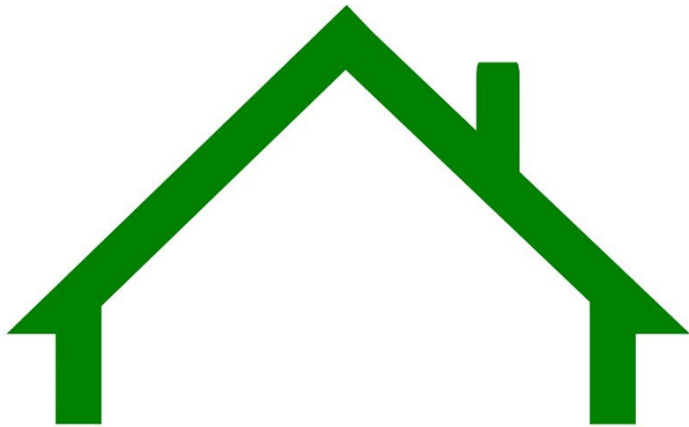


2023

Housing Assistance Plan



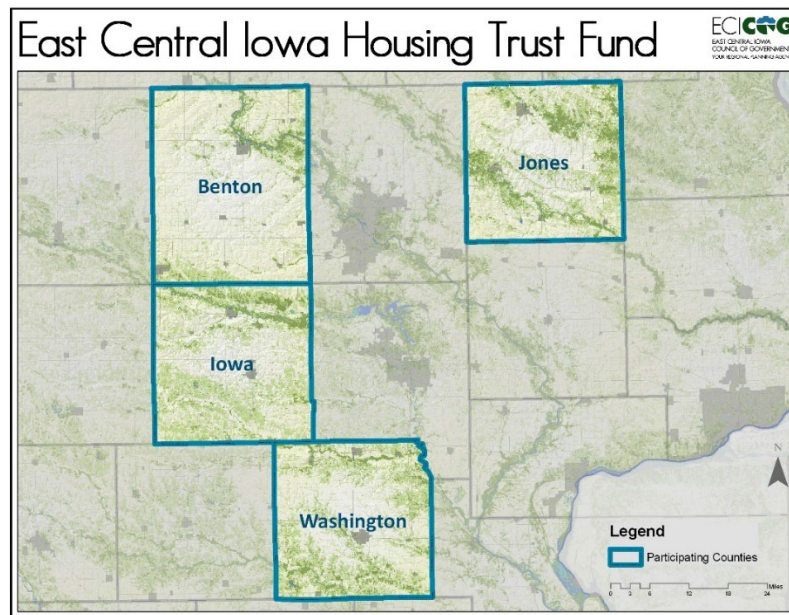
**East Central Iowa
Housing Trust Fund**

serving Benton, Iowa, Jones & Washington Counties

Introduction

There is a need for affordable, safe, decent housing throughout Benton, Iowa, Jones, and Washington Counties. Previous efforts to address the area's affordable housing needs have been limited. Low-income workers and residents in the area continue to face a shortage of affordable housing and a deteriorating housing stock. The East Central Iowa Housing Trust Fund (ECIHTF) is a community-based organization dedicated to improving the quality of life by offering flexible funding options in order to expand affordable housing opportunities. The area served by the ECIHTF is depicted in Exhibit 1 below.

Exhibit 1



Structure of this document

This document is organized in three parts. Part 1 provides data for the four-county area utilizing the most recent data available from the U.S. Census, Iowa DOT, and Iowa Workforce Development. Part 2 identifies the desired goals of the ECIHTF based on the analysis of the data. Part 3 describes the proposed activities the ECIHTF will undertake to achieve these goals.

Part 1: Data

County Profiles

According to the U.S. Census Bureau, the total population of the ECIHTF area as of July 1, 2021, was 85,555. The four-county area is generally rural in character, and while there are 39 incorporated places within these counties, the most populous city, Washington has 7,738 residents as of July 1, 2021.

Table 1 below, shows the 2010, 2020, and 2021 population by ECIHTF area county. All counties experience growth from 2010 to 2021 except for Benton County where the population continues to trend downward. Overall, population in the ECIHTF area has remained stable from 2010 to 2021. Total number of households in the four-county area is 34,014.

