

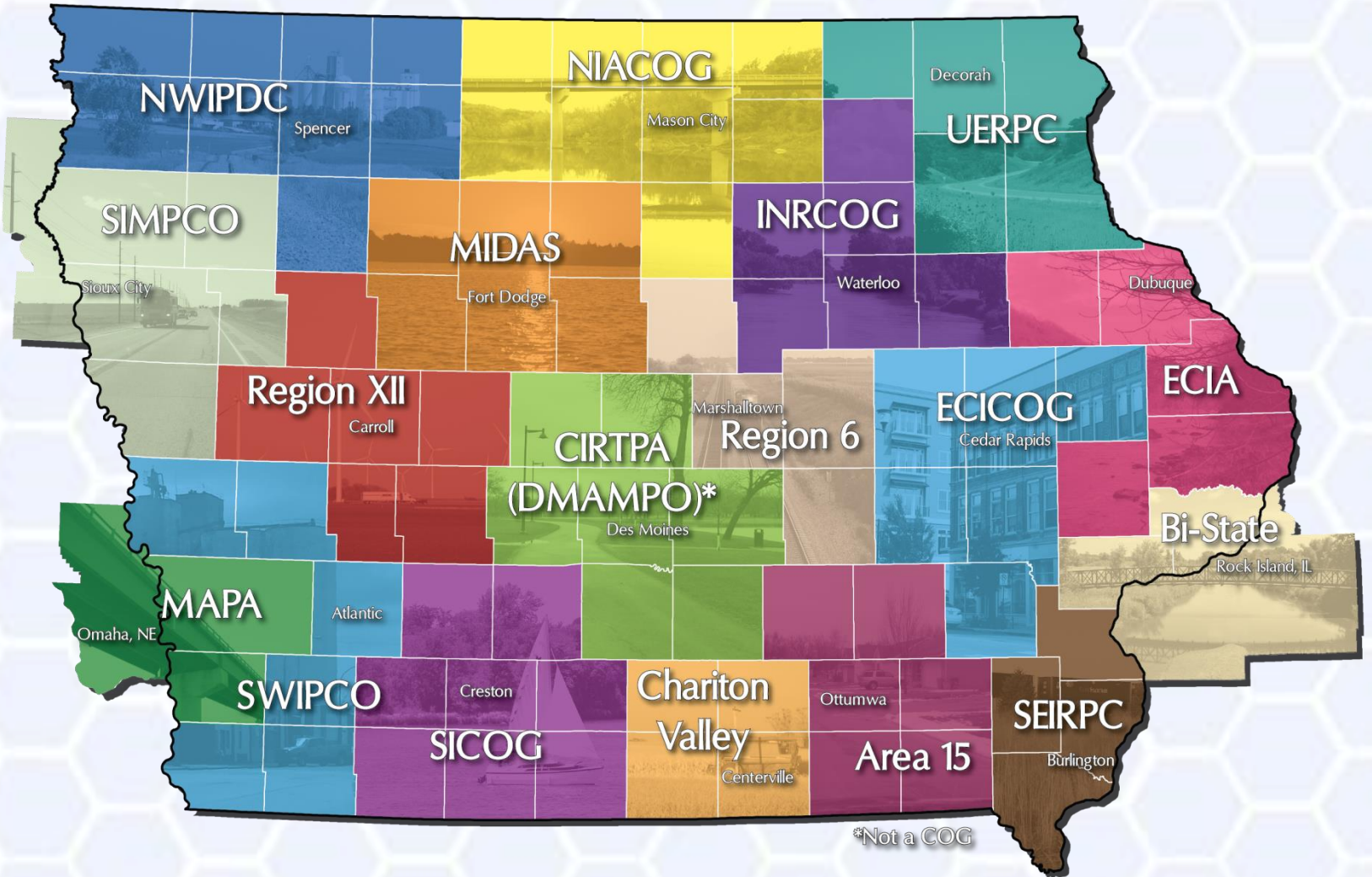


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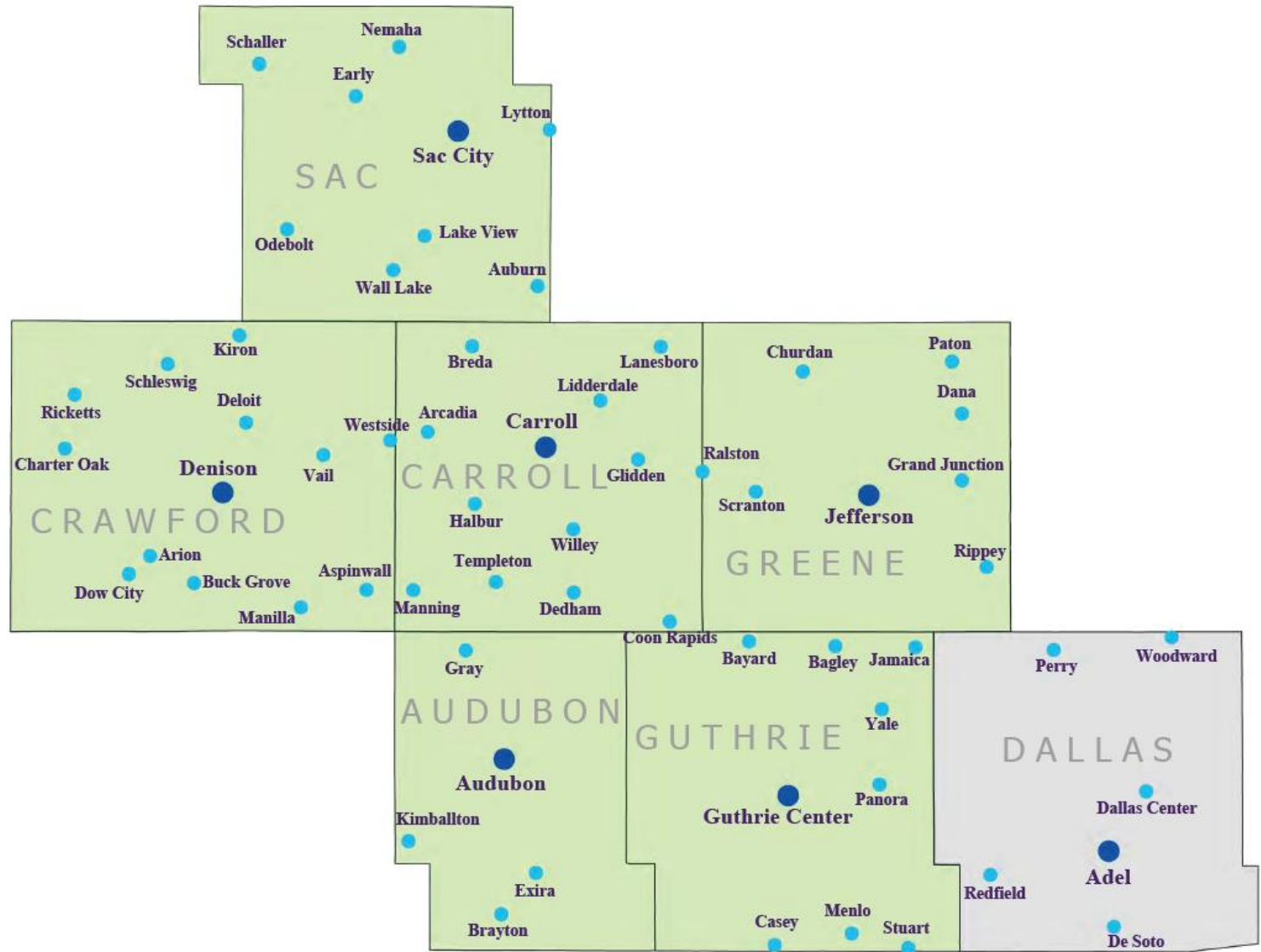
COUNCIL OF GOVERNMENTS

EDDs & Housing Development

February 6, 2024



*Not a COG



RXIICOG Bio



- 6 counties, 56 cities
- 72,000 population, largest city is 10,000
- Instrumentality of government in Iowa Code
- 501C3
- Controlled by counties
- Housing within the planning department
- Housing staff is 4 FT + admin support

Timeline of RXIICOG Housing

- 1991: Rehab starts with USDA-HPG
- 1993: Flood launches CDBG-DR & FEMA Buyouts
- Mid 90s: Regular CDBG Rehab, HOME DPA
- 1995: Statewide loan servicing for others (flood)
- 1998: First Housing Needs Assessments
- 2000: Developed first houses
- 2003: Housing Trust Fund begins
- Mid 2000s: is housing also economic development?
- 2018: First MF project
- 2019: Homes for Iowa, Workforce Housing Tax Credits
- 2020: 2nd story, end to CDBG rehab, ramp up development

Current Housing Issues

- Little new construction outside of custom homes
- Aged housing stock
- Few contractors, even fewer developers
- Appraisal gap
- Housing shortage in all income categories
- Rental quality not ideal
- NIMBY/Misinformation/Empowered Ignorance

Today's Topics

1. COG and its role as...

- housing planner
- grant writer/funding partner
- a local government resource
- a resource for developers
- single-family housing developer
- multi-family housing developer

2. Concerns/Reflections/Summary

Planning Activities

- Comprehensive plans
- Housing needs assessments
- Nuisance ordinances
- Tax abatement / tax increment financing
- Rural Housing Readiness Assessment

Grant Writing/Financing

- Community rehab programs (CDBG)
- Community down-payment programs (HOME)
- Regional housing trust fund (annual)
- Regional rehab programs (FHLB, USDA)
- Project-specific programs (HOME, FHLB, WFHTC)
- Special opportunities (foundations, ARPA, USDA)
- RLF (USDA)
- Match (counties, cities, lenders, developers, telcos, RECs, local foundations etc.)

