



## **State Housing Trust Fund (SHTF) Status Update Through September 2009**

### **Funding Awarded**

- Program History: \$12,791,535 SHTF awarded
  - \$8,983,543 Local Housing Trust Fund Program (LHTF)
  - \$3,807,992 Project-Based Housing Program (Project-Based)
- FY09: \$3,836,341 SHTF awarded
  - \$3,296,341 LHTF
  - \$674,085 Project-Based
- FY10: \$5,366,663 SHTF budgeted
  - \$4,300,857 LHTF
  - \$1,065,806 Project-Based

### **Housing Units Impacted**

- Program History: Approximately 4,834 housing units
  - \$2,646 average SHTF investment per unit
    - 4,416 units or \$2,034 per unit LHTF investment
    - 418 units or \$9,110 per unit Project-Based investment
- FY09: Approximately 1,503 housing units
  - \$3,351 average SHTF investment per unit
    - 1,452 units or \$2,270 per unit LHTF investment
    - 51 units or \$13,217 per unit Project-Based investment

### **Dollars Leveraged**

- Program History: \$139,798,064 in other funds leveraged
  - \$10.93 in other financing for every \$1 of SHTF investment
    - \$10.22 in other financing for every \$1 of LHTF investment
    - \$12.60 in other financing for every \$1 of Project-Based investment
- FY09: \$26,588,301 in other funds leveraged
  - \$6.70 in other financing for every \$1 of SHTF investment
    - \$3.83 in other financing for every \$1 of LHTF investment
    - \$20.70 in other financing for every \$1 of Project-Based investment



## **The State Housing Trust Fund**

### **Investing in Housing for Iowa's Future**

In 2003, the Iowa Legislature created a State Housing Trust Fund (SHTF) (Iowa Code section 16.181) within the Iowa Finance Authority (IFA). The moneys in the SHTF are to be used for the development and preservation of affordable housing for low-income households in the state. The two programs operated under the SHTF are the Local Housing Trust Fund Program and the Project-Based Housing Program.

#### **Local Housing Trust Fund (LHTF) Program**

Eligible applicants to the LHTF Program are those LHTFs that have met the requirements of the program's Allocation Plan and have been certified by the IFA Board of Directors. To be eligible for certification, the LHTF must satisfy all requirements specified in the Allocation Plan, including the following:

1. Mission statement's primary purpose focuses on affordable housing.
2. Must hold at least one public hearing a year and all meetings must comply with Open Meetings Law and Open Records Act requirements.
3. Local community-based governing board comprised of no more than 50 percent local government or public officials and recognized by the county/counties and incorporated cities in the geographic area the LHTF serves as the board responsible for coordinating LHTF programs.
4. Sufficient administrative capacity in regard to housing programs.
5. A housing assistance plan approved by IFA, providing a comprehensive analysis of the housing needs and gaps of the LHTF's service area.

There are currently 17 certified LHTFs across Iowa (see attached map), serving residents in 50 Iowa counties. The geographic service area populations of those 17 LHTFs total nearly 58 percent of the state's population. IFA has entered into a contract with Iowa State University Extension to provide technical assistance to regions interested in forming a certified LHTF. To date in the FY 2010 funding round, three additional LHTF certification requests have been submitted by the Northeast Iowa Regional Housing Trust Fund, the Northwest Iowa Regional Housing Trust Fund, and the Region 6 Housing Trust Fund. Recommendations for certification approval will be presented to the IFA Board of Directors on October 7, 2009.

The LHTF Program requires a minimum local match of 25 percent of the total grant amount requested. All LHTF Program funding must benefit low-income households at or below 80 percent of the area median income, while at least 30 percent of the grant moneys must be used to

serve extremely low-income households at or below 30 percent of the area median income. Awards from the LHTF Program must be used for the development or preservation of affordable housing for eligible recipients, including infrastructure development, transitional housing, housing for the homeless, homeownership, rental, capacity building, or other purposes that further the SHTF's goals. IFA accepts LHTF Program applications on an annual basis each fall, reviews application submissions for threshold compliance, and makes award recommendations to the IFA Board of Directors. Any funds recaptured by a LHTF must be retained and reused for additional affordable housing activities specified as eligible in the LHTF's housing assistance plan.