Table 1: Population Change

	Population 2010	Population 2020	% Change 2010-2020	2021 Population ACS Estimate
Benton County	26,076	25,575	-1.9	25,654
Iowa County	16,355	16,662	1.9	16,596
Jones County	20,638	20,646	0.4	20,680
Washington County	21,704	22,565	4.0	22,525
ECIHTF Area	84,773	85,448	0.8	85,455

Source: U.S. Decennial Census 2010 and 2020 and American Community Survey 5-Year Estimate 2021

Washington and Jones County are the most diverse with an estimated 10 to 11% of the population being Hispanic or Latino. The majority of the ECIHTF Area population continues to be less diverse than the state of Iowa, with 95-97% of the population identifying as white alone, with the exception of Washington County where 89% of the population identifies as white, which is equivalent to the percentage of all Iowans who identify as white alone.

The percentage of children under 14 in each county ranges from 17 to 20%, a decrease of 2-3% since 2010. The percentage of seniors over the age of 65 in each county ranges from 18 to 20%, an increase of approximately 4% since 2010. By 2030, all Baby Boomers will be older than 65, and the U.S. Census projects for the first time the number of seniors in our communities will outnumber children and the working population.

According to the Iowa Workforce Development, employment in the ECIHTF region continues to be concentrated in the areas of manufacturing (16%), health care and social assistance (14%), and retail trade (10%), similar to averages statewide. These sectors represent the top three industries expected to experience substantial growth through 2030.

Table 2: July 2023 Employment and Unemployment

County	Labor Force	Unemployed	Unemployment Rate	Employed
Benton	13,400	400	3.2%	13,000
Iowa	10,190	260	2.5%	9,930
Jones	10,600	300	3.1%	10,300
Washington	11,900	300	2.7%	11,600
ECIHTF Area	46,090	1,260		44,830

Source: Iowa Workforce Development, Local Area Unemployment Statistics, July 2023

The ECIHTF Area labor force number shown in Table 2 has increased by 2% since 2022. The statewide unemployment rate is currently 2.9%.

According to Iowa Workforce Development, average annual wage growth in Iowa has increased by 9.4% from 2020 to 2022. The average median household income for the four-county area is \$64,906, which is slightly lower than the average median income for the state of Iowa, which is \$65,600.

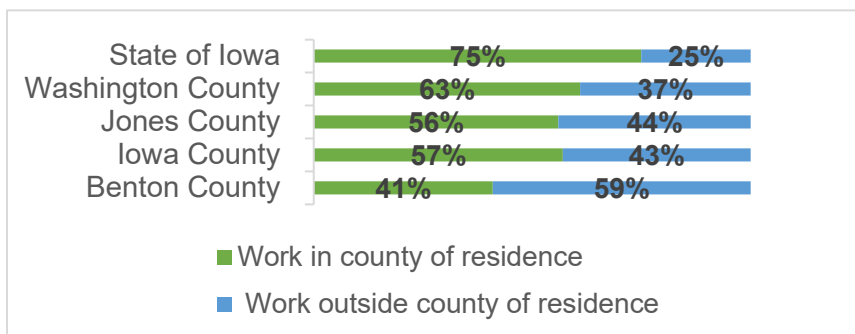
The [National Low Income Housing Coalition \(NLIHC\)](#) calculates the gap between the wages people earn and the cost of rental housing in each state. In 2023, the wage needed to afford a 2-bedroom apartment at fair market value in the ECIHTF area is \$15.29, except for Washington

County where renters need an hourly wage of \$17.00. Mean renter wages were:

- Benton County: \$11.73
- Iowa County: \$15.62
- Jones County: \$13.46
- Washington County: \$13.32

Workers earning minimum wage in the ECIHTF region would need to work 78-90 hours per week to afford a 2-bedroom apartment at fair market value. The 2-bedroom housing wage for the state is Iowa in 2023 is \$18.13 or \$37,720.

Graph 1: Place of Employment



Graph 1 shows ECIHTF Area workers are more likely to work outside of their county of residence than other Iowan workers. The average commute time in 2021 (estimated by the U.S. Census Bureau) within participating counties averaged 24 minutes,

which is longer than the statewide average of 18.4 minutes. In the ECIHTF area, 15% of workers commute greater than 45 minutes each day. Source: ACS 5YR 2021

Housing Affordability Overview

The 2021 *Iowa Profile* identified the most common housing problem in Iowa was cost burden, which is defined as spending greater than 30% of monthly income on housing costs. A severe cost burden exists when monthly housing costs exceed 50% of monthly income. Statewide 37% of renters and 15% of homeowners spend greater than 30% of their income on housing costs. For owner-occupied housing, elderly non-family households are more likely to experience cost burdens, with 24% of these households affected. For low-income households, 72% of elderly non-family and 100% of large families below 30% AMI spend 30 to 50% of household income on housing. Table 3 shows cost burden estimates for 2016-2020 as defined by HUD in the ECIHTF Area. The number of cost-burdened households has increased by 32% in Benton County, 30% in Iowa County, 37% in Jones County, and 22% in Washington County from HUD estimates for 2015-2020. According to the National Low Income Housing Coalition (NLIHC), those who are severely cost-burdened are likely to sacrifice necessities like healthy food and healthcare to pay for housing.

