

POTTAWATTAMIE COUNTY HOUSING TRUST FUND HOUSING ASSISTANCE PLAN (2022)

Introduction

The formation of a housing trust fund in Council Bluffs was initiated in 2008 when the Human Services Advisory Council Housing Committee met with Council Bluffs housing professionals. The group recognized they shared a vision that through collaboration they could more effectively address the housing needs of Council Bluffs residents. The group pursued a strategic planning effort which identified and led to the official establishment of the Council Bluffs Housing Trust Fund (CBHTF) in 2010.

In 2011, the newly formed CBHTF received an initial Housing Trust Fund Grant from the Iowa Finance Authority (IFA). In June of 2019, PottCoHTF service area was expanded to include all of Pottawattamie County. As a result, it was renamed the Pottawattamie County Housing Trust Fund (PottCoHTF). The mission of the PottCoHTF is to be an advocate for safe and affordable housing opportunities for Pottawattamie County residents.

A public hearing was held on August 10, 2021 to solicit comments and identify housing gaps and needs in Council Bluffs and Pottawattamie County. This information along with local demographics and existing housing conditions, were used to develop a Housing Assistance Plan (HAP).

Geographic Service Area

The PottCoHTF will confine its efforts and use its resources to serve those needs identified within the boundaries of the corporate limits of the 14 cities and unincorporated areas of Pottawattamie County, Iowa.

Need for Proposed Activities/Gaps in Housing Needs

Pottawattamie County's affordable housing needs were reviewed. The needs and gaps were documented from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development (HUD), and by holding a public hearing to gather citizen input. Conclusions to be made from these analyses highlight the County's housing gaps and the need for PottCoHTF proposed activities.

1. Income Levels – Low to moderate income (LMI) persons are those persons with incomes at or below 80% of the median family income (MFI). According to the 2018 American Community Survey (ACS) conducted by the U.S. Census Bureau, the 2018 (MFI) was \$72,711 for the County. Council Bluffs' MFI was \$63,896.

According to the 2011-2015 ACS data, County has an LMI population of 41,940, which is 46.14% of the total population. Council Bluffs has LMI population of 32,105, which is 53.41% of the total population. The ACS 2011 to 2015 data set is the data set used by HUD to determine LMI in communities and other political geographies. This is important in determining the number of households within Council the County having the financial capacity to afford housing. Based on the data presented, households earning less than the 80% of the MFI lack the financial capacity to afford quality housing.

2. The median monthly housing costs for renter-occupied housing units were also examined. Statewide this figure is \$766. The median monthly housing costs for renter-occupied housing in County, including Council Bluffs, is \$826. The conclusion reached through the analysis of income levels is that with over half of Pottawattamie County's population considered LMI, the financial capacity of the residents is

limited. This is particularly highlighted by the cost burdens placed on renters who face affordability challenges.

3. Housing Conditions - The PottCoHTF reviewed the general housing conditions in Council Bluffs and Pottawattamie County. 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 2018, a total of 844 or 2.1% of the occupied housing units in Pottawattamie County were substandard. See the table below for substandard housing unit details.

Housing Conditions (2018)	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
Total Housing Units	26,866	100.0%	13,059	100.0%	39,925	100.0%
Occupied Housing Units	24,816	92.4%	12,065	92.4%	36,881	92.4%
Vacant Housing Units	2,050	7.6%	994	7.6%	3,044	7.6%
Substandard Housing Units	667	2.5%	177	1.4%	844	2.1%
Lacked Complete Plumbing Facilities	88	0.3%	58	0.4%	146	0.4%
1.01+ Persons per Room	579	2.2%	119	0.9%	698	1.7%

Source: US Census Bureau, 2014-2018 American Community Survey (ACS)

In 2018, there were 3,044 vacant units in 2018 in County. This may 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 Council Bluffs, Pottawattamie County, and the balance of Pottawattamie County in 2010 and estimated in 2018 are outlined in the following tables. Council Bluffs has significantly higher renter occupied housing units than the balance of Pottawattamie County.

Housing Occupancy (2010 and 2018)	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
Occupied Housing Units (2010)	24,793	93.2%	11,982	94.1%	36,775	93.5%
Owner-Occupied	15,162	61.2%	9,967	83.2%	25,129	68.3%
Renter-Occupied	9,631	38.8%	2,015	16.8%	11,646	31.7%
Vacant Housing Units	1,801	7.8%	754	5.9%	2,555	6.5%
Occupied Housing Units (2018)	26,866	92.4%	10,015	92.4%	36,881	92.4%
Owner-Occupied	15,085	60.8%	9,967	83.2%	25,155	68.2%
Renter-Occupied	9,731	39.2%	2,015	16.8%	11,726	31.8%
Vacant Housing Units	2,050	7.6%	994	7.6%	3,044	7.6%

Source: U.S. Census Bureau, 2014-2018 American Community Survey (ACS) and 2010 Census

According to 2018 ACS data, 12,510 of the 26,866 housing units (46.6%) in Council Bluffs in 2018 were built prior to 1959. 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 the housing stock in Pottawattamie County is similar to that of Council Bluffs. The age of housing units in Council Bluffs, Pottawattamie County, and the balance of Pottawattamie County is presented in the following table.