### **Project-Based Housing Program**

Eligible applicants to the Project-Based Housing Program are cities, counties, nonprofit housing organizations, for-profit housing development organizations, recognized neighborhood associations, economic development organizations, homeless service providers, transitional housing providers, domestic violence shelters, and councils of governments. Eligible uses under the program are as follows:

1. New construction of affordable housing.
2. Acquisition of existing market-rate housing property to create new affordable housing opportunities.
3. Acquisition of real property, demolition of existing structures, and new construction of affordable housing.
4. Acquisition of housing property and rehabilitation for affordable housing.
5. Acquisition of housing property, rehabilitation, and resale for affordable housing.
6. Rehabilitation or home modification by a Qualified Nonprofit applicant to provide for increased Accessibility in existing single-family or multifamily housing units serving Extremely Low-Income Eligible Recipients.
7. Additional affordable housing units serving homeless households (including emergency shelter, domestic violence shelter, and transitional housing units), in which at least 75 percent of the moneys awarded from the Fund are used for hard construction costs and no more than 25 percent are used for supportive services or operating subsidy for units assisted by the Fund.
8. The Project-Based Housing Program may be used in combination with the Low-Income Housing Tax Credit Program only to assist units reserved for Extremely Low-Income Eligible Recipients.
9. Adaptive Reuse to create new affordable housing opportunities.
10. Lead hazard reduction in affordable housing to be completed by certified lead professionals and contractors certified in safe work practices only in projects subject to HUD's Lead-Safe Housing Rule (Title 24 of the Federal Code of Regulations part 35) and compliance monitoring by a third-party agency.
11. Energy efficiency rehabilitation designed to improve the operating efficiency and long-term sustainability of housing units serving homeless persons, conditioned upon the applicant's participation in the Multifamily and Institutional Efficiency Improvement Program for Low-Income Iowans, where available.

12. Homeownership preservation through foreclosure-prevention, anti-predatory lending, or homebuyer education counseling or related activities, provided through an organization that is a part of the Iowa Mortgage Help initiative or has received certification through the National Industry Standards for Homeownership Education or Counseling.

The maximum application amount for the Project-Based Housing Program is currently \$50,000, and no applicant may receive a total of more than \$50,000 in awards per calendar year. These rules were put in place, in part, to help encourage the formation of LHTFs across the state. The total amount requested from the Project-Based Housing Program may not exceed 75 percent of the total project budget, excluding administrative and developer fee line items, for affordable housing activities benefiting low-income households and 90 percent for activities benefiting extremely low-income Iowans. The Project-Based Housing Program requires a five-year retention period through a recorded retention agreement for all assisted properties, excluding foreclosure-prevention activities. Applications are accepted on an open window basis. A proposed project located in a certified LHTF area is eligible for Project-Based Housing Program application only if the proposed project is not eligible for funding from the LHTF, as certified to by the applicable LHTF.

### **Administration**

IFA establishes annual Allocation Plans for disbursement of funds and program rules and requirements, accepts and reviews applications for threshold determination, makes recommendations to the IFA Board of Directors for funding, establishes contracts with grantees, and provides oversight of all LHTF Program and Project-Based Housing Program awards. The IFA Board of Directors is responsible for approving the Allocation Plans and for approving grant awards.

### **Oversight and Compliance**

The SHTF law requires that grant recipients provide a report at the end of each calendar year itemizing expenditures of awarded moneys. IFA requires all grantees to submit semi-annual reports in July and January of each year, covering the previous six-month time period. Reported progress and expenditures are compared to the qualifying application and executed grant agreement to determine if the grantee is making satisfactory progress towards meeting agreed upon goals and if the moneys are being spent in accordance with the terms of the grant agreement.

