



Housing Trust Fund
of
Johnson County

2024

Housing Assistance Plan

DRAFT

I. INTRODUCTION

The mission of the Housing Trust Fund of Johnson County is to impact community development through the promotion and support of housing that is affordable. The organization supports affordable housing in Johnson County by providing a flexible and innovative source of funds to help finance projects that serve the housing needs of Johnson County residents with low incomes. Trust Fund financing must target Johnson County households with income at or below 80% of the area median household level. The Trust Fund promotes housing that is affordable by working collaboratively with public and private entities to raise awareness regarding the essential role that affordable housing plays in the economic and social development of local communities.

II. HOUSING NEEDS IN JOHNSON COUNTY

Johnson County has a longstanding and well-documented need for housing that is affordable. The presence of the University of Iowa, the economic vitality of the Cedar Rapids/Iowa City corridor and a shortage of public funds for housing are among factors that make it difficult for households with low incomes to secure housing that does not put a strain on their household budgets.

Johnson County has experienced a population increase of 21.8% since 2010, increasing its housing cost. Moreover, while real housing costs have increased over time, real incomes have not – particularly at the lower end of the wage scale, making it even more difficult for residents with low incomes to afford housing.

The current “housing wage” in Johnson County is \$21.67 per hour which is the highest in the state of Iowa and \$3.10 more per hour than the average in Iowa. The “housing wage” is the wage a person would need to make to afford a modest two-bedroom apartment within Johnson County (2023, Out of Reach).

There are at least 12,030 households in Johnson County with incomes below 30% of the area median income which translates to “extremely low-income”. (Consolidated Planning/CHAS Data – 2019)

According to the Better Together All In Vision publication Strategies for a 2030 Shared Future in Johnson County:

“Affordable housing **rose to the top of the priorities** for all participants in this foresight process and it was consistently described in each of the five focus areas critically important to sustainable community development in our region. The 2030 vision undertakes supporting affordable housing initiatives as an economic development and community development priority of the region, understanding that housing is a central critical, and essential right for every individual in our community to thrive.”

The City of Iowa City’s Consolidated Plan (2025) includes the following goals as a reflection of the need for more affordable housing:

- Increase the number of affordable rental housing units including through new construction and acquisition
- Support homebuyer activities such as down payment and/or closing cost assistance
- Rehabilitate and improve owner-occupied housing units
- Rehabilitate and improve renter-occupied housing units

A. Homeownership

According to the American Community Survey (ACS), the median value of owner-occupied housing in Johnson County was reported to be \$177,000 in 2010 and increased over nine percent to \$193,600 in 2015. And, in 2021, the median value was up to \$248,700.

According to ACS in 2019 (the most recent available and prior to the current Covid-19 pandemic) 15% of homeowners (5,230 households) in the county were considered cost-burdened (paying more than 30% of their income for housing).

Anecdotal reports from bankers and realtors indicate that current economic conditions are making it more difficult for individuals with lower incomes to obtain mortgage financing. In addition, ever increasing land costs have led to what one realtor shared regarding affordable entry level housing – “It simply does not exist in Johnson County”. Credit issues remain a significant barrier to homeownership to households across the economic spectrum, but households with low incomes are particularly affected since it is more difficult for them to address credit issues while continuing to provide for household necessities. In a very recent conversation between a local Realtor and a local banker, the need to have a downpayment of at least 20% was cited – or about \$37,000 for a manufactured housing unit with a sale price of \$185,000. It stands to reason that people making a lower wage would have difficulty saving for a downpayment to support homeownership.

Iowa Valley Habitat for Humanity is the major nonprofit provider for affordable homeownership purchase opportunities in Johnson County. Relying on a significant level of volunteer labor to build homes, the Covid-19 pandemic caused a delay in traditional building projects. Supply issues and rising prices have continued to complicate Habitat’s efforts.

Iowa City Housing Authority provides for some limited homeownership opportunities through its programs.

It has become increasingly difficult for private developers to build affordable housing citing zoning, design requirements, materials, supply chain problems, and labor issues as driving up the cost of building homes.

