Northeast Iowa Regional Housing Trust Fund

Housing Assistance Plan

2027

Our Mission

To ensure that the Northeast Iowa counties of Allamakee, Clayton, Fayette, Howard and Winneshiek County residents have access to well-maintained, safe and affordable housing in both the rural and urban areas of each county.

Introduction:

In 2009, Northeast Iowa identified a need to address affordable housing issues in the region and the Board of Supervisors in the counties of Allamakee, Clayton, Howard and Winneshiek passed resolutions to establish the Northeast Iowa Regional Housing Trust Fund Program. Community leaders and housing organizations supported the formation of the Northeast Iowa Regional Housing Trust Fund. The Trust fund allowed the region to secure the necessary resources and subsidies to address low-income housing needs that were unassisted. The Northeast Iowa Regional Housing Trust Fund was formed to assist owner-occupied projects. For owner-occupied projects, the funds will assist households with incomes less than 80% of the current Statewide Owner-Occupied limits as published annually by the U.S. Department of Housing and Urban Development

The NEIRHTF board consists of county and community government officials, local business leaders, community and economic developers, and non-profit housing specialists. The experience, occupation or position in the region of each board member broadly represents the communities and the residents of the five county areas.

The Northeast Iowa Regional Housing Trust Fund (NEIRHTF), through U.E.R.P.C. and Housing, Inc., is duly organized as a nonprofit corporation incorporated in the State of Iowa. The NEIRHTF is governed by its Board of Directors, who shall act on behalf of the communities and residents of the five-county region per the bylaws amended for the Trust Fund.

Area Served:

The NEIRHTF serves five counties covering nearly 3,331 square miles in northeast Iowa: Allamakee, Clayton, Fayette, Howard and Winneshiek. As of 2023, the total estimated population of the region is 79,444. This population is distributed throughout 50 incorporated cities, unincorporated villages, and rural areas.

Low Income Residents. According to the 2023 U.S. Census Bureau, it is estimated that the region had an average individual median earning of $33,751.60. Over the five counties, an average of 10.98% of the population is below poverty and 23.58% of the population is over age 65. The average Median Family Income (MFI) for the region is $62,450.00 while the median household income is $55,364. The need for the NEIRHTF can be further derived from the applicants themselves. Each year since its establishment there has been no problem meeting the requirement to provide 30% of funding for those earning less than 30% of the Statewide Income Limits.

Housing: Age, Value and Condition. The housing stock in Northeast Iowa is very old, which is consistent with regions that are in rural areas, agricultural, river and railroad towns. The five-county region has 39,441 housing units. Of these, nearly 38% were built prior to 1940 and 72% were built prior to 1980. This high percentage of older housing in the region represents probable exposure to maintenance issues inherent in older homes: plumbing, electrical, roofing, energy efficiency and, for many, handicapped accessibility. According to HUD, housing units built prior to 1978 contain the highest potential for lead paint hazards. These are all challenges to low-income families and elderly residents, both as homeowners and renters, as well as owners of rental property. The home valuations of the housing stock in the five-county area indicated that 11,746 or 33.6% of homes are valued under $50,000. It can be assumed that most homes valued under $50,000 will require some rehabilitation or maintenance work.

Affordability Challenges. Both homeowners face affordability challenges in housing. With 10.2% of the population below poverty, the homeowners and the renters both struggle with different needs; however, it is the goal of the NEIRHTF to meet the demands of both. The NEIRHTF provides rehabilitation assistance to many elderly and handicap/disabled households with 52% of the funded projects assisting the elderly and handicap/disabled households. It is a struggle for those on fixed incomes to maintain their homes and since 2009, over 50% of the funded NEIRHTF projects have been to households whose income is below 30% of the Statewide Income Limits.

Priorities/Preferences:

The Northeast Iowa Regional Housing Trust Fund assists individuals and families with repair assistance to create owner-occupied safe and affordable housing in the five-county region. Additional assistance is available for first-time homebuyers with down payment and/or closing costs. Projects and activities funded serve households with incomes less than 80% of the HUD defined Median Household Income (MHI) for the area served. At least 30% of the distributions are used to benefit extremely low-income households (households with less than 30% of the MHI income threshold).

- Priority is given to projects addressing repair and rehabilitation issues in our aging housing stock that benefit low-income eligible residents. (i.e. plumbing, electrical, roofing, structural, energy efficiency, lead paint issues and handicap accessibility). The Board considers both owner-occupied and rental properties, with loan details varying depending on the applicant's situation, as detailed in the program guidelines.
- By assisting first-time homebuyers with the biggest hurdle to homeownership: down payment and closing costs, the NEIRHTF hopes to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities.
- The Northeast Iowa Regional Housing Trust Fund has a policy in place that offers funding to each county for community housing needs assessments to be completed. All five counties have taken advantage of that funding and are either working on a survey or have had it completed. In addition to the comprehensive studies, the board identifies needs through the following means:
  - Homelessness survey information. Partnering with the Northeast Iowa Housing and Homeless Alliance, Cedar Valley Friends of the Family and other community agencies whose mission is to assist the homeless, to determine need and appropriate assistance for this population.
  - Transitional housing needs. Partnering with Parent Share and Support, Helping Services for Northeast Iowa, Living Stone and other community agencies to determine suitable and feasible assistance.
  - Minority housing issues. Partnering with various diverse representatives from area agencies such as Opportunity Homes, Emergency Management Coalition and the Decorah Faith Coalition to identify areas in which we can feasibly assist. Opportunity Homes works with disabled persons, and the Emergency Management and Decorah Faith Coalitions have been assisting the minority populations in Allamakee and Winneshiek counties.

