

Eric Burmeister 11/10/15 Polk County Housing Trust Fund

The Polk County Housing Trust Fund (PCHTF) was founded in 1995 to resolve affordable housing needs, funded by the Feds. Took advantage of a one- time Fed grant that Harkin put together. In the late 1990s, the state of IA started to fund affordable housing around the state, delegating that to the Iowa Funding Authority. A series of regulations to govern the local Housing Trust Funds are posted on the Iowa Funding Authority website: <http://www.iowafinanceauthority.gov/Public/Links/PC80>. Dave Jamison, former Story County treasurer, is the head of IFA who will give us direct advice on how to set up a Housing Trust. The contact person at IFA for the State housing Trust Fund is Terry Ronoske. Now it is more difficult to set up a county-level trust fund.

Initially the State Housing Trust Fund had to be appropriated each year – and thus funding was very unreliable. It suffered until six or seven years ago when a few legislators got together to decide that if Iowa was to seriously address low income housing, it needed a steady income stream. So there is now a standing appropriation of up to \$6 million a year allocated each year allocated among the local housing trust fund based on the population of the counties they serve. Story County is leaving state money on the table every day we go without a local county trust fund. The local housing trust must match the state dollars – 25 cents to every state dollar received. Need a local funding source to match that 25%. Different housing trust funds receive that 25% from local governments, raise from private source, use gambling dollars (if they have a casino in their jurisdiction). Polk County supervisors allocates \$1.5 million to the Polk County Housing Trust Fund, so the PCHTF has no difficulty with the match the \$600,000+ that it receives from the state. Need to get a commitment for a match. If it is more than the minimum, the more you can do.

Governance: in order to access state dollars, there must be an independent governing board (not the city council or the county supervisors) The Board must be made up of fewer than 50% elected officials. The PCHTF board presently consists of 16 persons, three of which are elected officials. IFA recommends that the board include community volunteers with lived experience in needing affordable housing, builders, developers, bankers, and accountants – those who have skills to share on providing affordable housing. It is a community-based allocation. The entity(ies) who give the match do not have control over the allocation of the money. Our match is spent on projects that create and preserve affordable housing and services that assist people who live in affordable housing -- and it pays our overhead. Money from the State Housing Trust Fund is all used to directly fund affordable housing.

Our work can be divided into three parts:

1. Education and planning. Research and education are central in our planning effort. Annually, we carry out the following research for planning purposes:
 - a. Who cannot afford adequate housing, what do those households look like?
 - b. What is the inventory of affordable housing?
 - c. Match the need with available inventory. This is our goal; at present, for instance there is a 7,000-unit gap in housing for those with less than 30% of the medium family income.

In addition we annually develop an education plan.

2. Advocacy. We are the advocates for affordable housing. We make sure the community understand the benefits of affordable housing.
3. Funding housing to make it affordable to resource-poor individuals and families. Funding is based on a housing allocation plan put together by a committee of the board approved by the board that fills current silos: affordable rentals; maintenance of existing low income housing (preserve the property and keep people in their homes; repair of existing rental housing. TA funds for developers to do some initial discovery work and appraisals to determine if any given project would be viable/eligible.

We keep track of the units we impact or create, the population in those units, but we do not manage any property. We may get some of the money back from the developer. The PCHTF has begun to structure its loans and grants to be self-sustaining – at least to support the overhead. Last year, we impacted 400 units. We require matches from the developer/provider. Require a 1 to 1 up to 1 to 10 match. For example, with Habitat for Humanity, the ratio is 1:5.

Run a charitable campaign in the community to cover services provided to households living in affordable housing (whose incomes are 30% or less of local median household income) or are eligible to live there (those who make \$10/hr or less). We use the state funds for bricks and mortar. Central Iowa United Way does not fund housing programs. You would need to determine how our Story County philanthropic community works together.

Commented [JF1]: Eric: it was not clear to me if this is money raised directly by the PCHTF, or by United Way, or someone else?

Hurdles at IFA to set up a Housing Trust Fund. They are now encouraging regional trust funds. They might want us join with Boone County. Central Iowa counties are not in a COG and do not have housing trust funds. There must be a driver to get it done. AMOS can be a driver to get it done. Polk can provide back office service on a fee for service basis, but counties cannot join Polk County, because of cap on amount of money a single Trust Fund can receive, and they are at the upper limit.

Q and A:

Steve Ringlee from Ames -- Can you use CRA (Community Reinvestment Act, which requires banks to engage community assistance in the communities in which they operate or CDFI (Community Development Finance Institution) tools? A Housing Trust Fund is a safe harbor for CRA money – do not use it for bricks and mortar. CDFIs – there are none in Central Iowa.

Amy Erica Smith (UCC/AMOS) -- What is a COG?

Eric – a local (usually multi-county) planning group that the state sets up.

Question to research: Why were central Iowa counties not put in a COG? Or did they once form a COG and it broke up?

Q. How does PCHTF invest money that goes directly into bricks and mortar housing?

Eric – We locate people who are rent-burdened – some may pay up to 80% of their income for rent. We pay a developer to keep a certain number of units affordable (for folks with income at less than 30% of county median family income). PCHTF pays a bounty to the developer (up to \$62,500 per unit) to keep them affordable for, say, the next 30 years.

Q. How do you follow up to ensure compliance?

Eric – That is often done in conjunction with a loan for housing tax credits. There is a requirement that landlords report regularly to the Federal government.

Eric asked about Housing choice vouchers in Ames.

