

Southern Iowa COG Housing Trust Fund, Inc.

Housing Assistance Plan

September 2021



I. Introduction

This document is the Housing Assistance Plan (HAP) for the Southern Iowa COG Housing Trust Fund (SICOG HTF), Inc., a 501(c)(3) charitable foundation. The HAP is prepared to summarize the priorities of the organization, as well as, to meet the requirements of the Iowa Finance Authority State Housing Trust Fund Allocation Plan. The plan has several specific objectives, which are as follows:

- Summarize housing needs in the SICOG HTF area
- Identify goals and objectives of the SICOG HTF
- Outline in general terms the activities and projects the SICOG HTF may undertake, including sources and uses of funds
- Describe general administrative procedures for the SICOG HTF, including a staffing plan

As is the case with any program, the needs, goals and objectives change over time. This document will be updated and modified as determined necessary by the board of directors.

Mission

The mission of the Southern Iowa COG Housing Trust Fund, Inc. is to plan for and assist with the current and projected housing needs of the Southern Iowa COG region, resulting in addressing our primary concern - affordable housing. Through planned activities and leveraged resources, the Southern Iowa COG Housing Trust Fund will provide opportunities for affordable housing to residents within the region.

Area Served

The SICOG HTF service area includes Adair, Adams, Clarke, Decatur, Madison, Ringgold, Taylor, and Union Counties in southern and southwest Iowa. The area includes all rural and suburban areas.

II. Need

In the past twenty-five years, the need to address various housing issues has become a key objective in many areas of the state. During the 1980s, the poor rural economy contributed to new housing construction coming to a near standstill. Fortunately, the economy improved in the 1990s, and as it did, many housing issues came to the forefront. Existing federal programs became increasingly popular for housing (e.g. CDBG), and others were created to meet growing needs (e.g. HOME, HOPE). Many communities and agencies began to administer housing programs, including those that facilitated the rehabilitation of older homes or the construction of new affordable housing. In the mid to late 1990s, the State of Iowa began to provide state funds for housing activities through the Local Housing Assistance Program (LHAP) and several smaller technical assistance programs that helped cities hire consultants for housing needs assessments and other pre-development costs. In addition to the programs administered by the Iowa Economic Development Authority, Fannie Mae, the Iowa Finance Authority (IFA), and the Federal Home Loan Bank (FHLB) expanded their offering of products to assist families with the purchase and repair of homes. In addition to homeownership, the development of rental projects began to increase, as more developers accessed programs targeted for that purpose. In summary, housing received a great deal of attention in the late 1990s.

The increased awareness and use of existing housing assistance programs have led to the preservation of many existing units and creation of many new units in recent years. Unfortunately, with the financial situation that federal, state, and local governments are facing, resources for housing are becoming limited and more difficult to obtain. Several programs have ended, and more organizations are competing for the limited dollars available. The numerous housing issues continue to exist in the SICOG HTF; so new resources will have to be found. The LHAP option was initiated in 2003 and offers the flexible funding

regions and communities need. The creation of the SICOG HTF in south central Iowa allowed the area access to another source of funding to address housing needs.

Southern Iowa faces a greater housing need than most of the state. The greatest issue is the age, condition, and value of many of the homes in this region. The median age of housing units in the region is over 40 years. Additionally, as this area has been particularly hard hit by agricultural economic changes, the median incomes and property values, and subsequent tax bases have been particularly low. Finally, a past lack of investment income in many communities has brought about normalcy of unkempt yards and poor overall community conditions. Rehabilitation and civic investment are major needs. A secondary need brought on by the first need is replacement housing. Few communities have new subdivisions, active spec programs, and demolition for in-fill lots. While the SICOG HTF is attempting to address these issues, a shortage of contractors due to the lack of investment in the region hampers its success. The SICOG HTF is concentrating its efforts to provide additional investment capital to increase the supply of affordable decent housing over time.

This section of the HAP includes an analysis of various information including demographics, current conditions, past studies, and other sources that lead to the program goals for the SICOG HTF.