Each organization awarded a grant must sign a grant agreement. The grant agreement is a legal contract between IFA and the grantee. Under the grant agreement, IFA may demand repayment of all or a portion of the grant proceeds, up to the full amount of the grant funds disbursed, in certain circumstances (such as failure to comply with the terms of the agreement). A description of the proposed activities and budget are attached to the contract, and the expectation is that the organization will fulfill all of the commitments unless the grant agreement is amended with IFA's approval. Further, the grantee agrees to complete the work within the two-year grant agreement period. The grantee must also agree to comply with all laws and rules, both state and federal, which prohibit discriminatory practices.

The grantee shall maintain books, records, documents, or any other evidence pertaining to the cost and expenses incurred and revenues received under the grant agreement, and provide in detail information to properly reflect all costs – direct and indirect – of labor, materials, equipment, supplies, services, and any other costs or expenses. These records are subject to IFA review and must be retained for three years following the final disbursement of grant funds. The grant agreement also provides that the State Auditor may review the records.

In the event of default, the legal remedies are clearly established. If a grantee defaults, IFA will make no further disbursements under the grant and take whatever action that may appear necessary or desirable to enforce the grantee's obligation to repay all or a portion of the grant proceeds and to recover the grant proceeds.

### **History of Success**

In 2008, the Iowa Legislature dramatically expanded access to quality, affordable housing by creating a permanent, growing funding source for the SHTF (2008 Iowa Acts, SF 2432). Creating a permanent funding source for the SHTF is a great investment for Iowa – previous investments in the housing trust fund have generated an 11-1 return.

This impact will continue as families begin to take advantage of new or rehabilitated affordable housing. It means that families who move often, in an unending quest for affordable housing, will have the chance to set down permanent roots, enroll their children in Iowa's quality schools and find long-term employment. Ensuring access to quality, affordable housing benefits all Iowans as well as our state's economy.

Between 2003 and September 2009, IFA has awarded nearly \$12.8 million to organizations around the state, which has leveraged more than \$139 million in local housing development. Grant recipients have used the funds to address a variety of affordable housing needs, some of which are highlighted below.

- The purchase and rehabilitation of dilapidated single-family homes for resale to low-income families.
- Down payment assistance for first-time homebuyers.
- The construction of transitional and permanent supportive housing for victims of domestic abuse.
- Grants and low-interest loans to assist homeowners in the costs of owner-occupied rehabilitation and handicapped accessibility improvements.
- New construction and rehabilitation of affordable rental apartments.
- Foreclosure prevention activities.
- Creation of new affordable, community-based housing options for persons with disabilities.
- Lead hazard reduction in affordable housing.
- Adaptive reuse of downtown Main Street properties to create new upper-story affordable housing opportunities.
- Construction of new affordable single-family homes, including Habitat for Humanity.

A list of all SHTF grants awarded to date follows.