Support to Governments

- Planning items mentioned above (comp plans & HNA)
- City codification
- Workshops
- Zoning
- Nuisance abatement inspections/process
- Rental inspections
- Grant writing
- Project development
- Housing trust fund grants and loans
- RLF

Support to Developers

- Business RLF
- Grant writing
- Grant administration
- Local government liaison
- Members of a project team
- Housing trust fund grants/loans
- Lot/land database

Housing Development - SF

Our Decision to Proceed

- Identified need not being addressed by others
- Opportunity (lots, local cash, partners)
- Choose type of housing (BRs, sq. ft, basement, garage)
- Budget (reserves, grants, loans)
- Potential Appraisal & Sale (neighborhood)
- Capacity for Risk
- Organizational capacity

Housing Development - SF

First Project: Two Homes in Denison (2000)

- High community interest
- Staff excited about new role
- Contractor who was risk-averse but skilled
- Choice lots near school
- Available funds in RLF
- Made money!



Housing Development - SF

Second Projects – Partnership with Colleges (2007)

- Community colleges needed sponsors for trades programs

Denison-WITCC

- Chose lot near Project 1
- High school managed & sent bills
- Made money!



Denison – WITCC/Denison CS

Housing Development - SF

Carroll-DMACC

- Developer had unsold lots (5 for \$10,000)
- One house per year for 4 years (split 1 lot)
- COG managed subs
- Project was more challenging



Carroll – DMACC 4

Housing Development - SF

Recent Projects – New Construction

Homes for Iowa/Duplexes (2019)

- City-provided lots (infill) & other incentives
- Utilized HFI when we could/or stick build
- Chose duplexes to mitigate overall cost (tax credit)
- Income restrictions/appraisal gap issues

Jefferson - Homes for Iowa



Coon Rapids – Homes for Iowa





Panora Duplex



Manilla Duplex

Housing Development - SF

Acquisition/Rehab (2023)

- Donated or purchased houses
- Needed to be picky about which homes
- Significant grant funding + housing trust fund



Churdan – State HRP



Coon Rapids #1 - ARPA



Coon Rapids #2 - ARPA



Jefferson- ARPA

Housing Development - Multi

Wall Lake

- City provided lots and other match
- Low income senior units (taxes abated)
- Stick-built
- Funding (FHLB, HOME, LHTF, WFHTC, equity)
- Own & operate

Glidden

- City provided lots and other match
- Low income senior units (taxes abated)
- Stick-built
- Funding (FHLB, bank, LHTF, WFHTC, local foundation, equity)
- Own & operate

Wall Lake
Triplex & Duplex



Glidden Duplex – Montana St.



Glidden Duplex – Dakota St.



COG Concerns as Developer

- Risk
- Serving as a general contractor
- Finding contractors
- Appraisal gap
- Realtor or FSBO
- Unforeseen costs (old concrete, trees, weather, uncovered surprises in existing homes)
- Client affordability
- Carrying costs (maintenance, insurance, interest, utilities)
- Grant regulations (radon)

Reflections

- Board support is necessary.
- Provide due time to each activity.
- Capacity is learned, copied, hired, and believed.
- Leverage your partners (banks, EDOs, elected officials, foundations, etc.)
- Leverage your network (NADO, state association, housing advocacy orgs)
- Dedicate yourself to the task. No shortcuts.
- Expect problems (e.g. unforeseen costs, roadblocks, appraisals)
- Always be looking for opportunity (money, property, partners, ideas)
- Creation of a separate non-profit may or may not be needed

Summary

- For development, know and plan for risks (financial, political, and staffing)
- RXIICOG is a small COG and had zero experience and no money, so it is possible to be successful anywhere.
- Dedicate adequate resources (human and financial) to your chosen path – this has to be a priority
- Know your legal landscape (everything from property tax applicability to need to have NMLS registration)
- There is no one recipe for success, just lots of ingredients.
- Accept failures as learning experience and don't let them derail your resolve



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