

Chapter 4: Housing Market Conditions

This section addresses characteristics of the housing supply in Jonesboro, including type, age, condition, costs, and availability. The implications of these housing characteristics with respect to housing programs are also examined.

Housing Growth:

The 2000 Census reported 24,317 housing units in Jonesboro, representing an increase of 24% since 1990 (Table 4-1). This level of growth was similar to that experienced by Craighead County as a whole.

Table 4-1: Housing Growth

Jurisdiction	Housing Units		Percent Change
	1990	2000	1990-2000
City of Jonesboro	19,537	24,317	24%
Craighead County	28,434	35,133	23%

Sources: 1990 and 2000 U.S. Census

Housing Type:

Single-family homes are the predominant housing type in Jonesboro. According to the U.S. Census data, multiple-family housing accounted for over half of the housing stock in the City (Table 4-2). Multiple-family housing represented just 25% of the housing stock in the City.

Table 4-2: Housing Type - 2000

Jurisdiction	Total Housing Units	Housing Type		
		Single Family	Multiple Family	Mobile Home
City of Jonesboro	24,317	66%	26%	6%
Craighead County	35,133	69%	20%	10%

Source: Profile of Selected Housing Characteristics: 2000

Mobile Homes:

While Table 4-2 shows that mobile homes constitute only a small percentage of the total housing units in Jonesboro, they nevertheless are a source of affordable housing in the region. Table 4-3 lists the number of mobile home and RV parks in Jonesboro.

Table 4-3: Mobile Home and RV Parks in Jonesboro

Jurisdiction	# of Mobile Home Parks	# of Mobile Home Spaces	# of RV Parks	# of RV Spaces
City of Jonesboro	20	543	1	53

Source: City of Jonesboro Planning Department: 2007

Housing Tenure and Vacancy:

Tenure:

The tenure of a community's housing stock (owner versus renter) influences several aspects of the local housing market. Tenure preferences are primarily related to household income, composition, and age of the householder. The stability of single-family residential neighborhoods is influenced by tenure, with ownership housing evidencing a much lower turnover rate than rental housing. Housing overpayment (cost burden), while faced by many households regardless of tenure, is more prevalent among renters, because renters tend to have significantly lower incomes than

homeowners in relation to their housing costs. Jonesboro is a predominantly owner-occupied community; 57% of households are owned (Table 4-4). This trend is explained primarily by the large amount of single-family housing in the City.

Table 4-4: Housing Tenure

Jurisdiction	2000	
	Owner %	Renter %
Jonesboro City	57%	42%
Total Occupants	12,810	9,409

Source: Occupied Housing Characteristics: 2000

Vacancy:

The availability of housing to those looking for a home primarily depends on the number of unoccupied units for sale or rent at any one time. One measure of the vacancy rate is the percentage of vacant units to total housing units. According to the 2000 Census, Jonesboro had a vacancy rate of 9%.

The percentage of units for sale or rent at any time is the effective vacancy rate. The effective vacancy rate varies from month to month and typically follows economic trends. In general, a vacancy rate of at least five percent assures that consumers have adequate housing choices, assuming their income is adequate. At that rate, vacant units are available to facilitate mobility. When vacancy rates drop below five percent, rental rates are under pressure to rise due to the increased demand and reduced supply. No information is available on the effective vacancy rate in Jonesboro.

Housing Costs and Affordability:

Ownership Housing Cost:

According to the Jonesboro Board of Realtors, the median price for a home in Jonesboro rose 1% between 2004 and 2005 (Table 4-5). In December 2004, the median home price was \$98,000. In December 2005, this had increased to \$99,000.

Table 4-5: Median Home Prices, 2004 - 2005

Location	Median Home Prices		Percent Change
	December 2004	December 2005	
City of Jonesboro	\$98,000	\$99,000	1%

Source: Jonesboro Board of Realtors

To assist first-time homebuyers, the City's CDBG program supports JURHA in their education program for home ownership. The city also has implemented a new homeowner's assistance grant through which qualified participants can receive closing costs, taxes, and insurance.

The President has established a goal to increase minority homeownership by 2012. Due to the high cost of housing, it is very challenging to develop homeownership programs for lower income households earning less than 80% of the City's median income. Based on the 2004 median house value of \$98,000 the housing cost has continued to increase. The City's limited amount of CDBG funds would make it difficult to serve more than a few households. In addition to studying the potential use of local housing funds for homeownership programs, the City will target future outreach regarding homeownership programs to areas of the City with concentrations of minority households.

