



Housing Fund for Linn County

2023

Housing Assistance Plan

Introduction

Housing advocates, non-profit housing providers, and local governments have identified safe, decent affordable housing as a need in Linn County. The Housing Fund for Linn County (HFfLC) is a community-based organization dedicated to improving the quality of life by offering innovative and flexible funding in order to expand affordable housing opportunities and meet that need.

Structure of This Document

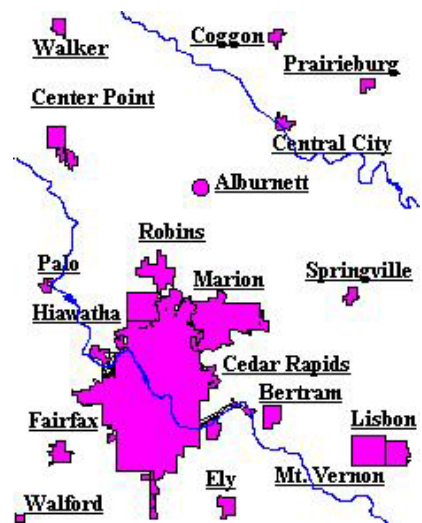
This document is organized in three parts. Part 1 provides detailed data for Linn County. Part 2 identifies the desired goals of the HFfLC based on the analysis of affordable housing needs. Part 3 describes the proposed activities HFfLC will undertake to achieve these goals.

Part 1: Data

Linn County Profile

There are 18 incorporated communities and 11 villages. The urban center is in the southern part of the county and encompasses the city of Cedar Rapids, and the communities of Marion, Hiawatha, and Robins. According to the 2020 U.S. Census, the Linn County population was reported to be 230,299 persons.

Linn County is one of the few areas in Iowa experiencing growth. Over the past decades, population migration trends demonstrate a movement to the urban centers of the state, including Linn County. Linn County's population grew by nine percent between 2010 and 2020, compared to the state's growth of 4.5 percent. Linn County is the 6th fastest growing county in Iowa, where 68% of counties lost population from 2010 to 2020.



An Aging Population: In 2010, the 65-and-over population in the U.S. was 40.3 million and increased to 55.8 million in 2020, or 16.8%. This was the fastest growth rate, 38.6%, for this cohort since 1860 and twice as fast as the previous decade. In Linn County, during this time, the over-65 age cohort increased from 27,363 in 2010 to 38,060 in 2020, a 38.2% increase. In the next decade, this trend is expected to continue as all Baby Boomers reach age 65, and the 75-to-84 age group will increase at a similar rate.

More Diversity: Linn County enjoys greater racial and ethnic diversity than other communities in Iowa.

	2010		2020	
	Linn County	Iowa	Linn County	Iowa
White	90.8%	91.3%	82.8%	84.5%
Black	4%	2.9%	7.1%	4.1%
Other Minority	5.2%	5.8%	17.1%	11.5%
Hispanic	2.6%	5.0%	3.9%	6.8%

Disability Status: Approximately 22,410, or 10% of Linn County residents have a disability, 18% of those age 65 to 74 have a disability, and 41% of those over 75 have a disability affecting their ability to live independently.

Disability Type	All Ages	Over Age 65	Over Age 75
Hearing Difficulty	2.9%	7.7%	21.2%
Vision Difficulty	1.4%	2.5%	7.0%
Cognitive Difficulty	4.2%	3.6%	8.8%
Ambulatory Difficulty	4.6%	10.7%	24.4%
Self-care Difficulty	1.7%	2.1%	7.2%
Independent Living Difficulty	4.4%	4.7%	17.0%

Income: According to the 2021 Five-Year ACS data, 6.5% (6,056) of all households in Linn County had income below \$15,000, which is extremely low-income. An additional 7,071 households were estimated to have income between \$15,000 and \$25,000.

