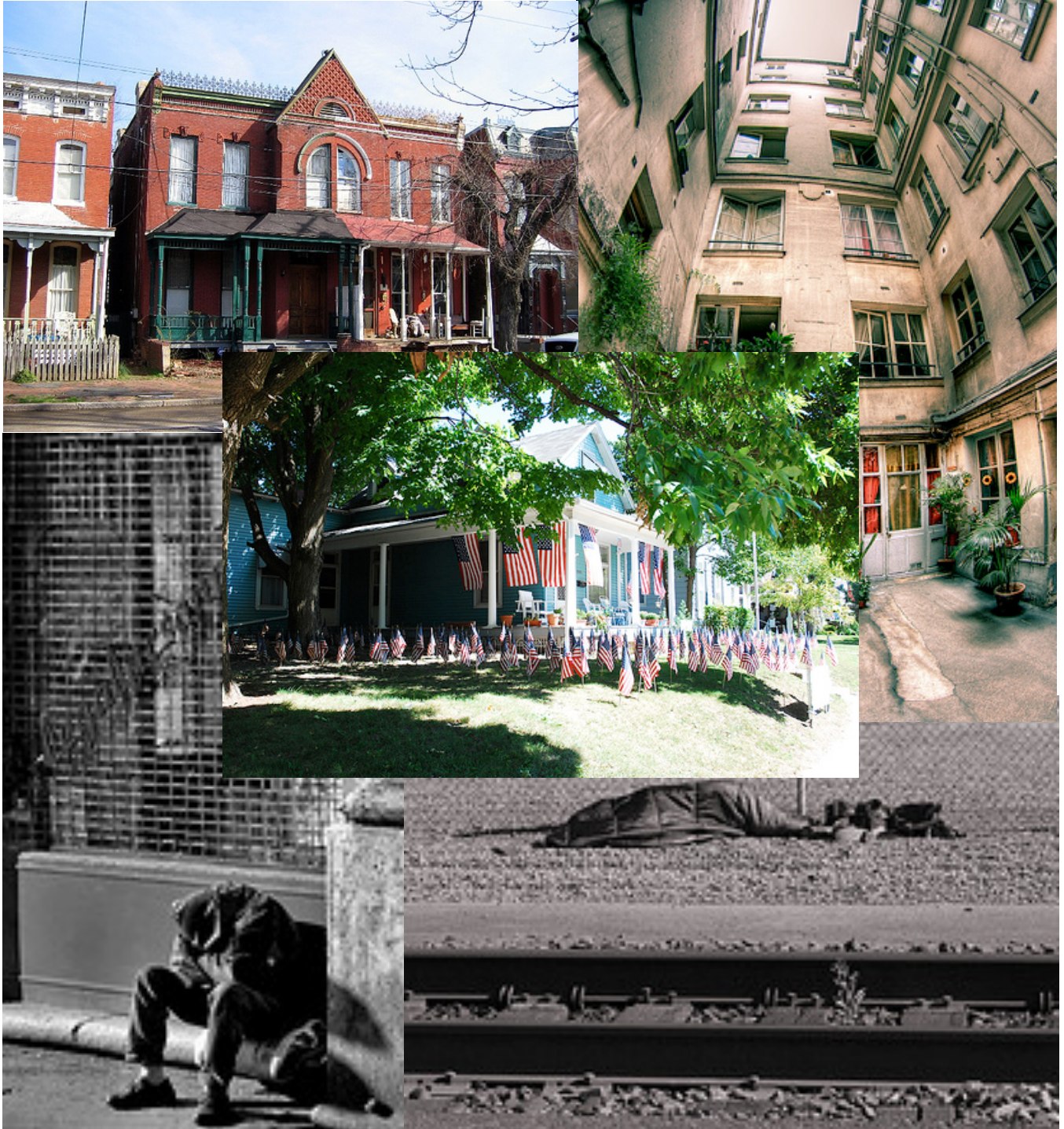


Chapter 4

Housing and Homelessness: With and Without Place



Housing in Northwest Arkansas

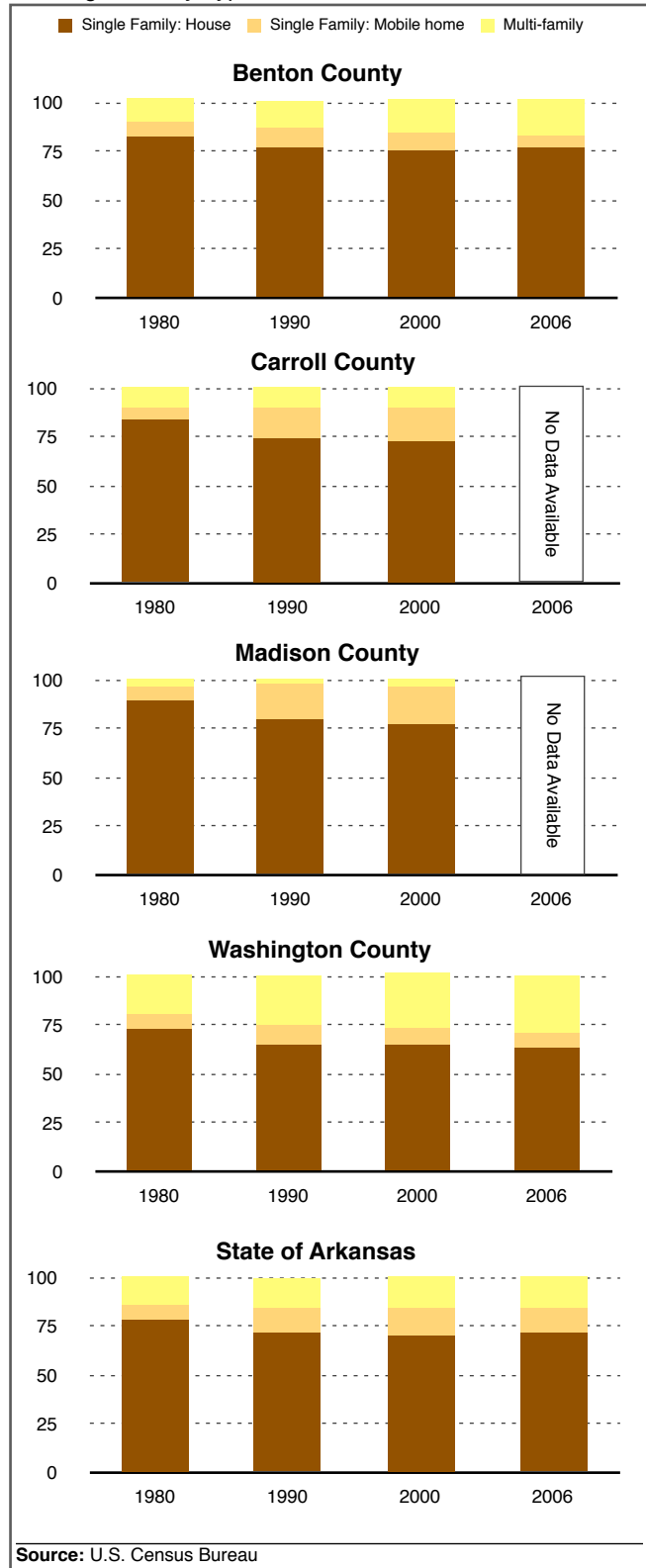
Housing Availability

Housing and/or the lack of housing is fundamental to any quality of life assessment. The ability to secure a safe, affordable place to live in is essential to all residents. By providing physically appealing, structurally sound, and financially manageable housing options, local governments can increase the standard of living and the quality of life in their area. Ultimately, there are stressors associated with housing (space, affordability, repair costs, etc) and they too impact impact well-being in a community.

How diverse the housing stock is tells us something important about its residents. Likewise, a range in housing stock prices suggests a heterogenous population; much of the homelessness story around the country and in Arkansas is a direct function of the limited availability of affordable housing.