Rental Housing Cost:

As previously stated, Jonesboro is a predominantly owner-occupied community, with 57% of the households being owners. Given the large rental market of 42% in the City, it is important to evaluate the affordability of the rental housing stock. Recent trends in home prices have led to an increasing number of people being priced out of the homeownership market. One consequence has been a shift in tenure trends, with increasing numbers of people remaining in the rental market, intensifying the competition for scarce affordable housing units.

The Jonesboro Urban Renewal and Housing Authority conduct a survey of average gross rental rates in communities in the City. Table 4-6 shows the average rent. Rent in Jonesboro is generally similar to the Fair Market Rent (FMR) established by HUD for the City of Jonesboro area (Table 4-7).

Table 4-6: Rental Rates in Jonesboro

Location	Number of Rooms	2004 Average Rent
City of Jonesboro	Studio	\$407
	1 Bed Room	\$424
	2 Bed Rooms	\$489
	3 Bed Rooms	\$688

Source: Jonesboro Urban Renewal and Housing Authority

Table 4-7: Fair Market Rents Rates in Jonesboro

Location	# of Rooms	FY 2001 Fair Market Rent	FY 2005 Fair Market Rent	Percent Change
Jonesboro City	Studio	\$378	\$408	7.9%
	1 Bed Room	\$411	\$428	4%
	2 Bed Rooms	\$486	\$490	8%
	3 Bed Rooms	\$666	\$677	1%

Source: Jonesboro Urban Renewal and Housing Authority

Housing Affordability:

Housing affordability is dependent upon income and housing costs. Using updated income guidelines, current housing affordability in terms of homeownership can be estimated for the various income groups. According to the HUD income guidelines for 2006, the Median Family Income (MFI) in the City of Jonesboro for a family of four is \$46,250. Based upon this MFI, the maximum income level for an Extremely Low Income household (0-30 % MFI) is \$13,900. For a Very Low Income household (31-50 % MFI), the maximum level is \$23,150, while for a Low Income household (51-80 % MFI) it is \$37,050. It should be noted that HUD income limits are adjusted according to family size. Therefore, income levels would be different for a family of three or a family of six.

Assuming that the potential homebuyer within each income group has sufficient credit, down payment (5%), and maintains affordable housing expenses (i.e. spends no greater than 30% of their income on the mortgage, taxes and insurance), the maximum affordable home prices are presented in Table 4-8. The table assumes a six percent interest rate and a five percent down payment.

Table 4-8: Affordable Housing Cost by Income

Income Group	Median Income	Monthly Affordable Payment
Extremely Low (0-30% MFI)	\$13,900	\$347.50
Very Low (31-50% MFI)	\$23,150	\$578.75
Low (51-80% MFI)	\$37,050	\$926.25

Note: Calculation of affordable mortgage and home price based on a 6% interest rate, 5% down payment, and the median family income of \$46,250 for 2006.
Source: HUD Income Level, 2006

Maximum affordable home prices can be determined for a household at the top of that income category and for a household size of four. Given the median home prices shown in Table 4-5, homeownership is beyond the reach of virtually all extremely low- and very low-income households. Most low-income households may only be able to afford small-size single-family homes, and may still require financial assistance. Similarly, extremely low-income households cannot afford the median rents in virtually the entire City and very low-income households are confined to studio and one- bedroom apartments.

Housing Condition:

Age of Housing Stock:

The age of housing is commonly used by state and federal housing programs as a factor to estimate rehabilitation needs in communities. Typically, most homes begin to require major repairs or have significant rehabilitation needs at 30 or 40 years of age. About 30% of the City's housing stock is over 30 years old, indicating the potential need for rehabilitation and continued maintenance for a significant portion of the City's housing (Table 4-9). However, the extent to which older single-family homes need rehabilitation is largely due to the income of the owner-occupants and their ability to pay for home maintenance and repairs. With the current low interest rates, market rate home improvement loans are now affordable for more households.

Table 4-9: Age of Housing Stock: 2000

Year Built	Number of Units	% of Total
1939 or Earlier	1,135	4%
1940 – 1949	1,141	4%
1950 – 1959	1,932	7%
1960 – 1969	3,700	15%
1970 - 1979	5,315	21%
1980 - 1989	4,666	19%
1990 – 2000	6,428	26%
Total	24,317	

Source: 2000 U.S. Census

In an effort to improve overall housing conditions in Jonesboro, the City uses CDBG funds for a Home Rehabilitation Program for lower-income homeowners. The City also operates a multi-family housing inspection program to ensure that rental housing meets health and safety standards through Jonesboro Urban Renewal and Housing Authority.

Housing Deficiencies:

Available Census data offers two indicators of housing stock deficiencies: whether a unit is lacking complete plumbing or kitchen facilities. As indicated in Table 4-10, 115 units in the City lacked complete plumbing, and 282 units were without kitchen facilities. It is not known if any units had both deficiencies.

