

# POTTAWATTAMIE COUNTY HOUSING TRUST FUND HOUSING ASSISTANCE PLAN (2023)

## 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 2019, the service area was expanded to include all of Pottawattamie County, and as a result 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 23, 2022 to solicit comments and identify housing gaps and needs in Council Bluffs and Pottawattamie County. This information together 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 jurisdictional boundaries of the 14 incorporated cities of Pottawattamie County, Iowa and its unincorporated areas.

## Need for Proposed Activities/Gaps in Housing Needs

Pottawattamie County's affordable housing needs were reviewed. Needs and gaps were documented by reviewing data from the U.S. Census Bureau's American Community Survey (ACS) and the U.S. Department of Housing and Urban Development (HUD). A public hearing on the HAP and housing needs was held on September 13, 2022 to provide the opportunity for citizen feedback. Conclusions 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 2020-2021 HUD data, the MFI for Pottawattamie County was \$87,800, higher than the state's MFI of \$79,500.

According to 2011-2015 ACS data, Pottawattamie County has an LMI population of 41,940, which is 46.1% of the total population. Council Bluffs has LMI population of 32,105, which is 53.4% 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 Pottawattamie County that have the financial capacity to afford housing. Households that earn less than the 80% of the MFI struggle to afford quality housing.

2. The median monthly housing costs for renter-occupied housing units were also examined. Statewide this figure is \$806. The median monthly housing costs for renter-occupied housing in Pottawattamie County is \$850. 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 2020, a total of 842 (2.1%) of the occupied housing units in Pottawattamie County were substandard. See the table below for substandard housing unit details.

Housing Conditions 2020	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
<b>Total Housing Units</b>	27,171	100.0%	12,681	100.0%	40,032	100.0%
<i>Occupied Housing Units</i>	25,039	92.2%	11,836	93.3%	36,875	92.1%
<i>Vacant Housing Units</i>	2,132	7.8%	845	6.7%	3,157	7.9%
<b>Substandard Housing Units</b>	690	2.5%	152	1.2%	842	2.1%
<b>Lacked Complete Plumbing Facilities</b>	144	0.5%	51	0.4%	195	0.5%
<b>1.01+ Persons per Room</b>	546	2.0%	101	0.8%	647	1.6%

Source: 2020 ACS 5-Year Estimates

In 2020, there were 3,157 vacant units in Pottawattamie 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 the county in 2010 and estimated in 2020 are documented in the following tables. Council Bluffs has a significantly higher number of renter occupied housing units than the balance of Pottawattamie County.

Housing Occupancy (2010 and 2020)	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
<b>Occupied Housing Units (2010)</b>	24,793	100.0%	11,982	100.0%	36,775	100.0%
<i>Owner-Occupied</i>	15,162	61.2%	9,967	83.2%	25,129	68.3%
<i>Renter-Occupied</i>	9,631	38.2%	2,015	16.8%	11,646	31.7%
<b>Occupied Housing Units (2020)</b>	25,039	100.0%	11,836	100.0%	36,875	100.0%
<i>Owner-Occupied</i>	15,708	62.7%	9,661	81.6%	25,369	68.8%
<i>Renter-Occupied</i>	9,331	37.3%	2,175	18.4%	11,506	31.2%

Source: 2010 Census; 2020 ACS 5-Year Estimates

According to 2020 ACS 5-year estimates, 12,652 of the 27,085 housing units (46%) in Council Bluffs 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. Moreover, substandard older housing is often occupied by those residents least able to afford the regular maintenance required of an older home. 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 2020	Council Bluffs		Balance of County		Pottawattamie County	
	Count	Percent	Count	Percent	Count	Percent
<b>Total Housing Units</b>	27,171	100.0%	12,681	100.0%	40,032	100.0%
<b>Structures Built 2000 to Present (&lt; 20 years old)</b>	4,374	16.1%	2,254	17.7%	6,628	16.6%
<b>Structures Built 1960 to 1999 (20 to 60 years old)</b>	10,145	37.3%	5,959	46.9%	16,104	44.2%
<b>Structures Built 1959 or Earlier (&gt; 60 years old)</b>	12,652	46.6%	4,648	36.6%	17,300	43.2%

Source: 2020 U.S. Census

According to 2020 ACS 5-year estimates, the median housing value of owner-occupied housing units for Council Bluffs was \$122,400, which is 79.5% of the Iowa statewide average of \$153,900. Pottawattamie County’s median housing value was \$141,300.

- Public Hearing – On September 13, 2022, 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 no particular order, they are as follows:

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

**Collaborating Resources**

Each of the priority areas require collaboration with several resources to produce a successful outcome. Potential partners include but are not limited to: the Iowa West Foundation and other philanthropic entities, the City of Council Bluffs and Pottawattamie County, the State Housing Trust Fund, Iowa Finance Authority, financial institutions, Federal Home Loan Bank, Municipal Housing Agency, Southern Iowa Regional Housing Authority, housing developers and contractors, landlords, local human and social service agencies, local real estate agencies, and HUD.