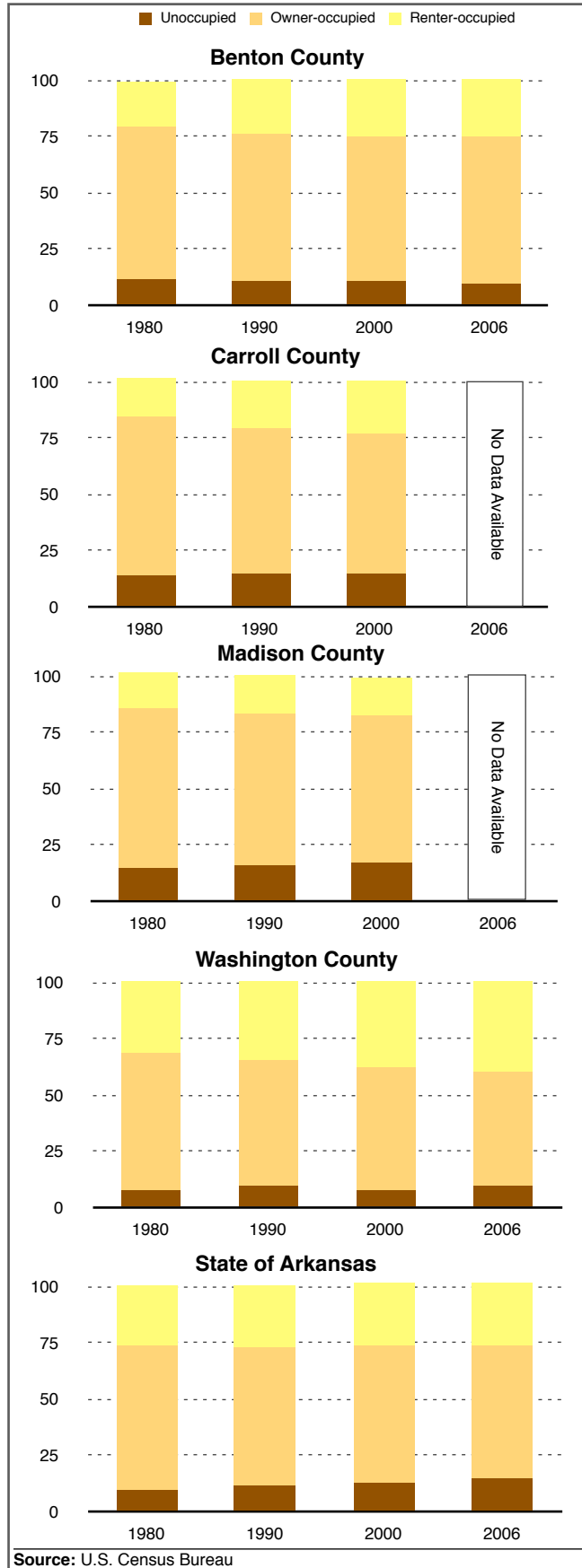
- ★ The majority of available housing stock in Northwest Arkansas counties is single-family units.
- ★ Since 1980, single-family housing units have represented nearly 75 percent of all units in the Northwest Arkansas counties.
- ★ The percentage of multi-family dwellings has increased in both Benton and Washington Counties since 1980. In both cases, the percent of multi-family dwellings in these counties has been slightly more than the state average.
- ★ The growth in mobile home units in Madison and Carroll County through the 1980's and 1990's has been considerable. In both these counties, mobile homes are the second most abundant type of dwelling unit.
- ★ In 2006, the percentage of mobile home units in Arkansas (13.3%) was nearly twice the United States average (6.9 %).

Figure 4.1
Housing Units, by Type, Northwest Arkansas: 1980-2006



Source: U.S. Census Bureau

Figure 4.2
Home Ownership in Northwest Arkansas: 1980-2006

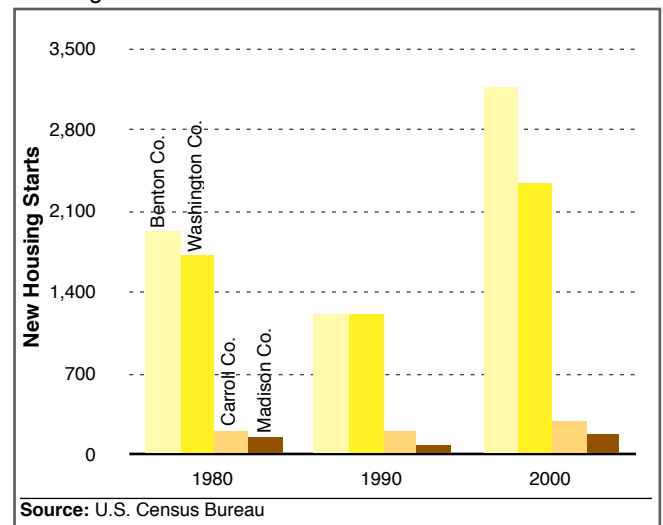


Source: U.S. Census Bureau

Home ownership in the United States has decreased slightly in the last three years, as vacancy rates have inched upward. This report does not reflect the recent downturn in the housing market and general economy because of the historical data being used (pre-2007). However, one can anticipate important changes in these and other data in the next several years both in Northwest Arkansas and the state as whole.

- ★ The percentage of owner-occupied units has declined over the last several decades in all Northwest Arkansas counties, while the percentage of vacant units has slowly increased.
- ★ The percentage of renter-occupied units in Washington County, is both the highest in the region and significantly more than the state average.
- ★ By 2006, the number of renter occupied units in the state increased to nearly 30 percent; the U.S. average for renter-occupied units was 33 percent.
- ★ In Figure 4.3, Washington and Benton County growth is reflected in the number of new housing starts since 1980.
- ★ By 2000, Benton county had seen over 3,000 new housing units started in the 1999-2000 period.