HTFJC has funded private initiatives offering down payment assistance in order to assist buyers with lower incomes with home purchase and committed funding for ten new homeowners in the near future through the Homes For Iowans program which involves homes built off-site which has helped with some of the problems mentioned with traditional projects. Ultimately, HTFJC funding was not needed for the Homes for Iowans project. This past year HTFJC committed funding to support a project that plans on using 3D printing technology.

The City of Iowa City is promoting homeownership opportunities in a specific neighborhood with the goal of having monthly housing expenses below the cost of rent. The City of Iowa City is also partnering with GreenState Credit Union and Hills Bank and Trust to provide down payment assistance in the form of a forgivable loan.

In addition to the cost of purchasing a home in Johnson County, a potential challenge for homeowners is the cost to conduct the repairs required to maintain the home as a safe and a decent place to live. Included in that is the need to make homes accessible for persons with disabilities and more livable for the county’s aging population. Because Iowa City is an entitlement city for HUD funding, the City offers a rehabilitation

and an emergency repair program to homeowners with lower incomes. Both the City of Coralville and the City of North Liberty have also received state funding for such programs.

HTFJC has sponsored owner-occupied minor rehabilitation programs to assist homeowners who cannot afford to make needed repairs on their homes. Available funding has not met the need for the repair programs in Johnson County. Twenty slots for owner-occupied rehabilitation funded by the Federal Home Loan Bank (FHLB) and HTFJC with \$359,000 were filled in a matter of days and completed in 2022. An application for FHLB funding for ten additional homes in the future was approved and work began in 2022 and was completed in 2023. An application submitted to assist ten additional homeowners in 2023/2024 through the FHLB program was not funded. Johnson County is providing American Rescue Plan Act funding for homeowner rehabilitation. HTFJC submitted an FHLB application for 2024 and we are waiting for a decision regarding that funding.

HTFJC awarded a \$50,000 grant to Iowa Valley Habitat for Humanity to assist homeowners with incomes below 30% AMI who need repairs to remain in their homes and nine households were assisted. An additional \$50,000 grant was awarded to Habitat and three households have received \$17,552 in assistance to date.

B. Permanent Rental Housing

More than half of rental households in Johnson County (51% and 12,460 households) were cost-burdened in 2019 – prior to the Covid-19 pandemic. Households living in cost-burdened housing are at higher risk of experiencing homelessness. Perhaps the most startling indication of the need for housing that is affordable is that 67% of the renters who are cost-burdened (8,295 households) are severely cost-burdened – paying more than 50% of their income on their rent and utilities (ACS, 2019)

According to the National Low-Income Housing Coalition (NLIHC), the monthly 2023 Fair Market Rent for a two-bedroom apartment in Johnson County is \$1,127. The wage necessary to rent that size apartment affordably was \$21.67 per hour, or \$45,080 annually. Johnson County has the highest “housing wage” in Iowa.

The actual average renter’s wage in Johnson County was reported to be only \$13.45 per hour with a corresponding monthly affordable rent of \$699 per month which is well below the Fair Market Rent for even a studio apartment in Johnson County at \$810 per month. A person making the average wage for renters would need to work 67 hours per week (or 1.6 full time jobs) to afford a two-bedroom apartment at Fair Market Rent. Someone working full-time at minimum wage would be able to afford \$377 in rent in Iowa.

The 2021 Multi-Family Housing Survey done by Cook Appraisal estimates that the vacancy rate is 6.45 percent in the Metro area. The Survey collected data regarding 6,275 apartment units throughout Iowa City, Coralville, North Liberty and Tiffin. According to the survey, North Liberty was experiencing the lowest vacancy rate at 0.35 percent overall and 0 percent vacancy rate for one- and two- bedroom apartments.

Rent increases in Johnson County from 2015-2017 (Cook Appraisal) were highest for efficiency units at 29.89 percent and 17.92 percent for a two-bedroom apartment. Wage increases have simply not kept pace with housing cost increases.

Public housing provides some affordable rental units. As of August 31, 2023, The Iowa City Housing Authority has 86 units of public housing and administers 1,266 Housing Choice, 95 HUD/VASH Vouchers, 24 Project Based Vouchers at Cross Park Place, 36 Project Based Vouchers at 501 Project, 78 Mainstream Vouchers, 69 Emergency Vouchers, seven Stability Vouchers and 16 City Owned Affordable Rental Units.