Workforce: The largest employment sectors in Linn County, June 2023:

Trade, Transportation and Utilities: 29%

Manufacturing: 20%

Professional and Business Services: 16%

Education and Health Services: 12%

According to Iowa Workforce Development, the occupations expected to experience the greatest amount of growth from 2020 to 2030 are Heavy and Tractor Trailer Truck Drivers, Home Health Care Aides, Cooks, and Elementary School Teachers.

According to 2022 Iowa DOT data, 110,395 workers live in Linn County, and 30,774 work outside of Linn County, while 79,621 live and work in Linn County. The average daily commute is 16 minutes for those in Linn County and 35 for those who commute to another county. The age cohort in 2020 that experienced the highest net migration increase in Linn County was the 26-to-35-year-olds. Conversely, the only age cohort that experienced a net loss in Linn County were those between 14 and 17 years old. Further, according to the Iowa Department of Education, the total school enrollment in Linn County declined 6.95% between 2021 and 2022.

Housing

The 2020 Decennial Census revealed Linn County has 94,751 occupied households, with 58,528 family households and 36,223 non-family households. Single-family housing units accounted for 75.1 percent of all units in 2021, which was a 4% increase from 2010. Apartments and mobile homes both experienced a decline in their proportion of total housing units, with apartments comprising 21.3 percent and mobile homes comprising 3.6 percent, according to the 2021 ACS data.

Renter-Occupied Housing

In 2021, Linn County had an estimated 23,767 renter-occupied housing units, a loss of 15 units from 2019, for a 25% renter-occupancy rate (2021 5YR ACS). Utilizing Zillow seasonally adjusted metrics for Linn County, the median rent in July 2023 is \$1,094, a 17% increase from July 2020. An estimated 37% of renters in Linn County lacked affordable housing in 2021, which is defined as paying greater than 30% of their income on housing.

For example, in Linn County:

- ◆ A two-person household with extremely low income (30% AMI) earning \$1,892 monthly can afford housing costs of no more than \$567, while the HUD Fair Market Rent for a two-bedroom unit is \$920 in 2023.
- ◆ An hourly wage worker earning \$10 per hour for 40 hours/week can afford housing costs of no more than \$520, while the HUD Fair Market Rent in Cedar Rapids for a one-bedroom unit is \$699 in 2023.
- ◆ An SSI recipient receiving the maximum benefit of \$914 monthly can afford housing costs of no more than \$253, while the HUD Fair Market Rent for an efficiency or studio unit is \$615 in 2023.

According to the National Low-Income Housing Coalition, to afford the Fair Market Rent for a two-bedroom apartment in Linn County in 2023, a household must earn \$17.69 per hour or \$36,800 annually. This is called the “Housing Wage”. This is over twice that of Iowa’s minimum wage of \$7.25 per hour.

Linn County's affordability issues affect a broader range of households than is commonly recognized. According to the 2023 Iowa Workforce Development data:

- ◆ An entry-level preschool teacher in Linn County earns \$10.24 per hour, and an experienced preschool teacher earns an average of \$17.23 per hour.
- ◆ The home healthcare workers charged with caring for our community's elderly and disabled earn an average entry wage of \$13.40 per hour, and an experienced worker earns an average of \$15.72 per hour.
- ◆ An entry-level cashier in Linn County earns an average of \$12.28 per hour, and an experienced cashier earns an average wage of \$13.44 per hour.

Of the workers listed above, none can afford a two-bedroom apartment in Linn County. It should be noted that these hourly pay rates also assume they are paid for 40 hours per week at these wages, which may not be realistic.

According to the 2015-2019 HUD CHAS data, 9,375 renter households in Linn County experienced housing problems. While the highest proportion of problems were related to experiencing housing cost burden, nearly 5% live in housing lacking complete plumbing or kitchen facilities or were living in overcrowded conditions.

