
Appendix A

Program and Funding Resources

This section of the plan provides an overview of available federal, state, and local housing programs.

FEDERAL PROGRAMS

United States Department of Agriculture (USDA)

The Rural Development Department within the United States Department of agriculture (USDA) offer a variety of single family and multi-family housing programs to give families and individuals the opportunity to finance, buy, build, repair, or own safe and affordable homes located in rural America. Visit www.rd.usda.gov for additional information on USDA Rural Development programs.

Single Family Housing Programs

Low interest, fixed-rate Homeownership loans are provided to qualified persons directly by USDA Rural Development. Financing is also offered at fixed-rates and terms through a loan from a private financial institution and guaranteed by USDA Rural Development for qualified persons. Neither one of these home loan programs require a down payment. (www.rd.usda.gov/programs-services/all-programs/single-family-housing-programs/)

USDA Rural Development also offers competitive grants to public and private non-profit Self-Help Housing organizations and Federally Recognized Tribes to enable hardworking families to build their own homes.

Single Family Housing Direct Home Loans

Also known as Section 502 Direct Loan Program, this program assists low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. Payment assistance is a type of subsidy that reduces the mortgage payment for a short time. The amount of assistance is determined by the adjusted family income.

Single Family Housing Home Loan Guarantees

Assists approved lenders in providing low- and moderate-income households the opportunity to own adequate, modest, decent, safe and sanitary dwellings as their primary residence in eligible rural areas. Eligible applicants may build, rehabilitate, improve or relocate a dwelling in an eligible rural area. The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers

Mutual Self-Help Housing Technical Assistance Grants

Provides grants to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other's homes, with technical assistance from the organization overseeing the project. Funds may be used to give technical and supervisory assistance, provide self-help technical and supervisory assistance, and to recruit families into program

Rural Housing Site Loans

This program provides two types of loans. 1) Section 523 loans are used to acquire and develop sites only for housing to be constructed by the Self-Help method; 2) Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction. Site Loans are made to provide financing for the purchase and development of housing sites for low-and moderate-income families.

Multi-Family Housing Programs

USDA provide affordable multi-family rental housing in rural areas by financing projects geared for low-income, elderly and disabled individuals and families as well as domestic farm laborers. USDA extends it's reach by guaranteeing loans for affordable rental housing designed for low to moderate-income residents in rural areas and towns.

We preserve our portfolio of some 14,000 properties by aggressively restructuring loans for existing rural rental housing and off-farm labor housing projects to allow for sufficient reserves to meet major repairs and improvements over the lifetime of the property. On a yearly basis we provide grants to sponsoring organizations to repair or rehabilitate housing for needy families. (www.rd.usda.gov/programs-services/all-programs/multi-family-housing-programs/)

Farm Labor Direct Loans & Grants

Provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm labor. The program assists qualified applicants that cannot obtain commercial credit on terms to allow them to charge rents that are affordable to low-income tenants. Funds may be used for construction, improvement, repair, and purchase of housing for domestic farm laborers

Housing Preservation & Revitalization Demonstration Loans & Grants

Restructures loans for existing Rural Rental Housing and off-Farm Labor Housing projects to help improve and preserve availability of safe affordable rental housing for low-income residents.

Housing Preservation Grants

Provides grants to sponsoring organizations for the repair or rehabilitation of housing occupied by low and very low-income people. Funds may be used by applications to provide grants or low-interest loans for home repairs to low and very low-income homeowners; assistance to rental property owners if they agree to make units available to low and very low-income families; as well as repair/replacement of wiring, foundation, roofs, insulation, heating systems, water/waste disposal systems, handicap accessibility, labor and materials, and administration expenses

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Multi-Family Housing Direct Loans

Provides competitive financing for affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas. Funds may be used for construction, infrastructure, improvements, and purchase of multi-family rental housing

Multi-Family Housing Loan Guarantees

Works with qualified private-sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing for low-and moderate-income individuals or families.

Multi-Family Housing Rental Assistance

Provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent. Only available to new or existing Rural Rental Housing and Farm Labor Housing financed properties.

Community Development Block Grant (CDBG) as Administered by the Iowa Economic Development Authority (IEDA)

The Iowa Economic Development Authority (IEDA) administers the federal Community Development Block Grant (CDBG) program in all of Iowa's incorporated cities and counties, except those designated as HUD (US Department of Housing and Urban Development) entitlement areas. Authorized under the Housing and Community Development Act, the main goal of the program is to "develop viable communities by providing decent housing and suitable living environments and expanding economic opportunities, principally for persons of low and moderate incomes."