<b>Applicant</b>	<b>Category</b>	<b>Total Funding as of 10/1/09</b>
City of Dubuque Housing Trust Fund <i>Area Served: City of Dubuque</i>	LHTF	\$750,675
City of Oskaloosa Housing Trust Fund <i>Area Served: City of Oskaloosa</i>	LHTF	\$414,992
Clay County Local Housing Trust Fund, Inc. <i>County Served: Clay</i>	LHTF	\$94,181
COG Housing, Inc. <i>Counties Served: Audubon, Carroll, Crawford, Greene, Guthrie, and Sac</i>	LHTF	\$613,748
Dallas County Local Housing Trust Fund, Inc. <i>County Served: Dallas</i>		\$509,990
Fayette County Local Housing Trust Fund <i>County Served: Fayette</i>	LHTF	\$167,307
Floyd County Housing Trust Fund <i>County Served: Floyd</i>	LHTF	\$248,969
Homeward Housing Trust Fund <i>Counties Served: Buena Vista, Calhoun, Franklin, Hancock, Hardin, Humboldt, Kossuth, Mitchell, Palo Alto, Pocahontas, Winnebago, Worth, and Wright</i>	LHTF	\$513,748
Housing Fund for Linn County <i>County Served: Linn</i>	LHTF	\$381,704
Housing Trust Fund of Johnson County <i>County Served: Johnson</i>	LHTF	\$877,083
Iowa Northland Regional Housing Council LHTF <i>Counties Served: Black Hawk (excluding Waterloo and Cedar Falls), Bremer, Buchanan, Butler, Chickasaw, and Grundy</i>	LHTF	\$766,983
Lakes Community Land Trust <i>County Served: Dickinson</i>	LHTF	\$233,330
Polk County Housing Trust Fund <i>County Served: Polk</i>	LHTF	\$877,084
Scott County Housing Council <i>County Served: Scott</i>	LHTF	\$877,083
Sioux City Housing Trust Fund, Inc. <i>Area Served: City of Sioux City</i>	LHTF	\$513,748
Southern Iowa COG Housing Trust Fund <i>Counties Served: Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor, and Union</i>	LHTF	\$429,170
Southwest Iowa Housing Trust Fund, Inc. <i>Counties Served: Cass, Fremont, Harrison, Mills, Montgomery, page, Pottawattamie (excluding Council Bluffs), and Shelby</i>	LHTF	\$513,748

