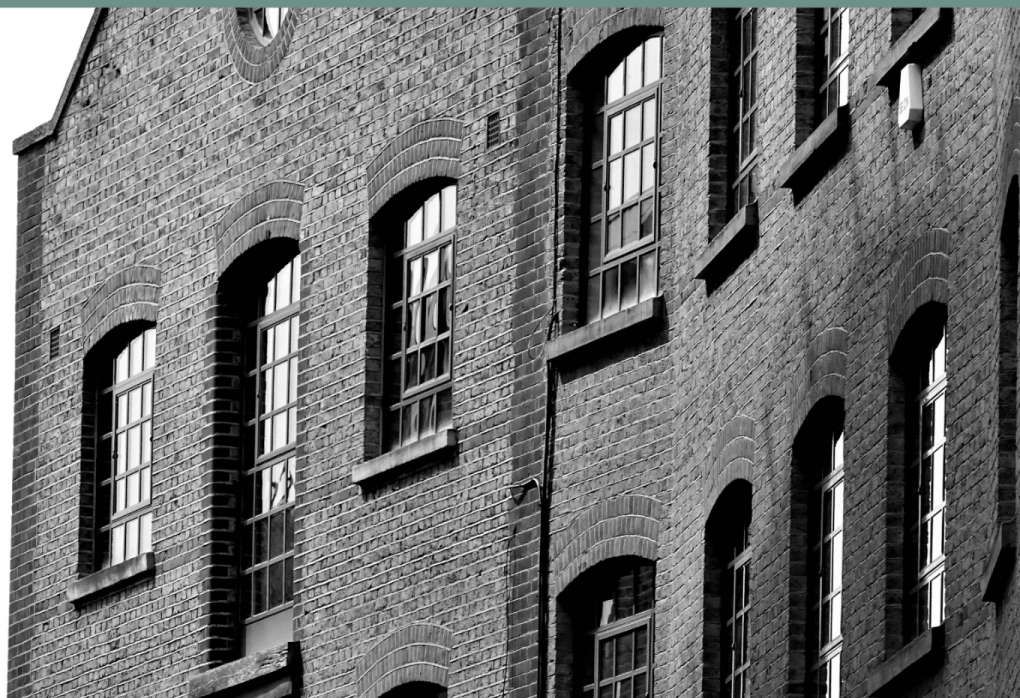


# HOUSING TASKFORCE: A STEP IN THE RIGHT DIRECTION

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FINAL REPORT

MAY 2021



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# Housing Task Force: Final Report

## Abstract

The housing task force group compiled information to guide the City of Waterloo in the structuring of their task force. We outlined the three main components we think the task force should focus on when continuing to build their task force: Sustainability & Longevity, Structure, and Transparency. This report will go further in-depth on task force longevity and include a funding report for financial sustainability. This report will also include a breakdown on how a successful task force could be structured to have the best foundation. The report will also include a guiding action plan that provides a clear and actionable framework for analysis of its progress and goals. In this report we will also include the best ways to garner community input, engage with the community, and different ways to utilize transparency within the structure of a task force. Finally, this report will provide data and analysis on why the task force is necessary and how the task force can specifically begin to deal with these problems.

## Why A Task Force?

Waterloo is currently facing a housing affordability and deteriorating housing stock crisis. The average home value in Waterloo is [90,129 dollars](#), while the average affordable housing price for minority groups in Waterloo is [23,750 dollars](#). There is a significant difference in the median income of some of the most vulnerable populations in the community and the housing values. There has also been a significant decrease in affordable rental units in Waterloo, there are only [3,275](#) rental units that cost less than [500](#) dollars a month, and 500 dollars can be a

heavy cost burden for low-income families. A housing taskforce can look at the specific housing needs surrounding affordability, by doing an assessment of the current housing market, and comparing that to the average incomes across the city. This will allow the taskforce to begin to set goals to meet these specific housing affordability needs, like making more affordable rental units available in the city (Analysis of Impediments to Fair Housing Choice).

