Table of Contents

Sections - click on any section or topic to quickly access information

Appendices

Table of Contents

Tables - click on any table name to quickly access information

Maps - click on any map title to quickly access information

SECTION ONE — GENERAL INFORMATION

Introduction

The Consolidated Plan for Housing and Community Development details the State's need for affordable and supportive housing and other community and economic development projects. Priorities and strategies are presented to address this need.

Completion of the Plan is required for the State to be eligible for many federally funded housing and community development programs. Basic content is dictated by federal law through guidelines supplied by the U.S. Department of Housing and Urban Development (HUD).

The Plan was prepared by staff of the Iowa Department of Economic Development (IDED), in consultation with other State agencies that operate in the broad area of housing and community development. Major sources of data were the 1990 Census, data from other State agencies and IDED program information.

As required, IDED consulted with the following organizations in developing the Plan:

- Iowa Department of Education (children)
- Iowa Department of Elder Affairs (elderly)
- Iowa Department of Human Services (homeless)
- Iowa Department of Public Health (lead-based paint hazards)
- Iowa Department of Education and Iowa Department of Human Services (persons with disabilities).

Citizen Participation

Public input was solicited at community meetings and public hearings held in October and November of 1999 in Des Moines, Storm Lake, Waverly, Ottumwa, and Red Oak. IDED invited more than 3000 people to the meetings, including users of the programs, technical assistance providers and elected officials. A prepared script helped guide participants through a structured session, but questions were open-ended and responses narrative.

The public was invited to comment through public hearings in the five communities listed. Press releases about the hearings were sent to all Iowa media outlets, and notices were mailed to other groups who specifically serve low/moderate income persons. Comments from the focus group discussions and public hearings are on file with IDED and summarized in appropriate sections of the Plan. A final public hearing on the Plan draft was held November 4, 1999 in Des Moines.

Public input was also solicited during a 30-day draft review and comment period. IDED accepted comments made by mail, facsimile and telephone. The Consolidated Plan was made available to the public by mail, e-mail, and was posted on the State's website. A summary of the comments and IDED's response to them is contained in the last section of this document.

State Profile

Background and Trends

Population change and attributes such as age, family status and household size shape the housing market in Iowa. Iowa experienced population loss between 1980 and 1990. U.S. Census Bureau figures suggest a turnaround with slow growth since 1987. In contrast to rural and non-metropolitan areas of the State, the areas around Des Moines and Iowa City experienced strong growth. Non-whites and Hispanics comprise a very small part of Iowa's population, but their numbers are increasing. There is significant disparity between the income distribution of white, non-Hispanics and other racial and ethnic groups.

Despite population loss, the number of households grew slightly between 1980 and 1990. Homeowners represent about 70 percent of households in Iowa. There is also a high proportion of elderly householders, especially in non-metropolitan areas. Renters are more than twice as likely as homeowners to have incomes below 50 percent of area median family income (MFI). Female-headed households have very high rates of poverty.

Housing and jobs are linked, literally, by commuting. Medium- and long-distance commuting among Iowa workers is becoming more prevalent. The availability of affordable housing in many small "bedroom" communities and rural areas contributes to this phenomenon.

Population Overview

Since the early 1900s, Iowa's population has either grown slowly or remained stable. In a few periods, there were population losses, such as occurred between 1980 and 1990. The long-term dynamics of change include a steady loss in farm and other rural populations and growth in many medium and large communities.

In the late 1800s, as many Iowa counties were settled, population density was about 30 to 50 persons per square mile. This figure usually included at least four farm families per square mile, plus persons living in towns directly serving farmers' needs. Statewide, there are now about two farm families per square mile. Some of the original towns grew, but many remained small and some disappeared.

Forty-four of 99 counties had peak Census populations in 1900 or earlier. In 1990, 10 counties had less than half their peak Census population. Meanwhile, eight cities have grown to populations of 50,000 or more, and the 11 metropolitan counties containing these cities and surrounding suburbs now have 44 percent of the State's population.

Population Changes, 1980 to 1990

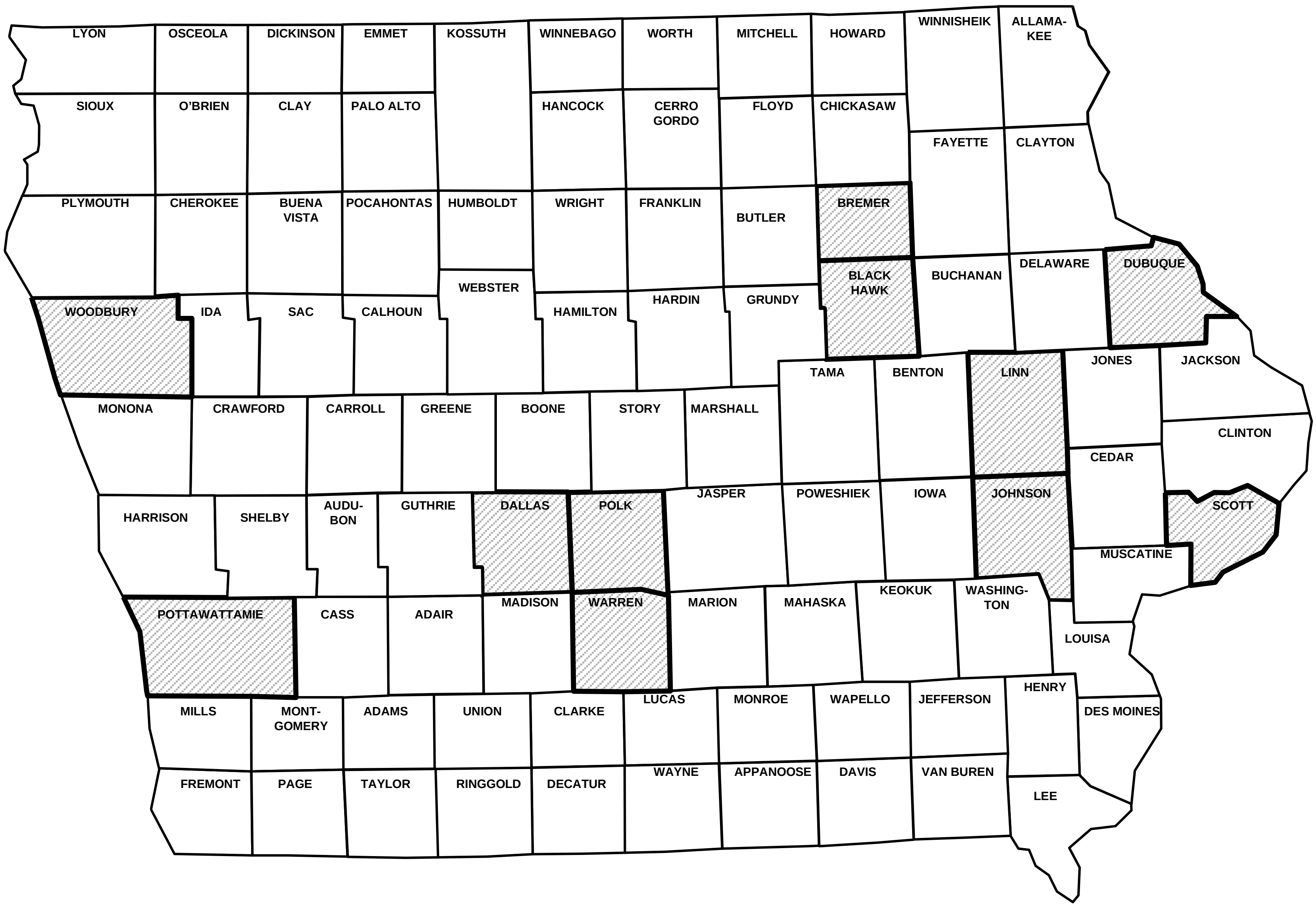
State population decreased from 1980 to 1990. This is largely attributed to increased out-migration during the early to mid-1980s, a recession period for agriculture and related economies in the Midwest. The Census Bureau estimates the population loss ended in 1987; however, growth to 1990 was slight.

Census counts show Iowa's population in 1990 was 5 percent smaller than in 1980. The total population in Iowa's 88 non-metropolitan counties dropped by 8 percent. Overall population change among the 11 metropolitan counties was slight, showing a loss of 0.03 percent. The table below shows a breakdown of population changes.

Table 1.1: Population Change

	Population		Change	
	1980	1990	Total	Percent
State	2,913,808	2,776,755	-137,053	-4.7
Metro Counties	1,223,046	1,222,711	-335	-0.03
Non-metro Counties	1,690,762	1,554,044	-136,718	-8.1
Metro Counties with Population Gains				
Polk	303,170	327,140	23,970	+7.0
Johnson	81,717	96,119	14,402	+17.6
Warren	34,878	36,033	1,155	+3.3
Dallas	29,513	29,755	242	+0.8
Non-metro Counties with Population Gains				
Story	72,326	74,252	1,926	+2.7
Henry	18,890	19,226	336	+1.8
Marion	29,669	30,001	332	+1.1

Only seven of 99 counties gained population from 1980 to 1990 (four of 11 metropolitan counties and three of 88 non-metropolitan counties). Polk, Warren and Dallas counties comprise the Des Moines metropolitan area and Johnson County is the Iowa City metropolitan area. Story and Johnson counties contain the two largest State universities. Most of Polk County's growth (92 percent) occurred outside Des Moines, while most of Johnson County's growth (64 percent) was within Iowa City.



Iowa Metropolitan Counties

The Iowa Metro Counties Map shows Iowa's 11 metropolitan counties. These include the cities and surrounding suburbs of Cedar Falls (Black Hawk and Bremer Counties), Cedar Rapids (Linn County), Council Bluffs (Pottawattamie County), Davenport (Scott County), Des Moines (Polk, Dallas and Warren Counties), Dubuque (Dubuque County), Iowa City (Johnson County), Sioux City (Woodbury County) and Waterloo (Black Hawk and Bremer Counties).

Two-hundred-five of Iowa's 953 incorporated municipalities (21.5 percent) gained population from 1980 to 1990. Of these, eleven gained 1,000 or more. Table 1.2 below shows population gains greater than 1,000 for cities in metropolitan counties (all cities except Iowa City and Coralville are in the Des Moines area).

Table 1.2: Cities with Population Gains over 1,000

Cities In Metro Area	1980 Population	1990 Population	Gain
West Des Moines	21,894	31,702	9,808
Iowa City	43,297	59,738	9,230
Urbandale	17,869	23,500	5,631
Ankeny	15,429	18,484	3,053
Norwalk	2,676	5,726	3,050
Coralville	7,687	10,347	2,660
Des Moines	191,003	193,187	2,184
Johnston	2,526	4,702	2,176
Altoona	5,764	7,191	1,427
Clive	6,064	7,462	1,398

Ames is the only city in a non-metropolitan county with a population gain of more than 1,000 from 1980 to 1990. Ames' population increased 1,423 -- from 45,775 in 1980 to 47,198 in 1990.

Population Change since 1990

Census estimates have shown continued slow population growth for the State since the low point in 1987. Statewide growth from 1990 to 2000 is estimated at 4.1 percent, or 113,069 persons, to a population of 2,889,900. This is still about 25,000 less than the 1980 population. Iowa State University Professor Will Goudy projects Iowa will regain its 1980 population level in 2010.

Iowa State University estimates that 55 of the 99 counties in the State will gain population from the 1990 census, including all 11 metropolitan counties.

Racial and Ethnic Characteristics

Part A of Table 1.3 shows the racial and ethnic distribution for the State in 1990, and changes since 1980. Even though the numbers of non-Hispanic whites decreased by 6 percent
(-160,587) from 1990 to 1980, they still accounted for 95.9 percent of the total population in 1990, and 97.8 percent for the non-metropolitan counties.

In contrast, although other racial and ethnic groups are comparatively very small in number, they all grew during the past decade. The largest growth, both in numbers (+11,439) and percentage (85 percent), was among Asian and Pacific Islanders. The State's African-American population grew 14 percent (+5,697). The number of Hispanics increased 24 percent (+6,373). The Native American population grew 12 percent (+730).

High growth rates of Hispanics and Asians indicate significant in-migration of these groups to Iowa. This growth has been stimulated by job opportunities in some locations, particularly in the food processing industry. Naturally, this has affected the availability and affordability of housing in and around these areas.

Two small eastern Iowa cities have relatively large proportions of Hispanic residents. In 1990, West Liberty (Muscatine County) had 679 Hispanics in a total population of 2,935 (23.1 percent), and Columbus Junction (Louisa County) had 235 Hispanics in a total population of 1,616 (14.5 percent). Both communities experienced significant job growth in food processing plants. Both Muscatine and Louisa counties had relatively large percentages of Hispanics (7.3 percent and 3.7 percent respectively) among non-metropolitan counties.

Non-white and Hispanic groups have markedly lower incomes than white, non-Hispanics. Part C of Table 1.3 shows that while 41 percent of white, non-Hispanic households have incomes below 80 percent of the area MFI (HUD Section 8 figures), 65 percent of households among both African-Americans and Native Americans are below that figure. Similarly, 55 percent of Hispanic households and 59 percent of Asians households are below 80 percent of area MFI.

In addition to 1.3, the maps on pages 8 through 11 and table 1.4 on page 12 indicate the geographic concentrations, by county, of African-American, Native American, Asian and Hispanic populations in Iowa.

Table 1.3: Population and Household Data

State of Iowa	Five Year Period: FY: 2000	Through FY: 2005

Population	1980 Census Data	1990 Census Data	% Change
White (non-Hispanic)	2,824,427	2,663,840	-6%
Black (non-Hispanic)	41,796	47,493	14%
Hispanic (all races)	26,274	32,647	24%
Native American (non-Hispanic)	6,035	6,765	12%
Asian & Pacific Islanders (non-Hispanic)	13,487	24,926	85%
Other (non-Hispanic)	1,789	1,084	-39%
Total Population	2,913,808	2,776,755	-5%
Household Population	2,817,473	2,677,235	-5%
Non-Household Population	96,335	99,520	3%

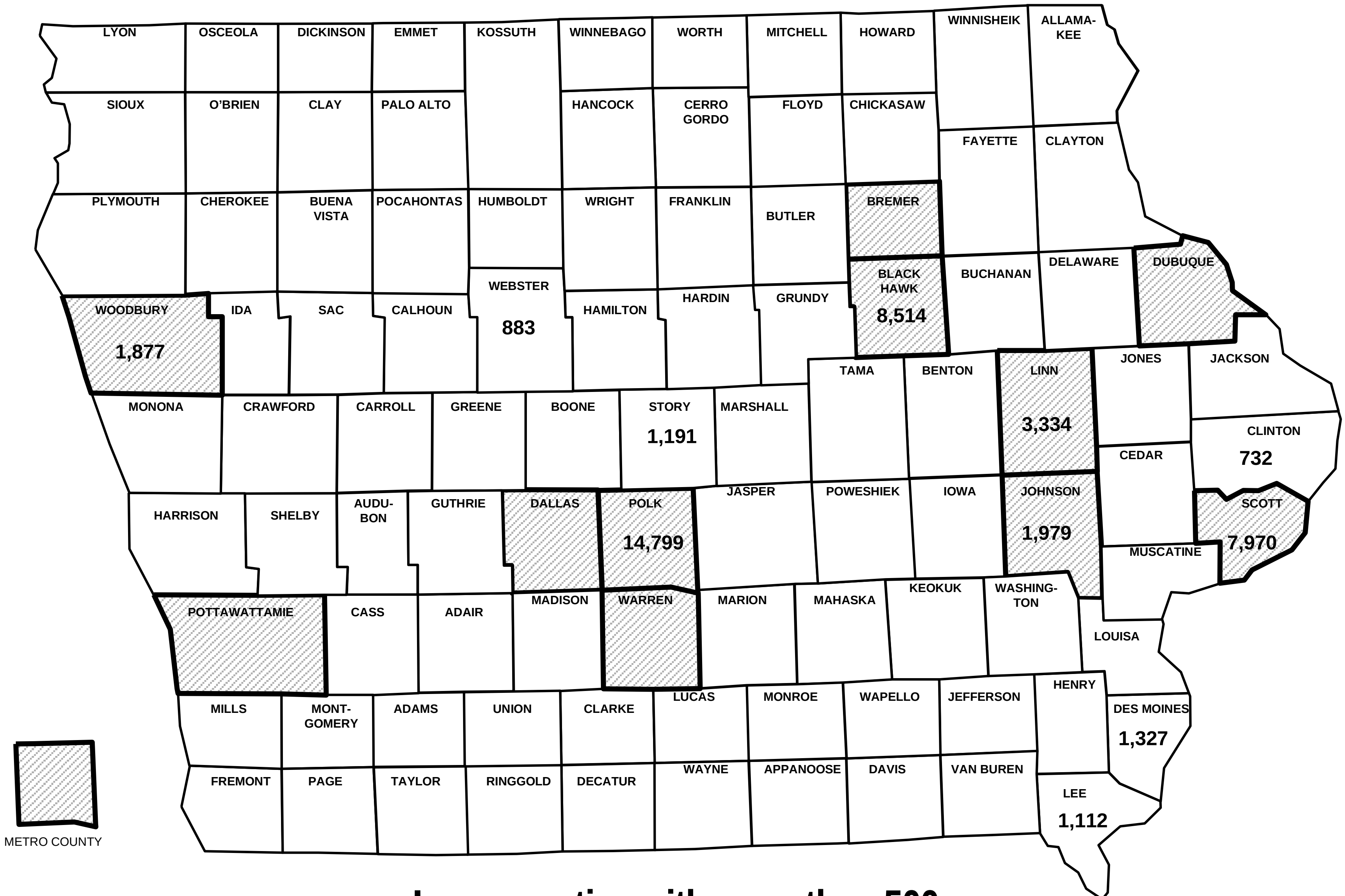
Relative Median Income of Jurisdiction

State Median Family Income	Sub-State Median Family Income	National Median Family Income
$31,659	$0	$35,939

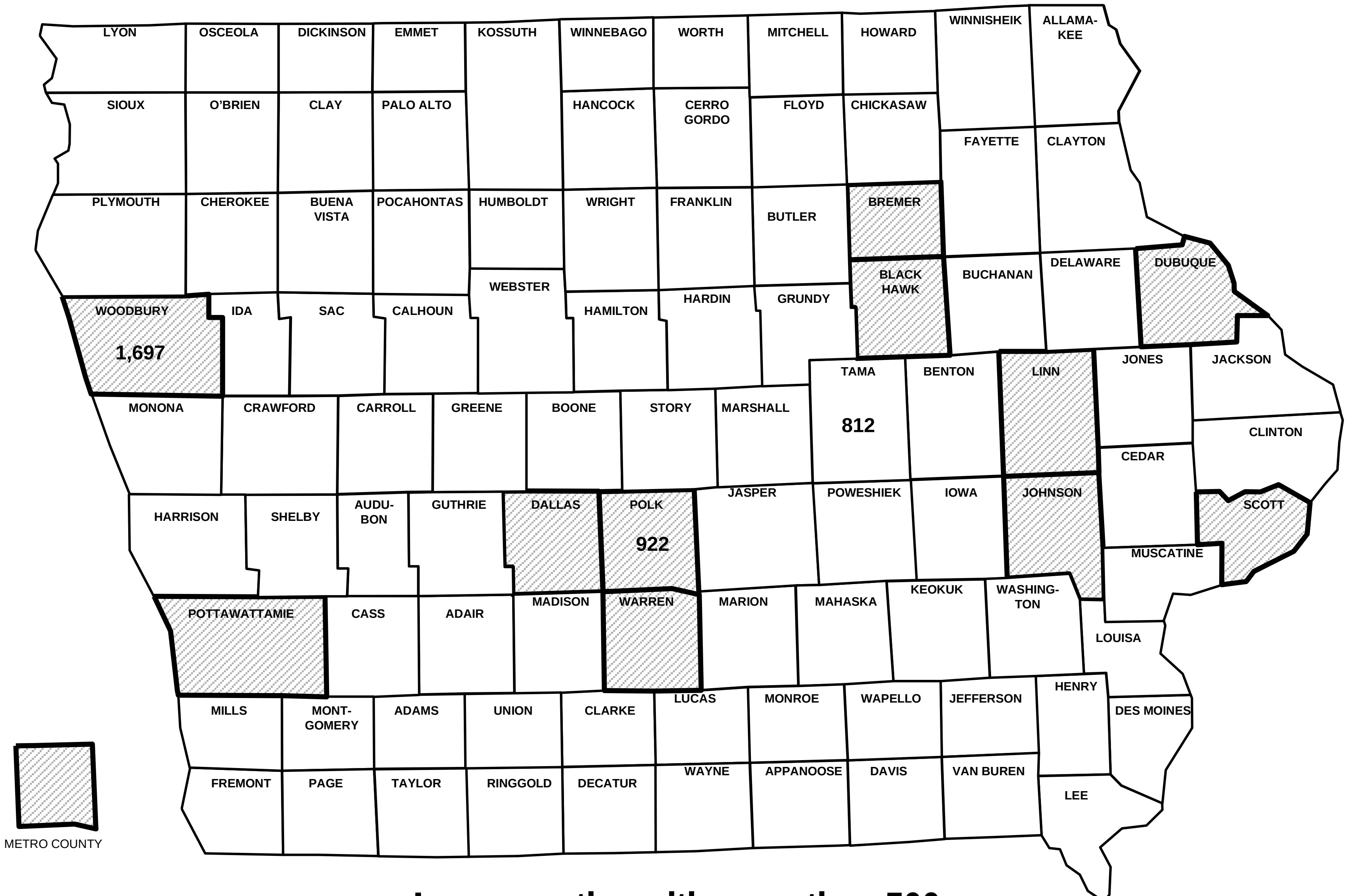
Special Categories (e.g. students, military, migrant farm workers, etc.)

