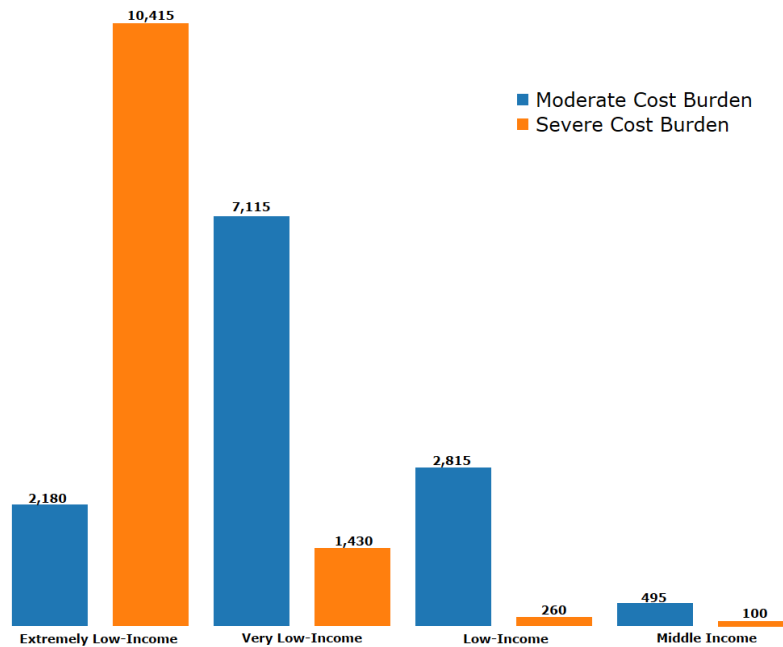
### Cost-Burdened Housing Instability

Households spending more than 30% but less than 50% of their income on housing costs are considered by HUD as moderately cost-burdened, a form of housing instability. Households spending more than 50% of their income on housing are considered severely cost-burdened. Housing instability places people at risk for negative impacts on their physical and mental health, financial resources, and many other factors. These risks occur across the life course from children to older people. Children who reside in 'doubled-up' living situations may have worse adult outcomes than children who did not experience this in childhood (Harvey, 2020). Unmet basic needs like food or housing insecurity have been associated with various adolescent depression and aggression-related behavioral problems (Marçal, 2022). To mitigate some of the risks, some families choose to reside with their parents or extended families to better meet the household's basic needs. Researchers have noted that increased incidence of living in multigenerational households rose by more than 4% between 1996 and 2016 nationally (Pilkauskas & Cross, 2018).

et al., 2021). Working-aged people experiencing housing insecurity are three times more likely to have depressive or anxiety symptoms. Housing insecurity has been associated with intimate partner violence even when controlled for age, family income, race/ethnicity, educational attainment, and marital status (Breiding et al., 2017). Unfortunately, experiencing housing instability can place workers at risk of unemployment, making it more difficult to stabilize their financial situation following a forced move (Desmond & Gershenson, 2016). At the older end of the age spectrum, researchers have found evidence that being homeless or precariously housed places people at higher risk of cognitive decline and accelerated aging (Gicas et al., 2020).

As shown in Figure 5, of the 61,790 Polk County renters, 24,810 are cost-burdened, but this is not evenly distributed across all

Figure 5. Polk County Renter Households with Cost Burdens



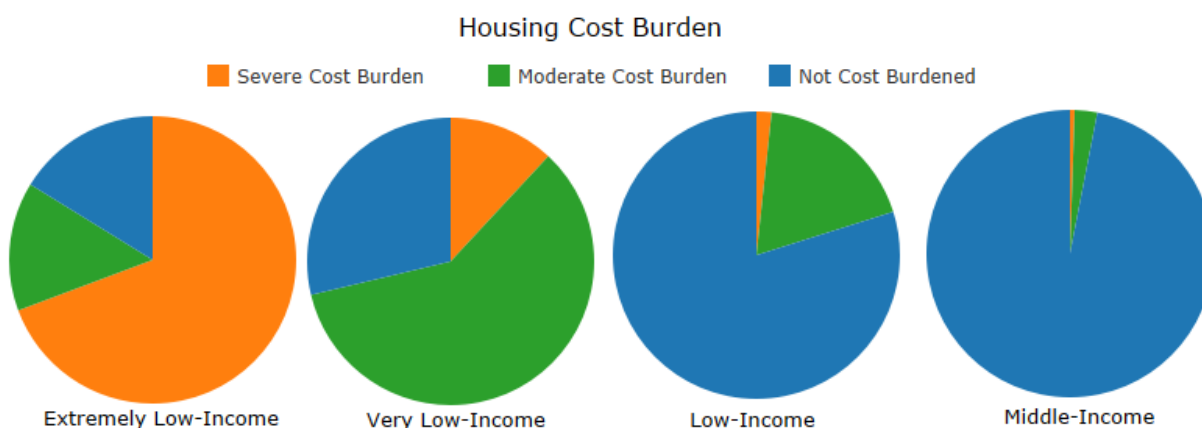
Source: PCHTF calculations of 2019 Five-Year CHAS data.