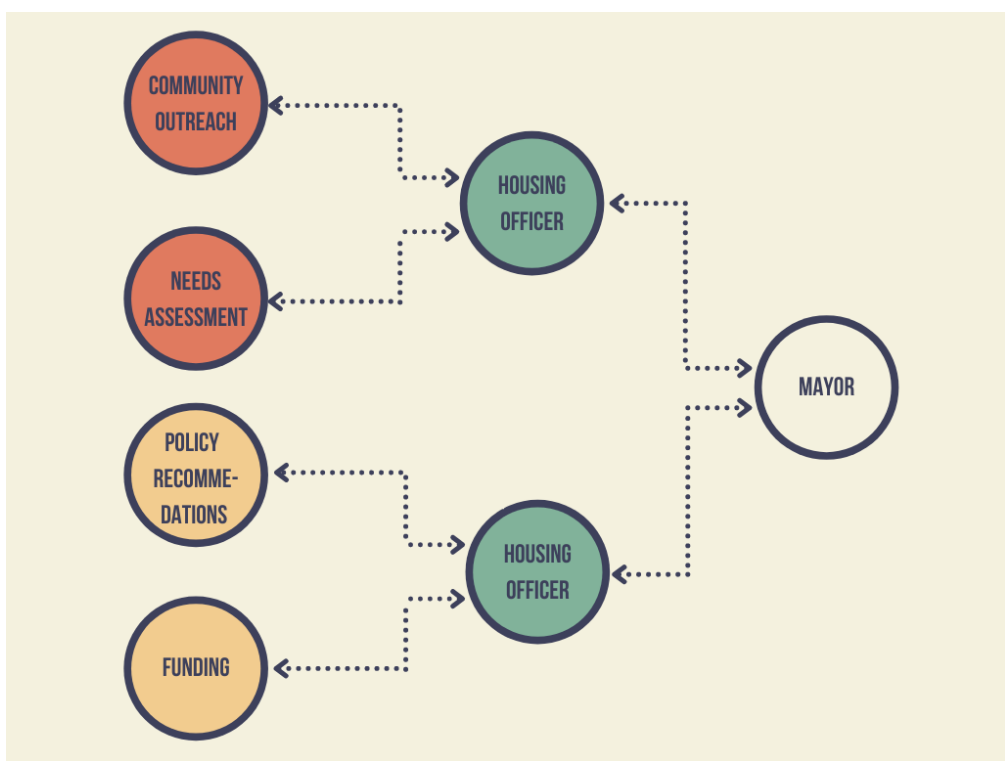
The housing stock in Waterloo is deteriorating, with over [700 homes](#) ranked in fair or poor condition. This means many of the homes in Waterloo are uninhabitable. A Housing taskforce can be useful in mobilizing funds to revitalize these homes, finding contractors and buyers to sell these homes to at low prices so they can be repaired, and funding more programs for homeowners and landlords to repair their properties (Waterloo Housing Needs Assessment).

A housing taskforce can go further than addressing these housing stock and affordability problems, it can begin to address the social and racial inequalities within housing. Waterloo is moderately segregated with increasing numbers of ethnic and racial concentration across the city. Furthermore, many homes that are in poor and fair condition are increasingly inhabited by minority families. There is also a wealth gap by race in the city of Waterloo, with Hispanic households earning on average [8,000 dollars](#) less than white households, and black households earning [58.7%](#) of white households. This has resulted in minority families being disproportionately low-income households, but the lack of affordable housing means minorities in Waterloo are disproportionately impacted by the lack of affordable and quality housing within the city (Analysis of Impediments to Fair Housing Choice).

With the focused and concentrated efforts of the housing taskforce, we hope the city will begin to look at all aspects of housing and housing inequality, not just the most glaring inequalities. With set goals and objectives, focused efforts on these issues, and inclusion of the

public's voices, we hope the housing taskforce will orient itself towards equitable solutions that address all the social and economic inequalities that are embedded in the housing problems within the city. It will be important that the taskforce listens to the community, and begins to understand the problems they are facing in order to help revitalize affected communities.