Age of Housing Units (2018)	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
Total Housing Units	26,866	100.0%	13,059	100.0%	39,925	100.0%
Structures Built 2000 to Present (< 20 years old)	3,850	14.3%	1,999	15.3%	5,849	14.6%
Structures Built 1960 to 1999 (20 to 60 years old)	10,506	39.1%	6,326	48.4%	16,832	42.2%
Structures Built 1959 or Earlier (> 60 years old)	12,510	46.6%	4,734	36.3%	17,244	43.2%

Source: U.S. Census Bureau, 2014-2018 American Community Survey (ACS)

According to 2018 ACS data, the median housing value of owner-occupied housing units for Council Bluffs is \$117,600, which is 82.6% of the Iowa statewide average of \$142,300. Pottawattamie County also has a higher median housing value of \$136,900.

4. Public Hearing – On August 10, 2021, the PottCoHTF held a public hearing to gather citizen input on housing needs and gaps in the community. Three housing needs were identified: 1) Rental Housing; 2) Homeownership Assistance; and 3) Education of Potential Renters and Owners.

Priority Areas

The PottCoHTF 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; and
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. Potential partners include: Iowa West Foundation and other philanthropic entities; City of Council Bluffs and Pottawattamie County; State Housing Trust Fund; Iowa Finance Authority; Financial Institutions, Federal Home Loan Bank; Municipal Housing Agency; Southern Iowa Regional Housing Authority; Housing Developers; Landlords; Contractors; Local Human and Social Service Agencies; US Department of Housing and Urban Development; and Local Real Estate 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. Types of Investments

Priority Project Types	Unit \$ Limit	Project \$ Limit	Match	Affordability		
				0-30%	30-50%	50-80%
Owner occupied emergency repairs and accessibility improvements	\$7,500	\$50,000	None	X	X	
Construction and rehab of owner occupied units, including down payment assistance	\$20,000	\$100,000	50%	X	X	X
Construction and rehab of rental units, including emergency and transitional units	\$15,000	\$100,000	100%	X	X	X
Rental assistance, including deposits and first months' rent	\$1,000	\$25,000	None	X	X	X
Homeowner, renter and landlord education	None	\$25,000	50%	X	X	X

2. Other Investment Requirements, Income Targets, and Match

- Program administration is limited to 10% of the annual IFA allocation.
- Thirty (30%) percent of PottCoHTF funds will be applied to households or units rented to families at or below 30% of MFI.

- All households' receiving assistance must be occupied by a household at or below 80% of MFI.
- The program will receive IFA resources totaling \$276,237 for 2022, and POTTCoHTF will provide a minimum of 15% match for this program which equals \$41,436.

3. Underwriting Requirements

- The program will use a combination of grants, forgivable loans and low-interest loans.
- PottCoHTF 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 PottCoHTF to use its funds efficiently and effectively to assist as many households as possible.
- No properties under land contract will not be considered for loan assistance.

4. Mortgage Requirements

All loans will be secured by a mortgage document placed on the real property in favor of PottCoHTF and will include the following general requirements:

- All property taxes and assessments must be kept current on the property during the loan period.
- Insurance is required and must name PottCoHTF as mortgagee.
- A title certificate from a licensed abstractor must be provided showing fee simple title in owner, subject only to acceptable liens.
- 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 MFI, 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 applicable local government jurisdiction.
- 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, PottCoHTF 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 PottCoHTF.
- If title is transferred during the term of the loan, PottCoHTF 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.

5. Forgiveness Periods

- Homeownership Assistance involving more the \$10,000 per home will be funds secured by a 5-year forgivable loan.
- Rental Assistance 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 \$200,000 in outstanding PottCoHTF loans or grants unless waived by the Board of Directors.

6. Home Owner Education Requirement - Households receiving down payment assistance will be required to take a maintenance class from an agency specified by PottCoHTF.

7. Program Guideline Modifications - PottCoHTF 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 PottCoHTF Board.

Fundraising Activities/Efforts to Raise Additional Funds

To date, the PottCoHTF has received a commitments from Pottawattamie County, Iowa West Foundation and other private contributions. We have also received in-kind commitments from Telpner Peterson Law and NP Dodge Real Estate. The PottCoHTF 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 MFI due to their fixed income levels. The elderly population age 62 and over in Pottawattamie County increased from 14,097 in 2000 to 19,170 in 2018. The population of elderly age 75 and over grew from 5,497 in 2000 to 6,706 in 2018. This represents a 22.0% increase over the 18-year period, showing that the elderly population will remain living within the county and staying in their current homes. Funds from the PottCoHTF 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 and the balance of Pottawattamie County.