Additionally, households with housing instability are more likely to have poorer diets and experience food insecurity than housing-stable households (Bottino et al., 2019; Lee

income groups. A large portion of ELI households is both moderately and severely cost-burdened. Over 10,000 of the 15,030 ELI households are severely cost-burdened, and an additional 2,180 are moderately cost-burdened. Many ELI households rent affordable homes to higher-income households leading to large shares experiencing severe cost burdens. About 7,000 of the 12,000 VLI households are moderately cost-burdened, and about 1,400 are severely cost-burdened. Although many households are not severely cost-burdened, most VLI households are exposed to the risks associated with housing instability. A similar competition for affordable units exists among

Market affordability is strongly affected by the availability and demand for housing among other drivers. Households with limited financial resources must compete with higher incomes for affordable housing units. An ELI household of four people earns no more than \$2,188 a month and can only afford \$656 a month in rental costs including rent and utilities. To see other income groups, please see Table 3A in Appendix A which provides the monthly dollar amount for affordable rental units for ELI, VLI, and LI households for various sized households in the county. The private market cannot provide enough rental units at this price point. The gap in availability and demand

Figure 6. Cost Burden in Polk County Rental Households



Source: PCHTF calculations of 2019 Five-Year CHAS data.

this group, with many available units occupied by higher-income households.

Higher-income households, including LI and MI, have much lower rates of housing cost burdens. About 2,800 of 15,000 LI households are moderately cost-burdened, and less than 300 are severely cost-burdened. Many LI households reside in housing that is affordable to VLI households creating more competition in the housing market for low-cost housing. Only about 600 of the 19,475 middle-income renters are cost-burdened primarily because they reside in affordable units to lower-income households.

leaves many ELI no choice but to pay far more than they can afford for housing leading to substantial cost burdens.

Figure 6 shows how cost burdens in Polk County are not evenly distributed across income groups, with more ELI households experiencing housing cost burdens than other groups. Two-thirds of ELI households are severely cost-burdened, and about 15% are moderately cost-burdened, with the remaining households not experiencing a cost burden associated with housing. Many VLI families experience cost burdens, but a substantially smaller share is severely cost-burdened. Only about one in ten VLI households are severely cost-burdened. A

large proportion (60%) of VLI households are moderately cost-burdened. Fortunately, a third of these households are not cost-burdened.

The remaining two groups, few LI and MI households, have a cost burden. except for about 20% of LI households being moderately cost-burdened. Approximately 20% of LI households are moderately cost-burdened and 2% are severely cost-burdened. Very few MI households spend in excess of 30% of their income on housing costs because they afford virtually all existing rental units in the county. Less than 5% of MI households are cost-burdened indicating a strong supply of affordable housing in this income group. The threshold between LI and VLI households is shows how VLI renters struggle to secure affordable housing when compared to higher income groups. The housing supply in the county does not provide enough appropriate housing for these families. For the 15,000 ELI renters, the situation is even more dire with most of them experiencing severe cost-burden. These households face considerable pressure to locate an affordable rental unit because other higher income households live in units that cost much less than 30% of the household's income.