Figure 4.3
Housing Starts in Northwest Arkansas: 1980-2000

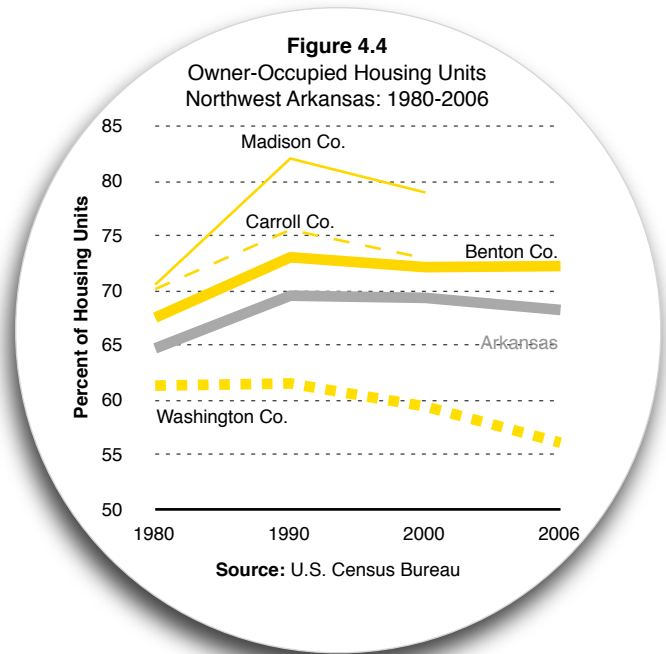


Source: U.S. Census Bureau

Indicator in the Spotlight:

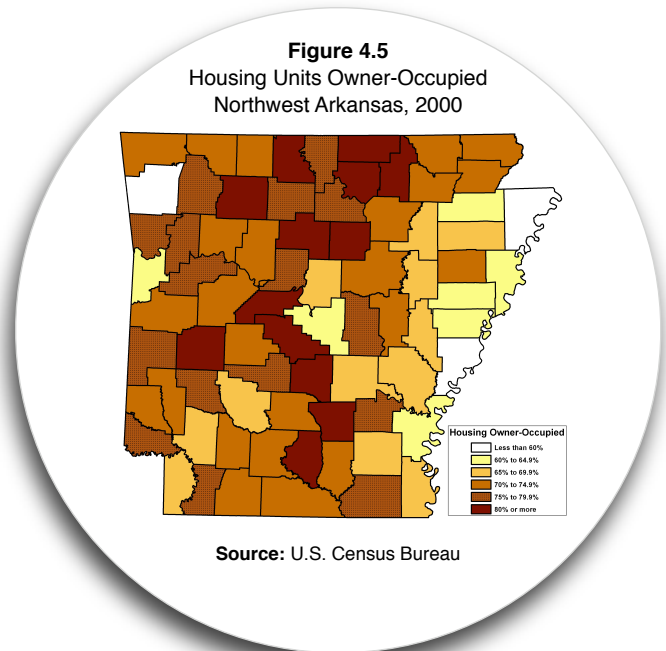
Home Ownership in Northwest Arkansas

- ★ Since 1980, the majority of housing units in Arkansas and the Northwest Arkansas counties have been owner-occupied units.
- ★ The percentage of owner-occupied units increased significantly in the 1980's as suburbanization was beginning to take hold in the region.
- ★ From 1990 to 2006, the percentage of owner-occupied housing declined slightly in Northwest Arkansas.
- ★ By 2006, Washington County had the smallest percentage of owner-occupied housing in the region (55%).
- ★ Few counties in the state had less than 60 percent of owner-occupied housing stock; Washington, Mississippi, and Phillips Counties had the smallest proportion of owner-occupied housing in the state.



"The ideal of happiness has always taken material form in the house, whether cottage or castle; it stands for permanence and separation from the world."

Simone de Beauvoir



Housing Affordability

To measure housing affordability more directly, the percentage of a household's gross monthly income dedicated to the payment of rent is used. "Affordable" housing is defined as housing requiring 30 percent **or less** of a household's gross income. In Northwest Arkansas, the mean annual wage for renters is \$10.50 per hour, roughly \$21,000 per year, while the Fair Market Rent (FMR) for a two-bedroom apartment in Northwest Arkansas is \$7,296 per year. Thus, the typical renter in Northwest Arkansas has to work a minimum of 46 hours per week in order to pay FMR for a two-bedroom apartment. A minimum wage worker would have to work in excess of 75 hours per week to afford the same (see Figure 4.6).