Households	Total Households 1990	% of Total Households	% Very Low Income 0-50% MFI*	% Other low Income 51-80% MFI*	% Moderate Income 81-95% MFI*	% Above 95% MFI*
White (non-Hispanic)	1,032,973	97%	22%	18%	9%	50%
Black (non-Hispanic)	15,733	1%	48%	17%	7%	28%
Hispanic (all races)	7,925	1%	34%	21%	9%	36%
Native American (non-Hispanic)	2,221	0%	40%	25%	8%	27%
Asian & Pacific Islanders (non-Hispanic)	6,278	1%	43%	17%	9%	32%
All Households	1,067,120	100.00%	22%	18%	9%	50%

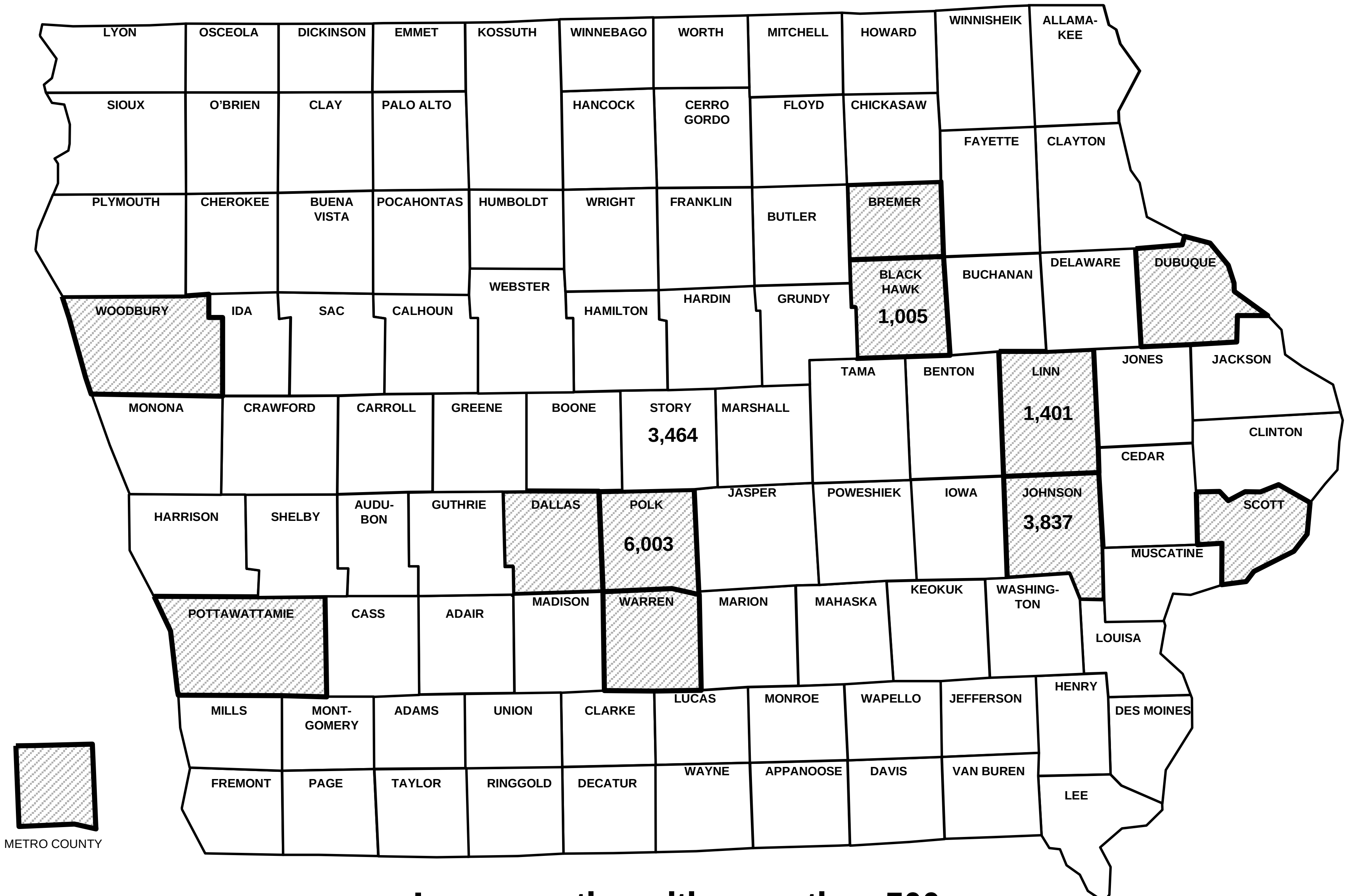
*Or, based upon HUDF adjusted income limits if applicable



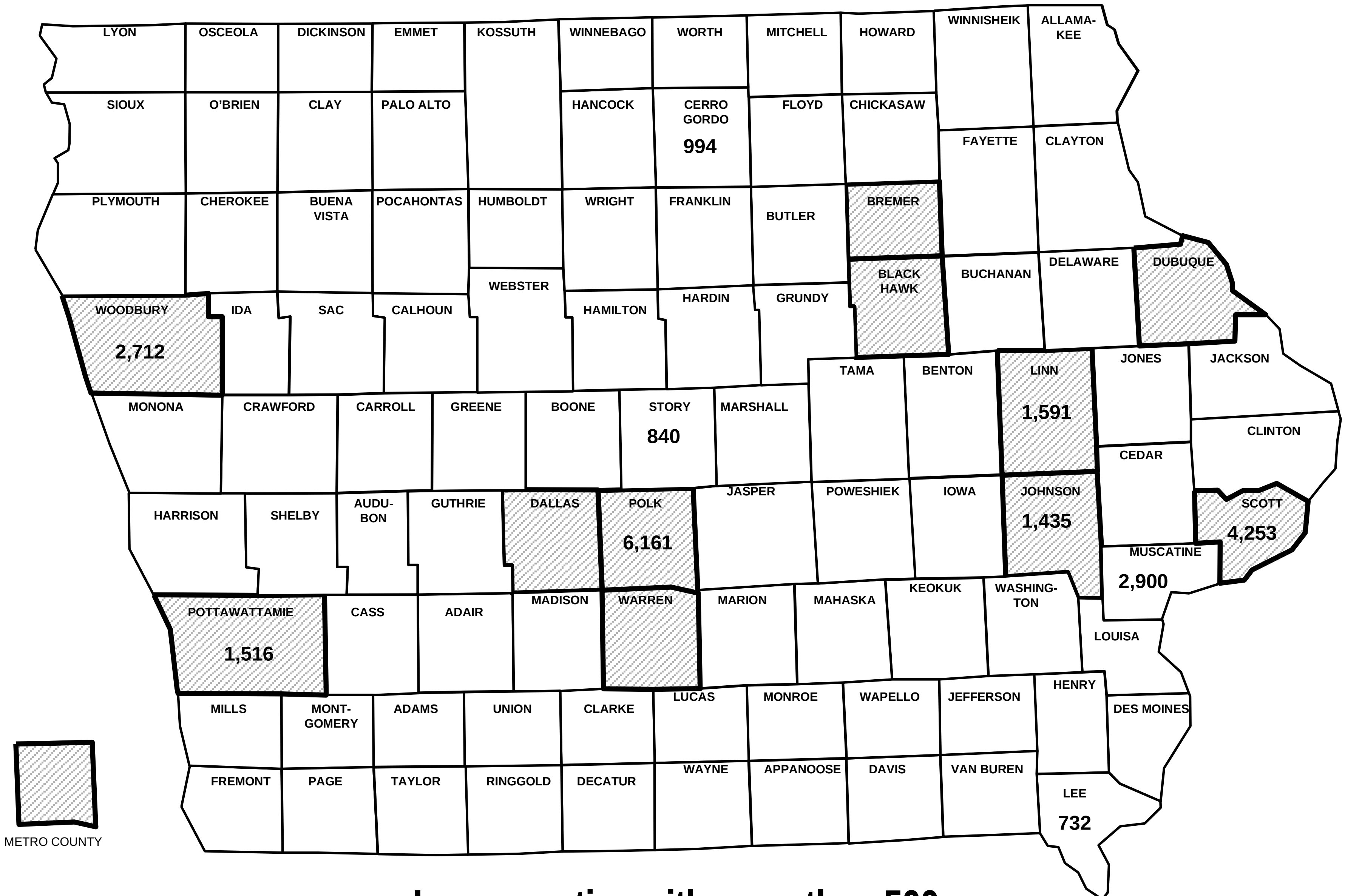
Iowa counties with more than 500 residents who are African American



Iowa counties with more than 500 residents who are Native American



Iowa counties with more than 500 residents who are Asian



Iowa counties with more than 500 residents who are Hispanic

Table 1.4: Counties with More than 500 Minority Residents

Counties with more than 500 residents who are:	1990 Population	
African-American	Polk	14,799
	Black Hawk	8,514
	Scott	7,970
	Linn	3,334
	Johnson	1,979
	Woodbury	1,877
	Des Moines	1,327
	Story	1,191
	Lee	1,112
	Webster	883
	Clinton	732
Native American	Woodbury	1,697
	Polk	922
	Tama	812
Asian	Polk	6,003
	Johnson	3,837
	Story	3,464
	Linn	1,401
	Black Hawk	1,005
Hispanic	Polk	6,161
	Scott	4,253
	Muscatine	2,900
	Woodbury	2,712
	Linn	1,591
	Pottawattamie	1,516
	Johnson	1,435
	Cerro Gordo	994
	Story	840
	Lee	732

Number of Households

There were 1,064,325 households in Iowa in 1990. Since 1980, the number of households grew by 11,292, or about 1 percent. A total of 466,392 households (43.8 percent) were in the 11 metropolitan counties, and 597,933 (56.2 percent) were in non-metropolitan counties.

In 1990, 70 percent of all Iowa households lived in owner-occupied homes. Owners represented 67.1 percent of all metropolitan county households, and within the nine central cities of the metropolitan area, owners represented 62.9 percent of households. In non-metropolitan counties, owners represented 72.3 percent of all households, with a homeowner rate of 76.2 percent in communities with populations less than 2,500.

Age of Householder

The median age of all heads of households in Iowa was 47.4 years in 1990. Median age for all homeowners was 52.5 years, and median age for all renters was 35.3. Heads of household are older in non-metropolitan areas and younger in metropolitan nonentitlement areas. The proportion of householders older than 65 was 25.8 percent for the State, 20.6 percent in the metropolitan counties and 29.7 percent in non-metropolitan areas.

An analysis of change in age of household head from 1980 to 1990 shows the number of householders younger than 35 decreased by 57,970, (-17 percent). There was a large growth in the householder age group of 35 to 44 years, representing aging “baby boomers.” This group grew statewide by 36 percent, or 57,061 householders. The other significant trend in age of householder is the growth in households headed by persons older than 75. This group grew 19 percent (+20,272 households).

Household Income

Twenty-two percent of households in Iowa have incomes at or below 50 percent of the area MFI, and 18 percent have incomes between 50 and 80 percent of the area MFI. Table 1.5 below breaks down the figures for renters and homeowners.

Table 1.5: Renter Versus Homeowner Comparison

Percent of Area MFI:	0 to 30 Percent	31 to 50 percent	51-80 percent
Renters	21.4%	17.4%	22.4%
Owners	6.5%	9.1%	16.6%

These figures show renters are significantly more likely to have low incomes, particularly in the categories below 51 percent of MFI.

While personal income continues to grow in Iowa, a study conducted for the Iowa Finance Authority (IFA) shows the number of low-income households is growing as well. This would indicate a growing spread of household incomes that will affect housing affordability. As many households become more affluent, prices increase for rents and homeownership, and the growing low-income population will have difficulty affording market-rate housing.

The changing job market structure is a possible cause of increasing low-income households. A growing number of jobs are in relatively low-paying service sectors. Additionally, there has been a shift to lower wages in Iowa's traditional manufacturing sectors, like food processing. Also, there is a growth in households among family types with a larger than normal proportion of low incomes. These include female-headed households with children and households headed by the elderly, especially those older than age 75.

Poverty Status

The highest rate of poverty among all persons is 21 percent in Decatur County. The highest rate of poverty among families is 16.5 percent in Appanoose County. Warren County has the lowest rate of poverty for all persons (6.3 percent) and for families (4.8 percent).

For the purposes of this Plan, areas of concentration for low-income families are defined as those counties with a rate of poverty 150 percent or greater than State poverty rates of 11.5 percent for all persons and 8.4 percent for families. The highest rates of poverty are concentrated in southern Iowa and a few other parts of the State more isolated from metropolitan areas and from non-metropolitan employment centers, as shown in Table 1.6 below.

Table 1.6: Greatest Extent of Poverty by County

Greatest Extent of Poverty For All Residents	
County	***Percent***
Decatur	21.0
Appanoose	20.4
Wayne	19.1
Taylor	18.3
Davis	17.8

Greatest Extent of Poverty For Families	
County	***Percent***
Appanoose	16.5
Decatur	16.0
Wayne	14.7
Adams	14.1
Taylor	13.8
Davis	13.3
Monroe	13.2
Buchanan	12.6

Family Status and Poverty Level

Household family status is significantly related to household income. Married families generally have the highest incomes. The number of married families with children declined from 1980 to 1990 by 14 percent (-49,212 households). The rate of decline was greatest in non-metropolitan counties, at 17 percent (-33,415). Other family types generally have lower incomes. In particular, female-headed single-parent households have markedly lower incomes than other families. The poverty rate for female-headed single parent households (with and without children) was 33.5 percent in 1990, compared to an 8.4 percent and 5 percent poverty rate for families and married couples, respectively.

For single-parent households headed by females with children under age 18, the poverty rate was 45.1 percent. For those whose children were under age 5, the poverty rate was 61.7 percent. The number of female-headed households with children increased 26 percent since 1980 (+12,064 households), with substantial growth in both metropolitan and non-metropolitan areas.

Housing and Commuting

Housing availability and costs are directly related to commuting, which is a significant and growing factor in the State's work force. Since many Iowa communities, particularly smaller ones, no longer have enough jobs for their residents, people commute to nearby communities with job surpluses. While a number of counties in Iowa have a surplus of jobs per resident worker, two-thirds of all counties (66 of 99) have fewer jobs than workers.

The practice of commuting is increasing throughout Iowa, in both metropolitan and non-metropolitan areas. In 1990, more than 25 percent of workers in 18 counties reported traveling more than 30 minutes to work. These counties tend to be adjacent to metropolitan counties, but include non-adjacent counties Van Buren, Appanoose, Monroe and Keokuk. Similarly, more than 30 percent of workers in 21 counties worked in another county. Again, these counties tend to be adjacent to metropolitan counties, but also include non-adjacent counties Keokuk, Monroe, Van Buren, Worth, Fremont and Taylor. Counties from which workers commute tend to have lower housing costs (home sale prices and rents) than counties to which they commute for jobs.

Change in Residence

Census figures for 1990 show 58.2 percent of Iowans lived in the same houses in which they lived in 1985. This indicates a high degree of stability in residence and low turnover in housing sales and rental units. In many communities, elderly homeowners remain in the houses where they raised families, even though they no longer need the space of a house. The lack of housing suitable for the elderly at various levels of income and care needs reinforces this situation.

SECTION TWO — NEEDS ASSESSMENT

The State is including in this Plan statistical and other information to provide an overall picture of housing and community development needs. This information helps establish priorities and allocate federal and State resources, principally for low- and moderate-income residents.

Housing Needs Assessment

Housing Market Conditions

Overview and Summary

The State of Iowa saw an average net increase of about 1,200 housing units per year from 1980 to 1990. This resulted from construction of 11,400 units and the loss of 10,200 units per year. From 1940 to 1980, an average of 15,700 housing units were built annually.

Three-quarters of all homes in the State are single-family, detached units. The majority of rental homes in non-metropolitan counties are also single-family houses.

The Census median value of owner-occupied homes was $45,900 statewide and $38,500 in non-metropolitan counties. Median rents were $261 statewide, and $211 in non-metropolitan counties. Household costs are reasonable in relation to income, with the median value for owner-occupied homes at 1.45 times State median income. In some non-metropolitan counties, median house value is less than median income. However, high down payments and difficulty in obtaining small mortgages remain barriers to homeownership.

More than a third of Iowa's housing stock was more than 50 years old in 1990; the figure is higher in non-metropolitan counties. Overcrowding is not a major problem overall, but it is a factor for some renters in metropolitan cities.

Commuting is also a factor in the housing market. Home values and rents drop steadily beyond the immediate suburbs of metropolitan cities, but commuting costs may offset savings.

Total Housing Units

The total number of housing units in the State in 1990 was 1,143,669. Of these, 490,384 (42.9 percent) were in metropolitan counties, and 653,285 (57.1 percent) were in non-metropolitan counties. As previously noted, about 70 percent of units statewide were in the homeowner market (67 percent metropolitan and 73 percent non-metropolitan).

Household Size Information

Average household size in 1990 was 2.52 persons for the State, 2.50 for non-metropolitan counties and 2.53 for metropolitan counties. Average household size has dropped continuously over the years. The State household size has dropped 0.16 since 1980. This means that while the State lost 5 percent of its population, the number of households increased by 11,292 (about 1 percent) since 1980 to 1,064,325 households in 1990.

Average household size statewide was 2.63 percent among owners and 2.25 among renters. The difference between renter and owner household size was greater among metropolitan counties than non-metropolitan counties. Among metropolitan counties, owner household size was 2.71 and renter household size was 2.17. In non-metropolitan counties, owner household size was 2.57 and renter household size was 2.32.

More than 99,500 people statewide were housed in group quarters (i.e., not in households) in 1990. Of these, 57,749 were in non-metropolitan areas and 41,771 were in metropolitan areas. About 44 percent (43,663) of those in group quarters were in college dormitories, 36 percent (35,959) were in nursing homes, and 6 percent (5,628) were in correctional institutions.

New Production and Units Lost

The Census provides figures on homes built since 1980, and net gain (or loss) in housing units since 1980. The number of units destroyed or otherwise lost to the housing inventory is calculated by subtracting net gain from the number of homes built. Table 2.1 shows these figures for the State and metropolitan and non-metropolitan counties.

Table 2.1: Housing Units, Net Gain or Loss (1980-1990)

	Units in 1980	Number Built 1980-1990	Number Lost 1980-1990	Net Gain (Loss) 1980-90	Percent Net Gain (Loss)
State	1,143,669	114,367	101,977	12,370	1.1
Metro	490,384	59,968	33,625	26,343	5.7
Non-metro	653,285	54,399	68,372	(13,973)	(2.1)

The number of homes built statewide was, on average, 11,400 per year from 1980 to 1990. This is down from the figure for the previous 40 years, when an average of 15,700 homes were built each year.

Lacking other more reliable indicators, age of housing is a way to estimate the probable quality and condition of the housing stock. Compared to other states, Iowa has a large proportion of homes built prior to 1940. Statewide, there were slightly more than 400,000 housing units in 1990 built before 1940 (35 percent of total housing). About 10,200 housing units were lost, and replaced, out of the total inventory each year from 1980 to 1990. At this rate, it would take until the year 2030 to replace the equivalent of all remaining pre-1940 housing.

Type of Housing Unit

About three of four housing units in the State are single-family detached homes. This figure rises to four of five in non-metropolitan counties. Multifamily homes account for 12.7 percent of non-metropolitan units and 24.6 percent of metropolitan units. Most multifamily housing in non-metropolitan counties is in smaller complexes (i.e., fewer than 10 units). Mobile homes account for only about 4 to 6 percent of all housing units in most counties.

About 90 percent of owner-occupied housing is single-family detached units. Slightly more than half of rental units in non-metropolitan areas are also single-family detached houses; in metropolitan areas the figure is about one-fourth.