# Deliverable 1: Housing Task Force Organization



The housing task force organization chart illustrates how the housing task force can be arranged into committees and the members who can fill the roles required for each committee to succeed. This chart offers suggestions and the Housing Task Force should adjust these roles as they see fit. The accompanying chart illustrates the routes of communication between committees, housing officers, and the mayor.

***Needs Assessment:*** This committee is responsible for analyzing the data associated with the local housing market and community needs. With this information they can then create policies and projects to fulfill potential gaps. The committee relays their findings to the designated housing officer.

***Community Outreach:*** This committee is responsible for gaining community input. This will include methods such as community wide surveys, engaging in community communications through the housing website, and public meetings to solicit feedback on current initiatives as well as ideas for future initiatives. The committee relays their findings to the designated housing officer.

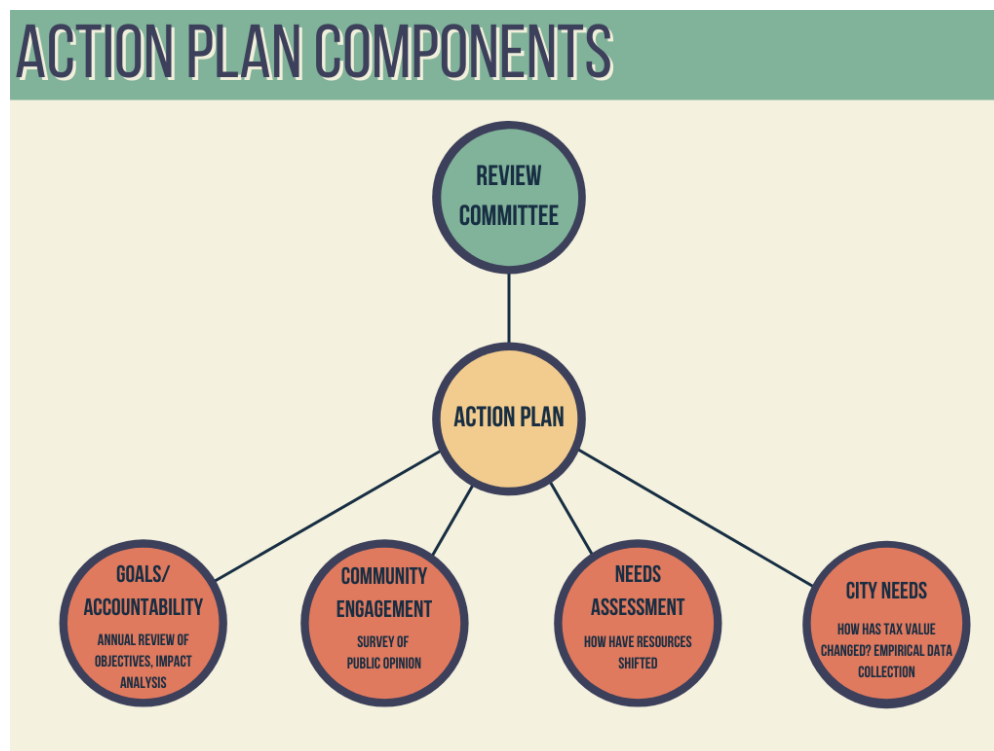
***Funding:*** This committee is responsible for acquiring funding and allocating funds to specific programs and policies. The committee relays their findings to the designated housing officer.

***Policy Recommendations:*** This committee is responsible for creating policies that move the housing task force goals forward. The committee relays their findings to the designated housing officer.

***Housing Officers:*** Housing officers are responsible for ensuring coordination within their designated committees. The housing officers communicate the findings from their designated committees to the mayor.

***Mayor:*** The mayor leads the housing task force and oversees the work of each committee.

## Deliverable 2: Action Plan - A Guiding Document



The action plan chart details the components of the action plan that the City of Waterloo may consider as their framework of analysis. The task force may adjust the overarching goals or the individual aspects of analysis as it suits their needs.