Figure 4.6
Housing Affordability, by County
Hours Needed To Work For FMR, Minimum Wage Workers

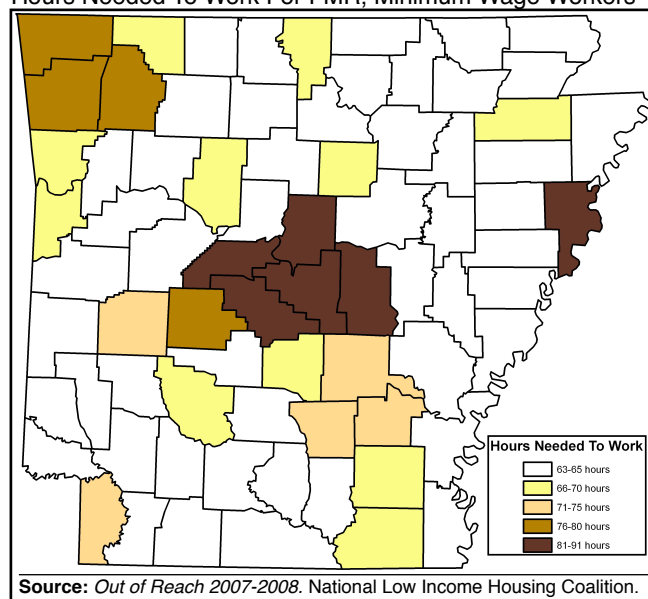
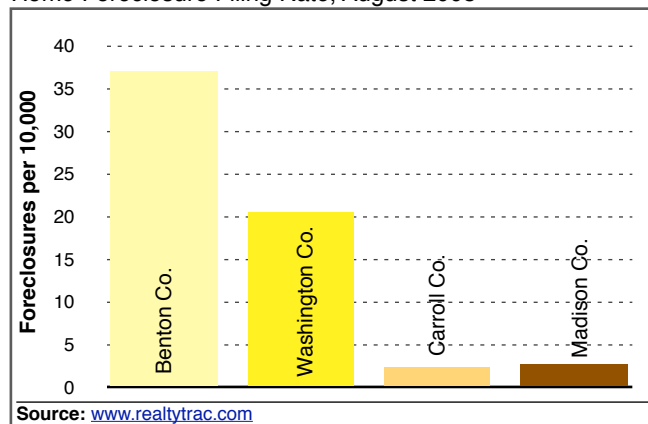


Figure 4.7
Home Foreclosure Filing Rate, August 2008



"In the United States, families paying more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. An estimated 12 million renter and homeowner households now pay more than 50 percent of their annual incomes for housing, and a family with one full-time worker earning the minimum wage cannot afford the local fair market rent for a two-bedroom apartment anywhere in the United States. The lack of affordable housing is a significant hardship for low-income households preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families."

Source: *Trends in Housing Costs: 1985-2005 and the 30-Percent-of-Income Standard*. U.S. Department of Housing and Urban Development. June 2008.

Across both time and space, housing costs generally have been increasing at a rate much faster than the costs of other items. Between 1985-2005 the cost of shelter increased by 104 percent, compared to other items that increased by 74 percent. As a result of this trend, median monthly housing costs including utilities, have increased by 128 percent. With the continued emphasis on home ownership and the recent downward shift in the economy, an important question arises: Is the 30 percent standard for "affordability" adequate?

- ★ Minimum wage workers in the Northwest Arkansas counties of Benton, Madison, and Washington pay nearly three hundred dollars more a year in fair market rent than the average renter in Arkansas in order to afford a two-bedroom apartment.
- ★ As the ripple effects of the economic downturn become increasingly apparent, the number of home foreclosures in the region are growing. Benton County recorded nearly 40 foreclosures per every 10,000 homes in August 2008.
- ★ Madison and Carroll Counties recorded a limited number of foreclosures while Washington County had 20 foreclosed properties for every 10,000 homes in August 2008.