Table 2.2 shows the distribution of selected types of units in the State and in metropolitan and non-metropolitan counties.

Table 2.2: Distribution of Housing Units

Housing Type		State	Non-Metro	Metro
Single-family detached		74.5%	79.5%	68.1%
Multifamily	*2-9 units*	11.2%	9.6%	13.2%
	10+ units	6.7%	3.1%	11.4%
Mobile homes		5.0%	5.6%	4.2%
Owner single-family detached		91.0%	91.8%	90.1%
Renter single-family detached		39.7%	51.9%	26.6%

Cost of Housing

Market value of housing stock and market rents reflect not only affordability of housing, but also housing availability, rate of new construction and maintenance and rehabilitation of existing stock. In areas where the economy and incomes are growing the fastest, housing affordability is a problem. In other parts of the State, where low housing prices and prevailing rents discourage new construction, housing may be unavailable, substandard for lack of maintenance investment, remotely located relative to employment opportunities and/or devoid of amenities.

The following statistics on Iowa's housing in 1990 reflect these conditions:

- The median value of owner-occupied housing state-wide was $45,900 and the lower quartile value was $30,200;
- the median value in metropolitan areas was $54,400;
- the median value in non-metropolitan counties was $38,500.
- The median cash rent per month state-wide was $261 and the lower quartile for rent was $182;
- the median cash rent in metropolitan areas was $310;
- the median cash rent in non-metropolitan areas was $211.

A housing affordability indicator is the median value of homes divided by the MFI. This tells, in effect, how many years' worth of income a family at median income level would have to pay for a median-priced home. The State MFI was $31,659 in 1990. Dividing that into the median owner-occupied home value of $45,900 produces a ratio of 1.45. This ratio of housing affordability varies across the State, from 1.93 in Johnson County to less than 1.0 in several non-metropolitan counties.

Number of Bedrooms Per Unit

Table 2.3 shows the distribution of housing unit size by number of bedrooms:

Table 2.3: Distribution of Housing Units

		# of units	0-1 BR %	2 BR %	3+ BR %
State:	*Total*	1,143,669	11.7	29.8	58.5
	Renters	318,954	30.0	39.6	30.4
	Owners	745,371	2.5	24.6	72.9
Metro:	*Total*	498,406	13.7	30.9	55.4
	Renters	153,449	34.7	44.2	21.1
	Owners	312,975	2.5	24.4	73.0
Non-metro:	*Total*	645,263	10.2	28.9	60.9
	Renters	165,505	25.7	35.3	39.0
	Owners	432,396	2.5	24.7	72.9

Almost three of five housing units statewide have three or more bedrooms. Among owner-occupied homes, the figure is nearly three of four. Only a small number of owner-occupied homes have fewer than two bedrooms.

Rental units tend to have fewer bedrooms. However, more rental units in non-metropolitan counties have three or more bedrooms than do units in metropolitan counties. This means more than half of non-metropolitan rental units are single-family houses. Only 18.3 percent of vacant rental units have three or more bedrooms, compared to 30.4 percent of occupied rental units.

Distribution of Persons per Household

Table 2.4 below shows distribution of occupied housing units by number of persons.

Table 2.4: Distribution of Occupied Housing

		State	Non-metro	Metro
Occupied Rental Units	*Total*	318,948	165,505	153,443
	1 person	39.2%	38.4%	40.1%
	2 persons	27.4%	25.6%	29.3%
	3-4 persons	25.6%	26.8%	24.3%
	5+ persons	7.8%	9.1%	6.4%
Owner-Occupied Units	*Total*	745,377	432,428	312,949
	1 person	20.2%	21.5%	18.4%
	2 persons	37.6%	39.0%	35.7%
	3-4 persons	32.0%	29.5%	35.5%
	5+ persons	10.3%	10.0%	10.7%

Overcrowding

Table 2.5 below shows the number of occupied housing units in which there is more than one person per room (excluding bathrooms).

Table 2.5: Overcrowding by Type of Housing

	State	Non-metro	Metro
Owner-occupied	7,348	3,794	3,554
Renter-occupied	8,661	3,445	5,216

While there is not a large number of overcrowded households in Iowa, overcrowding is much more common among renters than among owner-occupied households. There is also more overcrowding, proportionately, in metropolitan areas than in non-metropolitan areas.

Vacancy Rate

Table 2.6 contains the Census-determined vacancy rates for the State. For rental units, the rate is 6.6 percent, and for units for sale, the rate is 1.35 percent. The rental vacancy rate for non-metropolitan counties is higher, at 7.11 percent, than the rate for metropolitan counties, at 6.05 percent. Iowa's communities do not uniformly accept the Census rental vacancy rates as accurate. Many communities have estimated vacancy rates considerably lower than those reported in the Census, indicating a much tighter housing market than the Census suggests.

Rehabilitation Needs

As noted previously, 35 percent of housing in existence during the 1990 Census was more than 50 years old. Forty-one percent of this pre-1940 housing was in non-metropolitan counties, and 27 percent was in metropolitan counties. The median year of housing construction was 1956 for the State, 1960 for the metropolitan counties and 1951 for non-metropolitan counties. The proportion of owner-occupied housing built before 1940 was 35.1 percent, compared to 32.6 percent of renter-occupied housing. Housing built prior to 1960 is likely to contain lead-based paint hazards.

Rehabilitation is a common need among many houses available to or owned by low-income people. The combination of older housing stock and lack of funds for home maintenance and improvements perpetuates this condition. Also, many communities in Iowa either lack building and housing codes or do not vigorously enforce them.

A number of communities have had housing rehabilitation programs, usually targeted to LMI homeowners and funded through state and federal sources (e.g., CDBG and HOME). Several communities in recent years have also undertaken programs to rehabilitate homes that are sold to LMI buyers. Data collected from 503 city and county Community Builder plans indicate about 45 percent of communities have housing rehabilitation needs and 18 percent have need for demolition of units beyond repair.

Rehabilitation Needs of Rental Housing

Many of the State's rental units need rehabilitation. Besides older multifamily units, much of the rental stock is comprised of older single-family homes, especially in rural areas. Housing built prior to 1960 is likely to contain lead-based paint hazards.

Most larger cities in the State (i.e., populations greater than 10,000) actively use the HUD Rental Rehabilitation and HOME programs. Although the Rental Rehabilitation program was available to smaller cities, few used it. As with general rehabilitation programs for owner-occupied housing, local governments often lack the ability and/or willingness to run complex programs.

Table 2.6: Market and Inventory Conditions

State of Iowa	1990 Census			5 Year Period	
				FY: 2000	Through FY: 2005
Housing Stock Inventory Category	Total	Vacancy Rate	0 and 1 bedroom	2 Bedrooms	3 or more bedrooms
Total Year-Round Housing	1,143,669		133,890	340,831	668,948
Total Occupied Units	1,064,325		114,345	309,450	640,529
Renter	318,954		95,786	126,255	96,913
Owner	745,371		18,560	183,195	543,616
Total Vacant Units	79,344		19,544	31,381	28,419
For Rent	22,548	6.60%	8,995	9,426	4,127
For Sale	10,187	1.35%	930	3,805	5,451
Other	46,609		9,619	18,149	18,841

Assisted Housing Inventory

Table 2.7 shows the number of housing units constructed with assistance from HUD and Farmer’s Home Administration (FmHA) as of 1992:

Table 2.7: Housing Units Constructed with HUD and FmHA Assistance

		State	Metro	Non-metro
HUD Programs	Public Housing	4,636	1,530	3,106
	Section 202	3,287	1,902	1,385
	Elderly	2,728	1,631	1,097
	Non-elderly	559	271	288
	Project-based Section 8	1,368	708	660
	Tenant-based Section 8	14,921	6,693	8,228
	Section 236/221(d)3	4,772	3,481	1,291
	Elderly	1,120	714	406
	Family	3,652	2,767	885
FmHA Programs	Section 515	14,098	1,888	12,210
	Elderly	10,224	1,163	9,061
	Family	3,874	725	3,149
Total Project-based		28,161	9,509	18,652
Total Tenant-based		14,291	6,693	8,228

Energy Efficiency Needs

Utility costs in low-income housing units are generally high. In some cases, total utility costs even exceed rent or mortgage payments. In an annual report to Congress on the 1990 Low Income Heating Energy Assistance Program, the U.S. Department of Health and Human Services reported that for all U.S. citizens, the percentage of income devoted to energy costs was 3.3 percent. For low-income residences, the average percentage of income devoted to energy costs was 10.8 percent.

A study conducted for the state of Ohio's Comprehensive Housing Affordability Strategy concluded households with 30 percent of area MFI spent an average of 17.9 percent of their incomes on residential energy. At 30 percent of the 1990 Iowa MFI, this would be about $142 per month.

The following factors contribute to the problem of energy inefficiency in housing, whether it is existing or new:

- Increasing energy costs
- Poorly maintained or built structures
- Installation of inefficient heating/cooling systems
- Lack of appropriate efficiency measures such as wall and attic insulation, and window and door weatherstripping and efficient lighting and appliances.

Market and Financing Issues for Housing Production

Many Iowa builders do not consider construction of moderate-priced housing profitable. One of the main obstacles to new housing construction is the low prices current residents pay in many areas of the State. Low prices for existing homes discourage investment in new construction. Prevailing rents, especially in non-metropolitan counties, are far below those necessary to pay for construction of new rental units. Uncertainty in buyer markets has resulted in few “speculative” homes being built in most parts of Iowa.

In much of the State, particularly in rural non-metropolitan areas, home financing is a problem. Lenders are wary of long-term erosion of the economy in many small towns and of “one industry” towns where jobs are vulnerable to economic cycles and actions of absentee owners.

In recognition of potential drops in market value, substantial down payments are required, often as high as 20 to 30 percent. Since most loans now are sold on the secondary market, lenders must package a number of loans and meet stricter underwriting standards than they might have previously imposed.

Lenders are reportedly reluctant to give mortgages of $30,000 or less, yet much of the existing rural housing stock could be obtained for this amount, plus the required down payment. Lenders are also reluctant to use FHA or VA mortgage insurance on lower mortgages due to red tape and expenses. Without insurance, lenders deem higher down payments necessary.

The typical forms of homebuyer financing are skewed in Iowa. In 1987, only 37 percent of homes sold in the State were purchased with conventional private-market loans. About 28 percent were purchased with cash or seller financing (e.g., land contracts), while 22 percent were financed through FHA, FmHA or VA loans.

Seller financing shifts risks to current owners. In many cases, these are older Iowans who own their homes outright. Risks of seller financing could affect the ability of the elderly to move to alternative types of housing and thereby free family units for younger households.

Commuting and Housing Costs - An Example

To illustrate the relationship between housing and commuting, housing costs for communities within commuting distance to Des Moines are discussed below.

Median rents paid in 1990 increased from $346 in Des Moines to a range of $420 to $460 in the immediate western suburbs. Farther west, prices decreased steadily to a range of $340 to $360 in communities 20 to 25 miles out, and $200 to $240 for communities more than 30 miles away. (Stuart, which is about 45 miles west of Des Moines had median rents of $188.)

Median value of owner-occupied homes in 1990 was $49,500 in Des Moines. In the immediate Western suburbs, median home values ranged from $85,000 to more than $100,000. As with rents, median home values dropped steeply to a range of $60,000 to $70,000 at a distance of 20 to 25 miles from Des Moines, and $30,000 to 50,000 at 30 miles or more.

These patterns were similar going other directions from Des Moines, although ranges differ. The patterns of median rent and home values are highly correlated with income. Specifically, MFI is highest in the immediate suburbs and decreases with distance from Des Moines. Yet when median value of owner-occupied homes is divided by income to produce an “affordability” ratio, housing is clearly more affordable for those living farther away from Des Moines than in the City or its immediate suburbs.

Low housing costs are offset by higher commuting costs. Assuming a driving cost of $0.25 per mile, commuters who drive alone pay about $10 per month for each mile between home and work. At this rate, or even assuming a lower rate, the advantage of lower housing costs may be more than offset by commuting costs.

Housing Needs

Overview and Summary

Table 2.8 shows cost burden and other indicators of housing assistance need for several family types among renters and owners in the following income categories:

- *Extremely Low Income* - zero to 30 percent of MFI.
- *Very Low Income* - 31 to 50 percent of MFI.
- *Other Low Income* - 51 to 80 percent of MFI.
- *Moderate Income* - 81 to 95 percent of MFI.

The following definitions are useful in understanding Table 2.8:

- *Housing Problems*: units that have cost burden, are overcrowded and/or have physical defects.
- *Cost Burden*: the extent to which gross housing costs, including utilities, exceed 30 percent of gross income.
- *Severe Cost Burden*: gross housing costs, which exceed 50 percent of income.
- *Overcrowding:* the condition when there is more than one person per room.
- *Physical Defects*: the lack of complete kitchen or bathroom facilities (while such defects were substantial in past decades, the current proportion of units lacking complete kitchen and bathroom facilities is very low statewide).

Key points presented in Table 2.8 include the following:

- For most categories of households, the proportion with cost burden represents a large part or nearly all the units with housing problems.
- About one third of all renters experienced housing problems, rising to 41 percent
- Among elderly 1- and 2-member households.
- Fifteen percent of homeowners experienced housing problems. The figure for elderly homeowners was 17 percent.

Housing Problems and Cost Burden for Renters

Sixty-eight percent of very low-income renters have housing problems. This figure rises to 75 percent among those with extremely low incomes. Cost burden is the predominant cause of housing problems in this category, except for about 6 percent of large related renter households, where overcrowding probably represents much of the housing problems. More than half the households with incomes below 30 percent of MFI experience severe cost burden, compared to 14 percent of households between 30 and 50 percent of MFI.

Table 2.8: Housing Assistance Needs of Low & Moderate Income Households

State of Iowa		Five Year Period: FY: 2000	through FY: 2005

Household by Type, Income, & Housing Problems	Renters: Elderly 1/2 Member Households	Renters: Small Related (2-4)	Renters: Large Related (5 +)	Renters: All Other Households	Renters: Total Renters	Owners: Elderly	Owners: All Other Owners	Owners: Total Owners	Total Households
1. Very Low Income (0 to 50% MFI)*	36017	38428	8333	38845	121623	73576	43986	117562	239185
2. 0 to 30% MFI*	19088	22490	4298	21288	67164	30190	18984	49174	116338
3. % with any Housing Problems	59%	82%	82%	81%	75%	68%	77%	72%	74%
4. % Cost Burden > 30%	58%	81%	74%	80%	73%	66%	75%	70%	72%
5. % Cost Burden > 50%	32%	62%	57%	64%	54%	31%	57%	41%	49%
6. 31 to 50% MFI*	16929	15938	4035	17557	54459	43386	25002	68388	122847
7. % with any Housing Problems	51%	61%	64%	68%	60%	28%	59%	39%	48%
8. % Cost Burden > 30%	50%	59%	51%	66%	58%	27%	57%	38%	47%
9. % Cost Burden > 50%	14%	12%	8%	16%	14%	6%	22%	12%	13%
10. Other Low-Income (51 to 80% MFI)*	11759	26918	6688	24966	70331	58080	68365	126445	196776
11. % with any Housing Problems	31%	1900%	27%	23%	23%	10%	30%	21%	22%
12. % Cost Burden > 30%	29%	16%	9%	21%	20%	9%	27%	19%	19%
13. % Cost Burden > 50%	4%	1%	1%	1%	1%	2%	5%	3%	2%
14. Moderate Income (81-95% MFI)*	3395	12617	2629	10811	29452	22883	48177	71060	100512
15. % with any Housing Problems	13%	5%	15%	6%	7%	6%	15%	12%	11%
16. % Cost Burden > 30%	11%	2%	2%	5%	4%	5%	13%	10%	8%
17. % Cost Burden > 50%	1%	0%	1%	0%	0%	1%	2%	1%	1%
18. Total Households**	59996	122577	24438	106402	313413	244638	507192	751830	1065243
19. % with any Housing Problems	41%	28%	37%	34%	33%	17%	14%	15%	20%

* Or, based upon HUD adjusted income limits, if applicable.
** Includes all income groups -- including those above 95% of MFI

Nineteen percent of all renter households are elderly renters. They represent nearly 30 percent of all renters with incomes below 50 percent of MFI. However, among all renters with incomes below 30 percent of MFI, non-elderly renter households are twice as likely as elderly households to have severe cost burden.

Within the other low-income renters category (households with incomes at 51 to 80 percent of MFI), the proportion of total households with housing problems drops to less than 25 percent. Elderly households represented the greatest proportion of this category, at 31 percent. Of large related renter households, 18 percent had housing problems exclusive of cost burden. Again, overcrowding was most likely the problem in these households. Relatively few households experienced severe cost burden in this income category.

Housing problems among moderate-income renters (81 to 95 percent of MFI) existed in only 7 percent of households. Thirteen percent of elderly moderate-income renters experienced housing problems. Households with severe cost burden represent a very small proportion of this group.

Housing Problems and Cost Burden for Owners

Elderly comprise 33 percent of all owner households, but 62 percent of households with incomes below 50 percent of MFI. Seventy-two percent of very-low income owner households had housing problems. Thirty-one percent of very-low income elderly owners had severe cost burden, compared to 57 percent of non-elderly in this income category.

Among owner households with incomes between 31 percent and 50 percent of MFI, twice as many non-elderly households had housing problems (59 percent) than did elderly households (28 percent). Severe cost burden in this income category dropped to 6 percent for elderly owners and 22 percent for non-elderly owners.

For owners with incomes between 51 percent and 80 percent of MFI, only 10 percent of elderly households had housing problems, compared to 30 percent of non-elderly households. Severe cost burden dropped to 2 percent for elderly households and 5 percent for non-elderly households in this income category.

Only 6 percent of elderly owner households and 15 percent of non-elderly owner households with incomes between 81 and 95 percent of MFI had housing problems.

Differences among Urban Cities, Metropolitan Counties and Non-metropolitan Counties

Iowa's nine "urban" cities have a larger proportion of housing problems (77 percent) than do non-metropolitan counties (62 percent). This probably reflects the significantly lower rents in non-metropolitan areas.

Among elderly renters below 51 percent of MFI, 62.3 percent of those in the urban cities have housing problems, compared to 48.6 percent of those in non-metropolitan counties. Among non-elderly renters below 51 percent of MFI, the differences are most pronounced between large related households in urban cities (86.4 percent with housing problems) and those in non-metropolitan counties (65.4 percent with housing problems).

In contrast to renter households, owner households with incomes below 51 percent of median had smaller differences in proportion of housing problems between metropolitan and non-metropolitan areas. Within the non-metropolitan counties, however, the proportion of households with housing problems was lower among counties not adjacent to metropolitan counties than those adjacent.

Overcrowding

As noted above, the proportion of units with overcrowding is included in the "housing problem" figures in Table 2.8. Additional HUD data provides detail on the incidence of overcrowding:

Table 2.9: Incidence of Overcrowding

Incidence of Overcrowding:		0-30% MFI %	31-50% MFI %	51-80% MFI %	All Units %
All Renters		3.7	3.0	2.9	2.5
All Owners		1.3	1.3	1.5	0.9
Large Related Renters:	*State*	31.3	23.7	18.2	18.8
	Urban Cities	41.7	30.4	21.7	31.3
	Non-metro counties	24.2	16.0	15.0	11.1
Non-elderly Owners:	*State*	3.3	3.4	2.7	1.3
	Urban Cities	8.0	7.0	5.4	2.7
	Non-metro Counties	1.4	2.2	1.7	0.9

Renters are more likely to live in overcrowded units. Large renter households are the most likely among types of households to be overcrowded, particularly in larger cities. In fact, the proportion of overcrowded large renter households in urban areas with incomes from 51 percent to 80 percent of MFI is almost as large as the figure for non-metropolitan renters in the lowest income category (zero to 30 percent of MFI). While overcrowding is lower for owners than for renters, the proportion of overcrowded, very low income, non-elderly owners is significantly greater in the larger cities than in the non-metropolitan counties.

Availability of Affordable Vacant Units

The table below shows vacant units as a percentage of households with cost burden:

Table 2.10: Vacant Units as a % of Households with Cost Burden

	0-30% MFI %	31-50% MFI %	51-80% MFI %
State	19	33	25
Metro Counties	9	32	20
Non-metro Counties	30	35	15

Table 2.10 shows a greater availability of affordable housing in non-metropolitan areas for households with cost burden and incomes zero to 30 percent of MFI. Even if all available vacant units were rented -- which is unlikely -- the demand for affordable housing would not come close to being met, especially among the lowest income group.

Homeownership for First-time Buyers

Iowa is a homeowner state. The rates of homeownership significantly exceed those of almost all other states. The housing stock in many parts of Iowa consists overwhelmingly of single-family, detached houses that have traditionally been owner-occupied. Ownership is often a practical necessity, given the limited stock of rental housing, especially with three or more bedrooms.