Population & Household Information

2000-2010 POPULATION

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County	Region
2000	2,926,324	8,243	4,482	9,133	8,689	14,019	5,469	6,958	12,309	69,302
2010	3,046,355	7,682	4,029	9,286	8,457	15,679	5,131	6,317	12,534	69,115
CHANGE	120,031	-561	-453	+153	-232	+1,660	-338	-641	+225	-187
% CHANGE	4.10%	-6.81%	-10.11%	1.68%	-2.67%	11.84%	-6.18%	-9.12%	1.83%	-0.27%

Source: 1990-2010 US Censuses

Population density varies throughout the region. Madison County is the most populous, due to its proximity to the Des Moines metropolitan area. Adams County is the least populous in the region and the state. The trends from 2000 to 2010 generally are reflective of the previous decade. Smaller counties more removed from the Des Moines metropolitan area experienced greater declines while larger counties and those closer to Des Moines grew both in population and number of new housing units. Madison County grew by a wide margin. Overall, the declines in the region have been due to the higher death rate compared to birthrate in the region and higher out-migration as compared to in-migration.

2017 ESTIMATED HOUSEHOLD INCOME

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County
Total:	1,251,587	3,210	1,654	3,870	3,172	6,357	2,063	2,694	5,309
Less than \$10,000	5.7%	6.1%	5.4%	4.9%	10.0%	4.6%	4.8%	5.8%	4.7%
\$10,000 to \$14,999	4.6%	5.3%	4.8%	7.4%	6.1%	4.2%	4.9%	5.8%	7.1%
\$15,000 to \$24,999	9.9%	10.4%	11.2%	10.6%	14.9%	9.4%	15.1%	11.7%	13.6%
\$20,000 to \$34,999	9.9%	11.2%	11.9%	9.4%	13.8%	7.3%	10.3%	13.7%	12.2%
\$35,000 to \$49,999	14.0%	17.5%	16.9%	18.0%	15.1%	13.3%	14.0%	15.6%	15.5%
\$50,000 to \$74,999	19.6%	19.9%	25.5%	19.4%	17.4%	25.4%	26.2%	20.6%	19.3%
\$75,000 to \$99,999	14.0%	14.5%	11.1%	13.5%	10.4%	12.5%	9.1%	9.4%	12.3%
\$100,000 to \$149,999	13.9%	10.0%	7.0%	11.1%	9.7%	13.8%	9.3%	12.0%	11.0%
\$150,000 to \$199,999	4.5%	2.5%	4.1%	4.1%	1.6%	5.9%	1.6%	3.1%	2.6%
\$200,000 or more	3.8%	2.6%	2.1%	1.5%	1.0%	3.6%	4.7%	2.3%	1.8%
Median household income	56,570	49,477	49,745	49,718	41,042	60,077	50,642	46,825	47,597
Percent Change Since 2010	15.8%	9.5%	23.2%	9.0%	10.5%	13.0%	19.6%	16.2%	16.4%

Source: 2017 US Census Five Year Estimates (2013-2017)

According to the Census, the region's median household income continues to lag behind the State of Iowa, with the exception of Madison County. Decatur County's median household income is the state's lowest. The percentage growth since 2000 is somewhat consistent among the counties and the state.

Many of the region’s workers work in low paying service and manufacturing jobs or rely heavily on farm and fixed retirement income. In Madison and Clarke Counties a growing number of households live in the counties and work in Des Moines. However, as a region, the median income falls below the statewide average, indicating a significant number of low and moderate-income families.

ESTIMATED AGE OF HOUSING UNITS IN 2017

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County
Total:	1,251,587	3,210	1,654	3,870	3,172	6,357	2,063	2,694	5,309
Built 2014 or Later	11,867	20	4	5	24	66	2	15	13
Built 2010 to 2013	35,593	49	42	35	51	73	39	39	33
Built 2000 to 2009	148,031	218	112	480	334	976	265	197	618
Built 1990 to 1999	230,206	505	154	750	640	1,236	329	347	782
Built 1980 to 1989	317,028	750	312	846	810	1,278	478	662	1,257
Built 1970 to 1979	197,258	510	309	464	255	654	279	372	670
Built 1960 to 1969	311,604	1,158	721	1,290	1,058	2,074	671	1,062	1,936
Built 1950 to 1959	1,251,587	3,210	1,654	3,870	3,172	6,357	2,063	2,694	5,309
Built 1940 to 1949	11,867	20	4	5	24	66	2	15	13
Built 1939 or earlier	35,593	49	42	35	51	73	39	39	33
Percent 2000 or Later	15.5%	8.9%	9.5%	13.4%	12.9%	17.5%	14.8%	9.3%	12.4%
Percent 1980s & 1990s	18.4%	15.7%	9.3%	19.4%	20.2%	19.4%	15.9%	12.9%	14.7%
Percent 1960s & 1970s	25.3%	23.4%	18.9%	21.9%	25.5%	20.1%	23.2%	24.6%	23.7%
Percent Pre-1950	40.7%	52.0%	62.3%	45.3%	41.4%	42.9%	46.0%	53.2%	49.1%
Median Year Built	1968	1958	1943	1968	1965	1971	1970	1954	1959