While Linn County has no public-owned housing, there are several properties that have been created by private developers subsidized with public funds. According to the Comprehensive Housing Needs Update completed in July 2022 for the City of Cedar Rapids, there were 50 income-restricted properties, with 2,353 units in Cedar Rapids, Marion, and Hiawatha. There are 49 efficiency units, 521 one-bedroom units, 1,120 two-bedroom units, and 653 three and four-bedroom units. The Cedar Rapids Housing Authority manages the Housing Choice Voucher program, formerly known as the Section 8 program, which provides rental assistance to approximately 1,200 households.

Since the derecho storm in August 2020, Linn County has experienced a loss in rental units. The State of Iowa was awarded over \$57 million in federal funding to assist with the derecho recovery, and over \$17 million was awarded for rental units in Linn County with construction scheduled to begin in 2023 and 2024.

OWNER-OCCUPIED HOUSING

According to the 2021 Five-Year ACS data, there are 100,404 housing units in Linn County, 69,835, and approximately 74% of housing units are owner-occupied. Over two-thirds of owners had a mortgage or debt to purchase a home, while over 25% of owners had a second mortgage, home equity loan, or both, in addition to the first mortgage.

The median value of a single-family home in 2023 is \$213,207, an increase of 30% since 2019 ACS estimates. The monthly mortgage for a \$213,207 home purchase is estimated to be \$1,381, assuming a 30-year term at a 7.35% interest rate, 20% down payment, and estimating property taxes and insurance. A household would need to make \$55,240 annually (or \$26.55 per hour) to afford this purchase price; however, the amount does not reflect the cost of utilities, which would also be considered a housing cost.

The rate of homeownership for white households is much higher than the ownership rate for non-white households. According to the Joint Center for Housing Studies at Harvard, homeownership rates for white households in 2022 is 72%, black households 45%, Hispanic households 53%, and Asian households 60%.

Condition of Housing Stock: The age of housing stock can be an indicator of the condition of housing and the potential need for repair. The median year of housing built in Linn County is 1975, with 25% of homes built between 1940 and 1970 and 15% of homes built prior to 1939. To determine the extent of housing deterioration, a drive-by assessment of the exterior quality of housing stock in original city plats and subdivisions was completed for 14 rural communities in Linn County by ECICOG. Houses were rated in terms of structural and surface integrity and estimated repair costs. The rating criteria are as follows:

Good: A structure recently built or restored and meeting codes or has had careful maintenance of both structure and grounds. No surface wear is apparent, and repairs are not needed.

Fair: A sound structure but in need of surface maintenance and possibly showing small signs of wear. The structure is not as well maintained as the “good” units, the pavement, or any accessory buildings may need repairs. Minor maintenance is needed.

Major Repairs: Significant wear is noticeable. The structure itself is slightly out of plumb with cracks, holes, or breaks evident in walls, foundation, and/or roof. The paint is blistered. Windows, steps, etc. may need to be replaced. Major maintenance is needed.

Infeasible: Structural defects are obvious and may be serious enough that the unit cannot be returned to good or fair condition.

Of the 2,472 homes surveyed, 32% were rated as good, 30% were fair, 33% are in need of major repairs, and 5% may have defects serious enough that the unit cannot be rehabilitated.

Housing Affordability: To be deemed “affordable,” a household should pay no more than 30% of income for housing. Households who pay more than this amount are considered cost-burdened, and households who pay more than 50% of their income are considered severely cost-burdened. The table below shows the number of cost-burdened and severely cost-burdened homeowners in Linn County by income. The largest percentage

of cost-burdened households, 46%, have a household income **over** 100% area median income with 5% of all households being severely cost-burdened.

Homeowners with a Housing Cost Burden in Linn County

Household Income	Cost Burden	Severe Cost Burden
Below 30% AMI	3,015	2,330
>30% to <=50% AMI	2,435	780
>50% AMI to <=80% AMI	1,323	515
>80% to <=100% AMI	964	105
Over 100% AMI	4,729	40
Total Homeowners	10,185	3,770

Source: 2015-2019 HUD CHAS

Needs of the Homeless, Near Homeless and Previously Homeless

The January 2023 Linn County Continuum of Care's Point-in-Time survey showed a total of 270 homeless or near homeless individuals were being served, including those being served by the local emergency shelters, transitional housing facilities, or found living on the street. Fifty-four percent were men, 38% were women, and 18% were children. The table below shows the results of the point-in-time survey for the shelters, transitional housing facilities, and the street, as well as those in community-based housing.

