

COUNCIL BLUFFS HOUSING TRUST FUND, INC.

HOUSING ASSISTANCE PLAN

2017

Introduction

The idea of forming a housing trust fund in Council Bluffs initially began when the Human Services Advisory Council Housing Committee met with housing professionals with the City of Council Bluffs in 2008. The group recognized they shared a vision that through collaboration they could more effectively address the housing needs of Council Bluffs residents. Their mission is “to be an advocate for actions that provide quality housing opportunities for Council Bluffs residents in need of supportive services.” The group pursued a strategic planning effort which identified and lead to the official establishment of the Council Bluffs Housing Trust Fund (CBHTF) in 2010.

In November 2010, the newly formed CBHTF received 2011 Housing Trust Fund money from the State of Iowa for the first time. The State of Iowa approved the Council Bluffs Housing Trust Fund Corp. to operate as a nonprofit organization in May 2011.

A public hearing was held on August 9, 2016 to solicit comments and identify housing gaps and needs in Council Bluffs. This information along with local demographics and existing housing conditions, were used to update the 2016 Housing Assistance Plan (HAP).

Geographic Service Area

The Council Bluffs Housing Trust Fund will confine its efforts and use its resources to serve those needs identified within the boundaries of the corporate limits of the City of Council Bluffs in Pottawattamie County, Iowa. The city limits are roughly bounded by Interstate 29 to the north; Interstate 80, State Orchard Road, Concord Loop, and U.S. Highway 275 to the east; U.S. Highway 275 to the south; and the Missouri River to the west, as extended from time to time by the City Council.

Need for Proposed Activities/Gaps in Housing Needs

The Council Bluffs affordable housing needs were reviewed. The needs and gaps were documented from the U.S. Census Bureau¹, the U.S. Department of Housing and Urban Development² and by holding a public hearing³ to gather citizen input. Conclusions to be made from these analyses highlight the City’s housing gaps and the need for the CBHTF’s proposed activities.

- A) Income Levels – Low to moderate income persons are those persons with incomes at or below 80% of the area median income. According to the 2014 American Community Survey by the U.S. Census Bureau⁵, the 2014 estimated median household income (MHI) was \$45,204¹.

According to the U.S. Census⁴, the population of the City of Council Bluffs was 62,094². Also based on the 2006-2010 American Community Survey figures, 31,350 persons or 53.1%

¹ American Community Survey. 2010-2014. Selected Economic Characteristics.
http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_DP03&prodType=table.
Accessed July 25, 2016

² American Community Survey. 2010-2014. ACS Demographic and Household Estimates.
http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_DP05&prodType=table.
Accessed July 25, 2016.

are classified as low to moderate income. This is very important in determining the number of households within Council Bluffs having the financial capacity to afford housing. Based on the data presented, over 31,000 persons in Council Bluffs live in households earning less than the median household income and lack the financial capacity to afford quality housing.

The median monthly housing costs for renter-occupied housing units were also examined. Statewide this figure is \$689 and Council Bluffs is \$763 in 2014³, leading to a conclusion that housing costs for Council Bluffs residents are much higher than most of the state.

The conclusion reached through the analysis of income levels is that with over half of the city’s population considered low to moderate income, the financial capacity of the residents is limited. This is particularly highlighted by the cost burdens placed on renters who face affordability challenges.

- B) Housing Conditions - The CBHTF reviewed the general housing conditions in Council Bluffs. In particular the number of substandard occupied housing units, the number of vacant units and the age of the housing stock were analyzed. Substandard housing is defined as 1) having units lacking complete plumbing and 2) housing units with 1.01+ persons per room. In 2014, a total of 626 or 2.5% of the occupied housing units in Council Bluffs were substandard. See the table below for substandard housing unit details.