Source: 2017 US Census Five Year Estimates (2013-2017)

A large percentage of the housing stock in the region is very old. Many older homes have been maintained or rehabilitated over the years; many still need rehabilitation. In parts of the region, over half of the housing units were built before 1950, and only two counties had a newer median age than the state and one had the same median year built. Those homes built prior to 1978 have the potential to contain lead-based paint, which can potentially cause numerous health problems, especially in children and the elderly. The Iowa Department of Public Health and various statewide housing studies show that the region has a higher percentage of homes containing lead paint. In these reports, most of the region is estimated to have over 65% of the homes containing lead paint. Compared to the state, the percentage of housing units 1979 or earlier is reasonably consistent. The state percent of housing built since 2000 is much higher (15.5%) statewide than in most of the region’s counties, showing that the markets in these counties are reasonably slow. Because of the age of housing, the lack of construction is economic-related (people cannot afford to build or buy newer housing) rather than related to the simple lack of need for housing.

In comparing data from 2000 to the 2017 estimates, the region sustained a net growth in housing units totaling approximately 1,333 compared to 143,622 statewide. Housing condition “windshield surveys” verify that housing age and deteriorated condition are highly related.

Housing Needs Assessments

Starting in 1996, the Iowa Department of Economic Development (now known as Iowa Economic Development Authority) began to provide funding to cities and counties to complete housing needs assessments. Over the course of the next nine years, all of the eight counties in the SICOG Housing service area had a housing needs assessment completed.

<u>COUNTY ASSESSMENT</u>	<u>YEAR LAST UPDATE COMPLETED</u>
Adair County Housing Needs Assessment	Late 1990s
Adams County Housing Needs Assessment	2001
Clarke County Housing Needs Assessment	2003
Decatur County Housing Needs Assessment	2000
Madison County Housing Needs Assessment	2019
Ringgold County Housing Needs Assessment	2001
Taylor County Housing Needs Assessment	1997
Union County Housing Needs Assessment	2004
Regional Housing Rehabilitation Needs Assessment	2009

In each of the housing needs assessments, several key unmet housing needs became apparent, as follows:

1. Owner-occupied rehabilitation. The most common need in the SICOG HTF service area is the need to make repairs to the existing aged housing stock. While some areas are seeing some new housing construction, most people live in older homes that require extensive repairs. Windshield surveys of the housing stock in many communities verify this need.
2. Homebuyer assistance. Part of the assessment process in these areas included surveys of local lending and real estate officials, who reported the need to have more programs to assist first-time and move-up homebuyers with down payment and closing cost assistance as well as related financial assistance.
3. Infrastructure and lot development. Many of the communities in the SICOG HTF service area do not have suitable or available lots or developments for new affordable home construction. While land is readily available, the market does not justify the costs of developing modern infrastructure. Many infill lots are too small or are surrounded by substandard housing and infrastructure. Today, the lack of investment capital and incentives make it impossible to attract private investment.
4. Demolition assistance with land improvement. A fourth key need is for additional capital for housing demolition as a means of reducing unnecessary “sprawl” development and to rejuvenate a declining neighborhood. This program is needed in all the cities, sometimes in conjunction with new construction and sometimes as a standalone project.
5. Rental housing projects. A majority of the rented housing in the region is older and often severely deteriorated. A concern is the lack of private rental housing, leaving young adults with a high-paying job but no assets and no job history to rent market rate homes because they cannot qualify for a home loan and they earn too much to qualify for subsidized apartments.
6. Transitional and special needs housing. Housing for “near homeless”, battered and abused spouses and children, and persons with special needs due to physical disability or age remains a large need in the area.

Overall, even though several of the housing needs assessments are outdated, the identified primary housing needs have not changed.

The above activities, while not all-inclusive, are identified needs in the SICOG HTF region in order to sustain a better housing environment that supports future populations and a stable economy.