Emergency Shelter	Transitional Housing	Street	Total
163	78	29	270
Permanent Supportive Housing			40
Rapid Rehousing			139

- Permanent Supportive Housing: 17 men, 15 women, 7 children
- Rapid Rehousing: 50 men, 41 women, 48 children.

RECENT LOCAL INITIATIVES: For Linn County and several city governments in the county, quality, affordable housing is a serious concern. They have funded and supported several housing programs with local, state, and federal funds. The cities of Cedar Rapids and Marion and Linn County, as well as many area lenders and private businesses, have committed funds to HFfLC to enhance the dollars that are committed to addressing affordable housing issues throughout Linn County. Further, several non-profit and for-profit agencies and businesses have partnered with county and municipal governments to address the area's housing needs. Despite these efforts, low-income workers and residents in Linn County continue to face a shortage of affordable housing and deteriorating housing stock while transitional housing and emergency shelters have been unable to keep pace with the need. Recent initiatives include:

- CDBG-DR funded new construction projects totaling 290 units in Cedar Rapids, Center Point, Marion, Walker and Linn County and a City of Cedar Rapids Owner-occupied Rehabilitation Program for 50 units.
- The City of Marion committed \$530,000 in funds to establish an owner-occupied housing rehabilitation program to provide up to \$25,000 to homeowners with income below 80% LMI for needed home repairs.

- Linn County and the City of Cedar Rapids partnered with the National Alliance to End Homelessness to hold a two-day clinic with city and county officials, service providers, and nonprofit housing agencies to develop targeted solutions to homelessness and housing insecurity in Linn County. Recommendations were made to establish a local oversight entity to assess data and set targeted goals to reduce barriers to accessing services and move the unhoused into permanent housing more efficiently.

Part 2: Goals of HFfLC

The Housing Fund for Linn County (HFfLC) is a community-based organization dedicated to improving the quality of life by offering innovative and flexible funding to expand affordable housing opportunities.

Collaboration: One of the core values of the HFfLC is collaboration. The housing trust fund initiative was spearheaded by a broad-based steering committee representing a variety of housing and community interests. The composition of the Board of Directors was purposefully crafted to ensure that a wide range of interests remain active in the affordable housing effort. The HFfLC Board of Directors includes public agencies, non-profit agencies, and private sector professionals. The Board may also establish committees and recruit area experts to explore specific issues or initiatives. This range of expertise and varying perspectives enhances the opportunity to address affordable housing in a comprehensive manner.

The commitment to collaboration is incorporated into the process used to distribute HFfLC funds in Linn County. Any agency active in providing housing and/or support services, whether a non-profit, for-profit, or governmental body, is eligible to apply for funding. Funding assistance is provided to organizations or entities, rather than individuals; however, the HFfLC may also provide assistance directly to individuals through specific programs or initiatives, as determined by the board. Through the Board of Directors, its committees, and a semi-annual application process, inclusive community involvement is a hallmark of the management and work of the HFfLC.

The HFfLC Executive Director serves on the City of Cedar Rapids Affordable Housing Commission and chairs the Development Committee. The Executive Director has also been asked to serve on the Greater Cedar Rapids Community Foundation Nonprofit Advisory Council and the Iowa Housing Partnership. The Executive Director also actively participates with The Alliance for Equitable Housing, the Linn County Continuum of Care (COC), and Linn Area Partners–Active in Disaster (LAP-AID) meetings and works collaboratively with many organizations through those groups and their committees.