Table 3: Housing Cost Burden

	Benton		Iowa		Jones		Washington	
	Cost Burden		Cost Burden		Cost Burden		Cost Burden	
Income Level	>30%	Severe >50%	>30%	Severe >50%	>30%	Severe >50%	>30%	Severe >50%
<30% of AMI	790	485	510	365	640	390	530	430
30-50% AMI	395	145	245	75	415	225	395	120
50-80% AMI	340	30	150	10	370	85	355	35
80-100% AMI	129	4	45	25	160	0	135	15
>100% AMI	115	15	140	0	105	10	110	10
Subtotal	1,769	679	1,090	475	1,690	715	1,525	610
Total	2,448		1,565		2,405		2,135	

Source: HUD/CHAS 2016-2020

Median monthly owner-occupied housing costs with a mortgage in the ECIHTF Area is \$1,336 and \$531 without a mortgage, which are both slightly less than the statewide median of \$1,411 with a mortgage and \$579 without a mortgage. The median monthly gross rent in the ECIHTF Area is \$668, which is less than the statewide median gross rent of \$847, with the exception of Washington County, where the median rent is \$809, which is still less than the statewide median.

Housing Problems

Each year the U.S. Department of Housing and Urban Development (HUD) estimates the scope of housing problems, particularly for low-income households. This data, the Comprehensive Housing Affordability Strategy (CHAS), is then used to estimate regional needs and distribute grant funds.

CHAS defines housing problems as overcrowding, lack of plumbing in bathroom, an incomplete kitchen, or cost burden. Table 4 below shows the number of elderly homeowners and renters (62 and older) who comprise 20% of the ECIHTF area, experiencing housing problems.

Table 4: Elderly with Housing Problems

	Benton County	Iowa County	Jones County	Washington County	ECIHTF Area
Owner-Occupied					
Elderly with Housing Problems	714	345	399	364	1,822
% Below 30% AMI	58%	40%	26%	32%	
Renter-Occupied					
Elderly with Housing Problems	129	95	275	229	728
% Below 30% AMI	50%	73%	53%	31%	

Source: 2016-2020 HUD CHAS

Housing Stock and Age

The age of housing may be an indicator of housing in poor condition. According to the 2022 ACS 5-Year Estimates, 55% of the housing units in the four-county area were built prior to 1960, including 33% that were built prior to 1939. Given the age of housing, a significant number of housing units are likely in need of repair in the region. The number of applications to ECIHTF's owner-occupied rehabilitation program and the HUD/CHAS estimates of housing problems for the area support this.

Housing Needs

Table 5 below shows the median home value for homes in the ECIHTF Area and the percent increase in value since 2020. The average median home value for the state of Iowa is \$160,700, an increase of 4.3% since 2020. The median homeownership rate in Iowa is 72%, slightly lower than the ECIHTF area, with the exception of Washington County, which is equivalent to the Iowa average occupancy rate.

Table 5: Home Values, Ownership Rate, and Occupancy Rates

	Benton	Iowa	Jones	Washington
Median Home Value	\$166,100	\$155,900	\$146,400	\$159,200
% Increase in Value Since 2020	5.6%	2.2%	5.6%	4.9%
Home Ownership Rate	83%	78%	79%	70%

Source: ACS 5YR 2021

Homelessness

According to the Iowa Institute for Community Alliances, there are no known service providers for the homeless that provide beds in the ECIHTF area. The point-in-time count done on January 25, 2023, showed that there were 13 homeless people, 10 of whom were sheltered in Washington County that night. The other counties showed zero persons who were homeless. Service providers are asked to provide the zip code of the last permanent residence for those they serve annually. According to the information provided in 2022, there were 97 persons who reported their last residence to be in ECIHTF's four-county region. This would indicate that while the number of homeless may be low in the region, it may be more of an indication of the lack of services provided in the region. Those who are homeless may be going elsewhere to obtain services.