Needs of Extremely Low-income Persons

The needs for quality affordable housing are not met due to the number of extremely low-income (ELI) persons, approximately 20% of the population. The south-central and southwest area of Iowa has a larger share of ELI persons and persons below the poverty level. The regional housing market is unable to supply new housing of the types needed to allow for people to move into better housing. While the area has a stable population at best, the housing stock continues to age, and the net supply of homes is not growing rapidly enough to meet the needs of the general population. Ultimately, ELI persons are not finding homes suitable to their needs or more particularly ELI persons (particularly seniors/handicapped on fixed incomes) have homes that are in need of repairs beyond what they can afford.

Six of the eight counties in the SICOG HTF region have higher median poverty levels (percent of persons below poverty level) for all categories (individuals, families, persons under 18, persons aged 65+, and female headed households). Only Madison and Clarke, the two counties closest to Des Moines, are below the state average. Five of our 8 counties are among the highest 20 counties in Iowa in terms of poverty levels. SICOG HTF region is also higher than the state average for persons living on fixed incomes without earned income.

The primary agency in the region that handles ELI housing is Southern Iowa Regional Housing Authority (SIRHA). This public housing authority serves 7 of SICOG HTF's 8 counties. SIRHA is responsible for the region's rental subsidies, but the region lacks local ongoing support for rental construction and rehab, specialized housing, and pre-development costs (studies, acquisition of land, and infrastructure).

Continuum of Care Needs

Again, this region does not have very many genuinely homeless people, and most that are homeless are due to domestic violence or release from prison. Usually, such homelessness is short-term. The continuum of care needs of the region are met largely by third parties, and such third parties can apply for funding from the SICOG HTF for eligible activities. However, some people must leave the region because the facilities meeting their needs do not exist in the region, and the population base is inadequate to justify the investment in their creation and ongoing cost of operation. Where it is possible to develop such facilities, the HTF monies can be made available for investment in them.

Other Needs

There are other issues or groups with unique needs that we can begin to address with a LHTF:

- The preponderance of seller financing in this area has stalled housing upgrades and slows the housing market, but it is the only means many can utilize to buy a home.
- The decentralization of rural health care means that more people are staying at home longer. The need exists for services, new mortgage options, and home renovations to help people live a dignified life in the region.
- A further underserved market is young professionals, typically right out of college, that must move to the area and live in a substandard apartment due to the lack of equity or credit to buy a home right away combined with wages that disqualify them from subsidized housing. Due to the slow housing market, decent private apartments are simply nonexistent. Such situations hurt our ability to attract and maintain educated young adults and new high-growth office employers.

III. Goals and Uses of Funds

The following goals and activities have been set out for the SICOG Housing Trust Fund. Areas of greatest need in the region, documented in needs assessments and in the MacDonald study, are those we will address in this next few years of operations. Generally, for the FY 2020 funding round, all funds in the SICOG Housing Trust Fund will be limited to the following activities. The priority of funding uses is generally as follows, with the first ranked highest and so-forth. The percentage in parentheses () for each program type includes the estimated percentage of the entire SICOG HTF budget (not counting administration) that will be invested in each program. The percentage levels differ from need ranking in some cases due to current local opportunities that may change over time.

1. OWNER-OCCUPIED REHABILITATION (15%)

A major goal of the Fund will be to provide financing to low and moderate-income families for general rehabilitation activities, lead hazard remediation, and rehabilitation in support of homeownership. Efforts will be concentrated on major health and safety issues including repairs such as furnaces, electrical, plumbing, roofs, and energy efficiency items (windows, insulation, weatherproofing, etc.). Using SICOG

HTF monies for general home rehabilitation activities will compliment other programs that currently exist in the area for home repairs. Need exists for owners that do not qualify for other funds or that have needs not covered by other more stringent programs. SICOG employs a staff person qualified to test paint for lead, perform inspections, and handle mitigation activities.

2. HOMEBUYER ASSISTANCE (5%)

SICOG's most popular and successful housing program is the regional housing revolving loan fund (HRLF). This fund has revolved and leveraged over \$31,000,000 in loans to over 690 families in the region in nearly 20 years. Families must meet IFA definitions for first-time buyers and must be able to obtain a loan to finance the purchase. SICOG HTF monies can be used to supplement and extend the effect of this and other programs as well as be granted or loaned to local lenders, local governments, and other parties that will implement homebuyer programs in the region, including possible foreclosure prevention activities.