**Goals and Accountability:** This aspect of the plan should focus on organizational components. In order to ensure the taskforce is held accountable they will need to establish an annual review board to carry out performance and fiscal year reports, and designate an office to carry out these reports. It will be the goal of the taskforce to develop consistent and measurable objectives to be reviewed each year, and an analysis of the impact of the task force’s work.

**Community Engagement:** This aspect should be focused on continuing to gather public input on the housing situation in Waterloo and how the situation may have changed, according to residents. This aspect is also a great place to learn about new projects that people may want to



see the city take up, and the city should rely on multiple engagement strategies (i.e. online survey, in-person census-style survey, community events, etc.) to solicit this type of feedback.

***Needs Assessment:*** The needs assessment is primarily focused on how resources have changed in Waterloo over the course of the task force's work and after. This may include looking into changing options for federal and state funds, new community organizations working in housing issues, or other policy and practices changes that have impacted the housing situation in Waterloo. This aspect would also provide an opportunity for an analysis of where Waterloo may expand or shift its own resources to better serve members of the community.

***City Needs:*** This section was included to address how the work of the task force has changed the housing and tax circumstances for the City of Waterloo. It would provide an opportunity to analyze recent changes in property tax records and consider the impact the task force has had on city operations and residents in conjunction.

## Deliverable 3: Funding Resources

Essential to the work of the Housing Task force, as well as its longevity, are streams of funding. Below is a lengthy but incomprehensive list of resources, programs, and grants that may pertain to Waterloo.

Resource: [Local Housing Solutions](#)

### ***Revenue Generating Local Policies:***

**Housing trust funds:** Housing trust funds are a flexible source of funding that can be used to support a variety of affordable housing activities. City-, county-, or state-generated revenue that is used to support affordable housing is often deposited into a housing trust fund.

**Dedicated revenue sources:** Dedicated revenue sources provide a committed, renewable stream of revenue for affordable housing that can help to mitigate the risks associated with reliance on annual appropriations decisions by the U.S. Congress or state legislature. .

**Linkage fees/affordable housing impact fees:** Linkage fees/affordable housing impact fees are fees assessed on new commercial or residential development that can be dedicated to addressing the housing needs associated with economic growth.

**Demolition taxes and condominium conversion fees:** Demolition taxes and condo conversion fees are levied on property owners when they demolish residential buildings or convert rental housing to condominiums and can be used to compensate for the loss of homes that tend to rent or sell for less than the homes that replace them.

**General obligation bonds for affordable housing:** General obligation bonds for affordable housing are government-issued bonds that are used to fund affordable housing activities. They are backed by the full faith and credit of the issuing entity and repaid from state or local general funds or a small dedicated tax.

**Tax increment financing:** Tax increment financing uses increases in property tax revenue to support a range of activities in targeted areas, including the development or preservation of affordable housing.

**Transfers of development rights:** Transfers of development rights are voluntary programs that allow the owner of an affordable housing development to sell unused development capacity to the owner of a second property, generating revenue that can be reinvested in the property to maintain affordability and quality.

**Support for employer-assisted housing programs:** Support for employer-assisted housing programs increases the pool of resources available for affordable housing as additional employers provide rent or home-buying assistance to their employees (including public-sector employees)

**Increased use of multi-family private activity bonds to draw down 4 percent LIHTCs:**

Increased use of multifamily private activity bonds to draw down 4 percent LIHTCs is a strategy that provides developers with guaranteed access to LIHTC credits to support the preservation or development of affordable housing. While not as generous as the 9 percent LIHTC credits awarded through a competition, 4 percent credits can nevertheless provide an important source of equity for dedicated affordable housing.

**State tax credits for affordable housing:** State tax credits for affordable housing provide incentives for individuals or organizations to invest in affordable housing in the form of credits that can offset income or other state or local taxes otherwise due.

**Activation of housing finance agency reserves:** Activation of housing finance agency reserves makes available accumulated funds that can be tapped to provide subsidies for the development or preservation of affordable housing.