Owner-Occupied Housing Needs

Data collected under the Home Mortgage Disclosure Act (HMDA) by the Federal Financial Institutions Examination Council (FFIEC) provides a comprehensive report of home loan activity in the ECIHTF Area. In 2022, there were a total of 4,070 loan applications, resulting in 2,534 loan originations - 2,025 originations were for a home purchase, and 1,105 were for home improvement or cash-out refinancing. In 2022, 449, or 11%, of loan applications were denied, and an additional 602 were "soft denials," which were either withdrawn by the applicant or closed for incompleteness. There were 477 loans for home improvement or cash-out refinancing which were denied, a 43% denial rate, indicating a significant number of owner-occupied housing units that may be in need of repairs without an available funding source.

Housing Forecast

The *2021 Iowa Profile Housing Needs Forecast* uses modified population projections from Woods & Poole Economics, Inc. Income categories are calculated using the Housing and Urban Development CHAS (Comprehensive Housing Affordability Strategy) data expressed as Area Median Income (AMI) and housing rates are based on historical trends. Based on these criteria, the Iowa Finance Authority estimated the number of additional housing units needed by 2025 and the proportion of units needed for those with income below 80% AMI:

- Benton County: 137 41% <80% AMI
- Iowa County: 34 38% <80% AMI
- Jones County: 89 39% <80% AMI
- Washington County: 181 61% <80% AMI

Part 2: Goals of the East Central Iowa Housing Trust Fund

The East Central Iowa Housing Trust Fund is a community-based, non-profit organization committed to expanding affordable housing options as a means to improve quality of life throughout Benton, Iowa, Jones, and Washington Counties.

Collaboration

One of the core values of the ECIHTF is collaboration. The composition of the Board of Directors was purposefully crafted to ensure that a wide range of backgrounds and knowledge are accounted for in ECIHTF activities. The ECIHTF Board of Directors includes a representative from each of the County Board of Supervisors, and a “citizen” from each county is encouraged to represent area lenders or realtors, interested citizens or those involved in improving their communities. The Board may also establish committees and recruit area experts to explore specific issues or initiatives. This range of expertise and varying perspective enhances the opportunity to address affordable housing in a comprehensive manner.

The commitment to collaboration is incorporated into the process used to distribute ECIHTF funds throughout the area. Any entity active in providing housing or support services, whether a non-profit, for-profit or governmental body, will be eligible to apply for funding. It is preferred that funding assistance be provided through the above-mentioned entities in an attempt to better realize efficient and effective implementation and administration; however, the ECIHTF may also, at its discretion, provide assistance directly to individuals. Through the Board of Directors, its committees, and an open application process, inclusive community involvement is a hallmark of the management and work of the ECIHTF.

ECIHTF also collaborates with communities and other entities to help ensure the success of housing initiatives throughout its region. Some projects that request ECIHTF funding are the result of the entities working with ECICOG housing department staff and learning about the possibility of ECIHTF grants or loans to fill a project’s financial gap. This collaborative effort may result in making projects financially feasible.

Public Awareness / Education

In order to build local support for a sustainable affordable housing initiative, the ECIHTF must educate the general public. 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 providing attainable housing

as well as the benefits it provides. The public must be made more aware of the existing gaps that limit affordable housing opportunities for many in the area and the impact it has on their communities.

Fundraising

In addition to the application to Iowa Finance Authority for a State Housing Trust Fund grant, the ECIHTF actively seeks funding to further affordable housing initiatives. Potential funding partners include Benton, Iowa, Jones, and Washington County Board of Supervisors, as well as each municipality within these counties. In addition, the Federal Home Loan Bank, local lenders, other private sector organizations, and interested individuals may also be solicited.

The ECIHTF Board of Directors recognizes that a dedicated source of revenue would provide the most stable funding to support its mission and operation. To that end, Board members may support the creation of a permanent funding mechanism, such as a portion of document recording fees, to be directed to local housing trust funds. The ECIHTF Board also supports staff in their efforts to work with housing advocates on the national, state and regional levels to attain this goal.

Part 3: Proposed Activities of the East Central Iowa Housing Trust Fund

State Housing Trust Fund dollars received by the ECIHTF through the Iowa Finance Authority would be used in a variety of ways to address affordable housing needs in the area. At the discretion of the ECIHTF Board of Directors, 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); rental assistance (such as for rent, security deposits, utilities, etc.); construction of transitional housing and homeless shelters; and items associated with making housing livable and safe. More specifically, the current State Housing Trust Fund dollars will be combined with funds from the City of Kalona, the Home Builders Association, and local contractors for a second Student Build Project. The proposed project includes the acquisition and demolition of two adjacent blighted homes and the construction of two new homes completed by 12 to 14 local public high school students providing hands-on experience and workforce training. Additionally, current State Housing Trust Fund dollars will be utilized in Benton County for the rehabilitation of 24 rental units with energy-efficient upgrades and ADA accessibility for senior citizens.

