

Southern Iowa COG Housing Trust Fund, Inc.

Housing Assistance Plan

Approved September 3, 2025



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.

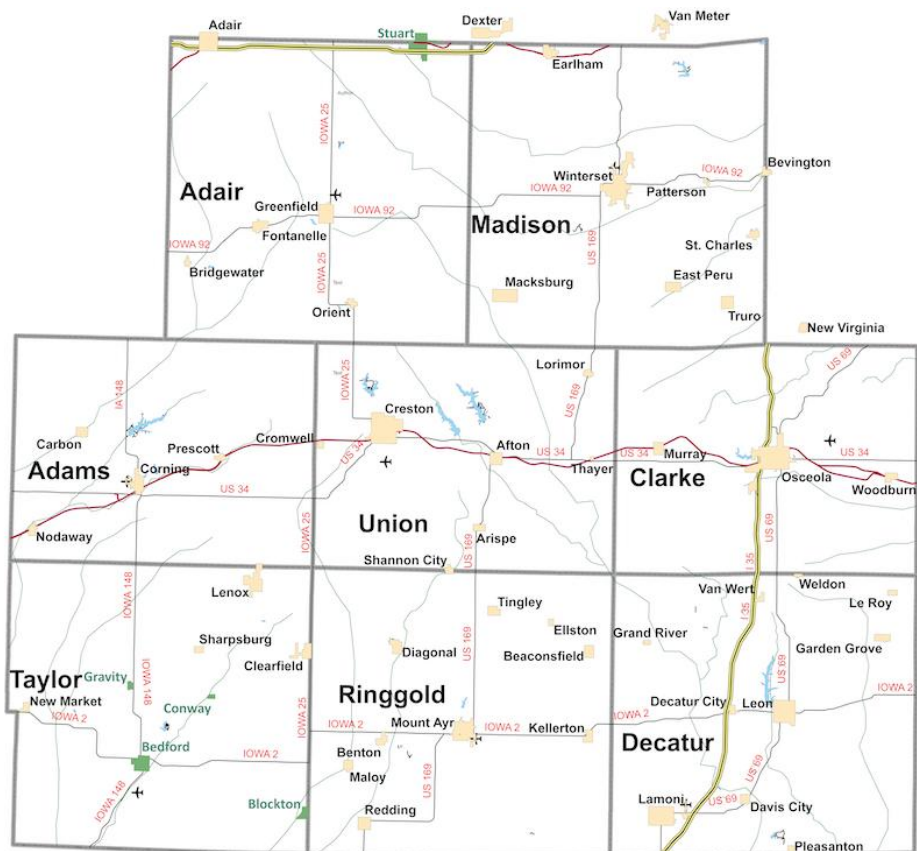
Mission

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.

SICOG HTF AREA



II. Needs and Programs

Iowa as a whole and rural Iowa especially have a worsening housing crisis. The increased need for housing has not been adequately met with new construction, rehabilitation, and conversion activities. This is especially true in rural communities with stagnant populations and rapidly aging housing stocks. While the State Housing Trust Fund program, and its regional Local Housing Trust Funds, are making a difference, the need to continue to invest in the trust funds is ever-present.

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 among the oldest in Iowa. 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

2020-2024 POPULATION TRENDS

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County	Region
2020	3,190,369	7,496	3,704	9,748	7,645	16,548	4,663	5,896	12,138	67,838
2024	3,241,498	7,431	3,606	9,524	7,656	17,161	4,608	5,825	11,955	67,766
CHANGE	51,129	-65	-98	-224	11	613	-55	-71	-183	-72
% CHANGE	1.6%	-0.9%	-2.6%	-2.3%	0.1%	3.7%	-1.2%	-1.2%	-1.5%	-0.1%

Source: 2020 Decennial Censuses and 2024 Annual Population Estimates (obtained 8/25)

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. Since 2020, it is notable that the rate of population decline has greatly slowed and regionally is almost zero. The more rural counties continue to lose population but not at a rapid rate. Local economic fluctuations and the lack of available housing at the local level appear to be larger problems in recent years compared to the overall rural-urban divide.

Overall, the declines in the region have been due to the higher death rate compared to birthrate in the region. The migration trends vary by county and in most cases are likely inward even in counties that lost population overall. Notably, due to shrinking household sizes, housing demand stay strong even in shrinking counties.

2023 ESTIMATED HOUSEHOLD INCOME

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County
Median household income	\$71,433	\$66,176	\$68,828	\$66,821	\$57,146	\$89,542	\$69,821	\$67,279	\$56,813
Percent of statewide median	---	92.6%	96.4%	93.5%	80.0%	125.4%	97.7%	94.2%	79.5%

Source: 2023 ACS US Census Five Year Estimates (obtained 8/25)

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 traditionally

the state's lowest but Union's was actually lower, according to this estimate. Many of the region's workers are employed 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.