3. INFRASTRUCTURE, LOT DEVELOPMENT, AND NEW CONSTRUCTION (5%)

This portion will be used to build the capacity of our non-profit and private builders (usually building in an enterprise zone). Under this category, the need exists from time to time to acquire properties in danger of becoming unaffordable. This fund will help reduce risk for such builders and owners of apartments and homes for LMI persons, with a sliding scale repayment program. A combination of loans, forgivable loans, and (rarely) grants are needed, usually on a short-term basis.

4. DEMOLITION AND LOT PREPARATION (1%)

The aging housing stock, particularly in stagnant and declining markets in very rural parts of the county, housing demolition is a real need. The market alone results in abandoned homes. Costs of demolition exceed potential resale and development value of the lot. Lot preparation needs include infill infrastructure and site improvements along with marketing. Because the need is so great, a dedicated source like the SICOG HTF can help cities that want to address this problem. In most situations, the SICOG HTF will require the construction of a new housing unit on the lot or another suitable lot in the area within five years of the award.

5. RENTAL SINGLE-FAMILY AND MULTI-FAMILY NEW CONSTRUCTION, CONVERSION, AND REHABILITATION (35%)

A growing need exists for senior and family housing, particularly seniors that need services. Private new development may be supported with loans in markets showing a strong demand for low-income rental properties. Historic preservation is also a focus although not a high priority. The HTF will find partners, such as, local development corporations, cities, local chapters of Habitat for Humanity, or local school initiatives like "Tech Prep Program" to build new housing units. Emphasis will be directed towards existing facilities that need interior and exterior renovation (heat systems, roofs, bathrooms, and other repair) to assist with maintenance costs in an effort to keep rents affordable.

6. EMERGENCY (TRANSITIONAL) HOUSING AND SPECIAL NEEDS HOUSING (5%)

Local and regional emergency shelters are few in number in part due to cost. The ones that do operate in this region are in constant financial stress. Our program will provide a temporary emergency fund to ensure the shelters (existing and new) will continue to operate and meet local needs for vulnerable populations. Funds are needed for supportive services, rehabilitation, expansion, and in certain circumstances for a short time, general operations (such as utilities, overhead, and furnishings). Assisted living and special needs housing is a growing demand, and low-interest loans or forgivable loans are needed for pre-development costs, infrastructure, and, in some cases, new construction. Several independent and assisted living facilities have been under development in the past ten years, and some providers are converting nursing homes to feel more like home. This region lacks the capital to continue

developing this need, and thus there is fear of further nursing home closures and the loss of services. Typically ELI persons benefit from these programs.

7. OTHER HOUSING PROJECTS, OPPORTUNITIES AND SPECIAL PROGRAMS (25%)

While it is difficult to predict the future, the SICOG HTF will endeavor to fund programs and projects that have not been identified above, especial as needs change for affordable housing for moderate and below income individuals. These opportunities may present challenges caused by natural disasters or economic disasters. Other programs may involve housing for other segments of the population (i.e., teachers, veterans, medical personnel and workforce housing).

Summary

Because the major needs will remain and some programs are growing in popularity, the goal of the housing trust fund is to continue the good parts of these programs and to have a flexible means to move funds from one program to another as a particular need arises. With current work in owner-occupied rehab on dozens of homes per year in six or seven CDBG-funded cities, dozens of annual first-time homebuyer loans, and occasional emergency repair grants, SICOG has become “THE” housing group in this region for local governments, development groups, and residents.

Additional Study

In order to ensure the long-term success of the SICOG Housing Trust Fund, it will be necessary to complete a comprehensive region-wide assessment and action plan to study other specific and unique needs. A study of owner-occupied rehab needs was completed in the recent past. Other areas of interest include rental needs, affordable new construction, “green” housing, and special needs housing. As these factors are identified, future investment priorities in the HAP may change.

VI. Program Guidelines/Implementation

Sources of Funds

The SICOG HTF is anticipated to have approximately \$300,000 available for distribution to projects in FY 2020. Matching funds will be used to cover all eligible costs including payments to housing partners. Match funds will also be used to expand the amount of projects that can be completed with the grant funds. Other funds, local investment, and support from individuals and government entities will also be used in many of the projects funded with the SICOG HTF. Beyond the direct match, other funds may be interjected from time to time into the fund or as a match to individual fund activities.