Figure 4.8
Median Rent in Northwest Arkansas: 1980-2006

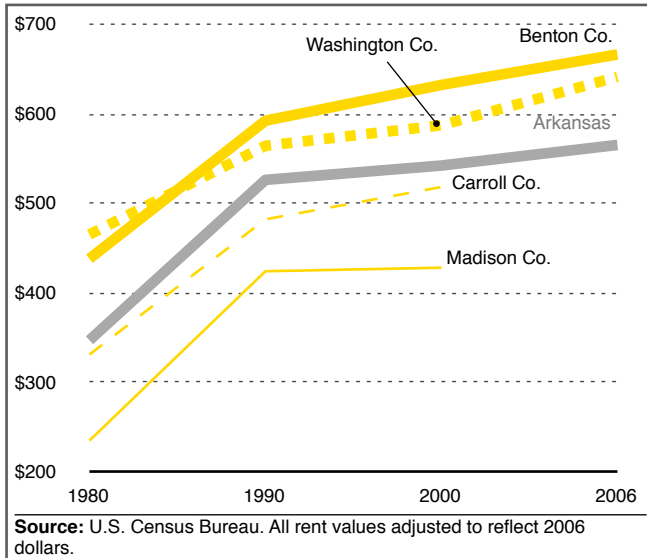
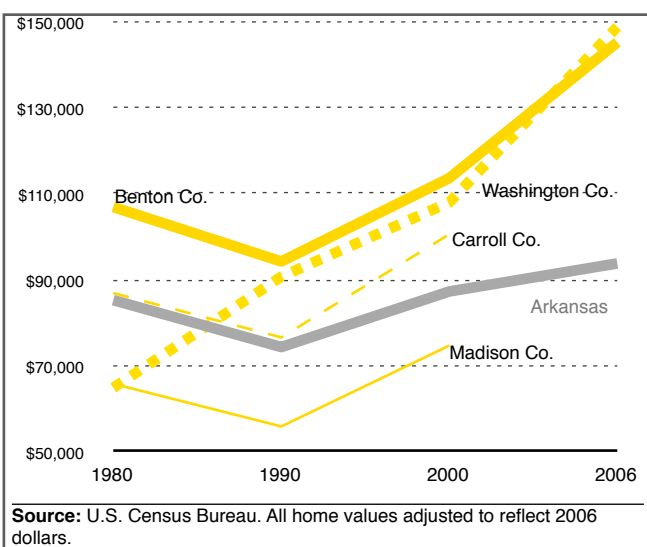


Figure 4.9
Median Home Values in Northwest Arkansas: 1980-2006



- ★ Using inflation-adjusted 2006 dollars, median gross rent in Northwest Arkansas and the state has steadily increased since 1990.
- ★ Both Madison and Carroll Counties have gross median rents below the Arkansas state average.
- ★ Benton County has the highest median rent average in Northwest Arkansas (\$667.00) which is nearly one hundred dollars more than the state average.
- ★ All the Northwest Arkansas counties and the state experienced a dramatic upswing in median rent during the 1980s.
- ★ Using inflation-adjusted 2006 dollars, median home values in Northwest Arkansas and the state have been increasing since 1990.
- ★ With a slowing economy during the 1980s, much of Northwest Arkansas and the state saw a dramatic downturn in median home values; However, Washington County was an exception with its median home value rising from \$65,000 to \$91,000 during the 1980s.
- ★ Benton and Washington County home values were nearly \$60,000 more than the median home value average for the state.



Housing Quality

- ★ New housing stock (<10 years old) has increased in Benton and Washington County since 1990, while the remainder of the region and the state saw declining percentages of new housing stock.
- ★ By 1990, few homes in Northwest Arkansas and the state lacked adequate plumbing or kitchen facilities. However, even in 2000, Madison County had nearly 8 percent of its homes with inadequate plumbing and kitchen facilities.

Figure 4.10
Homes Lacking Complete Plumbing Facilities,
Northwest Arkansas: 1980-2006

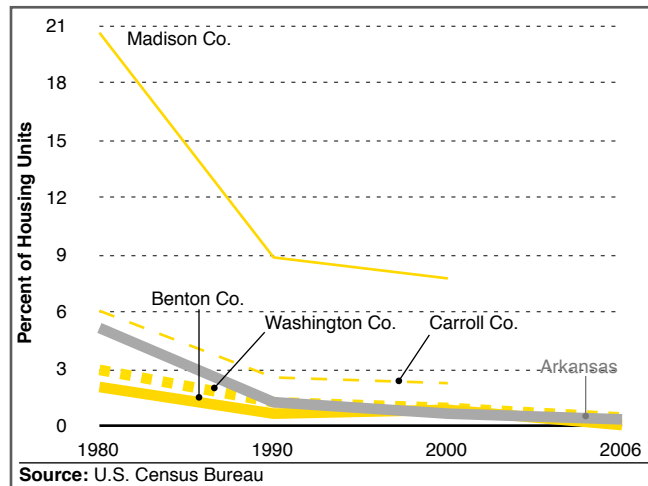


Figure 4.11
Homes Lacking Complete Kitchen Facilities,
Northwest Arkansas: 1980-2006