Market conditions both reflect and contribute to this. Most communities in Iowa would appear to offer comparatively good opportunities for first-time homebuyers. Sale prices are still very reasonable in comparison to other parts of the country. The ratio of home values to incomes is also fairly low.

However, obstacles remain for first-time, low-income buyers. A significant limitation for many low-income buyers is the required down payment. A recent study by the Harvard University Joint Center for Housing Studies estimates 31.7 percent of young renter households have the income necessary for the median-value home in their area, but only 10 percent could handle a down payment requirement of 10 percent.

For conventional financing in rural Iowa, the required down payment can be 20 percent or more. Securing a down payment is a major obstacle for many potential low-income buyers. Lower down payments offered through state and federal programs address this need to some degree, and down payment subsidy programs have been initiated in some locations.

Another obstacle is the quality of the housing stock affordable to low-income families. The age of housing in Iowa contributes to this problem. Many affordable units need rehabilitation to bring them to minimum standards of repair. Programs have been available recently to fund needed rehabilitation that is linked to the sale of affordable houses.

Discussion of Expected Change, 2000-2005

With a few localized exceptions, the population in Iowa is generally stable, with a number of communities enjoying moderate growth. Overall, there is no particular reason to expect more than incremental or "evolutionary" changes in the conditions and trends in housing needs.

Lead-based Paint Hazards

Poisoning from lead-based paint is the greatest environmental health hazard in Iowa today. Lead, when ingested or inhaled, can cause severe and often irreversible health problems, especially among young children. Elevated blood lead levels may result in learning disabilities, lower intelligence, nerve problems, anemia, kidney damage, brain swelling, comas, seizures and in the most extreme cases, death. There also may be significant adverse effects to fetuses through prenatal exposure to lead-based paint.

Any housing built prior to 1978 is considered to be at risk of containing some amount of lead-based paint. In Iowa, nearly nine of 10 homes were built before 1978, making them subject to suspicion. Based on Iowa Department of Public Health (IDPH) investigations, about 235,575 low-, very low- and extremely low-income households live in housing units containing lead-based paint hazards. Table 2.11 below demonstrates calculations for attaining that estimate.

Table 2.11: Estimated Households Living in Units with Lead-based Paint

Year Built	Percentage of Housing Units with LBP	Number of Low-income Housing Units	Estimated Number of Those Units with LBP
1960-1979	5%	156,178	7,809
1950-1959	70%	59,165	41,416
Before 1950	95%	196,158	186,350
Total			**235,575**

The percentages in the table above show the relationship between age of housing stock and the likelihood the housing contains lead-based paint. In accordance with this relationship, IDPH has found the cause of virtually all cases of lead poisoning investigated in Iowa to be deteriorated lead-based paint in housing units built prior to 1960. As the State's low-income populations tend to occupy a greater percentage of the older housing stock, such persons generally have an increased risk for lead poisoning. Table 2.12 below shows the estimated number of housing units occupied by low-, very low, and extremely low-income residents that, through IDPH investigations, are estimated to contain lead-based paint hazards.

Table 2.12: Estimated Number of Units Occupied by Low- and Very Low-income Residents

Year built	# Occupied by Extremely Low-income Persons	# Occupied by Very low-Income Persons	# Occupied by Low-Income Persons
1960 -- 1979	2,147	4,295	7,809
1950 -- 1959	11,389	22,779	41,416
Before 1950	51,246	102,492	186,350
TOTAL	64,782	129,566	235,575

Between July 1, 1993, and June 30, 1994, IDPH screening programs identified the rate of lead poisoning (defined as a confirmed blood lead level greater than or equal to 10 micrograms of lead per deciliter of blood) among the 30,000 children screened to be 7 percent. IDPH suggests this rate can be extrapolated to the overall State population. Since there are 234,000 children in Iowa under age 6, approximately 16,000 would be identified as lead-poisoned if all these children were screened.

Furthermore, IDPH has found the incidence of lead poisoning to be greatest in those areas of the State with the largest numbers of housing units built before 1960. The incidence of lead poisoning in many rural areas of Iowa has been found to be greater than that in many urban areas of the State due to the tendency for rural housing to be in older, poorer condition.

Facilities and Services for the Homeless

All Iowa counties have some type of services directed tpwards homeless persons. Even the most rural county has a food bank or food voucher program. The vast majority of homeless shelters and services are found in the larger counties. A recent study by the Iowa Department of Human Services Office on Homelessness provided a listing of all service providers in the State. A summary of these services is provided below in Table 2.13.

Table 2.13: Homeless Service Providers in Iowa

	County Population			
Type of Facility	**Less Than 20,000**	**20,000 to 49,999**	**More Than 50,000**	**Total**
Emergency Shelters	26	12	51	89
Transitional Housing	1	8	35	44
Long Term Housing	0	1	12	13
Domestic Violence Shelters	3	8	10	21
Safe Homes	1	4	0	5
Crisis Line	5	2	3	10
Youth Shelter	2	3	11	16
Congregate Meal Sites	1	11	56	68
Food Pantry/Banks/etc.	115	74	122	311
Other Services	4	2	14	20
Total	158	125	314	597

Occupancy rates of homeless facilities in Iowa are high, and use of nearly all facilities is increasing. Most shelters report a need for longer service periods and more beds. The State has an estimated total overnight sleeping capacity of 2,424 beds. Most of these facilities run near their capacity levels. During the winter months, many homeless persons have to be turned away due to the lack of available beds.

The availability of day shelters, congregate meal sites, and other facilities serving homeless persons on less than an overnight basis is extremely limited in Iowa. Such services exist exclusively in metropolitan areas. All areas of the State are served by a "safety net" of programs that may provide vouchers under certain prescribed conditions to assist homeless persons in obtaining shelter, meals, or services. Vouchers are provided through County General Relief or FEMA.

A network of programs exists to serve the homeless and near homeless in Iowa. All 99 counties are served by local and regional offices of the Iowa Department of Human Services (IDHS) and by Community Action agencies operated by 19 nonprofit organizations. The State has established a network of 37 Local Homeless Coordinating Boards that cover 94 of the 99 Iowa counties. These Boards help to coordinate the homeless services provided within their county jurisdictions and help to develop strategies to meet anticipated needs in their communities. Services offered are not uniform across areas, but the range of services available is extensive, including job training, day care, self-help classes, counseling, referral / service coordination, transportation, health care, emergency food and clothing, and family development assistance. The Department of Veteran Affairs provides a variety of programs in offices throughout the State to assist its targeted client group.

The State administers several programs targeted to prevent low-income individuals and families from becoming homeless. The most visible programs include the following:

- *Emergency Shelter Grants Program (ESGP)* This program is funded through annual allocations from HUD and is administered by the Iowa Department of Economic Development (IDED). Up to 30 percent of funds may be used for homelessness prevention activities. This has been a priority in recent years, resulting in increased counseling, legal expenses, and emergency rent or utility payments.

- *Homeless Shelter Operations Grant Program (HSOGP)* This program is very similar to the ESGP program , and is used to fund similar activities. It is funded through a direct annual appropriation form the Iowa Legislature and is administered by the Iowa Department of Economic Development (IDED).

- *Emergency Assistance Program (EAP).* EAP is actually two distinct programs administered by the Iowa Department of Human Services. The first is entirely state-funded, providing economic assistance to families who are homeless or at the risk of homelessness, through the use of vendor payments for rent, house payments, and utilities. The second program, which is eligible for matching federal funds, uses vendor payments for services aimed more at keeping families together and/or restoring family relationships.

- *Emergency Community Services Homeless Grant Program (EHP)*. Through the federal McKinney Act series of programs, EHP funds are passed through the 9 Community Action Agencies to expand case management/self-sufficiency efforts, provide emergency services and coordinate use of existing programs.

Inventory of Transitional Housing Programs

Iowa's nonprofit organizations are largely responsible for the transitional programs operating in the non-metropolitan areas. More than 2,100 persons occupy the following at any given time:

- *Hawkeye Area Community Action Program* – serves counties surrounding Cedar Rapids, with scattered site transitional housing in Benton and Washington counties.
- *Operation New View* – serves counties surrounding Dubuque, with support services for transitional and Section 8 housing.
- *Boone County Community Action* – operates one transitional housing unit.
- *Greater Iowa City Housing Fellowship* – operates numerous transitional and permanent housing units for low-income persons in the Iowa City area.
- *Fort Dodge Housing Agency* – operates transitional housing units with Your Own United Resources, Inc. (YOUR).
- *Exceptional Persons, Inc.* – serves chronically mentally ill persons.
- *Gateway YWCA, Women's Resource Center* – serves the Clinton area.

Homeless Needs

The Iowa Department of Education conducts a study on homelessness in Iowa every two years. The most recent study was conducted with Iowa State University conducted in 1997. This study uses a broad definition of homelessness, which includes persons on the street, in shelters, “doubling up” with friends of family, and the near homeless. This report draws the following conclusions about the nature of homelessness in Iowa;

- 59.5% of Iowa’s homeless population are living in “doubled up” situations, transitional housing programs, or other living arrangements. 40.5% live in sheltered or non-sheltered conditions.
- 55% of the homeless in Iowa are children and youth less than 18 years of age.
- 71.8% of the homeless population are in the eight large metropolitan counties of the State (Black Hawk, Dubuque, Johnson, Linn, Polk, Pottowattamie, Scott, and Woodbury).
- The homeless population is almost equally male and female.
- 70% of Iowa’s homeless are white, 10% are hispanic.
- 31.8% of homelessness is caused by domestic violence and family-related issues, 22.5% were caused by employment issues, and 11.1% were caused by evictions.
- 27.5% of Iowa homeless live in single parent households, 8% in two-parent households, the remainder have a status of unknown.
- 27% of the homeless are single males

Needs of Sheltered and Unsheltered Homeless

The nature and extent of homelessness differs from county to county in Iowa. In the 1997 study every county report instances of homelessness. Rural homelessness is less obvious but exists in the “doubling up” of families and residency in inadequate structures. Urban homelessness is more visibly concentrated and publicized.

The need for facilities and services also differs in rural areas and urban centers. In rural areas homeless individuals and families are likely to need transportation so they can seek support services. Often these services are many miles apart. Providing assistance in rural areas also requires increased attention to coordination of services, as programs are often more limited and difficult to access. Because rural residents are distributed over large geographic areas, fewer shelter facilities can be maintained and supported. Portions of non-metropolitan Iowa are without emergency shelter facilities and must depend on vouchers or other crisis assistance.

Subpopulations

The State does not have sufficient data to make quantitative assessments of the needs for facilities and services for homeless subpopulations (i.e. persons who are severely mentally ill, alcohol/drug addicted, fleeing domestic violence, runaway youths, and those diagnosed with AIDS). Most information about subpopulations is anecdotal and gathered during intake at service facilities. The 1997 Homeless Study does present the following primary causal factors for homelessness in Iowa.

Table 2.14: Factors for Homelessness

Cause	Responses	*Percentage*
Domestic Violence	633	13%
Eviction	555	11%
Economic/Employment Problems	1,124	24%
Family Disruption/Conflict/Break-up	950	19%
Drug/Alcohol Related Issues	443	8%
Deinstitutionalized	112	2%
Mental Health Issues	205	4%
Relocation From Another Area	538	11%
Other Reasons	303	6%
Unknown	120	2%
Total	**4,983**	**100%**

Table 2.15: Homeless Count by Type of Household

Type of Household	Sheltered/Unsheltered	Doubled-Up/Transitional	Total
Single Parent	388	1,014	1,402
Two Parent	156	228	384
Adult Couple - No Kids	159	332	491
Unaccompanied Adult	780	430	1,210
Unaccompanied Youth	115	204	319
Child Accompanying Parent	377	661	1,038
Unknown	23	115	138
Total	**1,998**	**2,984**	**4,982**

Needs of Persons Threatened with Homelessness

While not arriving at a numeric estimate of near homeless persons in Iowa, the 1997 Homeless Study did rank Iowa counties on the vulnerability of persons to becoming homeless. Eight demographic measures were used (i.e. poverty rate, food stamp usage, unemployment rate, etc.). The top 5 counties were all rural and were located across the southern tier of the counties and are among the poorest in the state.

Many of those threatened with homelessness share one or more of the following characteristics:

- Low levels of education
- Lack “life skills”
- Unemployed
- Single heads of household
- Female
- Under 40 years of age supporting one or more children
- Live in non-metropolitan areas
- Dependant on other than earned income for their means of support
- Live in substandard housing units, and
- Pay 30 to 70 percent of their income to cover housing costs.

One of the greatest potentials for homelessness is the inability to pay rent or utility bills. Required payments of deposits for rental units and utilities intensify this problem if a low-income family or individual tries to move. Another related risk factor is the lack of affordable housing units.

Rural homelessness is very sensitive to issues of employment, availability of low-income housing, family difficulties, and other economic and personal problems that remain hidden.

The counties least vulnerable to homelessness are those where the measures of poverty in proportion to the total population suggest that there are fewer poor overall and, therefore, fewer people likely ever to become homeless.

Homelessness prevention must be addressed comprehensively, with a coordinated cross-disciplinary approach. A commitment must be made for complete long-term supportive services to individuals and families to help them escape poverty. Short-term assistance to stabilize a client’s environment should be provided immediately upon entry to the service network. Finally, community-level planning and coordination of local resources must be achieved.

Housing for Non-homeless Persons with Special Needs

The documentation on facilities and services in Iowa that assist persons who are not homeless but require supportive housing (i.e., elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addictions and persons diagnosed with AIDS) is limited in availability.

Few, if any, single room occupancy units offer a planned service component. Group homes serving targeted populations generally include a service component in the facility plan. Efforts to better coordinate services for persons with special needs are underway at state and local government levels.

As outlined in the Fiscal Year 1993 Update to the Iowa Comprehensive State Plan for Mental Health, Mental Retardation and Developmental Disabilities, the Iowa Department of Human Services (IDHS) has made “housing choice” a priority for those it serves. This is especially significant for persons with mental illnesses. In 1994, DHS combined several funding sources to address this issue. Persons with disabilities increasingly choose to live in traditional housing-- units not associated with prescribed care or services, but are simply a place to live.

Iowa has several Medicaid service waivers available that permit provision of and payment for services outside institutional settings for persons who are ill or disabled; mentally retarded; elderly; and/or diagnosed with AIDS. These waivers work to ensure persons returning to the community from institutional care settings receive appropriate services.

Need for Supportive Housing

For many populations with special needs, a stable environment requires both housing and supportive services. For others, the main need is for specially adapted housing. But for all groups, the primary need in Iowa is for affordable housing units. Data on the number of non-homeless persons who require supportive housing are not readily available. Estimates for each of the special need populations follow in Table 2.16 below.

Table 2.16: Special Needs Populations Estimates

Special Needs Category	Estimated Number of Persons
Elderly	426,106
Frail Elderly	55,255
Persons with Mental Illnesses	250,000
Persons with Mental Retardation	16,500
Persons with Developmental Disabilities	4,000
Persons with Multiple Diagnoses	6,617
Persons with Alcohol/Drug Addiction	22,613
Persons with AIDS/AIDS Related Illnesses	229

These estimates are influenced by the level of services available within the State. For example, State-operated hospital schools serve a range of persons with disabilities, with an average daily service of 669 clients. Today many persons with MH/MR/DD needs are living independently in the community with supports provided by private providers.

Not all persons within these categories need supportive housing. IDHS advocates “housing as homes” with an option for services on an as needed basis rather than as a planned housing component. IDEA has established priorities of “aging in place” and housing choice for elderly clients. IDEA estimates 27,672 to 38,738 persons older than 60 need help carrying out daily living tasks. A portion of the continuum of care includes supportive living, but in-place services and home care are preferred to planned supportive housing units.

Many providers stress the need for a wide array of housing options, ranging from independent living to supported independent living to group settings to specialized care. Service providers must work toward consensus on the appropriate range of options and cooperative funding for them. Beyond the issue of “bricks and mortar” is the need to blend required support services.

The State does not directly operate public or assisted housing. The Iowa Department of Human Rights directs family and self-sufficiency programs serving 38 counties. Participants in these programs are likely to be good candidates for existing low-income homeownership programs because of the broad range of services and ongoing support they receive.

Fair Housing

The State of Iowa is committed to fair housing. The State has conducted an analysis of impediments to fair housing choice and continues to work to remove those impediments.

Independent of HUD's requirement for formal planning on fair housing, the State has long been dedicated to affirmatively furthering fair housing. The State demonstrates its commitment to fair housing through its policies, procedures and practices. These are conveyed through workshops, contractual language, management guide instructions and technical assistance. IDED's *CDBG Management Guide* and *HOME Management Guide*, which are distributed to applicants and grant recipients, contain sections on fair housing. They clearly articulate the goals and criteria pertinent to fair housing and provide guidance for achieving these goals. Recipients pattern their fair housing efforts from the guides, which include the following recommendations:

- Publishing a notice stating the grantee will help anyone who experiences housing discrimination in filing a complaint;
- Adopting a fair housing ordinance;
- Providing housing counseling services;
- Using the equal housing opportunity slogan/logo on community or agency letterhead;
- Creating a local housing authority.

IDED staff members provide technical assistance to grant recipients in the area of fair housing. Additionally, through project monitoring, IDED reviews each grantee's fair housing performance. If noncompliance with fair housing policies and procedures is indicated, further action is taken.

One IDED field representative is assigned fair housing as a specialty area. That individual is listed with the HUD Fair Housing Information Clearinghouse and serves as a resource person on fair housing issues.

Non-housing Community Development Needs

Non-housing community development needs are categorized generally as public works, public facilities and economic development. There is no comprehensive, detailed list of Iowa's non-housing community development needs. However, information sources such CDBG applications help identify what cities and counties perceive as needs.

Needs as Expressed in CDBG Applications

IDED administers the HUD-funded CDBG program among all Iowa counties and all but the nine largest cities (which receive their CDBG funds directly from HUD). A variety of community development projects are eligible under the CDBG program, generally in the categories of housing, public facilities and services and economic development.

Almost all CDBG-funded projects must primarily benefit low- and moderate-income persons. The practical application of this requirement means more than half of those persons benefitting from the project must come from households with incomes less than 80 percent of area MFI.

Non-housing CDBG applications, therefore, are almost exclusively limited to projects where residents of the benefitting area (or prospective employees in economic development projects) are predominantly from low- and moderate-income households. Projects which by their nature benefit an entire jurisdiction (e.g., sewer plants or water supply wells) are allowable CDBG applications only for the poorer communities.

Needs shown through CDBG applications are also shaped by local match for projects and by local government initiative and capacity. Local match is not required, but since it is a rating factor, it has become standard practice for communities to match local funds to CDBG funds in a ratio of one to two or higher. Local government capacity is constrained by lack of full-time, experienced staff, although councils of government, university extension services, United States Department of Agriculture Resource Conservation and Development offices and private consultants serve as resources for communities.

Communities often cite lack of initiative as a reason for not participating in the CDBG program. The State tries to stimulate initiative through outreach. The following table shows the distribution of non-housing community development project applications and awards in Iowa from 1995 to 1999 (five program years).

Table 2.17: Non-housing Community Development Needs

Activity	Applications #	Applications % of #	Applications $ Amount	Applications % of $	Awards #	Awards % of #	Awards $ Amount	Awards % of $
Technical Assistance	6	1%	$300,477	<1%	6	1%	$300,477	<1%
Public Facilities	64	6%	$12,849,944	5%	22	5%	$4,461,947	3%
Senior Centers	20	2%	$4,738,250	2%	4	1%	$268,300	<1%
Handicapped Centers	39	4%	$11,245,316	4%	9	2%	$2,099,341	2%
Neighborhood Facilities	52	5%	$14,647,638	5%	6	1%	$1,430,672	1%
Streets	12	1%	$5,260,110	2%	2	0%	$627,023	<1%
Water	292	29%	$83,764,376	31%	107	24%	$31,533,913	23%
Sanitary Sewer	294	29%	$73,684,928	28%	126	28%	$31,976,864	24%
Storm Sewer	40	4%	$10,680,862	4%	15	3%	$2,591,346	2%
Public Service/ Employment	16	2%	$3,624,180	1%	16	4%	$3,624,180	3%
Economic Development	127	13%	$34,825,050	13%	110	24%	$48,824,800	36%
Day Care Facilities	38	4%	$11,163,115	4%	31	7%	$8,048,154	6%
TOTALS	**1000**		**$266,784,246.00**		**454**		**$135,787,017.00**	

Applications for public works, public facilities and public services are reviewed during an annual competition. In 1995 to 1999, water system applications represented 29% percent of all non-housing applications and 31% percent of the funds requested. Sanitary sewer applications represented 29% percent of non-housing applications and 28% percent of funds. These figures document the need for basic public works among CDBG applicants.