HOUSING VALUE, COST, AND AGE IN 2023

	Iowa	Adair County	Adams County	Clarke County	Decatur County	Madison County	Ringgold County	Taylor County	Union County
Median Year Built	1972	1961	1955	1975	1970	1977	1965	1956	1964
Median gross rent	\$949	\$730	\$909	\$836	\$633	\$938	\$745	\$707	\$683
Median owner mortgage	\$1,483	\$1,309	\$1,288	\$1,453	\$1,292	\$1,776	\$1,607	\$1,146	\$1,179
Median owner no mortgage	\$611	\$597	\$487	\$667	\$578	\$686	\$646	\$478	\$577
Median owner home value	\$213,000	\$140,600	\$116,900	\$160,200	\$109,500	\$236,900	\$150,300	\$109,700	\$177,800

Source: 2023 ACS US Census Five Year Estimates (obtained 8/25)

The homes in the SICOG HTF region skew older to much older than the statewide average, especially in counties farther removed from Des Moines. In all counties except Madison, the largest share of homes was built before 1940. 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 percentage of housing built since 2010 is much higher (11.2%) 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.

Housing condition "windshield surveys" verify that housing age and deteriorated condition are highly related. Few new homes are being built and some counties are actually losing total number of structures or seeing more of them being abandoned. This is most pronounced in small towns and rural areas.

Housing costs and values trend slightly lower than the statewide average. The difference in median housing costs compared to median income when comparing counties in the region to one another and the state is concerning. In some counties, a high percentage of residents are cost burdened or "house poor."

Housing values vary widely by county. The very low values of some counties, such as Decatur and Taylor, only 50% of the statewide median, is a great concern when we consider the lack of appreciation of housing values on some areas.

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 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 need repairs beyond what they can afford.

In general terms, the region and its counties have higher poverty rates, less disposable income, and greater reliance on fixed income sources compared to the state as a whole. This means our region is unable to weather growing housing costs, repair costs, and prices as well as others.

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).

Most of the outright grants offered by the SICOG HTF will go to projects serving this population.

Continuum of Care Needs

This region has relatively few homeless people, and most that are homeless are due to domestic violence or loss of employment. Generally, such homelessness is short-term. The region's continuum of care needs are largely met 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.

The goal is to provide housing to get people into homes they can rent until the time is suitable for them to purchase. This will be done primarily through support of organizations that serve these various needs and by providing housing development and rehab assistance to ensure the housing supply exists.

Area of Stagnant Population and Declining Housing Markets

Parts of the region, specific counties, cities, and neighborhoods in cities, have declining housing markets. A major goal of the SICOG HTF continues to be the focus on those areas in the hopes that housing values begin to increase and lenders can again make loans for homes and home improvements in those markets.

Other Needs

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

- Housing upgrades and renovations have slowed due to the pandemic and commodity prices. The rental market is depressed. Financial institutions are cautious in whom they are lending.
- The decentralization of rural health care means that more people are staying in their homes 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. Decent private apartments are still way below need. We are starting to see more interest in providing upper story housing units in many of the communities. Lack of housing hurts our ability to attract and maintain educated young adults and new high-growth employers.

Priorities and Preferences

The SICOG Housing Trust Fund staff and board will seek applicants that will create projects and programs the accomplish one or more of the following:

- Address the continuum of care needs of the region.
- Encourage people to age in place.
- Meet the 30% AMI requirements of the program.
- Provide quality housing and services.
- Fall within the project types outlined above.
- Grow the number of housing units in the region.
- Preserve existing housing stock.

Collaboration

The SICOG HTF will endeavor to engage more organizations, local governments, and developers to ensure that funds are used in a timely manner and for quality and financially feasible development projects. To accomplish this, 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. Fuller Center for Housing for Southern Iowa,
4. Area Community Action Programs/Agencies,
5. Connections Agency on Aging 14,
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.

III. Program Guidelines/Implementation***Sources of Funds***

The SICOG HTF is anticipated to have approximately \$404,068 available from the Iowa Finance Authority via the SHTF program for distribution to projects in FY2026 LHTF Program funding round. Additionally, matching funds of approximately \$101,017 will be used to complete the program for 2026. Match funds will be used to expand the number 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.

Proposed Activities

Since the SICOG HTF was created many years ago, we have noticed evolving needs, changes in demands and requests for the funds for projects, regulatory changes to the funding, and changing local capacity to manage the funds. With these factors in mind, the FY 2026 HAP proposes a more condensed range of activities compared to the past.

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. RENTAL SINGLE-FAMILY AND MULTI-FAMILY NEW CONSTRUCTION, CONVERSION, AND REHABILITATION (40%)

A growing need exists for senior and family housing, particularly those with supportive services. Private new development may be supported with loans in markets showing a strong demand for low-income rental properties. Emphasis will continue to be directed towards existing facilities that need interior and exterior renovation (heat systems, roofs, bathrooms, plumbing, and other repairs) to assist with maintenance costs in an effort to keep rents affordable. Upper-story rehab and conversion will also be sought as a part of downtown revitalization efforts.