Fund Raising Activities

The Board may solicit contributions from various sources (see “collaboration” below). In addition to cash from various sources, governments, organizations, and individuals may donate housing lots or land for development to the Trust Fund, which could be sold, developed, or used as a match. The Trust Fund will work to develop dedicated funding sources such as Tax Increment Financing (TIF) revenues from existing and future development. The Trust Fund will explore other dedicated funding sources, including:

1. Cities
2. County
3. Development corporations
4. Banks
5. County gaming foundation
6. Casino based in Clarke County
7. Realtors
8. Insurance agencies
9. Utilities (both public and private)

10. Private companies (large employers)
11. Nationwide Insurance Foundation
12. Principal Financial Group Foundation
13. United Way
14. Aviva Charitable Foundation (other insurance foundations - state farm etc.)
15. Engineering Companies
16. Construction companies (home builders)
17. Major Credit Card foundation (example <http://www.capitalone.com/about/corporate-citizenship/economic-development>)
18. Crowd funding (internet begging)
19. Review contributor to major project or building i.e. Civic Center, HyVee center etc

Collaboration

The SICOG HTF will work with established groups to sustain the housing effort. These groups include:

1. County and city economic development groups,
2. City and County governments,
3. Habitat for Humanity of Union County,
4. Area Community Action Programs/Agencies (weatherization),
5. Connections (Area 14) Agency on Aging,
6. Southern Iowa Regional Housing Authority,
7. Non-profit and private affordable housing developers,
8. Area real estate agents and lenders,
9. Area construction coalitions,
10. Regional private foundations, such as Wells Fargo Housing Foundation, Alliant Energy Foundation, BNSF Railway Foundation, and others
11. Local municipal utilities,
12. Federal Home Loan Bank of Des Moines,
13. Iowa Finance Authority,
14. Iowa Economic Development Authority, and
15. USDA-RD Indianola and Atlantic offices.

Collaborative activities include funding, cooperative agreements, developer agreements, marketing programs, and sweat equity programs.

Income Limits and Targeting Goals

All funding will be provided to low to moderate-income families, or those with adjusted annual incomes of not more than the GREATER of either 80% of the statewide median income limit, State Housing Trust Fund median income limit as published annually by the Iowa Finance Authority or 80% of the Mortgage Revenue Bond (MRB) limit as published annually by HUD or the Federal Home Loan Bank, as appropriate. At least 30% of the available LHFT funds received from the State and match will be provided to ELI families, or those with adjusted annual household incomes at or below 30% of the statewide median income limit as published annually.

Initially, program funds will be used only for the projects and programs described above. Priority will be given to the following applicants/recipients:

- Households with occupant(s) tested to have elevated blood levels (EBL) of lead, and the repairs will remove or eliminate lead hazards;
- Low and very-low income households subject to low incomes not of their own fault;
- Frail elderly, homeless, and severely handicapped persons;

- Member communities that provide strong local support and leveraging; and
- Private and non-profit developers of housing with a strong track record and local support/leveraging.

The use of the State HTF award and local match funding, including the ratios of grant to local funds used, will be at the discretion of the Board, subject to the approved HAP and other State HTF requirements.

Program Funding Types and Limitations, Underwriting Criteria

Funding will be provided to program clients in the form of a loan or grant depending on their adjusted gross annual income and individual needs. The types of funds given will vary widely by the priority ranking of the type of project, the financial need, and the quality of the individual proposal. Developers, sub-recipients, and final users must apply for assistance to the Board of Directors. SICOG staff will assist the Board in reviewing applications and providing recommendations to the Board. Any variations in eligibility and underwriting criteria will be subject to approval by the Board. It is the intent of the SICOG HTF to allow for flexible criteria in this area in order to critically address all unforeseen situations. Generally, SICOG HTF will limit assistance to developers and owners that are able to address all minimum application and eligibility criteria and demonstrate competence in the role in which they take. For a developer, we will look for good references along with inspections of previous work. For an owner, we reserve the right to inspect their current residence to determine project feasibility. In all cases we reserve the right to perform background checks on all applicants.

Borrower or Project Match/Leverage Requirements

The investment beyond the match for the SHTF funds will be provided by entities that directly benefit from the individual programs and projects. These will include cities, counties, developers, homeowners, lenders, and non-profit groups. Generally, the fund will leverage a substantial contribution from any third party, usually 80% or more, filling a gap in funding needs. SICOG staff will perform a thorough gap financing analysis as needed for proposals and will require from applicants complete pro formas and other analyses, as applicable to make wise funding decisions and reduce the risk of project failure.