	2014 Housing Conditions
City of Council Bluffs	26,973
Occupied Housing Units	24,769
Substandard Housing Units	626
Lacked Complete Plumbing Facilities	69
1.01+ Persons per Room	557

Source: 2010-2014 American Community Survey (ACS) Data

The number of substandard units has decreased from 2000 to 2014, the number of vacant units over the same period has increased, until 2014. In 2000, 1,451 vacant units were identified compared to 2,204 vacant units in 2014. The decrease is only 10 units; therefore, this may still reflect a broader trend of inadequate maintenance and housing quality that leads to property condemnations due to public health and safety issues. It may also reflect the increase in foreclosures and decline in home sales in the area. The number of occupied (owner & renter) housing units and vacant units for the City of Council Bluffs in 2010 and estimated in 2014 are as follows:

	2010 Housing Conditions	2014 Housing Conditions
City of Council Bluffs	26,594	26,973
Occupied	24,793	24,769
Owner-Occupied	15,162	15,750
Renter-Occupied	9,631	9,019
Vacant	1,801	2,204

Source: U.S. Census Bureau, 2010 and 2010-2014 American Community Survey (ACS) Data

³ U.S. Census. 2013. Quick Facts. <http://www.census.gov/quickfacts/table/HSG010213/00,1916860,19> Accessed July 25, 2016.

According to the 2010-2013 American Community Survey (ACS) Data, 49% or 13,159 of the 26,973 occupied housing units in 2014 were built prior to 1959 or earlier. This data is important because the age of housing stock provides a rough estimate of the quality of housing stock. Older homes tend to have more problems and often contain environmental hazards such as asbestos and lead-based paint. Older homes are more expensive to maintain and may constitute a health hazard due to compounded years of poor maintenance. Foundation problems, wood rot, poor electrical connections, and other problems are found much more frequently in older houses than in newer homes. Moreover, substandard older housing is often occupied by those residents least able to afford the regular maintenance required of an older home. Particularly this can be a challenge for persons who live on a fixed income but own their home. The age of housing units in Council Bluffs is presented in the following table.

	2010-2014 Estimated Age of Housing Units
City of Council Bluffs	26,973
Structures Built 1990 to Present (= or < 20 years old)	6,335
Structures Built 1960 to 1989 (= 50 years old, but > 20 years old)	7,479
Structures Built 1959 or Earlier (> 50 years old)	13,159

Source: U.S. Census Bureau, 2008-2014 American Community Survey (ACS) Data

The median housing value of owner-occupied housing units for the City of Council Bluffs is \$111,000, which is 89% of the Iowa statewide average of \$124,500. Pottawattamie County has a higher median housing value than the City of Council Bluffs (\$125,500 versus \$111,000).

- C) Public Hearing – On August 9, 2016, the CBHTF held a public hearing to gather citizen input on housing needs and gaps in the community. Gloria Ruesch, CBHTF Board President facilitated the meeting. Three housing needs identified and are as follows: 1) Rental Housing; 2) Homeownership Assistance; and 3). Education of Potential Renters and Owners.

Priority Areas

The Council Bluffs Housing Trust Fund has expanded on the identified needs from the public hearing and has formulated the following types of projects for funding. In random order they are as follows:

1. Rental Housing, including rehabilitation, new construction, emergency housing, transitional housing and permanent supportive housing;
2. Homeownership Assistance, including direct assistance, rehabilitation and new construction;
3. Education of Potential Renters and Owners, including general maintenance information

Collaborating Resources

Each of the priority areas requires collaboration with several resources to produce a successful outcome.

1. Rental Housing, including rehabilitation, new construction, emergency housing, transitional housing, and permanent supportive housing:

Potential Resources

Iowa West Foundation and other philanthropic entities
 City of Council Bluffs and Pottawattamie County
 State Housing Trust Fund

Southwest Iowa Planning Council (SWIPCO)
Federal Home Loan Bank
Municipal Housing Agency
Local Non-Profit and For-Profit Housing Developers
Landlords
Contractors, including Lead Based Paint Contractors
Local Human and Social Service Agencies
US Department of Housing and Urban Development
Local Real Estate Agencies