Summary of Need

Only one of every two non-housing projects applied for through CDBG can be funded. This leaves unfunded applications of about $26X million remaining annually. These figures illustrate that CDBG funding, remaining at current levels, will not likely ever meet all non-housing needs.

SECTION THREE — STRATEGIC PLAN

The State is required to establish general priorities for assisting low-income residents, the homeless and persons with special needs based on the analysis of needs and existing inventory described in previous sections of this Plan. The State is also required to set forth in the Plan its strategy, objectives and actions for 1-year and 5-year periods. This section outlines the State of Iowa's Strategic Plan.

Priorities

Priority Housing Needs

Elderly 1- and 2-member Low- and Moderate-income Renter Households

Analysis

Elderly renters are significantly poorer than other renters. Although only 20 percent of elderly 1-and 2-person families are renters, 60 percent of elderly renters (about 36,000 households) have very low incomes (below 51 percent of area MFI). Elderly households are 19 percent of all renters, but 30 percent of very low-income renters.

About 59 percent of elderly households in the extremely low-income category (zero to 30 percent of MFI) had housing problems. This figure is the lowest among all household types. Thirty-two percent of elderly households in this income group experienced severe cost burden. This is considerably lower than the proportion for other family types in this income group.

Fifty-one percent of elderly renters at 31 to 50 percent of MFI had housing problems, fewer than for other renters in this income group. The proportion of elderly renters in this income group with severe cost burden is comparable to other renters with similar incomes.

Thirty-one percent of elderly renters at 51 to 80 percent of MFI had housing problems, more than average for all renters in this income group. The proportion of elderly with severe cost burden was relatively low, at 4 percent of households.

The rental market in Iowa appears geared toward younger families, with 35 being the median age for renters. There are relatively few non-assisted units that expressly meet the needs of low-income older elderly. However, half of the State’s 28,000 assisted units are dedicated to low-income elderly.

Elderly renters are more likely to live in non-metropolitan areas than are other family types. There are lower rents in non-metropolitan areas, but many rental units in these areas are single family homes that may be too large, old and/or in need of rehabilitation.

Elderly renters in or near metropolitan areas must pay higher rents. Among very low-income elderly households in these areas, 62 percent have housing problems, compared to 49 percent in non-metropolitan areas.

Utility costs can be problematic for all low-income renters, but utility cost increases may be especially difficult for elderly persons on fixed incomes to manage. The bills for new or upgraded sewer or water service often result in “sticker shock” for many elderly residents.

To the extent elderly renters do not have to commute to work, they may experience significant savings in relation to costs for working-age renters, particularly in areas where long-distance commuting is common.

As with other groups, elderly renters in flood-damaged areas have suffered direct personal property losses, loss of residence and/or escalating rents due to tightened post-flood housing markets.

Priority Identification

Elderly renters at zero to 30 percent of MFI and those at 31 to 50 percent of MFI are HIGH priorities. Those at 51 to 80 percent of MFI are a MEDIUM priority. These priorities recognize elderly renters have disproportionately low incomes, even though they have relatively lower rates of housing problems, and that there are proportionately more assisted rental units for the elderly.

Strategy Development

The strategy for assisting elderly renters involves the primary activity of rehabilitation to address the quality of the rental stock available, particularly in non-metropolitan areas. The strategy’s secondary activities are new construction and rental assistance to deal with spot rental shortage, especially in units suitable for elderly, and to help renters experiencing cost burden.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 39 households
  - 5-year goal: 150 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- New Construction
  - 1-year goal: 60 households
  - 5-year goal: 230 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- Rental Assistance
  - 1-year goal: 8 households
  - 5 year goal: 32 households
  - Programs: HOME, IFA/HAF

Small Related Low- and Moderate-income Renter Households (two to four persons)

Analysis

Renters as a group have much lower incomes than homeowners. Nearly 40 percent of renter households have incomes below 51 percent of MFI, compared to 16 percent of owners.

Small families (those with two to four related persons) comprise 53 percent of all renter households, but about 32 percent of those in the very low income category. About 31 percent (38,428) of all small families have very low incomes (below 50 percent of MFI).

Among small families with zero to 30 percent of MFI, 82 percent have housing problems and 62 percent have severe cost burden. This severe cost burden rate is twice that of elderly renters.

More than 60 percent of small families with incomes between 31 and 50 percent of MFI have housing problems, and 12 percent have severe cost burden. These figures are comparable to the overall rates for renters in this income group.

About 19 percent of small families with incomes of 51 to 80 percent of MFI have housing problems, slightly below the average for renters in this income group. Severe cost burden for small family renters in this group is rare (1 percent).

Many of the female heads of households with children are within the small family renter group. Female-headed households with children younger than 18 have a 45 percent poverty rate.

Rental housing for this group needs extensive rehabilitation. About one-third of rental housing is more than 50 years old. Much of the non-metropolitan rental stock is comprised of older, single-family homes. There are no rental rehabilitation programs outside a few large cities in the State.

Census rental vacancy rates are 6.6 percent statewide and 7.1 percent in non-metropolitan areas. However, local surveys in many communities show far lower vacancy rates.

There are about 28,000 assisted rental housing units. However, half of these units are unavailable for non-elderly households. In non-metropolitan areas, 57 percent of all assisted housing and 75 percent of FmHA rental housing is for elderly.

Low prevailing rents, especially in non-metropolitan areas, are a deterrent to construction of new rental units. In growing metropolitan areas, however, rents have increased beyond the reach of many low-income families. Concentrations of racial and ethnic minority families are greatest in these growing metropolitan areas.

Commuting costs can be a heavy burden for very low-income families. Low rents in areas far from employment centers are often more than offset by commuting costs.

Energy costs also weigh heavier proportionately on very low-income families. Similarly, the incidence of lead-based paint hazards is potentially very high among the older housing stock.

As with elderly renters, many small family renters were affected by flooding in 1993. They suffered loss of personal property, loss of residence and/or higher post-flood rents.

Priority Identification

Small related renter households with incomes at zero to 30 percent of MFI and those at 31 to 50 percent of MFI are HIGH priorities. Small related renter households with incomes at 51 to 80 percent of MFI are a MEDIUM priority. The priorities reflect sharply higher rates of cost burden among lowest income-renters.

Strategy Development

The strategy for assisting small, related renter households involves the primary activities of rehabilitation, new construction and acquisition. Rehabilitation addresses the quality of the rental stock available, particularly in non-metropolitan areas. New construction and acquisition address needed replacement and additions to the rental housing stock. The strategy's secondary activity is rental assistance, to help renters experiencing cost burden, and for whom HUD Section 8 assistance is not available.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 55 households
  - 5-year goal: 200 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- New Construction
  - 1-year goal: 85 households
  - 5-year goal: 300 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- Acquisition
  - 1-year goal: 16 households
  - 5-year goal: 60 households
  - Programs: CDBG, HOME, IFA/HAF
- Rental Assistance
  - 1-year goal: 14 households
  - 5-year goal: 45 households
  - Programs: HOME, IFA/HAF

Large Related Low- and Moderate-income Renter Households (five or more persons)

Analysis

Large families (those with five or more related persons) make up 7.8 percent of all renter households and about 6.9 percent of households in the very low-income category. About one- third (8,333) of large family households have very low incomes.

Among large families with zero to 30 percent of MFI, 82 percent have housing problems, including about 340 families (8 percent of total) who are overcrowded but without cost burden. Fifty-seven percent of families in this income category have severe cost burden. Proportions of both housing problems and severe cost burden are somewhat higher than the average for all family types in this income group.

About 64 percent of large families with incomes between 31 and 50 percent of MFI have housing problems, including about 520 families (13 percent of total) who are overcrowded but without cost burden. The rate of housing problems is slightly above average for households in this income category. About 8 percent have severe cost burden, a figure lower than average for this income group.

About 27 percent of large families with incomes between 51 and 80 percent of MFI have housing problems, including an estimated 1,200 overcrowded families (18 percent of total) who were not at cost burden. Severe cost burden is low, at 1 percent of families in this group.

Low-income large family renters, like low-income small family renters, experience the following problems: units in need of rehabilitation; lack of available assisted housing; lack of new unit construction, especially in non-metropolitan areas; and rising rents in growth areas, including many areas with concentrations of minority racial and ethnic groups. Commuting costs, energy costs and threats of lead-based paint hazards are also problems for large families, many of whom suffered losses in flood-affected areas of the State.

Problems specific to low-income large family renters involve overcrowding. Since the overall rental market is comprised mostly of smaller households, new rental construction does not include as many large units as the existing housing stock (mostly older, single family homes).

Priority Identification

Large related renter households with incomes at zero to 30 percent of MFI and those at 31 to 50 percent of MFI are HIGH priorities. Large related renter households with incomes 51 percent to 80 percent of MFI are a MEDIUM priority. As with small, related household renters, these ratings reflect the sharply higher rates of cost burden among the lowest income large related household renters.

Strategy Development

The strategy to assist large related renter households involves the primary activities of rehabilitation, new construction and acquisition. Rehabilitation addresses the quality of the rental stock available, particularly in non-metropolitan areas. New construction and acquisition deal with needed replacement and additions to the rental housing stock, especially for 3-bedroom and larger units. The strategy's secondary activity is rental assistance, to help renters experiencing cost burden, and for whom HUD Section 8 assistance is not available.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 16 households
  - 5-year goal: 40 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- New Construction
  - 1-year goal: 16 households
  - 5-year goal: 40 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- Acquisition
  - 1-year goal: 4 households
  - 5-year goal: 15 households
  - Programs: CDBG, HOME, IFA/HAF
- Rental Assistance
  - 1-year goal: 3 households
  - 5-year goal: 10 households
  - Programs: HOME, IFA/HAF

Other Low- and Moderate-income Renters

Analysis

"Other" renters are those households made up of a single non-elderly person or two or more unrelated persons. These comprise 34 percent of all renter households and about 32 percent of those in the very low income category. About 34 percent (38,845) of all other renters have very low incomes (below 50 percent of MFI).

Eighty-one percent of other renters with zero to 30 percent of MFI have housing problems, and 64 percent have severe cost burden. Both rates are higher than the average for this income group.

About 68 percent of "other" renters with incomes 31 to 50 percent of MFI have housing problems, and 16 percent have severe cost burden. Both rates are higher than the overall rates for renters in this income group.

About 23 percent of other renters with incomes 51 to 80 percent of MFI have housing problems, which is average for renters in this income group. Severe cost burden for other renters in this income group was rare (1 percent).

Low-income other renters experience problems comparable to those experienced by small and large family renters: units in need of rehabilitation; lack of available assisted housing; lack of new unit construction, especially in non-metropolitan areas; and rising rents in growth areas, including many areas with concentrations of minority racial and ethnic groups. Commuting costs and energy costs are also problems for other renters, many of whom suffered losses in flood- affected areas of the State. Lead-based paint hazard is not presumed to be as serious a problem for other renters as it is for families with children, although risks exist for children visiting these other household with potential lead-based paint hazards.

Priority Identification

Other renter households with incomes at zero to 30 percent of MFI and those at 31 to 50 percent of MFI are HIGH priorities. Other renter households with 51to 80 percent of MFI are a MEDIUM priority. As with related household renters, these ratings reflect the sharply higher rates of cost burden among the lowest-income other renters.

Strategy Development

The strategy to assist other renter households involves primary activities of rehabilitation, new construction and acquisition. Rehabilitation addresses the quality of the rental stock available, particularly in non-metropolitan areas. New construction and acquisition address needed replacement and additions to the rental housing stock. The strategy's secondary activity is rental assistance, to help renters currently experiencing cost burden, and for whom HUD Section 8 assistance is not available.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 58 households
  - 5-year goal: 200 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- New Construction
  - 1-year goal: 90 households
  - 5-year goal: 300 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- Acquisition
  - 1-year goal: 17 households
  - 5-year goal: 60 households
  - Programs: CDBG, HOME, IFA/HAF
- Rental Assistance
  - 1-year goal: 14 households
  - 5-year goal: 45 households
  - Programs: HOME, IFA/HAF

Existing Low-and Moderate-income Homeowners

Analysis

Existing homeowners comprise more than 70 percent of all households in the State. A total of 117,562 homeowners have very low incomes. This accounts for 49 percent of all very low- income households, but only 15.6 percent of all homeowners. This means the number of very low-income homeowners is comparable to the number of low-income renters, but the proportion of very low-income owners is much smaller than that of renters.

About 72 percent of homeowners in the zero to 30 percent of MFI category have housing problems, comparable to the 75 percent of renters in this group. However, 41 percent of homeowners in this group have severe cost burden, compared to 54 percent of renters.

Among owners with incomes of 31 to 50 percent of MFI, 39 percent have housing problems, compared with 60 percent of renters in the same income group. Twelve percent of owners have severe cost burden, similar to the 14 percent rate for renters.

Nineteen percent of owners with incomes of 51 to 80 percent of MFI have housing problems, about the same as the 20 percent rate for renters. Severe cost burden for owners in this group was slight (3 percent).

Elderly homeowners are poorer as a group than non-elderly homeowners. While elderly comprise 33 percent of all owners, they represent 62 percent of owners with very low incomes. However, elderly owners with incomes of zero to 30 percent of median have somewhat fewer housing problems than non-elderly owners (68 percent compared to 77 percent), and about half the rate of severe cost burden (31 percent compared to 57 percent).

Elderly owners with incomes of 31 to 50 percent of MFI had nearly half the rate of housing problems of non-elderly owners (28 percent compared to 59 percent) and a much lower rate of severe cost burden (6 percent compared to 22 percent).

Among elderly owners with incomes of 51 to 80 percent of MFI, the rate of housing problems is about out one-third that for non-elderly owners (10 percent compared to 30 percent). Severe cost burden was low for elderly owners in this income group, at 2 percent, compared to a rate of 5 percent for non-elderly owners.

Clearly, the number of low-income elderly homeowners is high. But the proportion of elderly owners with housing problems, including cost burdens, is significantly lower than for non-elderly owners. This reflects both that many elderly owners have paid their entire mortgages and that housing costs less in non-metropolitan areas, where many elderly owners live.

About nine of 10 owner-occupied homes are single-family, detached houses. Values of owned homes are low in Iowa compared to many parts of the country. The 1990 Census median home values were $45,900 for the State and $38,500 for non-metropolitan counties. Housing costs in relation to income were also low: the median value was 1.45 times the median income for the State. On the other hand, the housing stock is older: 35 percent of owned homes were built 50 or more years ago. In most parts of the State, ownership options for elderly are limited to single family homes, yet many elderly would prefer cooperative and condominium arrangements. In turn, there are many larger homes that would be available to families with children, if elderly owners could secure housing more suitable to their needs.

The age of the housing stock indicates a need for rehabilitation. The level of cost burden in the group with incomes zero to 30 percent of MFI is high, so subsidies may be justified for rehabilitation assistance. But cost burden is fairly low among owners above 50 percent of MFI. This seems to indicate a financial capacity to cover a substantial portion of moderate rehabilitation costs.

Commuting costs are not included in available figures on cost burden. Yet in many parts of Iowa, low housing prices are offset by expenses related to commuting to employment centers.

Priority Identification

Existing owner households at zero to 30 percent of MFI and those at 31 to 50 percent of MFI are HIGH priorities. Existing owner households at 51 to 80 percent of MFI are a MEDIUM priority.

Strategy Development

The strategy to assist existing homeowners involves rehabilitation, to upgrade units which otherwise might deteriorate due to lack of funds for maintenance and investment.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 250 households
  - 5-year goal: 1,000 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF

First-Time Low- and Moderate-income Homebuyers with Children

Analysis

Low-income families with children and the potential to become homebuyers could be included in the small or large related household priority categories discussed previously. For many of these families, homeownership would mean greater housing choice.

Ownership potential is enhanced by the affordability of homes in relation to incomes. However, barriers to ownership include required down payments and the unavailability of smaller mortgages. Many low cost homes are also older and in substandard condition, which require potential buyers to spend additional money, initially, for rehabilitation. The affordability of housing in communities farther from employment centers may be offset by high commuting costs. Much of the affordable housing stock is likely to contain lead-based paint hazards.

A number of programs are designed to assist first-time homebuyers. The level of assistance per family, however, typically is small, so families served tend to be from the higher end of the low-income group.

Priority Identification

First-time homebuyers with children and incomes at zero to 30 percent MFI and those at 31 to 50 percent of MFI are HIGH priorities. First-time homebuyers with children and incomes at 51 to 80 percent MFI are a MEDIUM priority. Increased homeownership among families with children is desirable. But for households at zero to 30 percent of MFI, ownership can be unrealistic without subsidies. A greater potential for sustaining homeownership exists among families at 51 to 80 percent of MFI.

Strategy Development

The strategy to assist first-time homebuyers with children involves the primary activity of homebuyer assistance and the secondary activity of rehabilitation to upgrade the stock of housing available for this household type to purchase.

Investment Plan

The plan for this strategy is as follows:

- Homebuyer Assistance
  - 1-year goal: 200 households
  - 5-year goal: 1000 households
  - Programs: CDBG, HOME, IFA/HAF, IFA Low-income Loan Program for Homebuyers, IFA Down Payment/Closing Costs Grant Program
- Rehabilitation
  - 1-year goal: 18 households
  - 5-year goal: 60 households
  - Programs: CDBG, HOME, LIHTC, IFA/

First-Time Low- and Moderate-income Homebuyers without Children

Analysis

Low-income households without children that have the potential to become homebuyers would probably come from the small, related household category (e.g., childless couples) or from the “other” renters category, both of which were discussed previously.

Ownership potential is enhanced by the affordability of homes in relation to incomes. However, barriers to ownership include required down payments and the unavailability of smaller mortgages. Many low cost homes are also older and in substandard condition, which require potential buyers to spend additional money, initially, for rehabilitation. The affordability of housing in communities farther from employment centers may be offset by high commuting costs. Much of the affordable housing stock is likely to contain lead-based paint hazards.

A number of programs are designed to assist first-time homebuyers. The level of assistance per family, however, typically is small, so families served tend to be from the higher end of the low- income group.

Priority Identification

First time homebuyers without children with incomes at zero to 30 percent MFI are a MEDIUM priority. First-time homebuyers without children with incomes at 31 to 50 percent MFI and 51 to

80 percent MFI are HIGH priorities. It is difficult to initiate and sustain homeownership among the lowest-income group. Arguably, the need for ownership among low-income households with children exceeds the need for homeownership among households without children.

Strategy Development

The strategy to assist first-time homebuyers without children involves the primary activity of homebuyer assistance and the secondary activity of rehabilitation, to upgrade the housing stock available for this family type to purchase.

Investment Plan

The plan for this strategy is as follows:

- Homebuyer assistance
  - 1-year goal: 200 households
  - 5-year goal: 900 households
  - Programs: CDBG, HOME, IFA/HAF, IFA Low-income Loan Program for Homebuyers, IFA Down Payment/Closing Costs Grant Program
- Rehabilitation
  - 1-year goal: 8 households
  - 5-year goal: 40 households
  - Programs: CDBG, HOME, Low Income Housing Tax Credits, IFA/HAF

Table 3.1: Priority Housing Needs

Priority Housing Needs (Households)			Priority Need Level (High, Medium, Low, No Such Need) 0-30%	31-50%	51-80%	Estimated Units	Estimated Dollars to Address
Renter	Small Related	Cost Burden . 30%	H	H	M	15,674	$337M
		Cost Burden . 50%	H	H	M	16,111	$346M
		Substandard	H	H	M	1,264	$27M
		Overcrowded	H	H	M		
	Large Related	Cost Burden . 30%	H	H	M	2,995	$64M
		Cost Burden . 50%	H	H	M	2,837	$61M
		Substandard	H	H	M	2,059	$44M
		Overcrowded	H	H	M		
	Elderly	Cost Burden . 30%	H	H	M	13,910	$299M
		Cost Burden . 50%	H	H	M	9,100	$196M
		Substandard	H	H	M	385	$8M
		Overcrowded	H	H	M		
	All Other	Cost Burden . 30%	H	H	M	17,277	$371M
		Cost Burden . 50%	H	H	M	16,684	$359M
		Substandard	H	H	M	1,057	$23M
		Overcrowded	H	H	M		
Owner		Cost Burden . 30%	H	H	M	51,570	$1,108M
		Cost Burden . 50%	H	H	M	32,593	$700M
		Substandard	H	H	M	4,335	$93M
		Overcrowded	H	H	M		

Priority Homeless Needs	Priority Need Level (High, Medium, Low, No Such Need) Families	Individuals	Persons with Special Needs	Estimated Dollars to Address
Assessment/ Outreach	H	H	H	$10M
Emergency Shelter	H	M	H	$10M
Transitional Housing	M	M	M	NA
Permanent Supportive Housing	M	M	H	NA
Permanent Housing	H	H	H	NA

Priority Homeless Needs

Analysis

Services and facilities for the homeless have expanded in recent years, particularly in the area of domestic abuse/family crisis intervention. However, the incidence of traditional homelessness has also increased.