V. Impact and Longevity

The SICOG HTF will address many housing needs and will leverage other funds to meet a larger portion of the need over the long term.

Program Benefits in the Next Two Years

Our proposal will spread a limited funding base over 8 counties. The dedication of a reliable source of regional funding and the SICOG HTF's timing flexibility will create more housing development capacity in our region.

Over the next two years, we anticipate the following direct economic, social, health, and safety benefits:

- Assistance to all known low-income families with lead poisoned children who seek assistance.
- Removal of dilapidated structures, when appropriate, that are safety and health hazards as well as detrimental to local economic development efforts.
- Assistance to current and new residents for getting into a newer home, thus allowing business expansion in this area and schools to remain viable.
- Target at least ten new loans and/or grants will be done over two years that would not have been done otherwise, which will allow the region to build capital more easily.
- Allow for greater market activity (more buyers, improve rental quality, more senior options, etc.), so that people can more easily find and afford the type, size, and location of housing they need on a regional level.

- Increase in the number of programs and investment in them by local jurisdictions.
- Attraction of more housing investment funds from outside the region and the state.
- Address poverty housing through partnerships with groups assisting those in greatest need.

Fundraising and Potential Long-term Sources

Over the long-term, the SICOG HTF will become more self-sustaining through the use of a combination of 1) program income from repayable and recaptured loans, 2) fees for services, 3) supplemental grants, and 4) contributions from local communities that see the success of our effort. We intend to raise funds from other grant sources to make projects happen. While not all these funds will go directly into the SICOG HTF, they will be used on some of the same projects that the housing trust funds will be used. Local match sources for future SICOG HTF grant applications to IFA may also include city cash, utility reductions, TIF, tax abatement, enterprise zone funds, sweat equity, and other commitments, as the nature of fund use is better known. SICOG staff will fundraise through marketing also, attempting to secure donated property and services as means to make individual projects more feasible and to sustain the Fund.

VI. Administrative Procedures

Staffing Plan

The staffing plan for SICOG HTF is necessary to ensure efficient and effective management of the program. The SICOG HTF will contract with the SICOG for support staff services. Staffing needs to accomplish the goals of the LHTF for the next year include:

- Expert Administration: experienced staff who know how to properly administer funds, including fiscal management;
- Outreach: dissemination of information on availability of programs is crucial to ensuring that those that need assistance most are aware that it is available;
- Intake & Verification: since all funds will be used for low and moderate income individuals, staffing is necessary to accept application and verify income eligibility;
- Inspection & Construction Management: necessary to determine specific structural needs and ensure proper completion of specified lead remediation and other repairs; and
- Loan Servicing: sufficient fiscal management is necessary to ensure timely repayments on loans made.

All of the necessary staffing functions are currently available at SICOG. The staff members at SICOG have a combined 75 years housing experience. Most employees have direct experience in one or more of the housing programs identified. SICOG currently does all the of the housing underwriting processes from program marketing, fund management, loan underwriting, inspections, contractor management, and lead paint inspection. SICOG has access to outside resources to meet gaps in capacity, as identified.

VII. Summary and Action Plan

1. Multiple Housing Needs.

Focus will remain on primary housing needs identified in this study. Further study is still needed to determine more precisely the level of need for some categories, such as rental and special needs housing.

2. Plan for the Future

In addition to the housing needs that are already identified and those to be identified in the comprehensive assessment, several key activities must be addressed in order for the SICOG Housing Trust Fund to succeed into the future. It will be important to look for ways to secure long-term, committed funding for the LHTF. This will include advocacy to government sources for permanent funding and working with potential new partners to secure matching funds.

3. Experienced Staff in Place

The staff members necessary for a successful SICOG HTF have been engaged through an agreement with the SICOG. Many years of expertise in running housing programs and identifying needs ensures that the SICOG HTF will help address the housing needs of the region.

4. Interface Between State and Local Housing Organizations

SICOG is also a front-line networking group with local developers and housing providers (public, private, and non-profit) and can distribute funds to these organizations as needs arise, thus reducing reliance upon outside sources for urgent and sudden change in needs and reducing the flood of local applications to outside sources for special community projects. SICOG was created in part by state and federal officials to act as an interface between local city and county governments and the state and federal government.