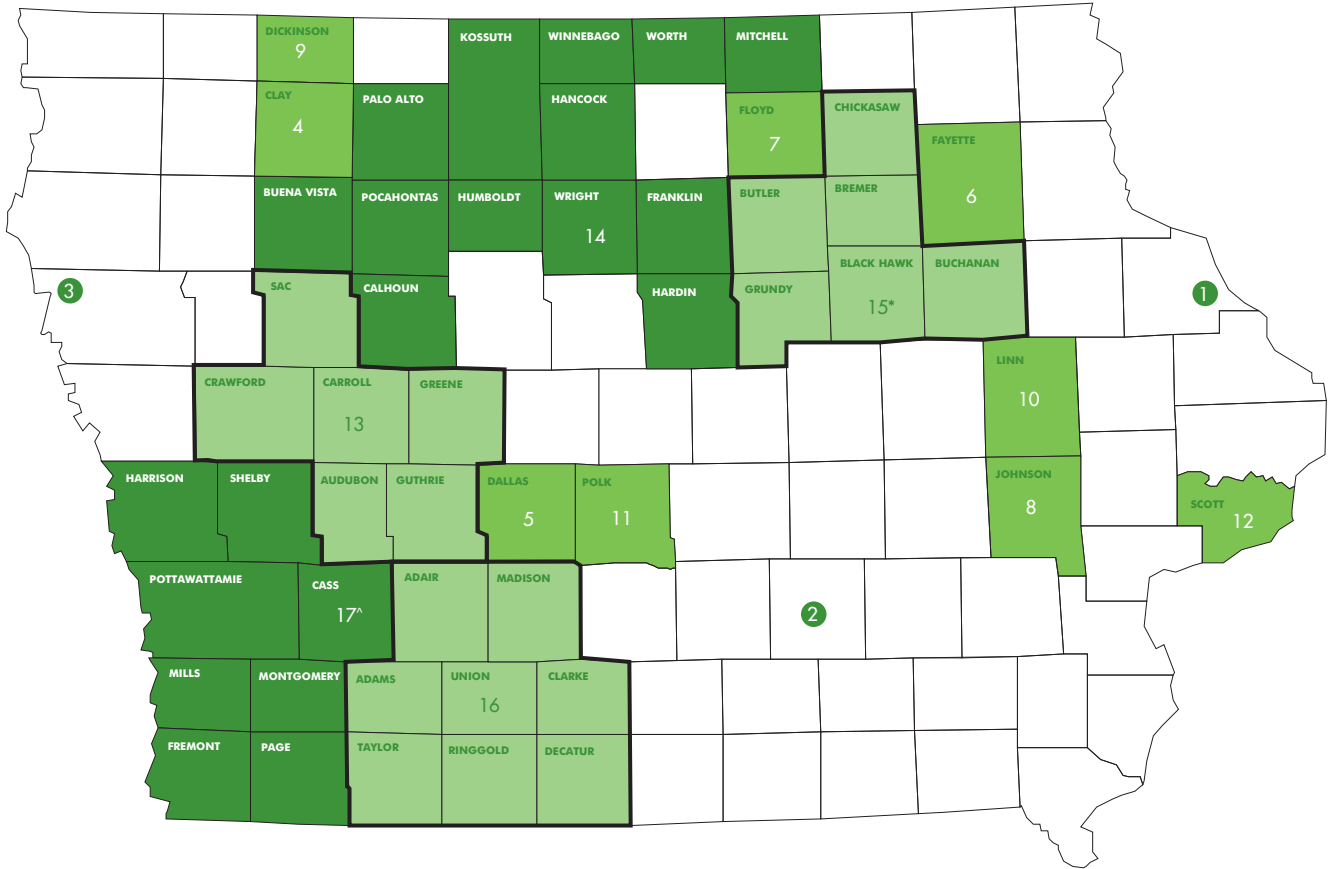
Mediapolis Economic Development Corporation <i>Area Served: City of Mediapolis</i>	LHTF	\$100,000
Operation Threshold <i>County Served: Black Hawk County</i>	LHTF	\$100,000
Northeast Iowa Regional Housing Trust Fund <i>Counties Served: Allamakee, Clayton, Howard, and Winneshiek</i>	LHTF	Certification anticipated 10/7/09
Northwest Iowa Regional Housing Trust Fund, Inc. <i>Counties Served: Buena Vista, Emmet, Lyon, O'Brien, Osceola, and Sioux</i>	LHTF	Certification anticipated 10/7/09
Region 6 Housing Trust Fund <i>Counties Served: Hardin, Marshall, Tama, and Poweshiek</i>	LHTF	Certification anticipated 10/7/09
City of Burlington <i>Project Location: Burlington</i>	Project-Based	\$90,000
City of Council Bluffs <i>Project Location: Council Bluffs</i>	Project-Based	\$200,000
City of Forest City <i>Project Location: Forest City</i>	Project-Based	\$100,000
City of Fort Madison <i>Project Location: Fort Madison</i>	Project-Based	\$90,000
City of Keokuk <i>Project Location: Keokuk</i>	Project-Based	\$135,000
City of Mount Pleasant <i>Project Location: Mount Pleasant</i>	Project-Based	\$180,000
City of Waterloo <i>Project Location: Waterloo</i>	Project-Based	\$16,400
CommonBond Communities <i>Project Location: Waterloo</i>	Project-Based	\$50,000
Community Housing Initiatives, Inc. <i>Project Location: Spencer</i>	Project-Based	\$90,000
Community Housing Investment Corporation <i>Project Location: Council Bluffs</i>	Project-Based	\$140,000
Cornerstone Senior Communities of Remsen <i>Project Location: Sutherland</i>	Project-Based	\$90,000
Family Crisis Centers of Northwest Iowa <i>Project Location: Sioux Center</i>	Project-Based	\$180,000
Fort Dodge Municipal Housing Agency <i>Project Location: Fort Dodge</i>	Project-Based	\$280,000
Habitat for Humanity of Boone County <i>Project Location: Boone</i>	Project-Based	\$20,585
Habitat for Humanity of Clinton County, Inc. <i>Project Location: Clinton</i>	Project-Based	\$13,000
Habitat for Humanity of Iowa <i>Project Location: statewide outside certified LHTF areas</i>	Project-Based	\$177,500
Habitat for Humanity of Iowa – Marion County <i>Project Location: Knoxville</i>	Project-Based	\$90,000