2. Homeownership Assistance, including direct assistance, rehabilitation, demolition for unsafe buildings, and new construction

Potential Resources

Iowa West Foundation and other philanthropic entities
City of Council Bluffs and Pottawattamie County
State Housing Trust Fund
Southwest Iowa Planning Council (SWIPCO)
Federal Home Loan Bank
Municipal Housing Agency
Local Non-Profit and For-Profit Housing Developers
Landlords
Contractors, including Lead Based Paint Contractors
Local Human and Social Service Agencies
US Department of Housing and Urban Development
Local Real Estate Agencies

3. Education of potential owners and renters (including general maintenance information)

Potential Resources

Landlord Association and Real Estate Agents/Agencies
Municipal Housing Agency
Local Non-Profit Housing Developers
Local Non-Profit Legal Advisors
Local Emergency Shelters and Transitional Housing & Permanent Supportive Housing Facilities
City of Council Bluffs and Pottawattamie County
Southwest Iowa Planning Council (SWIPCO)
Iowa Western Community College
State Housing Trust Fund
Iowa West Foundation and other philanthropic entities
Local Human and Social Service Agencies

Economic, Social and Health Benefits

Improved housing options provide many benefits. Some are identified below:

1. Affordable housing allows households to be financially stable and at less of a risk of becoming homeless.
2. Entice younger families to move into the area.
3. Help household members connect to their community. They are more apt to volunteer services and donate resources for the betterment of the community.
4. Attract young families with children, which add to the school districts' vitality.

5. Improve neighborhood appearance. New residents are more likely to move into clean neighborhoods where the housing is well maintained.
6. Improves tax base by increasing the valuation.
7. Larger population to share community expenses.
8. Strong housing base gives business and industry a place to house workers.
9. Improvements give homeowners a sense of pride. Homeowners are more likely to clean up and repair their homes if neighbors are improving their homes.
10. Increase the amount of available and accessible affordable, decent, safe and sanitary housing stock. Unstable housing situations interfere with the education of children and the physical and emotional health of the family.
11. Housing projects will generate jobs for local contractors and businesses.

Program Guidelines

1. Type of projects

- a. Program administration.
- b. Rehab/repair/renovation of rentals; including emergency units, transitional housing units and permanent supportive housing units. With priority given to rental properties for very low income persons (30% of the MHI).
- c. Direct homeownership assistance, through rehabilitation/repair/renovation and down payment assistance.
- d. Expansion of rental or owner-occupied housing. With priority given to rental properties for very low income persons. Rental subsidies will be considered for homeless or very low income persons.
- e. Educate potential owners and renters and provide general maintenance including landlord/tenant accountability information for participants of the projects.
- f. Demolish unsafe, dilapidated buildings.

2. Types of investments

The program will use grants, forgivable loans and low-interest loans. At a minimum, funding sources for supported projects include Iowa Finance Authority; City of Council Bluffs; Pottawattamie County; Iowa West Foundation; non-profit housing developers; local human and social service agencies; real estate agencies; and financial institutions. Additional sources may be identified as the program progresses.