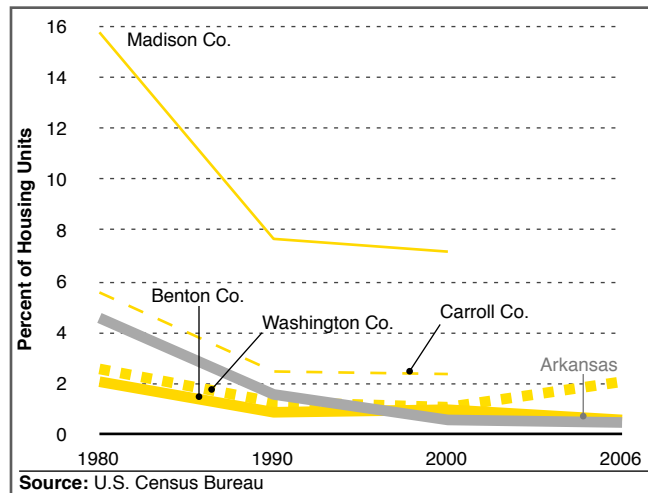
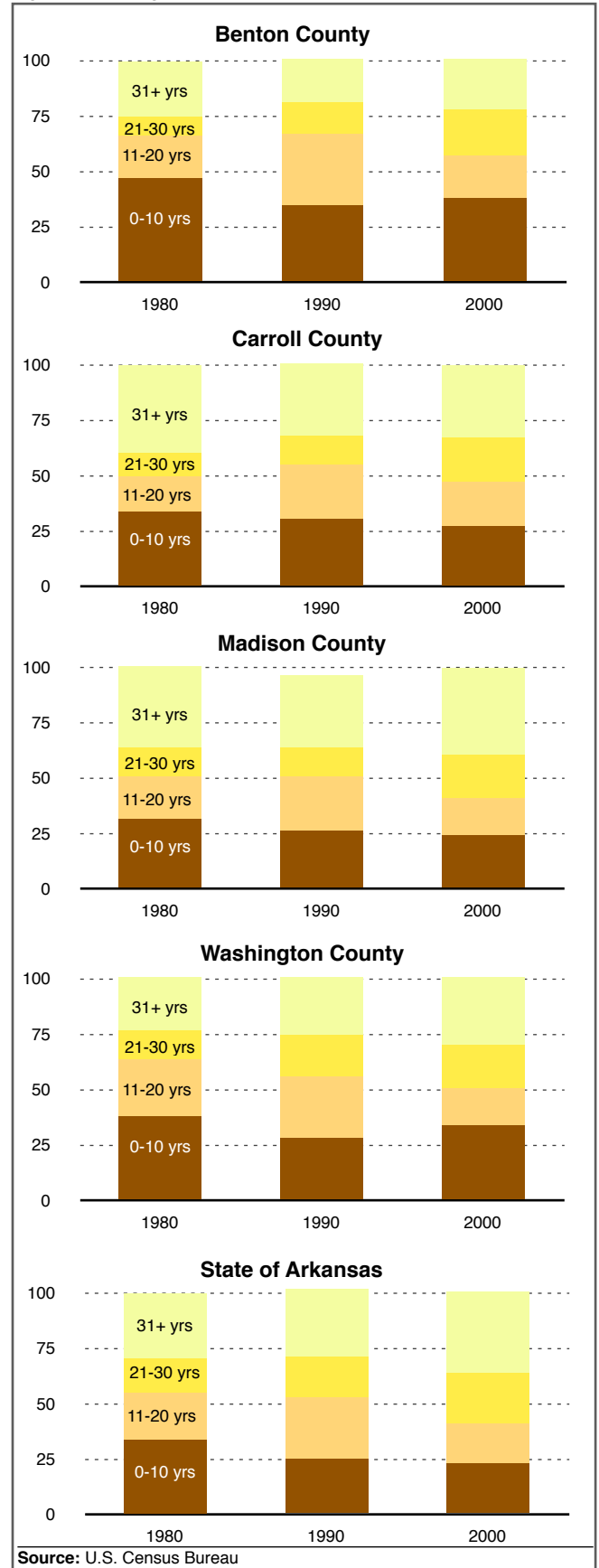


Figure 4.12
Age of Housing Stock in Northwest Arkansas: 1980-2000



Homelessness

It is estimated that on any given night approximately 1,170 adults and youth Washington and Benton Counties are homeless (see Table 4.1). This figure is based on a number of components. First, there were 308 homeless persons identified from a 24-hour point-in-time census conducted January 25-26, 2007. Second, there were an estimated 501 homeless children identified. Some of these children accompanied parents who were interviewed for the census, but most were identified through attendance records from local school districts. Finally, there were an estimated 362 homeless adults and children who were identified based on estimates of the number of persons utilizing soup kitchens, day shelters, and food banks, and the number of guardians of the homeless children attending local schools.