Priorities may change as new needs are identified and as the funds grow, more resources can be dedicated to larger projects with greater financial considerations.

Collaboration:

Working with the five County Boards of Supervisors, economic development professionals from each county, and the Mayors and Councils of the supporting communities, the Northeast Iowa Regional Housing Trust Fund works to establish relationships with other agencies in the region that provide affordable housing and related services. These agencies include Northeast Iowa Community Action

Corporation Services (Housing Program, Low Rent, CACFP, Health, Community Outreach, Transportation, Energy, FADSS), Upper Explorerland Regional Planning Commission and Iowa Finance Authority (IFA).

The NEIRHTF also seeks to partner with other public and private human services providers such as the Keystone Area Education Agency, NE Iowa Behavioral Health, the Department of Human Services, USDA Rural Development, and the County Extension Offices to identify residents with greatest needs, as well as spread the word about the Trust Fund.

The board partners with the Iowa Finance Authority (IFA) as a source of funds so that developers and county residents may receive information on, and participate in, agency programs such as the HOME Program, IEDA – Neighborhood Revitalization and Upper Story, Single Family Construction Loan Financing, Multifamily Preservation Loan Program and Main Street Revitalization Loan Programs.

Area Benefit:

The mission of the NEIRHTF is to ensure that residents in the five-county region have access to well-maintained, safe and affordable housing by providing much needed funds for home rehabilitation for those who may otherwise be unable to secure funds from traditional sources. The goal of the Housing Assistance Plan is to encourage this to happen. The main benefit to the area is improved housing stock. The plan also aims to improve the quality and accessibility of homeownership for the region's residents, aid young families, and perhaps allow seniors to remain longer in their homes. The rehabilitation of homes adds to the number of available housing units and slows the deterioration of the existing units. The NEIRHTF provides an opportunity to bring all geographic, social and economic strata of the region together for a united cause and restore pride in our communities and counties. By addressing low-income housing issues, the quality of life for all the region's residents will improve.

Program Guidelines:

Types of projects/activities:

- Eligible properties are only owner-occupied units within the 5-county region.
- Eligible projects include first-time homebuyer assistance, rehabilitation and repairs of existing housing, including, but not limited to plumbing, electrical, roofing, structural, energy efficiency, lead paint issues and handicap accessibility.
- Applicants who live in mobile homes need to own the land the home is on, be permanently affixed to a foundation and taxed as real estate to receive assistance.
- Other projects may be approved with Revolving Loan Funds per the RLF Policy. This policy is reviewed and approved by the board yearly.

Types of investments:

- The NEIRHTF will consider financial assistance in the form of partial funding or full funding depending on the project and borrower's circumstances.
- The NEIRHTF will finance projects through loans, both forgivable and non-forgivable. Type of loan and interest, if any, will be based on borrowers' income, assets and medical expenses for elderly or handicap and disabled. Payments may be deferred or amortized as fit the circumstance.

Terms/Conditions:

- Affordability period will be scaled to the level of assistance provided, initially five years. A mortgage, receding forgivable or repayable, will be required as security.
- The loan will be required to be paid in full if occupancy or ownership conditions change during the loan term.
- We will not fund applicants that have life leases or who are buying the home on contract.
- Any applicant who currently has a non-forgivable loan through our program will not be able to receive assistance again until the current loan is paid off.
- Applicants may only receive funds once every two years based on project completion date, if qualifying for a forgivable loan.
- Inspections, upon completion of the proposed project, will be required.
- To be eligible for first-time homebuyer assistance, individuals must be interested in purchasing single family housing. A first-time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with this assistance. NEIRHTF funds may be used to purchase one- to four- family housing, condominium unit, cooperative unit, or manufactured housing. Rehabilitation, if necessary, must be completed within one year of the home purchase.
- In accordance with new rules being applied, starting May 25, 2025, only Permanent Resident Aliens and U.S. Citizens are eligible for loans and downpayment assistance. Homeowners and first-time home buyers are now required to provide a valid government-issued ID and/or permanent residency card. After verification, eligibility for assistance will be considered.

Funding Limits:

- The Board approved that all projects can be funded up to $15,000.