3. Required terms and conditions

Rental Housing Repair and Expanded Rental Housing	Provide up to \$5,000 in forgivable loans or grants per unit for repairs. Provide rent assistance for at-risk/homeless individuals and families for a maximum of one (1) year in rentals that are in compliance with local health and safety codes which must be validated by the agency. Additional funds may be available when deemed necessary to eliminate immediate health and safety risks. Tenant income verification to meet under 80% median household income is required, with under 30% median household income as the priority. Property owners must provide \$1.00 of private funds for each \$1.00 of program funds. All property taxes and assessments must be kept current on the property during the loan period. Insurance is required and must name CBHTF as mortgagee. A title certificate from a license abstractor must be provided showing fee simple title in owner, subject only to acceptable liens. The unit must be rented to households with incomes at or below 80% of the Median Household
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Income for the duration of the loan. If at any time during the loan period the unit is no longer rented to a household with an income at or below 80% of the MHI, then the pro-rated remaining amount due on the loan is immediately due and payable. The unit must, at completion and throughout the loan period be in compliance with all applicable local health and safety codes. Property will be satisfactorily inspected upon completion, if required by the City of Council Bluffs. If a property violates local code, the owner will have 60 days to cure the violation. If the violation is not cured within the given time period, CBHTF may declare the loan immediately due and payable. All loans will be secured by a mortgage document placed on the real property in favor of CBHTF. If title is transferred during the term of the loan, CBHTF may declare the loan immediately due and payable. Any default of the terms of the loan without cure may cause the remaining loan to become immediately due and payable and bear interest at the highest legal rate. The renter must acknowledge receipt of an acceptable renter's guide. For individual landlord/owners of 1-4 unit properties, assistance is capped at \$10,000 per property and tenant retention is the priority. Repairs or rehab that will benefit existing tenants will remain a high priority and repairs that will keep the tenant in place while complying with city inspection program will have priority over vacant properties. Loans will be forgiven as follows: At the end of 3 years, 50% shall be forgiven. At the end of 4 years, an additional 25% with full forgiveness at the end of 5 years. No given owner shall have more than \$50,000 in outstanding CBHTF loans or grants unless waived by the Board of Directors. Detailed guidelines may be located in the Landlord Rehab and Repair Policy and Procedures adopted by CBHTF Board of Directors on June 9, 2015.

For larger properties (greater than 4 units) loans will be a forgivable loan for 5 years for grant amounts under \$50,000.00, or 10 years for amounts \$50,000.00 and over, if board approves a grant over \$50,000.

Homeownership Assistance

Provide up to \$10,000 per home, funds secured by a 10-year forgivable loan. Repayment of the loan on a pro rata basis will be required if any of the following occur within the specified term of assistance: title to ownership and/or any other interest in the property is sold and/or transferred to another party; a party, other than the purchaser and their immediate family, rents, leases, and/or occupies the property; occupancy of the property is abandoned for a period of 60 consecutive days. The potential homeowner must have an income at or below 80% of the HUD Median Household Income (MHI) for the area. Buyer shall satisfactorily complete a pre-purchase education program offered by an agency approved by CBHTF prior to receiving funds. Loan will be secured by a mortgage document placed on the real property in favor of CBHTF. Insurance naming CBHTF as mortgagee must be in place during the loan term

Owner-Occupied Housing Repair

Provide up to \$10,000 for repairs to owner-occupied homes.

Repairs related to improving health, safety, energy efficiency, and lead hazard reduction measures are eligible. Preference is given to structural repairs. The amount will be in the form of a 5-year forgivable loan on the property. Pro rata repayment of the loan will be required if any of the following occur within the specified term of assistance: title to ownership and/or any other interest in the property is sold and/or transferred to another party; a party, other than the purchaser and their immediate family, rents, leases, and/or occupies the property; occupancy of the property is abandoned for a period of 60 consecutive days. Applicant must have title at time of application. The owner must have an income at or below 80% of the HUD Median Household Income (MHI) for the area. The home must, at completion, be in compliance with all applicable local health and safety codes and work must be completed by a licensed general contractor. The property may be inspected. No properties under land contract will be considered. All loans will be secured by a mortgage document placed on the real property in favor of CBHTF. Any default of the terms of the loan without cure may cause the remaining pro rata loan balance to become immediately due and payable and bear interest at the highest legal rate. Property insurance is required naming CBHTF as mortgagee is required during the term. Homeowner will be required to take a maintenance class from an agency specified by CBHTF. Specific Procedures, documentation, and eligibility requirements are outlined in the Direct Grant Repair Program Guidelines, adopted by CBHTF Board of Directors on March 10, 2015.

Owner and Renter Education Provide funds to an agency approved by CBHTF to provide homeowner or landlord/tenant accountability education to persons having an income at or below 80% of the HUD Household Family Income (MHI) for the Omaha-Council Bluffs Metropolitan Statistical Area.