The waiting list for Choice Vouchers as of August 21, 2023 had 8,611 total applicants with 1,089 applicants in the primary preference category (families with children under 18 years of age or elderly or disabled individuals living or working in the jurisdiction).

Nonprofit and for-profit developers use Low Income Housing Tax Credits, HOME and CDBG funds, as well as other public and private investments to develop and preserve affordable rental units. The Housing Fellowship, the county's largest nonprofit rental developer, provides 207 affordable units and nearly all have lower rent amounts.

C. Shelter and Transitional Housing

The Iowa City School District reported that 452 students came from families who are homeless during the 2022-2023 school year – a 31% increase from the 2021-2022 school year (after increasing 47% the prior year). One week into the 2023-2024 school year, more than 100 students have already been identified as experiencing homelessness. Many providers work closely with the school district to help support these families.

Shelter House, the only general use homeless emergency shelter in Johnson County, provided 24,478 nights of shelter from July 1, 2021 to June 30, 2022. Many of those served reported suffering from mental illness or other disabling conditions. The shelter was full most nights during the final quarter of the year. 329 adults and children had to be turned away during the year as the shelter was full.

Shelter House reported 881 people in 410 households had evictions prevented by the Emergency Eviction Prevention program over the past two years, but there were many people who did not have their leases renewed by landlords and needed shelter. Shelter House expects to see the number of people seeking shelter to remain high. They will continue to work to prevent housing crisis for people before they lose their housing. The eviction clinic, which began in 2021, has successfully obtained 206 Forcible Entry and Detainer dismissals and 116 continuances.

The Domestic Violence Intervention Program Emergency Shelter provided shelter to 354 adults and children in FY 2023 – a total of 18,131 nights of safety. The average length of stay was 52 days which was up 14 days over two years ago.

Fairweather Lodge, a service of Shelter House offering permanent supporting housing for people with complex mental health issues, served 22 people in 2022. HTFJC funds were used to help purchase another Fairweather Lodge in FY20. In late 2020, one of the Lodges was destroyed by a fire. HTFJC provided loans totaling \$296,515 for rebuilding the home with accessibility features and trauma informed design opened again in early 2022.

Shelter House's Rapid Rehousing Program assisted 400 individuals with securing housing to avoid being homeless or to shorten the length of experiencing homelessness in 2022.

The Housing First program offering permanent supportive housing - Cross Park Place with 24 units and 501 Project with 36 units were at 100% occupancy in 2022.

HTFJC committed \$200,000 to a critical HVAC project at the Shelter House Emergency Shelter and a grant for \$396,228 was awarded for critical rehabilitation of the shelter facility. HTFJC awarded a total of \$750,000 to the Domestic Violence Intervention Project (DVIP) for the new shelter currently under construction. DVIP is looking to double the capacity in the new emergency shelter facility.

While there are several organizations that provide supportive services to persons in need, the number of persons who are experiencing homelessness highlights the need for more supportive housing. Thus, emergency and transitional housing is a high priority need in Johnson County.

III. HOUSING TRUST FUND PROGRAMS

In response to the housing needs outlined above, HTFJC has worked to attract investments from a variety of public and private sources to create or administer programs that address needs across the housing continuum.

A. Revolving Loan Fund

The Trust Fund's revolving loan program has been the centerpiece of work done by the organization. The funds received from the State Housing Trust Fund, loan repayments, investments from local governments, and private contributions have all been used to capitalize this loan fund. As the fund has grown, the organization has built a track record of investing in successful projects. HTFJC has been able to amend its funding criteria to provide greater flexibility to applicants so that the financing truly meets the needs of specific projects.

1. Timing and Level of Funding: The HTFJC Board of Directors determines the amount of funding available on a quarterly basis. The amount of funding depends on contributions to the Trust Fund, repayments received/anticipated and the expected disbursements of obligated funds.