The PATCH program that was established as a result of the derecho storm is a unique demonstration of HFfLC's initiative to take the lead in collaborative efforts. HFfLC will continue to pursue opportunities to collaborate with affordable housing advocates and organizations and to lead initiatives that will benefit the organizations.

PUBLIC AWARENESS/EDUCATION: To build local support for a sustainable affordable housing initiative, the HFfLC must educate the public, in addition to elected officials. Education would include sharing information about current programs and services that help people attain and maintain their housing. Additionally, a clear and consistent message must be

developed that reflects the need for, and benefits of, providing attainable housing. The public must be aware of the existing gaps that limit affordable housing opportunities for many in our communities.

Through the work of The Alliance for Equitable Housing and its Equity working group, a significant gap in homeownership rates between whites and minorities was highlighted. The HFfLC Board has volunteered to lead a group of community lenders, realtors, and other business leaders to discuss the homeownership gap. The goal is to identify realistic solutions that community leaders may implement to close that gap.

The HFfLC Board of Directors will continue to pursue opportunities to educate and make the community more aware of the affordable housing needs throughout the county.

FUNDRAISING: In addition to the application to IFA for Local Housing Trust Fund grant funds, HFfLC will actively seek out other sources to further affordable housing initiatives. Potential funding partners include Linn County, City of Cedar Rapids, City of Marion, Federal Home Loan Bank, local lenders, businesses, foundations, and interested individuals. While pursuing direct contributions from area lenders and foundations, HFfLC may also explore the potential for establishing a consortium of local lenders and other collaborative financing opportunities.

The Board of Directors of HFfLC recognizes that a dedicated source of revenue would provide the most stable funding to support its mission and operation. To that end, the HFfLC board has taken the lead in statewide advocacy efforts to attain this goal.

Part 3: Proposed Activities of the HFfLC

Pursuant to Iowa Finance Authority guidelines for the State Housing Trust Fund, the Housing Fund for Linn County is eligible to apply for funding. HFfLC combines those funds with local contributions and then distributes these funds to be used in a variety of ways to promote the provision of affordable housing. At the discretion of the HFfLC, this may include providing temporary or permanent assistance for owner or rental property demolition/clearance, development, reconstruction, or rehabilitation; homeownership assistance (such as down payment/closing costs for homebuyers, mortgage payments for principal, interest, taxes and/or insurance, etc.); rental assistance (such as for rent security deposits, utilities, etc.); transitional housing creation or improvements; and or homeless shelter creation or improvements. Assistance may also be provided for innovative or new housing initiatives or for existing program capacity building. In addition, the funds granted by HFfLC encourage agencies to leverage additional funds from other sources, thereby increasing the overall impact. Finally, funds distributed in the form of zero or low-interest loans will be returned to HFfLC and be redistributed in the community through subsequent application processes. While loan requests are given priority by the HFfLC board, funding assistance may also be provided in the form of forgivable loans or grants if the proposed use of the funds does not support repayment.

The HFfLC Board of Directors strives to make funding available on a regular and timely basis. Currently, funding applications are scheduled for acceptance in the spring and fall/winter. The board also accepts applications outside of this schedule, if a project is determined to be time-sensitive and must have a funding decision prior to the next scheduled application round. The HFfLC board has made it a priority to respond to the needs of the community as a result of the disasters of 2020.

In collaboration with Cedar Valley Habitat for Humanity (CVHH), HFfLC plans to provide a 0% loan for new construction of two new homes in Walker, a rural community that has experienced an 8% decline in population, potentially due to a lack of housing as only 13 new homes have been built in the community since 2010. This project is also funded in part with IEDA CDBG-DR funds and features enhanced accessibility and sustainable construction. Through an additional grant award, HFfLC will provide down-payment assistance for one homebuyer in a second project with CVHH, also in collaboration with Cedar Rapids Community School District, Kirkwood Community College's Workforce Learning Connection, and the Greater Cedar Rapids Housing and Building Association in a student-built project. Collaborations with CVHH will benefit three households with income below 60% AMI.