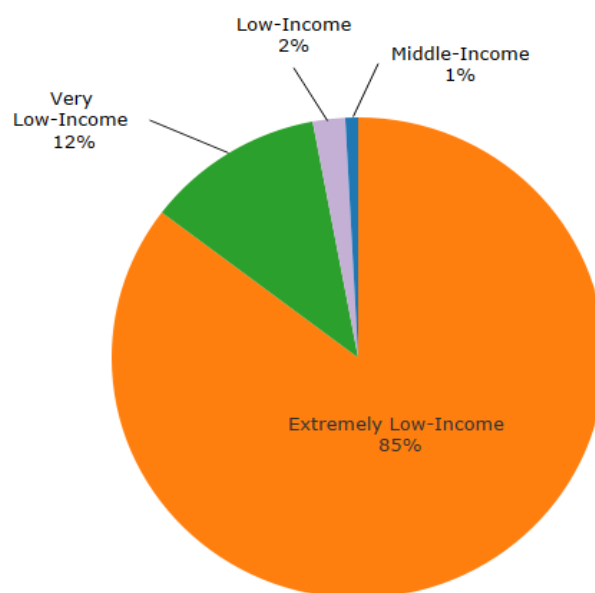
Although not a surprise, of the 12,205 severely cost-burdened households, more than 10,000 are ELI. Figure 7 shows the makeup of severely cost-burdened households in Polk County. Nearly

## Conclusion

Polk County has affordable and available housing issues among its most vulnerable citizens. The private rental and subsidized housing market does not provide enough affordable and available housing opportunities for the over 15,000 ELI households that call Polk County their home. Households that do not have access to stable

all, 85%, are ELI households. Severely cost-burdened households are at increased risk for experiencing evictions, experiencing homelessness, and many other negative consequences. The next largest group is LI households, which make up 12% of all severely cost-burdened households in the county. Many LI households reside in ELI affordable housing units, and far more VLI affordable units are available. Only 3% of LI and MI households are severely cost-burdened and have many affordable and available units compared to VLI and ELI households.

Figure 7. Severely Cost-Burdened Polk County Renter Households



Source: PCHTF Calculations of 2019 Five-Year HUD CHAS Data

housing face greater challenges to be successful in their employment, move frequently, and their children may be forced to change schools with each move. The shortage of more than 11,000 units affordable to the people who live and work amongst us forces these vulnerable individuals to make hard choices. The private

rental market cannot provide these households the necessary units. The Polk County Housing Trust Fund's Vision is that everyone has equal opportunity for safe, stable, and affordable homes within the communities where they choose to live,

work, play and learn. We encourage Polk County communities to commit to providing the lowest-income and vulnerable households access to safe, affordable, and accessible housing options.

### Acknowledgements

The Polk County Housing Trust Fund wants to thank the National Low Income Housing Coalition (NLIHC) staff for their support in the creation of this document. Dan Emmanuel, Senior Research Analyst, provided considerable data support during early development to localize their national work. The analysis strategies and many of the visualizations were based on The Gap A Shortage of Affordable Rental Homes available at their website: <https://nlihc.org/gap>. Without the support of the NLIHC, this document would not have been possible.

## Appendix A

Table 1A. Affordability of Current Rental Households – Polk County, Iowa

	Renter Households	ELI Affordable	VLI Affordable	LI Affordable	MI Affordable	Total Rental Units
ELI Households	15,030	3,395	8,090	3,240	230	14,955
VLI Households	11,990	1,180	9,545	2,895	290	13,910
LI Households	15,295	1,050	8,185	6,310	310	15,855
MI Households	19,475	805	6,615	10,090	1,790	19,300
Total	61,790	6,430	32,435	22,535	2,620	64,020

Source: PCHTF calculation of 2019 Five-Year CHAS data.

Table 2A. Fiscal Year 2019 HUD Monthly Income Limit Area – Polk County, Iowa

Median Family Monthly Income	FY 2019 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
\$7,333	Extremely Low-Income (30 % or less)	1,533	1,750	1,971	2,188	2,514	2,883	3,251	3,619
	Very Low-Income (50% or less)	2,554	2,917	3,283	3,646	3,938	4,229	4,521	4,813
	Low-Income (80% or less)	4,083	4,667	5,250	5,833	6,300	6,767	7,233	7,700

Source: HUD Income Limits Documentation System. Downloaded 1/10/2023. (<https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn>)

Table 3A. Fiscal Year 2019 HUD Affordable Monthly Rent – Polk County, Iowa

FY 2019 Income Limit Category	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low-Income Limits (30 % or less)	460	525	591	656	754	865	975	1,086
Very Low-Income Limits (50% or less)	766	875	985	1,094	1,181	1,269	1,356	1,444
Low-Income Limits (80% or less)	1,225	1,400	1,575	1,750	1,890	2,030	2,170	2,310

Source: PCHTF Calculations of HUD Income Limits Documentation System.

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