Resource: [Iowa Finance Authority](#)

*Many Funds are administered through the Iowa Finance Authority*

### \*\*\*National Housing Trust Fund

- Begin [here](#) to apply to the National Housing Trust Fund
- “Funds may be used for the production or preservation of permanent affordable rental housing through new construction, adaptive reuse and/or rehabilitation projects. Proposed projects addressing the needs of extremely low-income renters—those with incomes below 30% of Area Median Income (AMI)—are a high priority for the Iowa Finance Authority.”
  - [According to HUD](#), Very low is less than \$37,050 for a family of 4, and \$25,950 for an individual
  - The median income for a resident in Waterloo is \$27,357
- Application period is from April 30th, 2021 to July 2nd, 2021, at 4:30 p.m.

### State Housing Trust Fund

- [Local Housing Trust Fund Program](#)
  - Exists in Waterloo but information is hard to locate
  - The Iowa legislature created the Local Housing Trust Fund Program to allow certified Local Housing Trust Funds to efficiently fulfill unique local affordable housing needs throughout the state. The program receives at least 60% of the State Housing Trust Fund allocation to provide grants for organizations certified by the Iowa Finance Authority as a Local Housing Trust Fund.
  - Awards from the Local Housing Trust Fund Program must be used for the development or preservation of affordable housing for eligible recipients. Each Local Housing Trust Fund outlines its eligible projects in an approved Housing Assistance Plan. Examples include
    - New Construction
    - Acquisition and/or remodeling of existing property
    - Local down payment assistance programs
    - Home Rehabilitation
    - Housing for persons with disabilities
    - Homelessness assistance programs
  - All Local Housing Trust Fund dollars must benefit low-income households at or below 80% of the area median income, while at least 30% of the funds must be

used to serve extremely low-income households at or below 30% of the area median income.

- Contact Waterloo Housing Trust Fund at
  - Contact: Brian Schoon
  - 319.235.0311
  - [BSchoon@inrcog.org](mailto:BSchoon@inrcog.org)
- Application closes July 2nd 2021

## Miscellaneous Sources

### Low Income Housing Tax Credit (LIHTC) Program

#### Land Banking/ Sale of Public Land

- As is explained by [The Detroit Land Bank Authority](#), Land banking is when a city or county forms a non-profit corporation to acquire title of vacant, abandoned, or dilapidated homes, then sells them using sales techniques like auction to return the city's blighted and vacant properties to productive use

### Section 3

- The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.
  - Section 3 residents are those who fall under the low and very low income limits determined by HUD each fiscal year
  - In Waterloo,
    - Low is less than \$59,300 for a family of 4, and \$41,550 for an individual
    - Very low is less than \$37,050 for a family of 4, and \$25,950 for an individual
      - *The median income for a resident in Waterloo is \$27,357*

### Budget Restructuring

### Zoning Ordinances

- The City of Iowa City uses zoning regulations on the materials that can be used for residential products and other design ordinances to ensure affordable housing meets a quality standard. Zoning ordinances in downtown Iowa City require new developments to either:
  - Create affordable housing in 10% of their total housing, or
  - Financially contribute to affordable housing funds throughout Iowa City to subsidize the increased cost of higher quality building materials.

### **Federal Community Development Block Grants**

#### **Federal HOME Funds**

- The Iowa Finance Authority administers the State of Iowa's HOME allocation and awards funds through a competitive application process to assist communities with a wide-range of affordable housing initiatives, including:
  - Homebuyer Assistance: allows nonprofit entities to give an extra boost to homebuyers through down payment and rehabilitation services
  - **Tenant-Based Rental Assistance** (TBRA): Allows nonprofit and local government entities to assist many Iowa families to afford their rental home, with a little help
  - Rental assistance: Provides property owners and developers with funds to develop and preserve affordable rental housing for Iowans
- See [here](#) for more info

#### **Neighborhood Stabilization Program Grants**

#### **Emergency Solutions Grants**