Table 4-10: Housing Stock Deficiencies: 2000

Jurisdiction	Units Lacking Complete Plumbing		Units Lacking Complete Kitchen Facilities	
	Number of Units	% of Total Units	Number of Units	% of Total Units
City of Jonesboro	115	0.47%	282	1.15%

Source: 2000 U.S. Census

A tight housing market has resulted in sharp increases in the demand for housing. In turn, this has prompted property owners to invest in properties needing rehabilitation, or developers to purchase such properties for

development. As a result, housing units in Jonesboro are, overall, in good condition. According to the City's Inspection Department, at least 166 units have undergone major rehabilitation by the building owners in the last year 2006.

Lead-Based Paint Hazards:

Lead poisoning is the number one environmental hazard to children in America today. Lead poisoning causes IQ reductions, reading and learning disabilities, decreased attention span and hyperactivity and aggressive behavior. Several factors contribute to higher incidences of lead poisoning:

1. Children younger than two are especially vulnerable.
2. Low-income children have eight times higher risk for lead poisoning than wealthy children.
3. Black children have five times higher risk than White children.
4. Hispanic children are twice as likely as White children to have lead poisoning.
5. Children in older housing are at higher risk.
6. Up to 50 % of children in distressed neighborhoods have some level of lead poisoning.

Lead-based paint (LBP) is a major source of lead poisoning. Starting in 1978, the use of all lead-based paint on residential property was prohibited. National studies estimated that 75% of all residential structures built prior to 1978 contain LBP and that older structures have the highest percentage of LBP. The age of the housing stock is the key variable for estimating the number of housing units with lead-based paint. Not all units with lead-based paint have lead-based paint hazards. Properties more at risk than others include deteriorated units and rehabilitated units where there was not a thorough cleanup with high-phosphate wash after the improvements were completed.

CHAS data provides the number of housing units constructed before 1970 that were occupied by lower income households. This data can be used to approximate the extent of LBP hazards among lower income households. While information on units constructed before 1978 is not available from CHAS, estimates based on the pre-1970 stock provide a "worst case" estimate of the extent of LBP hazards. Citywide, there are an estimated 3,698 units that may potentially contain LBP. It is important to note, however, that most of the units described above have probably been repainted at least once since 1978, when lead paint use was prohibited and was becoming a national concern. There has been no evaluation of dust, soil, or deteriorated paint in the units at risk for lead-based paint hazards, which would provide a more definitive estimate of lead-based paint hazards in the City.

The City informs all CDBG subrecipients carrying out rehabilitation activities of the dangers of lead-based paint and the requirements for lead abatement.

Public and Assisted Housing Needs:

This section discusses the available public housing and assisted housing resources in Jonesboro. Public housing is housing owned and operated by the Jonesboro Urban Renewal and Housing Authority (JURHA). Assisted housing is housing that is privately owned and managed, but which receives public funding and implements affordability requirements of the public agency providing the funding.

Public Housing:

The Jonesboro Urban Renewal and Housing Authority (JURHA) manage 151 public housing units throughout the City of Jonesboro. Most of these units are exclusively for lower-income seniors, while only 25 units are exclusively for lower-income families. According to JURHA, the Public Housing Program has 151 units available – 8 for low income families, 40 for very low income families, and 99 for extremely low income families. The Jonesboro Ecumenical

Center has 69 units available – 0 for low income families, 17 for very low income families, and 47 for extremely low income families.

Tenant-Based Rental Housing Assistance:

The Jonesboro Urban Renewal and Housing Authority administer the Section 8 rental voucher program countywide. Under the Section 8 Program, eligible households earning 50% or less of the City of Jonesboro median income are provided a voucher which pays the difference between the market rent of an apartment (up to fair market rent) and 30% of the household's income. Subsidy payments are made by JURHA directly to the landlord on behalf of the assisted household. This program allows low-income tenants to afford market rate housing by having their rent subsidized. The demand for this program greatly exceeds the available vouchers.

Currently, 1,311 Jonesboro households receive tenant-based rental assistance through the voucher program (Table 4-11). There are another 781 applicants from Jonesboro on the waiting list.

Table 4-11: Section 8 Participants and Applicants in Jonesboro

Total Participants	1,311
Waiting List Applicants	781

Source: Jonesboro Urban Renewal and Housing Authority

Inventory of Assisted Housing Units:

“Assisted housing” means housing that is privately owned and managed (usually by non-profits) but receives or has received public funds to maintain its affordability for lower income households. Assisted housing does not include licensed community care facilities or emergency shelters. The City has 151 subsidized units, 27% of which are affordable to very low income households and 5% are affordable to low income households