Income Limits:

- Any applicant for funding will be required to demonstrate the benefit to low income (<80% of the greater of the owner-occupied income limits as periodically published by IFA or the owner-occupied limits as published annually by HUD. For rental projects <80% of the statewide owner-occupied limits)
- The NEIRHTF will work to ensure that at least 30% of the eligible projects benefit extremely low income (<30% of the greater of: the owner-occupied income limits as periodically published by IFA, or the statewide owner-occupied limits as published annually by HUD. For rental projects <30% of the statewide owner-occupied limits) residents by partnering with cooperating agencies such as Parent Share and Support, Northeast Iowa Community Action Corporation, Northeast Iowa Area Agency on Aging, Upper Explorerland Regional Planning Commission, Habitat for Humanity, and Helping Services for Northeast Iowa to obtain referrals and distribute NEIRHTF program information.

Eligibility Requirements:

- Owner-occupied requirements: Applicant must occupy the property as their primary residence and maintain the improvements for the life of the loan. Property must comply with health and safety codes. For rehabilitation and repair projects, applicants must have title at the time of application. Taxes up-to-date and insurance must be current when project is complete. Homeowners that are purchasing the home on contract are not eligible.

Underwriting Requirements:

- Applicants must demonstrate the capacity to complete the project and provide enough documentation supporting the feasibility of the proposed project.
- Applicants will be required to obtain two estimates from the entity providing the improvement to the property and the trust fund will pay the provider of the improvement directly.
- Contractors that participate in our program need to be Lead Safe Renovators, if project is applicable and a Registered Contractor with the state of Iowa.
- Plumbers and Electricians must be licensed with the state.
- Down payment assistance shall be allowed only for the purchase of a primary residence by means of a fully amortized mortgage loan from a regulated lender featuring a rate of interest that is fixed for at least 5 years and that has a term not to exceed 30 years. The maximum assistance is 10% of the purchase price and cannot exceed $15,000.00. This includes closing and appraisal costs. Proof of financing and copy of purchase offer required prior to approval.

Leverage Requirements:

- In some cases, applicants may be required to provide matching funds toward the project. Borrower income level, circumstance, need, and project scope will all be considered.

Administration:

- The NEIRHTF plans to utilize the services of Upper Explorerland Regional Planning Commission to administer the program. This will include accepting applications, verifying eligibility, project coordination, and managing the distribution and collection (if required) of payments.

Fundraising:

The Northeast Iowa Regional Housing Trust Fund board members, with assistance from Upper Explorerland Regional Planning Commission, will meet with local developers and other community leaders to raise matching funds. Through UERPC, the NEIRHTF intends to meet with communities to address matching funds of 25% in-kind and the potential for per capita funding from each city and county based on population. There will also be a continued development of matching funds from local lenders, insurance agencies and contractors as potential future funders of the trust. The Northeast Iowa Regional Housing Trust Fund will explore these avenues and others to ensure continued funding and growth of the organization.

Extremely Low-Income Needs:

Over the five counties, an average of 10.98% of the population is below poverty and 23.58% of the population is over age 65. The region has Section 8 housing and the NEIRHTF hopes to provide incentive for landlords to make rehabilitation and repair investments on their rental properties. Most elderly residents are on fixed incomes, and unlike younger residents, they have no potential to increase that income over time. These residents will have a place to turn to for financial assistance to ensure that the repairs needed are completed, and homes remain safe and decent for our elderly population. At least 30% of the Trust Fund's distributions will be targeted to assist the extremely low-income needs of the region. Each year NEIRHTF has exceeded that goal, on average over 50% of the distributions are to those under 30% of the Statewide Income Limits.

Continuum of Housing Needs:

The Northeast Iowa Regional Housing Trust Fund plans to address the continuum of housing needs from homelessness, to transitional, to rental, and to homeownership not only by implementing the Housing Assistance Plan, but also by partnering with other regional agencies whose mission is to address housing needs at each level. The region has a local Continuum of Care planning body in the area, the Northeast Iowa Housing and Cedar Valley Friends of the Family. This alliance is a cooperative network comprised of non-profit organizations, community and church groups, local government representatives, public housing, law enforcement agencies, businesses, hospitals and area service providers; it meets on a regular basis to discuss homeless needs in Allamakee, Bremer, Buchanan, Butler, Chickasaw, Clayton, Fayette, Howard and Winneshiek counties. There are currently 144 entities represented. The Northeast Iowa Housing and Cedar Valley Friends of the Family meet in Postville, IA, when they hold meetings which are centrally located within the nine counties of the Alliance. Special committees meet on an additional basis throughout the year.

Conclusion:

In conclusion, the Northeast Iowa Regional Housing Trust Fund is a strong organization with the mission of providing access to well-maintained, safe and affordable housing in both the rural and urban areas of the Northeast Iowa counties of Allamakee, Clayton, Fayette, Howard and Winneshiek. Through strong collaboration with area agencies and governments, the low-income residents of these five counties will have access to many programs to ensure improved homes, improved health, and overall, improved lives, regardless of their position on the continuum of housing needs.