In collaboration with Marion Economic Development Corp, Marion Independent School District, Linn-Mar Community School District, the City of Marion, and more than 15 local businesses, HFfLC will provide down payment assistance through a grant for one homebuyer under 80% AMI to purchase this student-built home.

To accommodate the growing 65-and-over population in Linn County, HFfLC will provide low interest loans for two LIHTC projects expanding senior housing options in the Linn County with one project in Marion expected to benefit eight households below 40% AMI and 28 households below 60% AMI and a second project in collaboration with Community Housing Initiatives providing 30 new construction senior rental units in Mount Vernon, a rural community with a population of 4,506.

In collaboration with Linn County Community Services and the City of Cedar Rapids, HFfLC plans to continue financial support of the Linn County winter/overflow shelter. HFfLC Board of Directors strives to assist residents anywhere on the continuum of affordable housing need – from homelessness to those with more moderate income in need of rehabilitating their home or to developers who create new housing opportunities for low-to-moderate income persons. Dedicating dollars to the operation of the winter/overflow shelter provides the opportunity to assist those without housing. In addition, HFfLC will collaborate with Waypoint, formerly the YWCA, to provide grant funding for rent, deposit, and utility assistance for 15 households below 30%. This project utilizes funds from the Emergency Solutions Grant as well as Iowa ERA2 funds. The HFfLC also plans to provide grant funding to Willis Dady Homeless Services to provide rental assistance to 10-15 households with income below 30% AMI.

HFfLC plans to combine IFA funding in combination with local match dollars provided by the City of Marion in the implementation of a Housing Rehabilitation Program in 2023-24 for low-to-moderate income homeowners within the City of Marion, providing up to \$25,000 in grant funding for needed exterior and interior repairs.

HFfLC, in collaboration with East Central Iowa Council of Governments (ECICOG), has applied to the Federal Home Loan Bank's Affordable Housing Program for 2024 program funding and dedicated further housing trust fund dollars towards the activities proposed in that application prioritizing projects that assist homeowners with special needs.

Finally, the board has obligated housing trust fund dollars to continue to staff the successful implementation of the PATCH program through October 2023 in support of

ongoing derecho storm recovery efforts.

The board will continue to strive to determine the best and most efficient use of its dollars to preserve existing housing through rental and owner-occupied rehabilitation programs and the creation of new housing opportunities for those in need in Linn County, prioritizing projects to reflect the rapidly changing needs in the community.

PROGRAM ALLOCATION GUIDELINES

Based on the needs assessment detailed in Part 1 of this Housing Assistance Plan, the HFFLC Board of Directors adopted the following principles to guide the distribution process:

Location and income eligibility.

Only housing projects that will serve Linn County households with incomes less than 80% of area median income (AMI), as determined by the U.S. Department of Housing and Urban Development (HUD), are eligible for HFFLC funding. Further, as required by the LHTF program, 30 percent of the IFA grant funds will serve households with income at or below 30 percent AMI. Those income levels are:

Household Size	Linn County Maximum Income Levels	
	80%	30%
1	\$53,040	\$19,890
2	\$60,560	\$22,710
3	\$68,160	\$25,560
4	\$75,860	\$28,380
5	\$81,760	\$30,660
6	\$87,840	\$32,940
7	\$93,920	\$35,220
8	99,920	\$37,470

Effective May 2023

Project Requirements.

Proposed projects must meet the criteria outlined in the Application Guidance made available with the application for funding.

Project Evaluation.

In general, the project evaluation process will give priority to projects that:

- Fill an unmet need for those impacted by disasters.
- Serve extremely low-income people, defined by HUD as below 30% of area median income.
- Leverage additional funding sources (local, state, federal, or private) Do not duplicate assistance already being provided.
- Have repayment capability (if the project supports repayment and the assistance

is not being used for operations or to provide direct assistance)

- Improve or create additional housing units.
- More specific priorities may be identified in the Application Guidance made available with the application for funding.

Bibliography

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