Demolish Unsafe Buildings Provide funds to an agency approved by CBHTF to reimburse a homeowner for the cost of demolition and removing a building on their property that was tagged as unsafe by the City of Council Bluffs.

Program Guideline Modifications: Provided it furthers the mission of the CBHTF to develop and preserve affordable housing in the community, the CBHTF reserves the right to waive or modify the requirements contained in these program guidelines for grant applicants on a case by case basis or upon a request for guideline clarification made by a grant applicant. Any final program guideline waivers or modifications shall be approved by a vote of the Board of the CBHTF.

4. Dollar limits

The dollar limits are identified above with terms and conditions.

5. Income limits/targets:

Thirty percent of CBHTF funds will be applied to households or units rented to families at or below 30% of the MFI.

Homeownership Assistance Buyer must have an income at or below 80% of the HUD Median Family Income (MFI) for the Omaha, NE – IA Metropolitan Statistical Area (MSA).

Housing Repair or Expanded Housing Rental units and owner-occupied units must be occupied by a household at or below 80% of the HUD MFI. Priority will be given to units rented to households at or below 30% of the MFI.

6. Eligibility Requirements:

Rental Housing Repair Priority is given to property owners that provide \$1.00 of private funds for each \$1.00 of program funds. All property taxes and insurance must be current and information provided to CBHTF annually by the grantee. The unit must, at completion and throughout the loan period be in compliance with all applicable local health and safety codes.

Homeownership Assistance The buyer must have an accepted purchase agreement and financial institution willing to provide the mortgage. Buyer shall satisfactorily complete a pre-purchase education program offered by a CBHTF approved agency prior to receiving funds.

Owner-Occupied Housing Repair Applicant must have title at time of application. The home must, at completion, be in compliance with all applicable local health and safety codes. The homeowner must complete a maintenance course. No properties under land contract will be allowed.

7. Underwriting requirements

CBHTF will work with local financial institutions to use the best underwriting criteria available. This can include low down-payment, lower interest, reduced closing fees, lower value to loan ratio, etc. This will enable CBHTF to use its funds efficiently and effectively to assist as many households as possible.

8. Leverage requirements

CBHTF will provide a minimum of 25% match for this program which equals \$36,641.25 for 2017.

Fundraising Activities/Efforts to Raise Additional Funds

To date, the CBHTF has received contributions from Pottawattamie County, Iowa, Council Bluffs Savings Bank, Pinnacle Bank, First National Bank of Omaha, and Dodge Cares, as well as individual donations totaling over \$35,000.00. In addition, CBHTF has received \$23,611.45 from the Iowa West Foundation. We have in-kind commitments from Telpner, Peterson, Smith, Ruesch, Thomas and Simpson, LLP, and NP Dodge Real Estate totaling \$2,750.00.

The CBHTF Board continues to research other grant opportunities as sources for funding and has been successful in diversifying its funding streams. Fundraising will continue through networking and pooling of available resources. Fundraising will also be done through the solicitation of private and federal funding, donations of property or materials, volunteer labor and housing units. Monetary or in-kind contributions will be solicited from local businesses, developers and real estate agents. The Board will continue to develop fundraising strategies as needed.

Housing for the Extremely Low-income

The extremely low-income will be assisted through the rehab/repair/renovation or expansion of rental housing projects.

Many of the elderly population are at or below 50% of AMI due to their fixed income levels. The elderly population age 62 and over in Council Bluffs increased from 9,286 in 2000 to 10,523 in 2014⁴. The population of elderly age 75 and over grew from 3,647 in 2000 to 4,163 in 2010. This represents a 14.1% increase over the ten-year period; showing that the elderly population will remain living within the city limits and staying in their current homes. Funds from the CBHTF will be made available to the elderly who are very low and low-income, living in homes that need repairs. These repairs will stabilize the home, allow the elderly to age in place and assist in stabilizing the housing market in Council Bluffs.