In Iowa, the CDBG program can be used to fund eligible activities, including public facilities such as water and sewer facilities and community buildings; housing rehabilitation; and economic development and job training. Visit www.iowaeconomicdevelopment.com/Community/CDBG.

Housing Rehabilitation Program

This annual competitive program assists communities rehabilitating single family homes used as principal residences. The goal of this program is to provide economic opportunities for people, especially those of low- and moderate income. Applications are typically due on an annual basis. (www.iowaeconomicdevelopment.com/CDBGHousing)

- Rehabilitation projects have a maximum per unit subsidy of \$37,500, including but not limited to the hard costs of rehabilitation, technical services costs (including lead hazard reduction carrying costs), lead hazard reduction costs and temporary relocation
- Rehabilitation hard costs are limited to \$24,999 of the total maximum subsidy of \$37,500
- Applicable technical services costs (including any lead hazard reduction carrying costs) are limited to \$4,500 per unit of the total maximum subsidy of \$37,500

Nuisance Property and Abandoned Building Remediation Loan Program

This program provides financial assistance to help communities demolish or remediate buildings and structures that are hazards to public health and safety. All buildings made part of the project must be documented as representing a public nuisance through abandonment, chronic building code violations or dilapidation that is hazardous to public health and safety. All Iowa communities are eligible to apply. (www.iowaeconomicdevelopment.com/Remediation)

- Funds may be utilized for residential, commercial, or industrial structures.
- May include properties at multiple sites or locations
- Interest rates for the loan program range from 1 percent to 3 percent and vary based on the term of the loan
- Communities with population of 2,000 or less may request a loan at 0 percent

STATE OF IOWA

Iowa Economic Development Authority (IEDA)

Workforce Housing Tax Credits

This program provides tax benefits to developers to provide housing in Iowa communities, focusing especially on those projects using abandoned, empty or dilapidated properties. (www.iowaeconomicdevelopment.com/WHTC)

- Total program benefits limited to \$1 million per project
- The tax incentives include a refund of sales, service or use taxes paid during construction
- Developers may receive a state investment tax credit of up to 10% of the investment directly related to the construction or rehabilitation of the housing. The state investment tax credit is fully transferable.
 - If the project has any funding from tax credits, grants or forgivable loans, these funds cannot be included for purposes of calculating the investment tax credit
- The tax credit is based on the new investment used for the first \$150,000 of value for each home or unit
- This tax credit is earned when the home or unit is certified for occupancy and can be carried forward for up to five additional years or until depleted, whichever occurs first
- Projects must meet one of four criteria:
 - Housing development located on a grayfield or brownfield site
 - Repair or rehabilitation of dilapidated housing stock
 - Upper story housing development
 - New construction in a greenfield (community with demonstrated workforce housing needs)
- Developer must build or rehabilitate at least four single-family homes or at least one multi-family building containing three or more units or at least two upper story units
- Total project costs may not exceed \$200,000 per unit for new construction or \$250,000 per unit for historic rehabilitation
- The housing project must be completed within three years of award

Redevelopment Tax Credits Programs for Brownfield and Grayfield Sites

Developers in Iowa can receive tax credits for redeveloping properties known as brownfield and grayfield sites. Additional tax credits are available for projects that meet or exceed sustainable design standards as defined by state law. (<https://www.iowaeconomicdevelopment.com/Community/brownfield>)

Brownfield sites are abandoned, idled or underutilized industrial or commercial properties where real or perceived environmental contamination prevents productive expansion or redevelopment. Examples of brownfield sites include former gas stations, dry cleaners and other commercial operations that may have utilized products or materials potentially hazardous to the environment.

Grayfield sites are abandoned public buildings, industrial or commercial properties that are vacant, blighted, obsolete or otherwise underutilized. A grayfield has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property.

This tax credit program is offered as a way to promote the economic health of communities by reducing environmental potential hazards, cleaning up eyesores, creating new jobs and boosting tax revenue.