Programs and services for the homeless are available to varying degrees statewide. Federal and state financial assistance is provided to shelters and services on an annual basis. The demand exceeds fund availability by a ratio of four to one.

Priority Identification

Homeless individuals and families are a MEDIUM priority. Both need a wide range of social services and housing options. This middle priority recognizes the need to stabilize assistance in the form of social services apart from direct housing assistance. There is an extensive network of providers to serve this population, but it is severely under-funded relative to demand. A continuum of services and housing options must be developed to address the problems faced by the diverse people who comprise Iowa's homeless population. Limited funding streams should be combined to maximize the range of assistance available.

Strategy Development

The strategy to assist homeless individuals and families involves the primary activities of providing shelter and meeting basic health, food and clothing needs. The strategy's secondary activities are homelessness prevention and crisis intervention. The State's overall strategy to promote a continuum of housing and services for the homeless includes the following:

- Maintain existing State funding through the IFA homeless assistance program which funds shelter staff, outreach/assessment and operations.
- Continue use of federal ESGP funds in conjunction with IFA and FEMA funds to support coordination of resources. Funds are distributed through a joint application process. The State will encourage maximum allowable ESGP funding for homelessness prevention.
- Seek increased funding to expand transitional and permanent housing options, with special emphasis on "at-risk" youth and families.
- Support and certify the need for locally-initiated projects to develop transitional, permanent and single room occupancy housing for the homeless, including those with special needs.
- Seek flexible funding for case management and client services aimed at helping the formerly homeless and those at risk of homelessness maintain permanent housing and independent living.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 22 households
  - 5-year goal: 80 households
  - Programs: CDBG, HOME, IFA/HAF, ESGP
- Acquisition
  - 1-year goal: 22 households
  - 5-year goal: 80 households
  - Programs: CDBG, HOME, IFA/HAF, ESGP
- Rental Assistance
  - 1-year goal: 46 households
  - 5-year goal: 180 households
  - Programs: HOME, ESGP, IFA Housing Fund

Priorities for Other Persons with Special Needs

Analysis

Persons with special needs often have very low incomes. Primary income sources include Social Security Disability Income (SSDI) or Supplemental Security Income (SSI). A person whose income source is SSI is at the 21st percentile of MFI (at the 18th percentile In Iowa's urban areas). That person pays 84 percent of income for a HUD fair market rent 1-bedroom unit. Waiting lists for subsidized rental units and other independent living arrangements exceed a year. As more individuals opt to leave group care settings, they must assume housing expenses.

Priority

Persons with special needs are a HIGH priority. This recognizes these persons have disproportionately low incomes and may have life skills problems impacting housing options.

Strategy Development

The strategy to assist persons with special needs involves a primary activity of rehabilitation, to address the quality of rental stock, and secondary activities of new construction and rental assistance to address the statewide shortage of suitable and affordable units.

Investment Plan

The plan for this strategy is as follows:

- Rehabilitation
  - 1-year goal: 64 households
  - 5-year goal: 240 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- New Construction
  - 1-year goal: 64 households
  - 5-year goal: 240 households
  - Programs: CDBG, HOME, LIHTC, IFA/HAF
- Acquisition
  - 1-year goal: 38 households
  - 5-year goal: 150 households
  - Programs: CDBG, HOME, IFA/HAF
- Rental Assistance
  - 1-year goal: 150 households
  - 5-year goal: 500 households
  - Programs: HOME, IFA/HAF

Priority Non-Housing Community Development Needs

Iowa's community development needs include public works, public facilities and services and economic development. All these are HIGH priorities. The State intends to invest in each within the 5-year planning period.

In 2000, the State intends to invest 20 percent of its CDBG funds in economic development. The funds will be used both for direct gap or incentive financing for businesses and for public works essential for business development. Funded projects will either create or retain jobs primarily for low- and moderate-income persons. In addition, the State will appropriate an undetermined amount for economic development. Most State funds are not linked to beneficiary income.

CDBG funds not set aside for other uses will be used for the annual competition for projects in public works, public facilities and public services. Potential projects are all those eligible under federal CDBG law, except housing and economic development.

Historically, the Iowa CDBG program has been open to funding priority needs as expressed by applicants. The rating system favors projects for which a need is demonstrated objectively and which will address that need effectively and efficiently. Further, the review system favors projects with local effort or "match," local planning and more than minimum benefit to low to moderate-income persons.

Priorities for CDBG Program Operation

The CDBG staff is committed to continuous program improvement, through both Total Quality Management (TQM) and more traditional efforts. TQM teams have been active for several years, working on projects such as streamlining application review and contracting procedures. IDED seeks continuous public input on program design changes through independently-run focus group sessions with the stakeholders of CDBG, HOME and ESG. The department invites public comment through a mailing list of 1,600 interested parties and through media notices. The State considers all input received when contemplating changes to its HUD-funded programs.

Initiatives for changing the State's HUD programs have come both from both within and outside IDED. If there is substantial support for change, it usually is implemented. However, change in the State's HUD programs has tended to be more evolutionary than revolutionary. For the most part, there is a high level of outside support for keeping programs as they are. This preference makes it difficult to implement substantial program changes.

Program participants indicate a desire for less "red tape," simpler programs and better coordination of related programs. There is also an expressed need for maintaining or enhancing program flexibility and for better information and technical assistance efforts, to promote programs and help communities use them.

Reducing Barriers to Affordable Housing

Barriers to affordable housing common in more urban areas are not prevalent in Iowa. The State is fortunate that growth controls, excessive subdivision regulation, inordinate developer fees and rent control are not critical housing issues. Rather, the slow development pace in most Iowa communities has resulted in the opposite circumstances: assistance and financial incentives for housing developers. However, less traditional barriers to affordable housing have been identified. These barriers and strategies to reduce them are addressed below.

Dislocation of Low-income Persons

Redevelopment and infrastructure projects sometimes result in the dislocation of low-income persons. In particular, the redevelopment of downtown areas has been linked to elimination of much of the single-room occupancy housing in Iowa's communities.

Grant recipients under the CDBG and HOME programs are required to follow the Uniform Relocation Act (URA), which by design should prevent such dislocation. IDED provides technical assistance to grantees to help them understand and comply with URA regulations.

Delay in Disposition of Tax-delinquent and Repossessed Properties

The delay in disposing of some tax-delinquent and repossessed properties has been cited as a deterrent to possible reuse for affordable housing. A number of these units sit vacantly for extended periods. Not only is there no maintenance and upkeep during this time, but theft and vandalism may occur. The result is the unit may require substantial rehabilitation, or may be deteriorated beyond repair.

IDED has made others in the State aware of this problem. The State can help communities learn to identify such properties, police them to prevent vandalism and use the long disposition period to conduct planning for reuse of the structures.

Lack of State Regulation

The lack of State regulation of housing is a barrier to affordable housing in some cases. No State agency is responsible for ensuring cities required to adopt and enforce housing codes actually do so. Further, the *Code of Iowa* does not clearly state communities must adopt the most recent version of codes listed as options for housing codes. Similarly, housing code enforcement is inconsistent across communities. This can result in areas of high housing dilapidation and substandard housing in communities that could use the units for affordable housing.

State departments and agencies compile and promote legislative proposals each year. Departments that identified the lack of State regulation as a barrier to affordable housing will work to get the desired regulations adopted and enforced.

Infrastructure

The Iowa Department of Public Health reports that in 1991, about 250 of Iowa's 1,000 communities had improper sewer systems, at least 45 percent of the State's wells had unsafe levels of bacteria or nitrates resulting in unsafe drinking water and 40 percent of the State's on-site wastewater treatment systems (i.e., septic tanks) discharged improperly to the surface. Such dismal condition of basic infrastructure in some communities does little to promote the construction of new affordable housing units or the rehabilitation of existing structures.

Through the CDBG program, the condition of Iowa's infrastructure is steadily and gradually improving. The State will continue to promote this program as a means of building adequate sewer and water systems, which will put communities in a better position to develop new and rehabilitated units of affordable housing.

Federal Policies

Many communities report difficulties they have working with some federal programs. The inflexibility of some these programs can prohibit communities and agencies from providing the kinds of housing and related services they know their citizens need. Similar problems exist in providing affordable housing for the elderly, who as a group tend to have a need for affordable housing. Restrictions can be especially problematic for the elderly and persons with disabilities, groups which tend to have a special need for affordable housing.

The State has little or no control over the development of federal policies. But IDED can and will help its grantees work as well as they can within the established rules and regulations.

Attitudes Toward and Knowledge of Affordable Housing

Providers of housing and related services in Iowa have suggested programs benefiting low-income persons are unwelcome in some communities. Specifically, there is often a bias against rental housing and a preference for owner-occupied housing only. Communities have made great strides in neighborhood rehabilitation and revitalization, but this has not ensured the preservation of affordable housing units.

Other providers have asserted that many Iowans simply prefer not to receive assistance, even if they are unable to afford safe and adequate housing on their own. Similarly, individuals and communities sometimes are simply unaware or lack understanding of the variety of assistance programs for which they may be eligible.

The State will work closely with communities, councils of governments, agencies and others to educate people about affordable housing programs and attempt to change the negative perceptions people sometimes have of affordable housing.

Lead Based Paint Hazard Reduction

Through the Iowa Department of Public Health (IDPH), the State received more than $1,100,000 in funding during FY 98 for various lead poisoning prevention programs. The activities of these programs included the following:

The State of Iowa has allocated funding for the following program activities:

Childhood Lead Poisoning Prevention Program

- Screening children for lead poisoning.
- Training health care providers, parents and housing and environmental officials.
- Providing medical and environmental management services.
- Developing community-based programs for children with lead poisoning.
- Promoting the prevention of lead poisoning.
- Devising methods to make housing lead-safe.

EPA State Lead Grant

- Pursuing systematic certification of lead inspectors and lead abatement contractors.
- Lobbying for a program that would require repair of lead hazards after a child has been identified as lead-poisoned.

Childhood Blood Lead Level Surveillance Program

- Creating a central database of results from blood lead testing of children.
- Analyzing the database to determine the prevalence and incidence rates of lead poisoning by community/region, age groups and screening site.

Adult Blood Lead Epidemiology and Surveillance Program

- Entering results of blood lead testing of adults into a central database.
- Interviewing adults with elevated blood lead levels about their exposure to lead.
- Analyzing the central database to determine the prevalence and incidence rates of lead poisoning for various industries and geographical areas in Iowa.

Local health and housing programs also provide services related to lead poisoning prevention. Localities which provide screening and follow-up services include Black Hawk County, Lee County, Linn County, Scott County, Woodbury County and the City of Dubuque. These services are also provided in the City of Marshalltown, Wapello County, the City of Ottumwa and Cerro Gordo County.

In 1993, IDED adopted a policy regarding lead-based paint for use in CDBG and HOME programs. Key excerpts from this policy include the following:

- Grantees must give notice to occupants and owners by providing them the HUD publication “Watch Out for Lead-based Paint Poisoning.”
- Grantees must inspect units for families with children under age seven for lead-based paint hazards and undertake appropriate abatement measures.
- In cases where the assisted family has a child under age seven with an identified elevated blood lead level condition, the lead levels of chewable surfaces must be tested and abatement undertaken.

As rules and requirements regarding lead-based paint are being revised by HUD, additional, more stringent guidelines will, upon publication, be incorporated into IDED’s policy. In support of the existing lead-based paint hazard reduction policy, IDED will continue efforts to educate CDBG and HOME grantees on the dangers of lead-based paint and safe and effective abatement. IDED will also work with agencies throughout the State to explore opportunities to further mitigate the hazardous effects of lead-based paint.

Anti-Poverty Strategy

The lack of affordable housing is one result of income inequality among Iowa families and individuals. Poverty status is a direct measure of income inequality. Persons living at or below poverty income levels typically are the least able to pay for housing.

The State's Anti-Poverty Strategy focuses on empowering individuals and families to leave or avoid poverty and to provide Iowans with the opportunity to participate in and contribute to their communities. The following elements are designed to address this strategy.

Asset Development

To escape or avoid poverty, families and individuals need to accumulate certain key assets. The State will continue to identify and promote opportunities that assist Iowans with the accumulation of assets that can be used to remove them from or avoid poverty status.

Workforce Development

A network of Workforce Development Centers has been created around the State to deliver comprehensive employment and job training services. State and federal programs and providers are being co-located in these centers to provide client intake, assessment, employability development planning, placement and referral services.

Other workforce development strategies include expanding the Promise Jobs program, providing employment and training to FIP recipients, initiating "school-to-work" programs to link students to the workplace and post-secondary education and mentoring programs, to link entry-level workers with experienced employees.

Economic Development

Economic development promotes the increase of high quality/high paying jobs the State, which will capitalize on direct human investments. IDED is assigned four tasks in this effort:

- Promoting high wage opportunities and enhancing economic development incentives for industries that pursue value-added, high wage, "upskilling" strategies.
- Targeting economic development resources to emerging industries, as discussed in a recent Battelle study for Iowa.
- Expanding industry networks to achieve economic competitiveness for businesses.
- Creating regional resource centers for small manufacturers to funding manufacturing modernization programs.

Services to Empower Families

Families in poverty face barriers to self-sufficiency including economic, social, cultural and political isolation. These barriers must be addressed before and during participation in work force development or employment activities. The Human Investment Plan recommends the following service delivery approaches for families in poverty:

- Focusing on the family system rather than on the individual.
- Orienting services linking families with the community.
- Expanding the Family Development and Self-sufficiency demonstration project to all regions of the State.
- Combining sources of funding for all poverty programs so needs can be met at a single point of contact.

Welfare Reform

Iowa is changing its welfare programs from an income maintenance orientation toward a self-sufficiency direction. The new FIP replaced AFDC. Principles of reform include transition to work, family stability and responsibility. The goals include policies that remove disincentives for self-sufficiency built into the current public assistance system and new ways to provide basic support to families in need.

Anti-Poverty Strategy and Affordable Housing Activities

Homeownership can be seen as an element of asset accumulation as a means to escape poverty. The State has a number of programs (including CDBG and HOME) being used for first-time homebuyers.

More should be done to explore the role of State housing assistance in poverty reduction. For example, State housing assistance could be linked to employment and family self-sufficiency programs. Housing assistance programs must be evaluated to determine whether they promote or inhibit asset development.

Housing assistance potentially can eliminate some of the underlying barriers to self-sufficiency. For example, those who are homeless and those who live in inadequate housing have difficulty concentrating resources and becoming self-sufficient. Safe, standard and affordable housing helps alleviate social and cultural isolation.

One of the key problems of economic development is that successful creation of more jobs, especially higher-wage jobs, tends to negatively affect affordable housing. As demand increases, housing becomes less available and more expensive. Without a general upgrade of work force employability, people are left behind and income disparity increases.

Institutional Strategy

The following organizations are involved in the implementation of the Consolidated Plan:

Public Institutions

The *Iowa Department of Economic Development* (IDED) is a State agency administering various economic and community development programs. The Division of Community and Rural Development is responsible for the Consolidated Plan, the State CDBG program, the State ESG program, the State HOME program and other State-funded planning and development initiatives.

The *Iowa Finance Authority* (IFA) is a quasi-state agency responsible for a number of financing programs for housing and other community development activities. IFA allocates the State bond cap and administers the Low Income Housing Tax Credit and Mortgage Credit Certificate programs, bonds for low-interest mortgage loans, direct State appropriations for housing and homeless shelters and financing for business development and environmental programs.

The *Iowa Department of Human Services* (IDHS) is a State agency responsible for a broad range of social services. The DHS Office on Homelessness previously developed and is implementing a State plan addressing homeless assistance needs. The DHS serves persons with special needs through its Division of Mental Health and Developmental Disabilities.

The *Iowa Department of Human Rights* (IDHR) is a State agency that includes the Division of Community Action Agencies. This division administers the Community Services Block Grant, a major federal source of funding for regional Community Action Agencies providing housing assistance and related support services to lower-income persons.

The *Iowa Department of Education* is a State agency that administers education services throughout the State. Services include support of and participation in a survey on Iowa's homeless, staff development concerning the homeless and recommendations for coordinating housing development and education.

The *Iowa Department of Elder Affairs* (IDEA) is a State agency responsible for advocacy and development of affordable housing opportunities for persons over 60. The agency sponsors a committee to address collaboration and capacity building in the elderly housing delivery system. IDEA emphasizes coordination of housing and supportive services for its clients.

Iowa Department of Public Health (IDPH) is the State agency responsible for implementing strategies to prevent childhood and adult lead poisoning. IDPH is the primary agency responsible for implementing the requirements of the Residential Lead-based Paint Hazard Reduction Act of 1992 in the State.

Local government community and housing development offices administer a variety of housing-related programs, including CDBG and other HUD housing programs funded directly through the State. Typically, these offices also are responsible for local land use controls, subdivision ordinances, building and housing codes and economic development.

Nonprofit Organizations

The *Iowa Housing Corporation* (IHC) is a nonprofit housing development organization established in 1990 as an alternative source of assistance for affordable housing. Starting with an initial endowment, the IHC has developed other financing and provides technical assistance in a number of communities in the State.

The *Federal Home Loan Bank*, a private corporation chartered through federal law as a government sponsored enterprise, administers the Affordable Housing Program (a grant program for housing development for low- and very low-income persons.) Only member financial institutions can apply for these funds on behalf of private, nonprofit community organizations.

Local housing authorities are community-based or area-wide organizations responsible for management of existing assisted housing, production of new assisted housing and related community development programs.

Nonprofit housing organizations exist at the local and regional level for the advocacy and development of affordable housing opportunities.

Private Industry

Banks, mortgage companies and other private lenders remain the primary source of capital for housing in the State. Advocates of affordable housing projects must make investing in affordable housing attractive to these groups.

Private developers, builders and contractors affect the provision of affordable housing through their expertise and ability to make a reasonable return on investment.

Private property managers have valuable expertise in the management of residential property, including subsidized housing.

Relationship Between the State and Local Jurisdictions

Significant amounts of State-administered funds, such as CDBG, HOME and ESG, flow to local governments. The State acknowledges the importance of local control, support and initiative in the development of affordable housing. This is preferable not only from a policy point of view, but it also recognizes the practical limitations of state government. To a great extent, therefore, the State will react and respond to local initiatives. At times, though, it may be necessary to initiate local programs where there is insufficient organizational capacity to address housing needs. In such cases, the State will provide technical assistance to get projects under way.

Assessment of Gaps

The organizations discussed above work together on a variety of housing and homeless assistance projects. There is a sincere interest and commitment among all of them to assist the housing and community development needs of Iowa's low-income population. Each benefits from the expertise and ideas of the others.

The primary institutional weaknesses include the overall lack of flexible funds for affordable housing and the lack of experience some organizations have with major affordable housing initiatives. Historically, state and local governments have not had a large presence in the affordable housing arena and policy-makers have not appeared to consider it a priority.

Coordination Efforts to Overcome Gaps

The Iowa Rural Development Council (RDC) works to address housing and community development needs within non-metropolitan Iowa. The RDC is charged with bringing state and federal agencies together to better serve rural residents.

There are periodic meetings of the State Interagency Task Force on Homelessness, which involves all the organizations listed above in the institutional structure analysis. The task force addresses a broad range of affordable housing issues. The State chapter of the National Association of Housing and Redevelopment Officials (NAHRO) coordinates a quarterly, informal meeting of policy-makers and administrators from HUD, FmHA, State agencies dealing with housing and others.

IDED, as State administrator of the major HUD housing and development programs, consults regularly with virtually all organizations involved in affordable housing. This occurs at all stages of program development and operation, from annual assessment and revision of the Consolidated Plan and State regulations for CDBG, HOME and ESG to active involvement of other agencies in the application review process.

IDED has made improvements to the institutional structure in FY 98. Specifically, the Housing Application Review Team (HART) became a more formal and more important part of the institutional structure.

HART, initiated in FY 94, is made up of representatives of several agencies that fund housing projects, including IDED, USDA Rural Housing Service (formerly Farmers Home Administration), IFA, the Iowa office of HUD and the Federal Home Loan Bank. HART developed a 1-page Housing Project Review Form that a potential applicant submits, along with a brief narrative about a proposed housing project. The team meets to review the form and narrative, discusses the proposal and responds to the applicant. This joint letter of response identifies the funding sources potentially available for the project, the appropriate applications required and their deadlines, specific concerns or questions about the project and an estimated time of funding availability. This process is designed to provide technical assistance to applicants and foster better communication among the funding agencies.