The Board of Directors determines the level of anticipated funding at its business meetings four times per year. The Board may also determine whether the funds may be committed to long-term or short-term commitments or a mix of both. The Distribution Committee reviews applications received and makes funding recommendations to the full Board. HTFJC will consider funding requests outside of this timeline if prospective applicants can show a compelling need and the funding requested promotes the goals of the Housing Trust Fund. HTFJC has guidelines for per unit funding limits and is generally not the only source of funding for a project.

2. Eligible Applicants: Businesses, nonprofits and governmental entities are eligible to apply for financing. All applicants must have the capacity to complete the proposed projects. The Distribution Committee analyzes the capacity of the applicant, performance on prior projects, etc. Applications from individuals for personal use will not be accepted.

3. Funding Determinations: Financing is only awarded for projects within Johnson County that serve households with incomes at or below 80% of the area median household income. HTFJC determines whether the proposed projects are financially feasible and reserves the right to reject any application that fails to meet that threshold.

In order to give HTFJC the maximum amount of flexibility in determining the projects to be funded, and to give applicants the ability to apply for funding that best suits the needs of their project, the HTFJC Board of Directors considers each application on a case-by-case basis.

Primary factors that are considered in reviewing every application include:

- The population served by the project. HTFJC will give preference to projects that serve lower income populations, especially those at or below 30% of area median household income if the project is financially feasible.
- Other resources leveraged by the proposal. HTFJC will consider the amount of other public and private resources that will be invested in the project.

HTFJC seeks to provide funding to a variety of applicants to support a diverse spectrum of projects throughout Johnson County. Therefore, HTFJC also considers all proposals in light evaluating current and past financing awarded and may give preference to projects that enhance the diversity of housing funded.

As an organization, HTFJC must also ensure that financing is awarded in a financially prudent manner. Therefore, funding decisions, including terms agreed to by HTFJC, will depend on a variety of factors including the level of risk involved in the project, the level of outstanding obligations and anticipated repayments and contributions to the Trust Fund.

Finally, HTFJC considers whether the proposal provides a unique opportunity to help advance its mission to *promote* affordable housing in Johnson County. These types of projects may not be for construction or preservation of housing units but may assist HTFJC in meeting its mission to promote and support affordable housing in Johnson County.

4. Terms of Funding: Applicants are invited to propose the levels and terms of funding that best suit their projects. If the Board of Directors approves funding, HTFJC negotiates the final terms of the financing to be awarded. The level of return required depends on several factors including the amount of financing requested, the length of the term, financing already awarded to other projects, the proposed term of affordability for the project, the income level to be served, and current market conditions. In all cases, the applicant must demonstrate why the project would require the terms they are requesting. HTFJC reserves the right to award more favorable terms to projects that target residents with lower incomes.

Applicants are invited to propose a timeline, which allows them to secure all other funding commitments and begin drawing HTFJC funds. The Board will use the proposed timeline in deciding whether to approve the funding. Failure of the applicant to secure commitments or begin the project as proposed are grounds for HTFJC to terminate the agreement so that funds can be used for other projects.

5. Process: Final determination of awards rests with the Board of Directors. The Executive Director provides advice to prospective applicants regarding the anticipated level of funding that will be available and the terms the Board is likely to consider for approval. Because the level and terms of funding is flexible, applicants enhance the possibility of approval by working with Trust Fund staff when developing their proposals.

Upon submission, the applications are reviewed by HTFJC staff and additional information may be requested. The Distribution Committee reviews the applications and makes funding recommendations to

the Board. Applicants may be invited to attend the Distribution Committee meetings to answer questions about their project.

B. Owner-Occupied Home Rehabilitation

In collaboration with the East Central Iowa Council of Governments (ECICOG) and Hills Bank, HTFJC has administered an Affordable Housing Program grant through the Federal Home Loan Bank of Des Moines. This grant, when available, provides forgivable loans to homeowners to assist with necessary repairs and remodeling needs. The funding is applied throughout Johnson County, excluding City of Iowa City homeowners because of the City of Iowa City's existing housing programs. HTFJC dedicates Housing Trust Fund dollars as match to supplement this program.