Habitat for Humanity of Iowa – North Central Iowa <i>Project Location: Clear Lake and Mason City</i>	Project-Based	\$90,000
Habitat for Humanity of Iowa – Northwest Iowa Corridor <i>Project Location: Clay County</i>	Project-Based	\$30,000
Hope Haven, Inc. <i>Project Location: Orange City</i>	Project-Based	\$50,000
Hope Haven Support Foundation <i>Project Location: Orange City</i>	Project-Based	\$50,000
Iowa Able Foundation <i>Project Location: statewide outside certified LHTF areas</i>	Project-Based	\$90,000
Iowa Valley Habitat for Humanity <i>Project Location: Tipton and Williamsburg</i>	Project-Based	\$90,000
Maquoketa Housing II, LP <i>Project Location: Maquoketa</i>	Project-Based	\$90,000
MICAH House Emergency Shelter <i>Project Location: Council Bluffs</i>	Project-Based	\$90,000
MidAmerica Housing Partnership <i>Project Location: Cedar Rapids and Dubuque</i>	Project-Based	\$170,000
Midwest Housing Development Fund, Inc. <i>Project Location: Boone</i>	Project-Based	\$90,000
Mosaic Housing Corporation XV – Council Bluffs <i>Project Location: Council Bluffs</i>	Project-Based	\$90,000
Mosaic Housing Corporation XVIII – Osceola/Waukon <i>Project Location: Waukon</i>	Project-Based	\$90,000
NIAD Center for Human Development dba Crisis Intervention Service <i>Project Location: Mason City</i>	Project-Based	\$90,000
Northeast Iowa Community Action Corporation <i>Project Location: Cresco, Decorah, and Volga</i>	Project-Based	\$160,000
Northern Lights <i>Project Location: Mason City</i>	Project-Based	\$90,000
North Iowa Transition Center <i>Project Location: Mason City</i>	Project-Based	\$250,000
Operation Threshold <i>Project Location: Waterloo</i>	Project-Based	\$90,000
Southeast Iowa Regional Planning Commission <i>Project Location: Danville and New London</i>	Project-Based	\$90,000
Webster/Humboldt County Habitat for Humanity <i>Project Location: Fort Dodge</i>	Project-Based	\$40,500
Welch Hotel, LP <i>Project Location: Muscatine</i>	Project-Based	\$90,000



# Local Housing

## TRUST FUND MAP



### City

- ① City of Dubuque Housing Trust Fund
- ② Oskaloosa Housing Trust Fund
- ③ Sioux City Local Housing Trust Fund

### County

- ④ Clay County Local Housing Trust Fund, Inc.
- ⑤ Dallas County Local Housing Trust Fund, Inc.
- ⑥ Fayette County Local Housing Trust Fund
- ⑦ Floyd County Housing Trust Fund
- ⑧ Housing Trust Fund of Johnson County
- ⑨ Lakes Community Land Trust
- ⑩ Housing Fund for Linn County
- ⑪ Polk County Housing Trust Fund
- ⑫ Scott County Housing Council

### Regional

- ⑬ Council of Governments Housing, Inc., based in Carroll (Audubon, Carroll, Crawford, Greene, Guthrie and Sac)
- ⑭ Homeward Housing Trust Fund, based in Clarion (Buena Vista, Calhoun, Franklin, Hancock, Hardin, Humboldt, Kossuth, Mitchell, Palo Alto, Pocahontas, Winnebago, Worth and Wright)
- ⑮ Iowa Northland Regional Housing Council,\* based in Waterloo (Black Hawk, Bremer, Buchanan, Butler, Chickasaw and Grundy)
- ⑯ Southern Iowa COG Housing Trust Fund, based in Creston (Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor and Union)
- ⑰ Southwest Iowa Housing Trust Fund,^ based in Atlantic (Cass, Fremont, Harrison, Mills, Montgomery, Page, Pottawattamie and Shelby)

These trust funds are certified by IFA as local housing trust funds in accordance with Administrative Rules.



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