Funding received through the Iowa Finance Authority, as well as local matching funds, would directly provide greatly needed assistance to a large number of area households. In addition, the funds granted by the ECIHTF may allow agencies to leverage additional funds from other sources, thereby increasing the overall impact. Funds distributed in the form of zero- or low-interest loans will return to the ECIHTF and will be redistributed in the community through subsequent application processes. At the discretion of the ECIHTF, funding assistance may also be provided in the form of forgivable loans or grants. The City of Kalona Student Build Project will provide down payment assistance for two households with income below 80% of AMI. The proposed project in Benton County will assist 22 renter households with incomes below 80% of AMI and two households with incomes below 30%.

ECIHTF makes the majority of its funds available through an open-window application process. The ECIHTF Board of Directors reviews each application and makes funding decisions at ECIHTF board meetings. Award decisions are based on many factors, such as project feasibility, other funding sources for the project, the assisted household income level, and the need for the project.

ECIHTF may also obligate a portion of its funds as local match for other funding opportunities, such as the Federal Home Loan Bank. ECIHTF was awarded an FHLB AHP grant in 2022 to assist 12 homeowners with rehab and will be completing that program in 2024. ECIHTF also dedicated \$42,240 housing trust fund dollars to the FHLB application submitted in 2023. If awarded, these funds will assist 12 additional homeowners through the ECIHTF area.

ECIHTF also established an emergency repair program in 2022, using housing trust fund dollars, targeted to assist homeowners with extremely low income (<30%). The ECIHTF Board approved a dedication of an additional \$45,000 to that program, allowing ECIHTF to continue to offer the assistance to those demonstrating a more immediate need.

Allocation Guidelines

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

1. Location and income eligibility

Only housing projects that will serve low-income households within Benton, Iowa, Jones, and Washington County will be eligible for ECIHTF funding. Low-income is defined as household income that is at, or below 80% of area median income (AMI). Further, as required by the Iowa Finance Authority, 30% of the state Local Housing Trust Fund (LHTF) funds will be used to benefit persons with extremely low income (30% AMI). ECIHTF projects will utilize county-specific income limit guidelines published annually by the U.S. Department of Housing and Urban Development (HUD).

2023 HUD Income Limits by Household Size as a Percent of AMI

	Benton		Iowa		Jones		Washington	
	30%	80%	30%	80%	30%	80%	30%	80%
1 Person	\$20,050	\$53,400	\$18,050	\$48,100	\$18,550	\$49,450	\$18,700	\$49,800
2 Person	\$22,900	\$61,000	\$20,600	\$55,000	\$21,200	\$56,500	\$21,350	\$56,900
3 Person	\$25,750	\$68,650	\$24,860	\$61,850	\$24,860	\$63,550	\$24,860	\$64,000
4 Person	\$30,000	\$76,250	\$30,000	\$68,700	\$30,000	\$70,600	\$30,000	\$71,100
5 Person	\$35,140	\$82,350	\$35,140	\$74,200	\$35,140	\$76,250	\$35,140	\$76,800
6 Person	\$40,280	\$88,450	\$40,280	\$79,700	\$40,280	\$81,900	\$40,280	\$82,500
7 Person	\$45,420	\$94,550	\$45,420	\$85,200	\$45,420	\$87,550	\$45,420	\$88,200
8 Person	\$50,560	\$100,650	\$50,560	\$90,700	\$50,560	\$93,200	\$50,560	\$93,900

2. Project Requirements

Proposed projects must meet the following criteria:

- Implement an eligible activity, as identified herein
- Applicant is a non-profit agency, governmental entity, for-profit business, or individual that demonstrates capacity to complete their project and comply with the terms of a ECIHTF funding agreement
- Sufficient documentation supporting financial feasibility of the project
- Affordability period, as defined by the ECIHTF Board of Directors
- Funding limits of \$25,000 per unit and \$250,000 per project, unless project demonstrates need for increased funding
- Proposed projects must show proof of meeting applicable building codes. For projects located in jurisdictions without building codes, new construction projects must meet state building codes, and rehabilitation must at least meet Housing Quality Standards (HQS) of the Department of Housing and Urban Development (HUD).

3. Project Evaluation

The project evaluation process will give preference to projects that:

- Serve extremely low-income people, defined by HUD as below 30% of area median income.
- Leverage additional funding sources (local, state, federal, or private).
- Serve areas impacted by natural disasters.

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