- Tax credits of up to 24% for qualifying costs of a brownfield project and 30% if the project meets green building requirements
- Tax credits of up to 12% of qualifying costs of a grayfield project and 15% if the project meets green building requirements
- Program capped at \$10 million per fiscal year with a maximum award per project of \$1 million
- Applicant may be an individual, limited liability company, S corporation, non-profit, estate or trust
- Projects must meet the rules listed in the Iowa Redevelopment Tax Credit Program Rules Chapter 261.65.11 (15)

Iowa Finance Authority (IFA)

The Iowa Finance Authority (IFA) offers a wide variety of state housing initiatives, including programs focused on single family, development of affordable rentals, as well as homeless programs. Detailed program information as well as specifics on eligibility and criteria, visit the IFA website at: www.IowaFinanceAuthority.gov.

Single Family Programs

FirstHome Program

Offers qualified first-time home buyers affordable mortgage financing with a fixed interest rate. The program provides the benefit of safe, fixed interest rate mortgages, paired with the convenience of working with a local lender.

FirstHome Plus Program

Offers qualified first-time home buyers affordable mortgage financing with up to \$2,500 in entry cost assistance. The program provides the benefit of working with a local lender. The grant must be used in conjunction with the FirstHome program and the same eligibility requirements apply. Grant subject to a one-time use.

Homes for Iowans Program

Offers qualified home buyers with affordable mortgage financing. The program provides the benefit of a safe, fixed interest rate, paired with the convenience of working with a local lender.

Homes for Iowans Plus Program

Offers qualified home buyers affordable mortgage financing with up to \$2,500 in entry cost assistance. The program provides the benefit of working with a local lender. The grant must be used in conjunction with the FirstHome program and the same eligibility requirements apply. Grant subject to a one-time use.

Military Homeownership Assistance Program

The Iowa Legislature created the Military Homeownership Assistance program in 2005 to help eligible members of the armed forces purchase qualified homes in Iowa through a \$5,000 entry cost assistance grant. These funds may be used in conjunction with the FirstHome and Homes for Iowans programs. Grant subject to a one-time use.

Take Credit Mortgage Credit Certificate Program

The Take Credit program assists eligible home buyers by reducing their household's federal tax liability every year for the life of their mortgage. A percentage of the homeowners' mortgage interest becomes a tax credit that can be deducted dollar-for-dollar from federal income tax liability, up to a maximum of \$2,000 annually.

Affordable Rental Production Programs

Housing Tax Credit Program

The Tax Reform Act of 1986 created an incentive for Housing Tax Credit project owners to invest in the development of rental housing for individuals and families with fixed or limited incomes. The tax credit provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income. IFA administers Housing Tax Credit allocation and compliance.

HOME Program

The HOME is the largest federal block grant for state and local governments, designed exclusively to create affordable housing. The intent of the HOME program is to provide decent affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing and leverage private sector participation.

Affordable Assisted Living

The Iowa Affordable Assisted Living portal provides information, resources and a property directory for affordable, assisted living in Iowa for developers, operators and consumers.

Aftercare Rent Subsidy Program

The Aftercare Rent Subsidy program provides financial assistance for youth who are aging out of the foster care system and are participants in the Aftercare Services Program. The program's goal is to teach Iowa youth independence, life skills and renter rights and responsibilities.

Home- and Community-Based Services Rent Subsidy Program

Program provides temporary rental assistance for people who receive medically necessary services through Medicaid waivers, until the person becomes eligible for another public or private rent subsidy.

Home- and Community-Based Services Revolving Loan Fund

Program fund assists in the development and expansion of facilities and infrastructure that provide adult day services, respite services and congregate meals for low-income individuals.

Main Street Mortgage Loan Program

A partnership between Main Street Iowa, IFA and the Federal Home Loan Bank of Des Moines, the Main Street Mortgage Loan program provides funds to Main Street communities in Iowa for community development projects.

Multifamily Housing Loan Program

The IFA Multifamily Housing Loan program seeks to preserve the existing supply of affordable rental units and to foster the production of new affordable units in Iowa.

State Housing Trust Fund

The State Housing Trust Fund (SHTF) helps ensure decent, safe and affordable housing for Iowans through two programs. The Local Housing Trust Fund Program and the Project-Based Housing Program aid in the development and rehabilitation of affordable housing throughout the state. IFA administers both programs and provides technical assistance to housing-related organizations.

National Housing Trust Fund

The National Housing Trust Fund (NHTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income, including homeless families. Please note the National Housing Trust Fund is a new federal funding source allocated by HUD, similar to the HOME program, and is separate from Iowa's State Housing Trust Fund programs.