## Economic, Social and Health Benefits

Improved housing options provide many benefits, some of which are identified below:

1. Affordable housing allows households to be financially stable and at less of a risk of becoming homeless.
2. It entices younger families to move into the area.
3. It help household members connect to their community. They are more apt to volunteer time and donate resources for community betterment.
4. It attracts young families with children, which adds to the local school districts' vitality.
5. It improve neighborhood appearance. New residents are more likely to move into clean neighborhoods where housing is well maintained.
6. It improves the local tax base by increasing the valuation.
7. It allows for a larger population to share community expenses.
8. Adequate and affordable housing provide businesses and industry the means to house their workforce.
9. Improvements give homeowners a sense of pride. Homeowners are more likely to clean up and repair their homes if neighbors are improving theirs.
10. It increase the amount of available, affordable, decent, safe, and sanitary housing stock. Unstable housing situations interfere with the education of children and the physical and emotional health of families.
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 at or below 80% of MFI.

- The program will receive IFA resources totaling \$339,494 for 2023, and POTTCoHTF will provide a minimum of 21% match for this program which equals \$71,294.

### 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 lower down payment and 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 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/grantee. Any final program guideline waivers or modifications shall be approved by a vote of the PottCoHTF Board of Directors.

### **Fundraising Activities/Efforts to Raise Additional Funds**

To date, PottCoHTF has received \$67,994 in cash commitments from The City of Council Bluffs, REALTOR Foundation, TS Bank, Amazon Smile, American National Bank, Availa Bank, Veridian Credit Union, and Dodge Cares. In-kind commitments have been received from The Sampson Family, NP Dodge, and Telpner Peterson Law Firm. The PottCoHTF Board of Directors continues to research other grant and fundraising opportunities in order to diversify program funding. 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 PottCoHTF Board of Directors 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 fixed income. The elderly population aged 62 and over in Pottawattamie County increased from 19,170 in 2010 to 19,909 in 2020. The elderly population aged 75 and over grew from 6,760 in 2010 to 6,820 in 2020. 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 occupied units, allow the elderly to age in place, and assist in stabilizing the housing market in 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 homelessness prevention, 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 PottCoHTF'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 MFI. Rental subsidies and education also will be considered for at-risk/homeless persons.
3. Rental - This need is addressed through PottCoHTF'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 MFI. Rental subsidies and education also will be considered for at-risk/homeless persons.

4. Homeownership - This need is addressed through PottCoHTF'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 specific geographic areas that 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, of which 56% 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 with historically declining population and limited transportation access to larger metropolitan areas are at an economic disadvantage. Many of these communities have consolidated schools and have seen a significant reduction in commercial activities and services over time. Residential structures are aging and new home construction is rare. These characteristics do 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% 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 eastern Pottawattamie County. With little new housing construction taking place, population will continue to decline in the eastern half.

Lack of Affordable Housing Units - As mentioned, there is little to no new housing construction occurring in Pottawattamie County outside of Council Bluffs. The communities that are seeing new housing growth are mostly experiencing market rate construction due to the desirability of these towns in correlation to their access to Omaha-Council Bluffs. 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 primarily market rate single-family, there remains a significant lack of affordable housing options.

## Underserved Areas/Populations

The table below lists the cities and unincorporated area in Pottawattamie County with their total population and LMI population. Figures are based on 2011-2015 5-year ACS estimates. The population of Pottawattamie County is 90,895, with 41,948 (46.2%) of the population being LMI. The following cities have an LMI greater than the county: Avoca, Carson, Carter Lake, Council Bluffs, Hancock, and Walnut. Council Bluffs is the largest city in the county and makes up 66% of the population, as well as 76% of the LMI population.

Low to Moderate Income Populations in Pottawattamie County			
City	Population	LMI Population	LMI Percent
Avoca	1,380	660	47.8%
Carson	845	405	47.9%
Carter Lake	3,770	1,870	49.6%
Council Bluffs	60,110	32,105	53.4%
Crescent	540	135	25.0%
Hancock	170	110	64.7%
Macedonia	255	100	39.2%
McClelland	130	35	26.9%
Minden	630	225	35.7%
Neola	910	375	41.2%
Oakland	1,530	440	28.8%
Shelby*	560	245	43.8%
Treynor	1,015	335	33.0%
Underwood	885	245	27.7%
Walnut	690	325	47.1%
Unincorporated	17,475	4,338	24.8%
<b>Total</b>	<b>90,895</b>	<b>41,948</b>	<b>46.2%</b>

\*Shelby is partially in Pottawattamie County

Source: HUD 2011-2015 ACS LMI Data

## Bibliography

2020 American Community Survey (ACS) 5-Year Estimates

2010 Decennial Census

HUD 2011-2015 ACS LMI Data

Iowa Dashboard