Table 4.1 Count of Homeless Persons and Projections of Inaccessible Homeless Persons
Northwest Arkansas Area Point-in-Time Survey

Directly Observed Homeless Persons	308
Adults (18 years and over)	285
Children (13 to 17 years)	23
Homeless Children Not Directly Observed	501
Children accompanying directly observed adults (see above)	59
Children attending schools in Benton and Washington Counties	442
Additional Homeless Persons	361
Persons utilizing soup kitchens/day facilities (estimate)	162
Parents of children attending school (estimate)	199
ESTIMATED TOTAL	1,170

Source: Fitzpatrick Kevin M., et al. 2007. *Northwest Arkansas Area Point-in-Time Survey (PIT) of Homeless Persons, January 25-26, 2007.*

Of the respondents counted in the point-in-time census, the median age of respondents was 34 years. Almost two-thirds of the sample, (63%) was between the ages of 25 and 54. Men comprised 61 percent of the survey respondents. Eighty-four percent of respondents were Caucasian/White, eight percent were African-American/Black, with the remaining eight percent comprised of other race/ethnic categories; 4.5 percent of respondents were Hispanic. When looking at the family structure of the homeless in Northwest Arkansas, the point-in-time survey found 67 percent of homeless persons were unaccompanied adults (see Table 4.2). Of those persons in families, 5 percent were couples without children, 6 percent were couples

with children, 21 percent were one-parent families with children, and 1 percent was in some other family arrangement. These compositional characteristics reflect the general structure of the homeless population nationwide. While single individuals make up a large portion of the homeless population, the number of families with children living on the street and shelters are clearly increasing.

For the point-in-time survey, fewer than 2 percent of respondents were actually interviewed on the streets. Nevertheless, soup kitchen interviews revealed that overall 8 percent of respondents actually spent the night, most often in the past seven days, on the streets. The most common

Table 4.2 Characteristics of Homeless Families

Northwest Arkansas Area Point-in-Time Survey

Family Structure (n = 308)

Two-parents, at least one child	18	5.8%
Single-parent, at least one child	64	20.8%
Couple, no children	16	5.2%
Single individual	206	66.9%
Other	4	1.3%

Spent The Night Most Often, Past 7 Days (n = 308)

On the street	37	12.0%
Emergency shelter	108	35.1%
Transitional housing apartment/facility	42	13.6%
Hotel/motel	8	2.6%
Treatment facility	49	15.9%
Hospital, jail, other institution	4	1.3%
Own residence	8	2.6%
Residence of relative or friend	52	16.9%

Source: Fitzpatrick Kevin M., et al. 2007. Northwest Arkansas Area Point-in-Time Survey (PIT) of Homeless Persons, January 25-26, 2007.

living situations included emergency shelter (41%), transitional housing (13%), doubling up/ staying with a friend or relative (17%), and treatment facilities (16%).



By The Numbers

Homelessness in Northwest Arkansas

30.5

Estimated number of homeless persons for every 10,000 Northwest Arkansas residents.



1

Number of Permanent Supportive Homeless Shelters



4

Number of Emergency Homeless Shelters



7

Number of Transitional Homeless Shelters



24

Number of Day Service Providers



422

Number of Homeless Shelter Beds



Note: Homeless data and estimate limited to Benton and Washington Counties.

What's It All Mean?

The Northwest Arkansas region like much of Arkansas, experienced a housing boom (post-1990) after the high interest rate mortgages of the 1980's. For many parts of the region that meant more new housing units but it also meant soaring values in terms of both median gross rent and home values. Even with the recent downturn in both the housing market and the economy, much of the Northwest Arkansas region still reports home values and rents much higher than the state average. Those housing statistics, coupled with the affordability gap in the region, has and will continue to have profound consequences on the working class and poor in Northwest Arkansas.

While owning your own home remains part of the "American dream," there are high numbers of both visible and invisible homeless in the region.

Though there is no reliable trend data to support the growth of homelessness in Northwest Arkansas, the numbers of declining home ownership, coupled with the widening in the affordability gap, increasing numbers of foreclosures nationwide, and the downturn in the economy all will likely have important implications for the homeless service provider network in Northwest Arkansas and the state. While the region currently has a small portion of its homeless living on the street, unless adequate shelter provision is made for this increasing population, particularly for women with children, homelessness will become a more visible problem in the region. In addition, while creating more affordable housing is important for this population, comprehensive services must be developed and made available to meet their growing complexity of needs and challenges.