The success of HART has resulted in changes in the way each of the participating agencies operates its programs. IDED for example, has designed new review sheets and review processes for Housing Fund applications. HART members are considering other ways to coordinate their activities, such as through joint monitoring of housing projects.

Intergovernmental Cooperation

IDED is committed to intergovernmental cooperation and continuously seeks ways to improve its effectiveness. Examples of intergovernmental cooperation in FY 98 include the following:

- the HART joint review process described under Institutional Structure above;
- joint IFA-IDED review of all Housing Fund applications.
- joint review of CDBG applications with other agencies such as the Department of Natural Resources, Department of Human Services and the USDA Rural and Community Development Service (formerly Farmers Home Administration).
- use of a joint application process for state and federal homeless assistance funds;
- an interagency task force which meets monthly on the needs of homeless persons.

Low-Income Housing Tax Credits

The Iowa Finance Authority (IFA) administers the State's Low Income Housing Tax Credits (LIHTC). This program provides tax credits to developers who construct or rehabilitate low-income rental housing.

LIHTC availability significantly lowers the level of HOME funding needed as gap financing for rental development projects. Credits tend to be purchased by investors from outside Iowa. This provides additional housing funding resources to the State. The Internal Revenue Service's regulation of the projects also insures a longer affordability period than that required by the HOME program.

Public Housing Resident Initiatives

The State does not operate public housing units. Therefore, action in this area is not feasible. However, the State will offer assistance to Public Housing Authorities whenever feasible.

Additionally, IDED will be intensifying the relationship between the State and the independent Public Housing Authorities. As a result of new HUD requirements, IDED will be taking an active role in the development of PHA Action Plans and will be taking steps to assist agencies deemed troubled by HUD.

Form 424

Note: this is an example of the Form 424 for CDBG funding. Forms are also submitted for the HOME and ESG funding.

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approval No. 0348-0043

	2. DATE SUBMITTED 11/15/1999	Applicant Identifier
1. TYPE OF SUBMISSION: Application ☐ Construction ☒ Non-Construction; Preapplication ☐ Construction ☐ Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: State of Iowa	Organizational Unit: State Government
Address (give city, county, State, and zip code): Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309 Polk County	Name and telephone number of person to be contacted on matters involving this application (give area code): Lane Palmer (515) 242-4837

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 42-6004545

7. TYPE OF APPLICANT: (enter appropriate letter in box) A

A. State; B. County; C. Municipal; D. Township; E. Interstate; F. Intermunicipal; G. Special District; H. Independent School Dist.; I. State Controlled Institution of Higher Learning; J. Private University; K. Indian Tribe; L. Individual; M. Profit Organization; N. Other (Specify) ____

8. TYPE OF APPLICATION: ☒ New ☐ Continuation ☐ Revision

If Revision, enter appropriate letter(s) in box(es) ☐ ☐

A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other(specify): ____

9. NAME OF FEDERAL AGENCY: U.S.Department of Housing & Urban Dev

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-218

TITLE: Community Dev. Block Grant (State)

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Consolidated Plan

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide (non-entitlement areas)

13. PROPOSED PROJECT: Start Date 01/01/00; Ending Date 12/31/00

14. CONGRESSIONAL DISTRICTS OF: a. Applicant Statewide; b. Project Statewide

15. ESTIMATED FUNDING:

a. Federal	$ .00
b. Applicant	$ .00
c. State	$ .00
d. Local	$ .00
e. Other	$ .00
f. Program Income	$ .00
g. TOTAL	$ .00

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE ____

b. No. ☒ PROGRAM IS NOT COVERED BY E. O. 12372
☐ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? ☐ Yes If "Yes," attach an explanation. ☒ No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Type Name of Authorized Representative	b. Title	c. Telephone Number (515) 242-4837
d. Signature of Authorized Representative		e. Date Signed

Previous Edition Usable
Authorized for Local Reproduction

Standard Form 424 (Rev. 7-97)
Prescribed by OMB Circular A-102

SECTION FOUR — ACTION PLAN

The Consolidated Plan instructions require the State to set forth its methods for distributing funds made available under the HOME, CDBG and ESG programs to meet housing and community development objectives for the 2000 program year. Additionally, the Plan must address some requirements specific to the HOME program. This section addresses the States Action Plan for 2000.

Resources

The following resources are available to the State for implementing housing strategies:

Iowa Community Development Block Grant Program (CDBG)

The State CDBG program is funded by HUD, and administered by IDED. The State has set aside 25 percent of CDBG funds for housing, which are combined with State HOME funds in what is called the IDED "Housing Fund." Applications for the program are accepted on an annual application basis from all counties and to cities with populations less than 50,000. CDBG funds may be used for rehabilitation of owner- and renter-occupied housing, homebuyer programs, property acquisition and, in limited circumstances, new construction.

HOME Investment Partnership Program

First funded in 1992, HOME is a federal program dedicated to affordable housing for low-income persons. HOME funds projects in rehabilitation, acquisition, new construction, homebuyer assistance and rental assistance. IDED administers the HOME program in Iowa, which is available statewide. Applications for HOME are made on an annual basis through the "Housing Fund." Local governments and private proprietary and nonprofit entities may apply. IFA participates in project reviews.

Emergency Shelter Grant (ESG) Program

IDED administers this HUD program, which funds a variety of facilities and services for homeless persons and for homelessness prevention. It is available through annual competition among local governments on behalf of one or more shelters within their jurisdictions. There is a joint application for ESG and State funds administered by the IDED.

Homeless Shelter Operations Grant (HSOG) Program

This program is very similar to the ESG program. The are State funds appropriated through the Iowa Legislature, with a contribution from the Iowa Finance Authority.

Federal Weatherization Funds

The State Department of Human Rights (DHR) receives funds from the U.S. Department of Energy and other federal sources for weatherization of housing for low-income persons. These funds are distributed to Community Action Agencies around the State, which conduct local weatherization programs. DHR receives about $10 million per year in weatherization funds.

Low Income Housing Tax Credits (LIHTC)

IFA administers the LIHTC program in Iowa. The program provides tax credits to developers who construct or rehabilitate low-income rental housing. Applications are accepted and reviewed on a competitive basis when credits are available.

IFA Housing Assistance Fund (HAF)

IFA administers HAF as a flexible program for affordable housing. Projects funded include rehabilitation, new construction, rent subsidies, homeless shelters, group home facilities and property acquisition. Applications are accepted on a continual basis. Funds are dependent on IFA revenues and State appropriations.

IFA Low Interest Loan Program for Homebuyers

IFA has sold tax-exempt mortgage revenue bonds to make low interest mortgage loans. The loans are originated by participating lenders around the State. Loans are made under FHA, FmHA or VA programs or under conventional terms. FHA and VA minimum down payments apply; usually no more than 5 percent down payment is required. There are maximum upper limits on buyer income, housing price and mortgage amounts.

IFA Down Payment/Closing Cost Grant Program

This program provides grants to help pay closing costs, down payments or costs of repairs necessary to obtain financing or mortgage insurance. Applications are made through participating lenders around the State. Upper income limits are 80 percent of area MFI. Funding levels are dependent on IFA revenues, grants and/or State appropriations.

IFA Homeless Shelter Grant Programs

IFA provides funds through this program for acquisition and rehabilitation and for emergency needs and operations of homeless shelters. Awards for operating funds are made jointly with the ESG Program administered by IDED. Funding levels are dependent on IFA revenues and possible State appropriations.

Local Housing Assistance Program (LHAP)

This state funded program is administered by IDED. Funds are made available by the Iowa State Legislature and the Iowa Finance Authority for a variety of housing programs. Applications are accepted annually and awards are made to local governments and private proprietary and nonprofit entities.

Non-state Administered Housing Resources

- HUD loans, loan guarantees and other forms of assistance made directly to local owners, by application.
- USDA Farmers Home Administration loans, loan guarantees and subsidies made directly to local households and project owners, by application.
- Federal Home Loan Bank assistance for affordable housing in projects sponsored by member lending institutions.

The following resources are available for non-housing community development projects:

Iowa CDBG Program

Seventy-five percent of the State CDBG program is available for non-housing community development needs that principally benefit low- and moderate-income people. CDBG funds are available for annual competition for public works, public facilities and public services. A portion of the state's CDBG funds are set aside for economic development projects; applications for these are accepted on a continual basis.

Iowa State Revolving Fund

The U.S. Environmental Protection Agency has capitalized a revolving fund for sewage treatment and water system improvements. This fund is administered by the Iowa Department of Natural Resources. Priority for use of the fund is established by the potential for water quality enhancement. The loans are below market, but rates are dependent on bond sales and interest subsidy available.

"RISE" Program

RISE is administered by the Iowa Department of Transportation. It is designed to enhance economic development through improvements to city and county transportation systems

Non-state Administered Community Development Resources

- USDA Rural Development Administration grants and loans for water, sewer and other community facilities.
- U.S. Economic Development Administration regional revolving loan funds for economic development and funds for public works projects designed to stimulate economic development.

Leveraging Private and Non-Federal Funds

Non-federal leveraging for the federal programs cited in the Plan are anticipated from the following sources:

- CDBG -- No match is required, but match is likely from State housing fund, the Iowa Finance Authority, local governments and private developers.
- HOME -- Iowa continually exceeds federal match requirements. Match is expected from the State, private developers, local governments and local nonprofit agencies.
- ESG -- Required match under ESG is provided by the shelters, local governments and nonprofit agencies.

Activities

Home Method of Distribution

The purposes of the Iowa HOME Investment Partnership Program are as follows:

- Foster expansion and ensure continued supply of safe, decent, sanitary and affordable housing (primarily rental housing) for low-income Iowans;
- Develop and strengthen the capacity of local governments and other housing development entities to identify, design and implement strategies addressing affordable housing needs;
- Provide financial assistance to accomplish affordable housing initiatives.

Administrative Structure

The State of Iowa is a HUD participating jurisdiction. The State assigned administration and implementation of the HOME program to IDED in 1992. Lane Palmer, Administrator of the Division of Community and Rural Development, is directly responsible for program administration.

IDED staff will work in consultation with state and federal agencies and other organizations to further refine program design and implementation. These include IFA, FHLB, USDA, DHR, and Fannie Mae. The Department will coordinate its internal activities with funding opportunities from the CDBG program when appropriate.

IDED will administer the HOME program through State administrative rules consistent with 24 CFR 92. Staff will provide technical assistance to eligible applicants in the course of project development through training sessions open to all interested participants. The Division will perform required monitoring, performance and evaluation reviews to ensure compliance with all applicable federal rules, including 24 CFR 92.650, et. al.

Program Description

IDED will reserve up to 10 percent of the FY ’00 allocation for administrative purposes. The intent is to provide support for local administration by using most of the reserve to directly fund administrative costs incurred by successful applicants, contractors and Community Housing Development Organizations (CHDOs).

The HOME Program allows for a contingency fund of 5% to allow the program to be responsive to unanticipated situations that require funding.

All remaining funds will be distributed to eligible applicants using an annual application process. Applications will be accepted once a year. Applications will be reviewed and awards will be made until all HOME funds have been obligated.

Applications are reviewed using a threshold and criteria review system. The criteria reflect priorities established in this plan, which include the following:

- need for financial assistance to accomplish proposed project as evidenced by market conditions, expected beneficiaries, key project participants, type and amount of funding leveraged from other sources and HOME funds requested;
- impact of the project as documented by the consistency with Plan priorities, degree of local participation and direct benefit to the targeted population;
- proposal feasibility, including administrative capacity, likelihood of timely completion and project schedule.

The attached certifications require IDED to evaluate each project to ensure the minimum HOME funds necessary, in combination with other sources of capital, be provided to produce affordable, safe and decent housing units. It is not IDED's intent to duplicate local risk analyses or penalize proposals because of unique packaging of local, state or other federal resources. Where program awards are made to local recipients for unspecified sites, the recipient will be asked to establish the project investment methodology to be used to select project sites and the feasibility of establishing the sites in a timely manner. Grant recipients will be monitored throughout the life of the award to ensure compliance with the approved investment methodology.

IDED will make HOME funds available for the following types of projects:

- Rehabilitation of existing units (owner-occupied and rental units)
- First-time homebuyer assistance
- Tenant based relocation assistance
- New construction
- Transitional housing.

IDED expects additional outreach and technical assistance will be needed in rural areas to increase capacity for HOME participation. Building local capacity for housing production is a State priority, to achieve equitable geographic distribution across Iowa.

The State will reserve not less than 15 percent of the FY '00 HOME allocation for investment in housing owned, developed or sponsored by CHDOs. This reserve account does not preclude CHDOs from receiving additional HOME funds. IDED will continue to work with the State's Community Action Agencies to establish interest in and eligibility for CHDO participation in the HOME program. Eligible CHDO activities will not be more restrictive than those contained in federal rules. CHDOs will be encouraged to be subrecipients for administration and management of proposals submitted by other applicants.

CDBG Method of Distribution

As outlined in Title I of the Housing and Community Development Act, the primary goal of the CDBG program is "the development of viable communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate incomes." In addition to the national program goals and objectives outlined by this Act, the State will do the following through its administration of the CDBG program:

- Design the program to be flexible enough to address community priorities.
- Ensure neutrality and fairness in the treatment of all applications.
- Promote development of affordable housing.
- Assist communities in the preservation and development of basic infrastructure.
- Promote economic development activities that principally benefit LMI persons through job creation.

Projected Use of Funds

All incorporated cities and all counties in the State, except those designated as HUD entitlement areas, are eligible to apply for and receive funds under this program. Those activities outlined as eligible under Title I, Section 105, of the Housing and Community Development Act of 1974, as amended, are considered eligible under Iowa's CDBG program.

Eligible activities include public facilities (such as streets, water and sewer facilities, parks and community buildings), public services, housing rehabilitation and economic development. Administrative Rules for the program contain a complete listing of eligible activities. Seventy percent of CDBG funds allocated to local governments will be used for activities that principally benefit low- and moderate-income persons.

For FY '00, about $100,000 plus 2 percent will be used for administrative costs. The State will use 1 percent of the grant amount for specialized technical assistance programming.

The State will reserve 20 percent of CDBG funds for the combined Economic Development Set-aside, Public Facilities Set-aside, and Career Link. The Economic Development Set-Aside funds are to be used to make direct loans and forgivable loans to private enterprise when it can be shown new jobs will be created or jobs will be retained that would otherwise be lost. Public Facilities Set-Aside funds will be used to fund infrastructure development in direct support of economic development opportunities. Career Link provides training opportunities. As a specific housing initiative, the Housing Fund Set-aside will target 25 percent of available funds for programs designed to address the affordable housing needs of low- and very-low income persons. Additionally, the CDBG Program allows for a contingency fund of 5% to allow the program to be responsive to unanticipated situations that require funding.
The remaining will be available for the general competitive program. IDED may also use provisions allowed by federal law for short-term interim project financing. An amount not to exceed $25 million may be made available under CDBG short-term interim project financing during any program year.

Program Income/Remaining Funds/Recaptured Funds

Units of local government may retain program income when the income will be used for the same activity as identified in the original IDED contract. Program income from direct loans from the Economic Development Set-Aside Program may be retained by the grantee when it has established an IDED-approved reuse plan. Minimally, the plan must contain the following:

- Strategy for management of money in the fund;
- Demonstrated capacity to comply with applicable state and federal requirements;
- Ability to capitalize the revolving loan fund adequately within five years of award and show it is likely the community will be able to make a loan of at least $50,000 from the fund within five years.

IDED may require the return of program income not expended at the end of a contract period unless the grantee has an approved plan for the reuse of program income. Any funds (including program income) recaptured or remaining for any reason under the programs established herein and not covered by an IDED approved reuse plan shall be returned to the general competitive program. Recaptured funds will be committed to current (open) contracts.

Any funds reallocated to the State by HUD will be distributed in the established percentages to each of the existing programs. Any remaining or redistributed funds at the end of the current program year are carried forward for allocation in the competitive program in the subsequent program year upon receipt of the next year's funding allocation from HUD.

Selection Procedures

In addition to satisfying the general program minimum threshold requirements, projects must follow the specific rules pertaining to the applicable individual program component (Economic Development Set-aside, Competitive Program, Public Facilities Set-aside, and Housing Set-aside Fund).

Minimum Threshold Criteria

Applicants must do the following:

- Show project addresses at least one of the three national objectives (primarily benefit low- and moderate-income persons, aid in the prevention of slum and blight or alleviate conditions which pose a serious and immediate threat to the health or welfare of a community's residents);
- Show project funds will be used only for eligible activities as described in the Act;
- Provide evidence of local capacity to administer grant (past experience with state or federal grants, staff qualification or plans to contract for grant administration);
- Have acceptable past performance in CDBG administration (if applicable);
- Show it is feasible to complete the project with funds requested;
- Meet the Iowa Citizen Participation Plan requirements;
- Identify community development and housing needs, including low- and moderate-income persons' needs; and
- Present signed certifications as required by the Act.

Each program component has specific requirements associated with its purpose. Requirements for each of the individual program areas are discussed below.

Economic Development Set-aside Program

Applications are taken and awards are made on a continual basis. Funds are utilized as direct loans and forgivable loans to a business. Assistance is provided to leverage private financing in business activities resulting in the creation or retention of jobs principally for low- and moderate-income persons. There is a ceiling of $500,000 per project.

Projects funded under the set-aside program must meet a number of minimum threshold criteria. At least 51 percent of the jobs created or retained must be taken by or first consideration must be given to LMI persons. A minimum ratio of one job created or retained for every $10,000 of CDBG funds must be maintained. Funding must be justified as necessary and appropriate.

Competitive Program

All eligible applicants for the regular CDBG program will compete with every other city and county eligible for funding. Communities with populations less than 1,000 population may receive up to $250,000, those with populations between 1,000 and 2,500 may receive up to $400,000, those with populations between 2,500 and 15,000 may receive up to $600,000, and those with populations greater than 15,000 population may receive $800,000 each year. Communities with populations less than 250 are limited to $1,000 per capita as are unincorporated areas of a county proposing direct service projects.

Public Facilities Set-aside Program

The Public Facilities Set-Aside Program finances construction and improvements to public facilities that aid in economic development (i.e., water systems, sanitary and storm sewer systems, streets and rail and airport facilities). There is an award ceiling of $500,000 per project. Any funds remaining at the end of the program year will revert to the competitive program.

Applications are taken on a continual basis. A decision for funding a complete application will be made within 60 days. All applications for the set-aside program must meet a number of minimum threshold criteria. At least 51 percent of the jobs created or retained must be taken by or first consideration must be given to low- and moderate-income persons. There must be a ratio of one job created or retained for every $10,000 in funds awarded. Local governments must provide matching funds equaling at least 50 percent of the CDBG amount requested.

Housing Fund Set-Aside

All eligible applicants for the Housing Fund Set-aside Program will compete with every other city and county eligible for funding. Applications are accepted and awards made on a annual basis. Funds are used to provide grants that assist in the preservation or creation of affordable housing. There is a $700,000 per project grant ceiling. A city or county may apply for more than one project a year under this set-aside.

Factors considered in rating project applications are as follows:

- *Magnitude of Need* -- based on proportion of substandard housing concentration, population growth; constraints to affordability; significant factors which have prohibited the development of affordable housing.
- *Magnitude of Impact* -- based on degree of CDBG and other federal funds in overall project, local commitment to project, direct benefit to low- and moderate-income persons, degree to which project addresses identified need and magnitude of need.
- *Feasibility* -- based on administrative capacity; long term affordability; subsidy level proposed; amount of firm financial commitment to project from other sources.

Short-term Interim Financing Program

This program provides short-term or interim financing for projects which create or retain employment opportunities, prevent or eliminate blight or accomplish other federal and state community development objectives. Financing may be used for construction or improvement of public works; purchase, construction, rehabilitation or other improvement of land, buildings, facilities, machinery and equipment, fixtures and appurtenances or other projects undertaken by a proprietary or nonprofit organization; assistance for otherwise eligible projects or programs.

Applications are accepted at any time and are processed, reviewed and considered on a first-come, first-served basis. IDED makes funding decisions within 30 days of receipt of a complete application and to the extent funds are available. Awards may not exceed $20 million. Selection is based on the following threshold criteria: evidence of local capacity to administer the funds; acceptable performance in the administration of prior state or federal grants; feasibility the project will be completed with funds requested (the applicant must identify other funding sources and the terms of assistance); evidence the project will be completed within 30 months of the grant award date; an irrevocable letter of credit or equivalent security instrument from an AA-rated lender; commitment of permanent financing for the project.

If an application satisfies all threshold criteria, it is evaluated on the following:

- Does CDBG participation leverage substantial local financial participation?
- Is the cost of CDBG short-term funds per person benefited reasonable?
- Is the need for CDBG assistance reasonable?
- Does the public benefit substantially exceed the value of assistance (measured by the present value of assistance to the direct and indirect wages and aggregate payroll lost, dislocation and potential absorption of workers and loss of economic activity).