Continuum of Housing Needs

The Council Bluffs Housing Trust Fund will impact the continuum of housing needs through the implementation of its programs.

- 1. Homelessness** - Homelessness needs are addressed through the Metro Area Continuum of Care for the Homeless and over 100 of its partner agencies. MACCH has adopted a ten year plan to end homelessness with specific goals of the prevention of homelessness, easier access to services, increased availability of housing, strengthened public and political support, the elimination of cultural bias and prejudice, specific options for persons experiencing chronic homelessness and availability of comprehensive data to support and document progress.
- 2. Transitional Housing** - This need is addressed through the trust fund's rental housing repair program which will provide matching funds for rental unit repairs, with a priority given to those units rented to households at or below 30% of the median family income. Rental subsidy and education also will be considered for at-risk/homeless persons.
- 3. Rental** - This need is addressed through the trust fund's rental housing repair program which will provide matching funds for rental unit repairs, with a priority given to those units rented to households at or below 30% of the median family income. Rental subsidy also will be considered for at-risk/homeless persons.
- 4. Homeownership** - This need is addressed through the trust fund's homeownership assistance program which will provide up to \$10,000 per home in down payment assistance to persons at or below 80% of the median family income.

Stagnant/Declining Housing Markets

There are several stagnant or declining housing markets in the City of Council Bluffs. The City has designated many of these areas using state and federal definitions as areas in need of additional resources. The CBHTF will encourage the location and funding of projects in these areas which may offer additional funding options to the developer/builder.

- 1. Neighborhood Revitalization Strategy Area* - The City of Council Bluffs has a HUD designated Neighborhood Revitalization Strategy Area (NRSA). It is a contiguous area of about four square miles located in the central portion of Council Bluffs and 56% of it is classified as residential. It

⁴ American Community Survey. 2010-2014 ACS Demographic and Housing Estimates.

contains the city's central business district, the Broadway commercial corridor, railroad related industrial uses and a variety of single family residential neighborhoods. It also contains some of the City's most physically deteriorated areas, including the central railroad corridor, industrial precincts between 9th and 14th Avenues from 16th Street to the South Expressway and the Mynster Street area northwest of downtown. The NRSA Plan makes several general conclusions about housing characteristics within the area:

- A. The area has a relatively high incidence of undervalued property. In general, both values of owner-occupied and rents for apartments lag behind those of other parts of the City.
- B. Despite these relatively lagging values, the area exhibits a substantial shortage of housing for low income people. In addition to this shortage, a relative lack of higher value housing creates competition for moderately priced housing stock which further puts low and moderate income households at a disadvantage.
- C. Most of the housing in Council Bluffs that needs rehabilitation is located in the NRSA.

Underserved Areas/Populations

According to the 2010-2014 American Community Survey, the population of the City of Council Bluffs was 62,261. Also based on the 2000 Census figures, 30,777 persons or 54.1% are classified as low to moderate income persons living in households with incomes at or below the MFI of \$36,221. The 2010-2014 American Community Survey by the U.S. Census Bureau estimated the 2014 population of Council Bluffs at 62,261 with 54.1% classified as low to moderate income persons as well. Therefore in 2008, 31,696 persons lived in households with incomes at or below the MFI of \$44,543. This is very important in determining the number of households within Council Bluffs having the financial capacity to afford housing. Based on the data presented, over 30,000 persons in Council Bluffs live in households earning less than the median household income and have the potential to lack the financial capacity to afford housing.

Bibliography/Foot Note References:

¹ American Community Survey. 2010-2014. Selected Economic Characteristics.

http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_5YR_DP03&prodType=table.

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² American Community Survey. 2010-2014. ACS Demographic and Household Estimates.

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³ U.S. Census. 2013. Quick Facts. <http://www.census.gov/quickfacts/table/HSG010213/00,1916860,19> Accessed July 25, 2016.

⁴ American Community Survey. 2010-2014 ACS Demographic and Housing Estimates.