Twenty households were helped via the funding cycle that closed out in 2022. Ten additional rehabilitation projects were completed in 2022-2023. HTFJC's application for ten additional homes for 2023 was not funded and we requested funding for 2024. There is always a waiting list for needed owner-occupied rehabilitation.

HTFJC has an existing open award with Iowa Valley Habitat for Humanity offering owner-occupied emergency and rehabilitation assistance for households with incomes below 30% AMI.

C. Other Grant-Funded Programs

HTFJC works to increase the resources available in Johnson County to address housing needs. Therefore, the Trust Fund strives to collaboratively secure grant funding that is consistent with its mission whenever possible. Recent grants have been secured from financial institutions, the Community Foundation of Johnson County and a private foundation.

D. Education and Awareness

HTFJC promotes affordable housing in Johnson County by working collaboratively to educate the public about the need for affordable housing and to advocate for greater understanding of the social and economic benefits of addressing housing needs.

HTFJC held "Housing Trust Fund Week" again in 2023 and proclamations were made by Johnson County, City of Iowa City, City of Coralville, and the City of North Liberty to help share information about HTFJC and the role it has in supporting and promoting housing that is affordable. In addition, an "Affordable Housing Highlights" program drew 20 participants who had the opportunity to learn about specific housing that was created and preserved in 2022.

In the past HTFJC hosted two housing summits and co-sponsored an affordable housing conference. The first summit focused on affordable housing as a key component of economic development. The second summit reported on the results of state and local assessments of housing needs. HTFJC co-sponsored an affordable housing conference with the Johnson County Affordable Housing Coalition, which was attended by nearly 150 community leaders and others.

HTFJC, in conjunction with the Johnson County Affordable Housing Coalition, will be hosting 56 community leaders on affordable housing bus tour in early October 2023. We plan to offer additional tours to help illustrate investments that have been made and the need for additional housing that is affordable.

Trust Fund staff have also served on a variety of committees, such as one that studied the affordable housing market, a Rural Housing Advisory Committee, the JCCOG Affordable Housing Committee, Joint Government Affordable Housing Committee, a Mobile Home Task Force, City of Iowa City Inclusionary Housing committee, Livable Communities Housing Action Team, The Johnson County Historic Poor Farm Committee, the Local Homeless Coordinating Board and the Johnson County Affordable Housing Coalition. HTFJC joined the Greater Iowa City Area Homebuilders and the Greater Iowa City Area Apartment Association to further our outreach. HTFJC was part of Project Better Together and provided leadership on the Housing subgroup aimed at preventing evictions and foreclosures due to Covid-19. HTFJC participated in the development of the City of Iowa City's recent Affordable Housing Plan.

IV. RESOURCE DEVELOPMENT

A past challenge for HTFJC has been to secure enough investments through grants and donations to both provide a meaningful contribution to affordable housing initiatives while also stabilizing its own organizational operations. Because of the recent local government commitments to affordable housing and their confidence in the work of the HTFJC, resource development has not been as great of a challenge.

Historically, the State Housing Trust Fund program had provided most of the funds used to capitalize the Trust Fund's revolving loan fund. In recent years, the City of Iowa City and Johnson County have increased their contribution for direct affordable housing expenditures. In FY24, the two entities will again contribute a combined \$1.2 million. Eight percent of the City of Iowa City fund will go to administrative expenses. Johnson County will provide \$39,000 for needed operating and program expenses.

A growing source of our operating expenses comes from interest income on loans provided to housing developers.

HTFJC continues to pursue other grants, collaborations, investments, and contributions to promote and support the preservation and creation of affordable housing in Johnson County. HTFJC has continued making requests for funding to local financial institutions. This past year HTFJC was able to apply support from banks and credit unions for owner-occupied rehabilitation and to support the addition of the temporary part-time Affordable Housing Development Specialist who helped to recruit applications for funding opportunities.

IV. COLLABORATIONS

HTFJC has forged collaborative relationships with businesses, nonprofits, community leaders and organizations to help further its mission to promote and support affordable housing in Johnson County.