2. OWNER-OCCUPIED REHABILITATION (30%)

A major goal of the SICOG HTF 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 complement other programs that currently exist in the area for home repairs. SICOG employs a staff person qualified to test paint for lead, perform inspections, and handle mitigation activities.

3. INFRASTRUCTURE, LOT DEVELOPMENT, AND NEW CONSTRUCTION (15%)

This portion will be used to build the capacity of our local governments and non-profit and private builders to build “missing middle” and workforce housing. The goal is to take advantage of available land for greenfield new development and infill opportunities. Extension of infrastructure and demolition of dilapidated homes are included.

4. OTHER HOUSING PROJECTS, OPPORTUNITIES, AND SPECIAL PROGRAMS (15%)

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

These activities are identified as continual needs and needs that can be assisted by the HTF. By focusing on a few key activities, we feel we can make a notable difference in many communities.

Program Funding Types and Limitations, Underwriting Criteria

Funding will be provided to program clients in the form of a loan or grant depending on gross annual income, individual needs or type of project proposed by a developer. The types of funds given will vary widely by 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. Required terms and conditions of the investment, including types of security, regulatory agreements, and/or periods of affordability will be based on the project, the terms, the applicant and/ or collateral available. At a minimum the SICOG would expect a portfolio leverage of one (1) HTF \$ to a twenty-five (25) \$ match/leverage. Security will be a

mortgage or recapturable forgivable mortgage. Periods of affordability will be established by the Board, following IFA approval.

Income Limits and Targeting Goals

All funding will be provided to low to moderate-income families, or those with 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 for this program. At least 30% of the available LHTF funds received from the State and match will be provided to ELI families, or those with 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.
- 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.

Funding Limits Per Unit or Per Project

The Board will establish limits per unit or per project based on the type of project, income of the beneficiaries, overall project impact, and availability of funds. The HTF will not advertise a maximum funding limit in order to encourage creative program proposals.

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 contributions from any third party, usually filling a gap in funding needs. SICOG staff will perform a gap financing analysis as needed for proposals and may require applicants to complete a pro forma and other analyses, as applicable to make wise funding decisions and reduce the risk of project failure.

Recaptured Funds and Match

The 25% match must be directly to the SICOG HTF and cannot be simply part of the project funding stack.

If loan payments to the LHTF are being pledged as required local match for the, all the following must be true:

- The local match funds are comprised of repayments from loans that have a term greater than 12 months.
- The original loans are not construction loans, regardless of the term of the loans.
- The funds have not been used as local match in any prior LHTF program application submission.

Recaptured funds can be used to assist projects with beneficiaries with incomes up to 120% AMI.

IV. 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.
- Effective engagement with employers and development organizations to create and sustain quality jobs.
- Reducing the incidence of housing with lead, asbestos, and other environmental hazards that impact public health.
- Encouraging social interaction through quality housing that enables people to live where they wish to live and in place longer into the aging process.
- Creation of capacity for construction trades employment and small business.
- Leveraging of outside resources for the benefit of the region.
- Appreciation of property values and the tax base.
- Allowing for greater market activity (more buyers, improved 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.
- Increasing in the number of programs and investment in them by local jurisdictions.
- Addressing 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 using 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 will attempt to raise funds from other grant sources to increase our impact beyond the required match. 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 funds may include city cash, utility reductions, TIF, tax abatement, tax credits (State, Federal), sweat equity, and other commitments, as the nature of fund use is better known. SICOG staff will attempt to fundraise through marketing also, attempting to secure donated property and services as means to make individual projects more feasible and to sustain the Fund.

Increases in funding from the State or others requiring a "match" could create difficulties, since the SICOG region is a large geographic area, but its financial base (contributors) is small. Rural areas have limited opportunities for additional match. Urban HTFs have the corporate HQ (banks, industries, engineering firms, manufacturers, insurance, etc.), and thus connections because of relationships, board members, etc. In contrast, SICOG's HTF has small community banks and company subsidiaries that are not empowered to support our HTF.

The Board may solicit contributions from various sources. In summary, some funding sources may include:

1. Local government entities
2. Private individuals
3. Development corporations
4. Banks
5. Local and community foundations
6. Real estate agencies
7. Insurance agencies
8. Utilities (both public and private)
9. Private companies (large employers)
10. Engineering companies
11. Construction companies (home builders)

V. 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 who 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.
- **Loan Servicing:** sufficient fiscal management is necessary to ensure timely repayments on loans made.

All the necessary staffing functions are currently available at SICOG. The staff members at SICOG have extensive housing experience. Key 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.