Continuum of Housing Needs

The PottCoHTF 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 (MACCH) 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 MFI. 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 program which will provide matching funds for the renovation or construction of rental units, with a priority given to those units

rented to households at or below 30% of the MFI. 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 \$20,000 per home in down payment assistance to persons at or below 80% of MFI.

Stagnant/Declining Housing Markets

There are several specific geographic areas are experiencing stagnant or declining housing markets in Pottawattamie County. These Include:

Central Council Bluffs - The City has designated much of this area using the Neighborhood Revitalization Strategy Area (NRSA) designation. 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 contains the city's central business district, portions of the Broadway commercial corridor, railroad related industrial uses and a variety of single-family residential neighborhoods.

Western Council Bluffs - Residential neighborhoods in the western portion of Council Bluffs have a higher portion of LMI households than other areas of the City. These neighborhoods are affected by drainage and floodplain issues. Many of these neighborhoods have also experienced an increased conversion of owner-occupied homes to rental.

Communities under 750 in population -Smaller communities without good transportation access to the metropolitan area are at an economic disadvantage and have experienced population decline. Combined with declining farm population, many of these communities have consolidated schools and have seen significant reduction in commercial activities. Residential structures are older and limited new construction has occurred. This trend does not appear to be reversing in the near future.

Outside of the geographies describes above, several conditions exist through Pottawattamie County that effect housing markets. These include:

Age of Housing Units - Overall, housing units are older in Council Bluffs and Pottawattamie County. Older homes tend to need rehabilitation in order to be desirable to home buyers, and many small communities do not have the resources to rehabilitate their housing stock. This leads to a continued decaying of housing stock.

Residential Construction Activity - From 2010 to 2020, approximately 91% of the residential construction activity has occurred in or adjacent to Council Bluffs. Another 7% has occurred in Crescent, Neola, Treynor, and Underwood. Quality schools, access to transportation routes, and close proximity to the Omaha Council Bluffs Metropolitan Area are the primary reasons for higher construction activity in western Pottawattamie County. The lack of residential construction is of concern in the eastern half of the County. With little new housing construction taking place in the eastern half of the county, the housing stock will continue to decay and result in population loss. This will be detrimental to the communities in this part of the county.

Lack of Affordable Housing Units - The lack of existing stock and the production of additional affordable housing units in the balance of County. Although the number of LMI persons in the balance of County is lower as a percentage, limited options exist for persons needing access to affordable housing units. As mentioned,

there is little to no new housing construction outside of Council Bluffs in County. The communities that are seeing new housing construction are mostly experiencing market rate housing being constructed, due to the desirability of these towns in correlation to their access to the Omaha-Council Bluffs area. This can be seen through the lower LMI values of Crescent, Neola, Treynor, and Underwood as opposed to the rest of the county. Since this construction activity is primary market rate single family, there remains a significant lack of affordable housing options throughout the county.

Underserved Areas/Populations

Below is a table with all of the cities and unincorporated areas in Pottawattamie County showing their population and the percent of this population that is LMI. Figures are based on U.S. Census/ACS data from 2011 to 2015 and according to HUD’s methodology. The population of Pottawattamie County is 90,895 persons, with 41,948 (46.15%) of the population being LMI. The following cities have an LMI greater than the County include: Avoca, Carson, Carter Lake, Council Bluffs, Hancock, and Walnut. The following cities have a LMI less than the county: Crescent, Macedonia, McClelland, Minden, Neola, Oakland, Shelby, Treynor, and Underwood. The city of Council Bluffs is the largest city in the county and makes up 66.13% of the population, as well as 76.53% of the LMI population. Also, the unincorporated areas in Pottawattamie County have low levels of LMI, with only 24.82% of the unincorporated population being LMI. The City of Council Bluffs is a low-to-moderate-income community. An estimated 32,105 persons are LMI or 53.41% the total population

Low to Moderate Income Populations for Cities in Pottawattamie County			
City	Population	LMI Population	LMI Percent
Avoca	1,380	660	47.83%
Carson	845	405	47.93%
Carter Lake	3,770	1,870	49.60%
Council Bluffs	60,110	32,105	53.41%
Crescent	540	135	25.00%
Hancock	170	110	64.71%
Macedonia	255	100	39.22%
McClelland	130	35	26.92%
Minden	630	225	35.71%
Neola	910	375	41.21%
Oakland	1,530	440	28.76%
Shelby*	560	245	43.75%
Treynor	1,015	335	33.00%
Underwood	885	245	27.68%
Walnut	690	325	47.10%
Unincorporated	17,475	4,338	24.82%
Total	90,895	41,948	46.15%

*Shelby is partially in Pottawattamie County

Source: HUD 2011-2015 ACS LMI Data

Bibliography

2000 American Community Survey (ACS) Data vs Census Bureau

2010 American Community Survey (ACS) Data vs Census Bureau

2014-2018 American Community Survey (ACS) Data vs Census Bureau

HUD 2011-2015 ACS LMI Data