As described in other parts of this plan, HTFJC has worked with various entities such as the Iowa City Housing Authority, the East Central Iowa Council of Governments, the United Way of Johnson County, the Iowa City Area Association of Realtors, the cities of Iowa City, Coralville, North Liberty, Johnson County Board of Supervisors, and many lenders and builders to increase the funding that is available to support housing programs.

HTFJC seeks to build and sustain partnerships with many groups and leaders in Johnson County to help create greater understanding of housing issues affecting the community. HTFJC staff has fostered

relationships with many private entities including homebuilders, realtors, nonprofits, and citizen interest groups.

HTFJC staff provides support to the Local Homeless Coordinating Board (LHCB) serving as the fiscal agent for the board.

HTFJC board has set aside funding in the last six fiscal year budgets for the Johnson County Affordable Housing Coalition (JCAHC) to assist them with their public education/awareness campaign regarding affordable housing. HTFJC has been a major consistent financial contributor to the Affordable Housing Coalition's initiatives. In 2020 and 2021, HTFJC increased the contribution to help JCAHC engage in capacity building including fundraising to help secure their future as an organization. With the increased support from HTFJC, JCAHC was able to increase staff hours which in turn helped increase visibility and advocacy along with the number of dues-paying members and corporate sponsorships as well as soliciting individual gifts and support. HTFJC returned to the prior support level of \$5,000 for JCAHC beginning in 2022.

We receive positive feedback on our HTFJC Funding 101 training program for potential partners to learn about the application for funding, the application process including types of outcomes, income requirements, income documentation paperwork required on those benefiting from funding, etc. Income Qualification 102 training is now offered to help potential applicants and awardees feel comfortable with the documentation required for each project recipient.

VI. 2024 ACTIVITIES

Ongoing Initiatives:

The Housing Trust Fund of Johnson County will continue to support the entire continuum of housing needs in Johnson County by working collaboratively with public and private entities to expand the resources available to create and preserve affordable housing opportunities for residents of Johnson County. As a private nonprofit, HTFJC is uniquely able to respond to changing market conditions and opportunities. The Board of Directors of the Housing Trust Fund will continue to explore new ways to fulfill our mission to promote and support affordable housing.

In collaboration with East Central Iowa Council of Governments (ECICOG), HTFJC hopes to administer the FHLB owner-occupied rehabilitation funds for ten households at or below 80% of the AMI including households having special needs if our application for funding is approved for 2024.

Coralville and North Liberty have contracted with HTFJC to invest American Rescue Plan Act (ARPA) funding in their communities. We look forward to the possibility of working with the City of Iowa City and Johnson County to apply ARPA funding for housing that is affordable in the near future.

Contributions made by Johnson County and the cities of Coralville, Iowa City, and North Liberty will be combined with the State Housing Trust Fund award to further enhance the revolving loan funds made available to residents in the community. While all of those who benefit from the HTFJC revolving loan fund will be under 80 percent AMI, better loan terms or grants will continue to be considered for projects that benefit persons below 30 percent AMI.

The Housing Trust Fund of Johnson County will continue in a collaborative effort with ECICOG sharing information and resources and working with other cities and counties in promoting and supporting affordable housing throughout the region.

In addition, HTFJC staff will be working on a variety of projects on behalf of HTFJC Board of Directors. Staff will continue to serve as the fiscal agent for the Local Homeless Coordinating Board (LHCB). HTFJC Executive Director will continue to serve on the Johnson County Affordable Housing Coalition Board of Directors. HTFJC staff will continue to serve on a variety of committees and participate in initiatives throughout Johnson County that support and promote affordable housing.

HTFJC is a member of the Iowa Housing Partnership and we look forward to benefits that will be a result of our participation with this group.

New Initiatives:

HTFJC undertook another three-year strategic planning process this past year. Four key priorities were identified and corresponding objectives, tasks, and timelines, etc. were incorporated into the new plan. Progress on the plan will be reviewed by the HTFJC Board of Directors on a quarterly basis.

HTFJC developed a database to house detailed information about projects that have been funded by the organization since the first award was made in 2005. This tool, once populated, will allow for a wide variety of information to be sourced regarding recipients, types of awards, etc.

The organization will celebrate the 20th anniversary of promoting and supporting housing that is affordable in 2024.