Answer from Vanessa Baker-Latimer, Ames City Housing Director – The Ames jurisdiction is blended with the county – Ames itself has 200+ vouchers. CIRHA, the Central Iowa Regional Housing Authority, based in Grimes and serving the counties of Boone, Dallas, Jasper, Madison, Marion and Story certifies eligibility and issues vouchers. CIRHA website: <http://www.cirhahome.org/>. There were not enough units that take vouchers. It takes a lot of effort to keep up with the changing HUD requirements. Priority is given to the elderly and disabled first, then families with children.

Eric -- Allocating housing choice vouchers are given based on local priorities. In Polk County, PCHTF pushes for priority to be given first to the homeless, then families with children – lots of rules and regulations from HUD on how to do it. There local groups active in zoning for low income housing. PCHTF only funds permanent housing –and permanent supportive housing. Homeless shelters and transitional housing are coordinated by Continuum of Care. They are looking into beginning to provide permanent housing to homeless people. The term “supportive housing” means providing housing and services.

Q. Do you give priority to the near homeless?

Eric – The Continuum of Care board handles homeless prevention. In housing supported by PCHTF, decisions to evict are made by an individual landlord. We can tell them what to charge, but interaction with tenants is based on their rules and the Iowa Land-Lord Tenant Act.

Gloria Betcher, Ames City Council – do any entities in Iowa mandate inclusionary zoning?

Eric -- No. However, Housing Tomorrow is a regional plan for affordable housing for central Iowa to 2050. Inclusionary zoning is not called out, but the plan includes affordable housing throughout the metro area. One goal is to foster affordable housing near low-wage job centers like malls and clusters of restaurants so that someone who makes \$10/hr doesn't have to spend more than an hour on a bus riding to work each day. (see “ Tomorrow Plan calls for affordable housing,” *Des Moines Register*, Nov. 30, 2013-attached). We try to force our way into economic development strategy meetings, so to speak. We calculate which jobs will pay less than what it takes to pay for an average two bedroom development. ISU could put all that together to use GIS to look at low income job locations, where affordable housing is located, and cost of transportation to those low-wage job centers. What we are seeking is to match taxable assessed valuation and the need for housing near where the workers at a new business will be drawn from

Q. How do you approach businesses, linking low wages and affordable housing?

Eric -- Do incoming businesses ask about affordable housing for relatively low income workers? Localities tend to zone out low income housing. We need to have businesses that care where their employees live. Places need to be within a reasonable distance where our employees can afford to live.

Q. What is a compelling argument for involving the real estate/developer community?

Look for building what sells and what rents and need incentives. Main concern – making money with incentives to help them do. Have the development community understand the market place and the community. Now most cities are platting 80 foot lots, which developer buy. Community needs to understand those lots of \$350,000 houses are not sustainable. Growth will stop if workers cannot find a place to live.

Q. What issues can be addressed by transportation solutions?

Eric -- When you combine transportation costs with housing costs and each gives a little, you can make progress. Access to public transportation included in scoring. But most low income jobs are not at the same time as most public transportation services. Doesn't run with enough frequency or at appropriate hours. Is it bike-able or walkable to low income jobs.

There are policies that can impact profitability with public subsidies – what are they? One way to do that is inclusionary zoning, which is a subsidy on the part of the developer and people in market rate housing that subsidize affordable housing. Smaller lot sizes for single family homes. West Des Moines requires cover for two cars, plus the concrete to park two additional cars off the street. Other have minimum size requirements for new homes; demand bricks or stone (which adds \$100,000 cost of homes); limits on density per acre. That drive up the cost of multi-family housing. Parking requirements are also exclusionary. We did a study of community character requirements added to the cost of a house. It was enormous.

Jim Gaunt (AMOS/First Christian Church) -- Are trailer courts a partial solution? They are the most affordable, built on land thought undesirable, but later residents are forced off. What about trailer courts for affordable housing?

Eric -- These are land use issues. Cannot build a community of small houses or a mobile-home court and have the kind of setbacks now required. There are examples where communities which put up dense housing with shared green space. What is it in our city codes that prevent those things from happening?

Sharon Slinger (AMOS/UCC) – how do we discover the need in small rural communities?

Eric -- Some of the most affordable family housing is in small towns, but distance from work is a problem – people have to drive to work. Transportation and commuting can be unsustainable.

Q. How does the city of Ames plan housing in face of the growth of the University?

Eric -- Look at the comprehensive plan. See how it needs to be changed to accommodate the expansion of the University.

Jan Flora (AMOS/UCC) -- How do get buy-in from smaller towns in your jurisdiction?

Eric -- As a county-wide organization, we try to view ourselves as a region. Where are our jobs and where do our workers come from? There are multi-county trust funds – but counties often will not contribute match unless it happens in their county.

Q. What about boarding houses as an alternative to homelessness?

Eric - Codes prohibit boarding houses. SROs (Single Resident Occupancy) are prohibited in all jurisdictions of Polk County. It shouldn't be that way, but it is.

Vanessa Baker-Latimer -- In the 1990s, we created an affordable housing partnership. We need to rekindle that conversation. Need to look at this again. We need to pull the information together by repeating the county-wide study that was done back then.

It was pointed out that Story County as a huge number of low income people. Over ¼ of our high school and grade school students qualify for free and reduced lunch.

Lewis Rosser (Ames Community School board) -- Targeting families with school age children for nearness to schools?

Eric: We look at number of bedrooms. Low income households in Polk County are more singles than families.

Polk County Housing Trust Fund website (lots of good stuff. jlf): <http://www.pcht.org/>

Jan and Cornelia Flora