Workforce Housing Loan Program

Program provides financial assistance in the form of a repayable loan to cities and counties that demonstrate a need for additional workforce rental housing for Iowans as a result of employment growth within the local unit of government's jurisdictional boundaries. Only cities and counties in Iowa are eligible applicants for Workforce Housing Loan Program assistance.

REGIONAL AND LOCAL PROGRAMS

Operation Threshold

Operation Threshold is a Community Action Agency that serves low income residents in Black Hawk, Grundy, and Buchanan counties. The organization was established in 1964 as a result of the Economic Opportunities Act of 1964 and the nation's declaration of the War on Poverty. The mission of Operation Threshold is, "To collaborate, educate, and provide services to help meet the basic needs of people and create opportunities for self-sufficiency." Additional information on the organization and its programs can be found by calling their Buchanan County office at (319) 334-6081 or online at www.OperationThreshold.org.

Tenant Based Rental Assistance (TBRA)

Operation Threshold offers Tenant-Based Rental Assistance (TBRA) to help families and individuals find safe, decent and affordable housing. The agency also owns and manages rental units in both independence and Waterloo.

This program provides eligible participants with up to 24 months of rental assistance for rental units located in Black Hawk, Buchanan or Grundy counties. All housing units must be inspected and meet set housing quality standards. The amount of assistance received per household (each month and the length of time assistance is received) is determined on a case-by-case basis. To be eligible for this program, households must be income eligible. To obtain an application or for more information by calling (319) 292-1819 or visiting the website mentioned above.

Low Income Home Energy Assistance Program (LIHEAP)

LIHEAP supplements the high cost of winter heating for low-income households, provides emergency furnace repairs or replacement for income-qualifying homeowners and offers assistance with telephone costs to those that qualify. Households with income levels at or below 175% of the poverty level are eligible for benefits. Eligible income amounts may be increased for households with significant medical expenses

Weatherization

The Weatherization Program provides energy efficiency-related home maintenance assistance to low-income homeowners and renters. Available Weatherization benefits include the installation of insulation, furnace repair or replacement, water heater repair and/or replacement, safety checks for gas leaks, and/or replacement of old refrigerators and freezers. The Weatherization Program helps reduce the heating and cooling costs in an effort to reduce energy consumption and increase comfort in eligible participant home

Iowa Northland Region Council of Governments (INRCOG)

Founded in 1973, the Iowa Northland Regional Council of Governments (INRCOG) is a regional planning entity covering the six Iowa counties of Black Hawk, Bremer, Buchanan, Butler, Chickasaw and Grundy and the incorporated cities within the six counties. (www.inrcog.org)

INRCOG provides a variety of housing-related services, including technical and planning assistance with housing initiatives as well as grant writing and administration of housing program grants. In addition, INRCOG provides staff to the Iowa Northland Regional Housing Council (INRHC).

INRCOG's staff researches and remains informed about housing programs available at the federal, state and local levels and gives assistance to communities and counties regarding the most appropriate and feasible grant and loan opportunities available. INRCOG can prepare grant applications and administer the grant, if necessary. Through this process, INRCOG can assist communities in planning for the future. This may require a written plan of action or assistance identifying the housing needs and solutions to meet those needs. Plans can also be developed to assist communities that have utilized Tax Increment Financing and are required to use a proportion of the taxes generated to assist low-to-moderate income households.

Iowa Northland Regional Housing Council (INRHC)

Established in 1997 to assist member communities and counties with housing, the INRHC is comprised of three representatives from INRCOG and each county in the region. The INRHC has received grants to establish a revolving loan fund to assist in speculative home development and subdivision development and homebuyer assistance program. (www.inrcog.org/housing.htm)

The INRHC was certified as the Local Housing Trust Fund for the INRCOG region in 2003. In the past, funding has been received by the Iowa Finance Authority to initiate an acquisition/demolition program to eliminate dilapidated housing in cities in the region and for multi-family special population housing construction programs to assist organizations with construction projects that serve specific populations, including very low-income persons.

Established with an Iowa Finance Authority (IFA) Helping Iowa's Rural Economic (HIRE) grant, and continued with repayment of loans made through several programs, an INRHC Revolving Loan Fund finances such projects as the construction of speculative homes, homebuyer assistance, and infrastructure improvements for an affordable housing subdivision.