Plans to Minimize Displacement

The State takes several steps to minimize displacement resulting from CDBG activities. All applicants for CDBG funds must certify they will make every effort to minimize displacement.

Upon review of the application, the State assesses the need for any displacement identified in the application. The State also requires grant recipients to pay relocation costs in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended and implemented by 49 CFR, Part 24 or other approved Local Displacement Plans.

Citizen Participation

IDED held public hearings to take comments on the proposed method of CDBG distribution. IDED also encouraged the public to submit comments. CDBG program records are available to the public and may be viewed during regular office hours. However, the State will not disclose personal financial data and/or income tax returns submitted as part of an economic development project.

ESG and HSOG Method of Distribution

Eligible and ineligible program activities are those permitted for the ESG program are found under regulations issued by HUD, authorized by the Stewart B. McKinney Homeless Assistance Act of 1988, as amended, and as further defined in 24 Code of Federal Regulations Part 576. The HSOG regulations can be found under the administrative rules for the Iowa Department of Economic Development. The State of Iowa will allow the following activities assisted under the ESG and HSOG Programs:

- Renovation, major rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
- Provision of essential services if the service is new or is a quantifiable increase in the level of service. No more than 30 percent of the grant may be used for this purpose.
- Payment for activities that assist in homeless prevention (e.g., short-term subsidies to help defray rent and utility costs for families faced with eviction or termination of utility services, security deposits or first month's rent for a family to acquire an apartment; programs to provide mediation services for landlord/tenant disputes; programs to provide legal representation to indigent tenants in eviction proceedings payment assistance to prevent foreclosure on a home). No more than 30 percent of the grant may be used for this purpose.
- Payments of maintenance, operation, insurance, utilities and furnishings (including up to 10 percent of grant funds for staff costs necessary to operate a homeless shelter).
- Administration (up to 5 percent of the grant may be used for administrative purposes). The State will forward available administrative funds to local government grant recipients and encourage them to make funds available to the local shelters as needed.

Distribution Procedures

Funds will be available to all cities and counties in Iowa. IDED will request applications from eligible applicants in the fall of each year. Local applicants will have at least 60 days to submit an application. The application will request information including the amount of funds requested, the need for the funds, other available funding, historical records of expenses (a recent audit report is requested), the impact on shelter operations if funds are not granted, the amount and source of the required local match and the estimated number of persons served.

Applications will be reviewed by IDED staff, who will make funding recommendations to the Department Director. Funding decisions will be coordinated with other homeless assistance programs within the State to eliminate duplication and attempt to maximize utilization of scarce resources to alleviate the effects of homelessness in Iowa.

Matching Requirements

Under the ESG program, each recipient must match the grant amount with an equal amount of in-kind local match. This can consist of such items as cash, value of the property, staff salaries, and volunteer hours. This local match may come from a unit of local government or from a nonprofit subrecipient. IDED will evaluate pledged local effort to determine eligibility and require each source to certify the amount, source and dedication of its pledge.

There is no local match requirement under the HSOG program.

Other General Requirements

IDED will continue to ensure that assisted shelters remain in service as required by federal rule, and that they meet local government safety and sanitation standards.

HOME Resale Provisions

IDED expects to continue its investment of HOME funds for the benefit of first-time homebuyers through direct acquisition assistance and/or supplemental rehabilitation activities when determined appropriate to further the HOME goals.

To maintain maximum flexibility and potential to further these goals, IDED will require recipients, developers and CHDOs to enforce the resale provisions of 92.254(a)(4) or provide appropriate HOME funds recapture opportunities. The recaptured funds will be used to assist subsequent first-time homebuyers.

The resale provision and/or recapture opportunity shall be enforced through conditions contained within the funding contract document, implemented through local agreements and monitored for compliance with the use of recorded legal instruments containing these provisions. The HOME recipients, developers and CHDOs will be encouraged to provide the homebuyers with counseling and technical assistance to maximize the homebuyer's ability to maintain the property and remain current in mortgage payments. The Iowa land sales recording and abstracting processes will assist IDED, recipients, developers and CHDOs in ensuring long-term affordability opportunities are maintained.

Tenant Based Rental Assistance (TBRA) Compliance

Iowa statistics indicate rental assistance payments remain a priority for use of HOME funds. Available local market information substantiates a high level of need in this area. IDED will consider applications for TBRA when the applicant includes certifications indicating compliance with the following:

- That such use is an essential element of its current housing planning strategy for expanding the supply, affordability and availability of decent, safe and sanitary housing and clearly specifies the local market conditions that lead to such a determination.
- That tenants assisted with these funds may be selected from the local public housing authority Section 8 waiting list based on local preferences or selected by virtue of existing occupancy in a site designated for rehabilitation assistance. TBRA may be provided to low- and very-low income families in accordance with written policies and criteria related to preference rules such as those established by the Housing Act of 1937.

The local recipient shall be required to execute a memorandum of understanding with the participating project owner delineating further requirements. Local recipients will be required to consider the tenants' need for utility deposits and security deposits as a part of determining tenant need.

Other Forms of Investment

IDED will continue to search out creative and collaborative means of supplementing HOME funds for housing programs. Most of the additional forms of assistance are established in federal rule. Accordingly, the State Administrative Rule established the following eligible forms of assistance under the HOME Program:

- Equity investments
- Interest bearing loans or advances
- Non-interest bearing loans or advances
- Interest subsidies
- Deferred payment loans
- Grants
- State of Iowa Enterprise Zone tax benefits

IDED may seek an amendment to the Administrative Rule to allow additional types of investment activity.

Other sources of funding that may be combined in a project include the following:

- Federal Home Loan Bank Affordable Housing Program
- Iowa Finance Authority/Housing Assistance Fund
- Low Income Housing Tax Credits
- Local tax abatement
- Local tax increment district financing
- Foundation loans/grants
- Charitable source contributions
- Local bond revenues
- Discounted loans from private lenders
- Market rate loans from private lenders.

Affirmative Marketing

The State requires HOME program recipients and owners of projects to adopt affirmative marketing procedures and requirements for all HOME housing with five or more units. Grantees pattern their affirmative marketing efforts from the *HOME Management Guide*, distributed to all program applicants and recipients. The guide outlines the following required components of grantees' affirmative marketing procedures:

- Methods for informing the public, owners and potential tenants about fair housing laws and policies;
- Description of what owners and/or the recipient will do to affirmatively market housing assisted with HOME funds;
- Description of what owners and/or the recipient will do to inform persons not likely to apply for housing without special outreach;
- Maintenance of records to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness;
- Description of how efforts will be assessed and what corrective actions will be taken where requirements are not met;
- Affirmative marketing analysis will be a part of the ongoing monitoring of rental projects throughout the period of affordability.

IDED staff members provide technical assistance to grant recipients in the development of and compliance with their affirmative marketing plans.

Minority and Women Business Outreach

The State requires all grant recipients to solicit participation of minority- and women-owned businesses in contracting under the HOME program. Grantees are to include qualified minority- and women-owned businesses on solicitation lists and solicit their participation whenever they are potential sources.

The *HOME Management Guide*, distributed to all program recipients, addresses the Minority/Women Business Enterprise policy. It states grantees must prescribe procedures for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women in all contracts. The guide provides grantees with a list of clearinghouses for solicitation of minority- and women-owned businesses. Through project monitoring, IDED field representatives review each grantee's documentation of efforts and results in securing contracts with minority- and women-owned businesses.

The State has an ongoing program of identifying and assisting minority- and women-owned businesses. A component of this effort is the Iowa Department of Inspections and Appeals' targeted small business certification program. The list of certified businesses maintained as part of this program is available to grantees.

The Iowa Targeted Small Business Act requires all State departments, agencies, commissions and public education institutions to promote the procurement of goods and services from certified targeted small businesses. IDED's Targeted Small Business Financial Assistance Program provides funding for minority- and women-owned businesses in loans, equity substitution grants or loan guarantees.

SECTION FIVE — MONITORING PLAN

IDED has had responsibility for the CDBG program since 1982 and the HOME Program since 1992 and has developed thorough and effective monitoring procedures for the program. These include compliance reviews of applications, monitoring during project implementation and formal procedures for closing projects. HUD has made few findings in its review of the State's programs over the years, and there are no outstanding findings. IDED has applied similar standards and procedures to the ESG program and other state programs.

IDED has established a monitoring policy for the HOME Program and is currently developing a similar policy for CDBG. These policies act as a guideline for IDED and not a strict determinant so that they can be flexible enough to allow for changing environments and other needs which cannot be foreseen.

SECTION SIX — SUMMARY OF COMMENTS

The following are questions that were received during the citizen participation process. These questions were answered with information from the plan or with information from IDED staff and program data.

Q: Why are priorities for homeless/transitional housing a medium priority? And Why are families a lower priority for permanent supportive housing?
A: Priority assignment reflects what the State can accomplish with limited resources. Iowa has a history of funding these categories and will continue to fund these categories in the future.

Q: Why doesn't the plan estimate the dollar amount for transitional housing needs?
A: Cost estimates for these categories have historically been very difficult to calculate with the limited amount of information about Iowa's homeless available. The State is continually looking for better ways to collect information and assign estimated costs.

Q: Are there any ways to finance emergency repairs without doing a complete rehabilitation?
A: The Iowa Housing Fund Administrative Rules allow for the provision of emergency repairs.

Q: How do IDED's 0-50% priorities fit in with the 60% requirement of Low Income Housing Tax Credits?
A: For projects funded by both HOME and LIHTC, the most restrictive requirements must be followed. Projects funded from only one of the sources must follow the requirements for the individual program.

Q: Does IDED target or score projects serving minorities higher?
A: IDED does not rate applications based on targeted ethnic groups. IDED does collect data on beneficiaries that does include racial characteristics.

Q: Is affordable housing a priority for the State of Iowa?
A: Affordable housing has historically been a priority for the State and will continue to be in the future. In addition to federal resources, the State commits a significant amount of state resources to affordable housing each year. The connection between economic development, job development, and housing is very important to the future of Iowa.

Q: Why doesn't the State fund more new and start-up homeless programs?
A: With the limited resources available, project and programs with demonstrated capacity receive a priority for funding.

Q: *What does the State do with unspent and carryover funds?*
A: The State attempts to spend all program dollars each year. If program dollars are recaptured or are unable to be spent by the assigned recipient, the State adds those funds to the next program years funding.

Q: *Does the State contract with non-profits?*
A: Yes. The state regularly contracts with non-profits through the HOME and ESG Programs. The CDBG Program requires the State to contract with Cities or Counties, who in turn sub-contract with non-profits.

Q: *Can Low Income Housing Tax Credits be used with the HOME Program?*
A: Yes. HOME funds are regularly used with LIHTC in cases where deep subsidy is required to make housing affordable.

Q: *What is the relationship between the PHA 5-year Plans and the State's Consolidated Plan?*
A: The State is required to review the PHA Plans for consistency with the State's Consolidated Plan. Additionally, the State can serve as resource for the needs of the PHAs.

Q; *How will the State address the huge need for water and sewer projects?*
A: The State can only address some of the water and sewer needs among lower-income communities in Iowa. The State is always seeking new resources to assist communities with their water and sewer needs.

Q: *Is there any plan to assist rural areas to better count the homeless?*
A: The State is currently examining new ways to count homeless Iowans both in metropolitan areas and rural areas. Any new methods or programs will be shared.

Q: *1990 Census data is outdated. Specifically the Hispanic population counts.*
A: The 1990 US Census information is the best information currently available to the State. When new data is available from the 2000 Census, DED will update this plan.

Q: *Does the state offer Section 108 Loans?*
A: The State CDBG Administrative Rules do not have an allowance for Section 108 Loans. The State has taken this course for two reasons. First, there are other programs offered that have a higher potential award amount and greater flexibility in interest rates. Second, the guarantee of future funds to repay the loans causes concern for the State. Existing resources are unable to meet all of the housing and community development needs in Iowa. The commitment of future funds only takes away from those the State can assist in the future.

Q: *Why did DED eliminate the review system that was based on points?*
A: The method of review was changed to offer a more holistic approach to reviewing applications. Those wishing to change the review system are encouraged to participate in the State's Administrative Rules processes.

Q: Does the EDSA encourage low wages?
A: EDSA projects have minimum wage requirements based on average county wages across multiple job classifications. The State will not fund projects with wages below this minimum threshold.

The following are general comments received during the citizen participation process. These comments pertain to IDED's programs and policies. IDED staff will be reviewing these comments and will use them as programs and policies are developed in the future.

- Small communities without public water and sewer systems are left out of the State housing programs because of policy implementation.
- When the State allocates 75% of HOME Funds to be paired with the Low Income Housing Credits it is difficult for non-profits developers to access funding.
- The State should make flood plain areas eligible for housing programs.
- Can IDED break CDBG competition into categories so small and large cities do not have to compete against each other?

The following are general comments received during the citizen participation process. These comments are either general program issues outside of the State's jurisdiction or are general observations made by citizens and customers of IDED's programs.

- There needs to be a category for special needs renters who are not technically homeless?
- Expiring Section 8 Certificates should be preserved with the help of non-profit developers.
- Can the HOME recapture requirement for 10 years of residency be lowered to 5 years?
- Projects that target 0-30% of MFI are hard to make successful.

APPENDIX ONE — GLOSSARY OF TERMS

Glossary of Terms Used in the Consolidated Plan

Affordable Housing: Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utility costs.

AIDS and Related Diseases: The disease of acquired immunodeficency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

Alcohol/Other Drug Addiction: A serious and persistent alcohol or other drug addiction that significantly limits a person's ability to live independently.

Assisted Household or Person: For the purpose of identification of goals, an assisted household or person is one which during the period covered by the annual plan will receive benefits through the investment of Federal funds, either alone or in conjunction with the investment of other public or private funds. The program funds providing the benefits(s) may be from any funding year or combined funding years. A renter is benefited if the person takes occupancy of affordable housing that is newly acquired, newly rehabilitated, or newly constructed, and/or receives rental assistance through new budget authority. An existing homeowner is benefited during the year if the person becomes an occupant of transitional or permanent housing. A non-homeless person with special needs is considered as being benefited, however, only if the provision of supportive services is linked to the acquisition, rehabilitation or new construction of a housing unit and/or the provision of rental assistance during the year. Households or persons who will benefit from more than one program activity must be counted only once. To be included in the goals, the housing unit must, at a minimum, satisfy the HUD section 8 Housing Quality Standards (see 24 CFR section 882.109). See also, instructions for completing Table 3B of the CHAS and Table 1 of the Annual Performance Report.

Committed: Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities.

Consistent with the CHAS: A determination made by the State that a program application meets the following criterion: The Annual Plan for that fiscal year's funding indicates the State planned to apply for the program or was willing to support an application by another entity for the program; the location of activities is consistent with the geographic areas as specified in the plan; and the activities benefit a category of
residents for which the State's five-year strategy shows a priority.

Cost Burden > 30%: The extent, to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Cost Burden > 50% (Severe Cost Burden): The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Disabled Household: A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental or emotional impairment that: (1) is expected to be of long continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time or his or her death.

Economic Independence and Self-Sufficiency Programs: Programs undertaken by Public Housing Agencies (PHAs) to promote economic independence and self-sufficiently for participating families. Such programs may include Project Self-Sufficiency and Operation Bootstrap programs that originated under earlier Section 8 rental certificate and rental voucher initiatives, as well as the Family Self-Sufficiency program. In addition, PHAs may operate locally developed programs or conduct a variety of special projects designed to promote economic independence and self-sufficiency.

Elderly Household: For HUD rental programs, a one or two person household in which the head of the household or spouse is at least 62 years of age.

Elderly Person: A person who is at least 62 years of age.

Existing Homeowner: An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.

Family: See definition in 24 CFR 812.2 (The National Affordable Housing Act definition required to be used in the CHAS rule differs from the Census definition). The Bureau of Census defines a family as a householder (head of household) and one or more other living persons living in the same household who are related by birth, marriage, or adoption. The term “household” is used in combination with the term “related” in the CHAS instructions, such as for Table 2, when compatibility with the Census definition of family (for reports and data available from the Census based upon that definition) is dictated. (See also “Homeless Family.”)

Family Self-Sufficiency (FSS) Program: A program enacted by Section 554 of the National Affordable Housing Act, which directs Public Housing Agencies (PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

Federal Preference for Admission: The preference given to otherwise eligible applicants under HUD's rental assistance programs who, at the time they seek housing assistance, are involuntarily displaced, living in substandard housing, or paying more than 50 percent of family income for rent. (See, for example, 24 CFR 882.219.)

First-Time Homebuyer: An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the homebuyer, except that any individual who is a displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

FmHA: The Farmers Home Administration or programs it administers.

For Rent: year round housing units, which are vacant, and offered/available for rent. (U.S. Census definition)

For Sale: Year round housing units, which are vacant, and offered/available for sale only. (U.S. Census definition)

Frail Elderly: An elderly person who is unable to perform at least 3 activities of daily living (i.e., eating, dressing, bathing, grooming, and household management activities). (See 24 CFR 889.105.)

Group Quarters: Facilities providing living quarters that are not classified as housing units. (U.S. Census definition) Examples include prisons, nursing homes, dormitories, military barracks, and shelters.

HOME: The HOME INVESTMENT Partnerships Program, which is authorized by the Title II of the National Affordable Housing Act.

Homeless Family: Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.

Homeless Individual: An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children.

Homeless Youth: Unaccompanied person 17 years of age or younger, who is living in situations described by terms "sheltered" or "unsheltered".

HOPE I: The HOPE for Public and Indian Housing Homeownership Program, which is authorized by Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2: The HOPE for Homeownership of Multi-family Units Program, which is authorized by Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3: The HOPE for Homeownership of Single Family Homes Program, which is authorized by Title IV, Subtitle C of the National Affordable Housing Act.

Household: One or more persons occupying a housing unit (U.S. Census definition). See also "Family".

Housing Problems: Households with housing problems include those that: (1) occupy units meeting the definition of Physical Defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30%. Table 1C requests non-duplicate counts of households that meet one or more of these criteria.

Housing Unit: an occupied or vacant house, apartment, or single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition)

Institutions/Institutional: Group quarters for persons under care or custody. (U.S. Census definition)

Large Related: A household of 5 or more persons, which includes at least one person, related to the householder by blood, marriage, or adoption.

Lead-Based Paint Hazard: Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency. (Residential Lead-Based Paint Hazard Reduction Act of 1992 definition)

LIHTC: (Federal) Low Income Housing Tax Credit.

Low-Income: Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Moderate Income: Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families, except that HUD may establish income ceilings higher or lower that 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This definition is different than that for the CDBG Program)

Non-Elderly Household: A household, which does not meet the definition of "Elderly Household", as defined above.

Non-Homeless Persons with Special Needs: Includes frail elderly persons, persons with AIDS, disabled families, and families participating in organized programs to achieve economic self-sufficiency.

Non-Institutional: Group quarters for persons not under care or custody. (U.S. Census definition used)

Occupied Housing Unit: A housing unit that is the usual place of residence of the occupant(s).

Other Household: A household of one or more persons that does not meet the definition of a Small Related household, Large Related household, or Elderly household.

Other Income: Households whose incomes exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families.

Other Low-Income: Households whose incomes are between 51 percent and 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD' s findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This term corresponds to moderate-income in the CDBG Program)

Other Vacant: Vacant year round housing units that are not For Rent or For Sale. This category would include Awaiting Occupancy or Held.

Overcrowded: A housing unit containing more that one person per room. (U.S. Census definition)

Owner: A household that owns the housing unit it occupies. (U.S. Census definition)

Physical Defects: A housing unit lacking complete kitchen or bathroom. (U.S. Census definition) States may expand upon the Census definition.

Primary Housing Activity: A means of providing or producing affordable housing – such as rental assistance, production, rehabilitation or acquisition – that will be allocated significant resources and/or pursued intensively for addressing a particular housing need. (See also, "Secondary Housing Activity".)

Project-Based (Rental) Assistance: Rental Assistance provided for a project, not for a specific tenant. Tenants receiving project-base rental assistance give up the right to that assistance upon moving from the project.

Public Housing CIAP: Public Housing comprehensive Improvement Assistance Program.

Public Housing MROP: Public Housing Major Reconstruction of Obsolete Projects.

Rent Burden > 50% (Severe Cost burden): The extent to which gross rents, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Rental Assistance: Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter: A household that rents the housing unit it occupies, including units rented for cash and those occupied without payment of cash rent.

Renter Occupied Unit: Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.

Rural Homelessness Grant Program: Rural Homeless Housing Assistance Program, which is authorized by Subtitle G, Title IV of the Stewart B. McKinney Homeless Assistance Act.

Secondary Housing Activity: A means of providing or producing affordable housing – such as rental assistance, production, rehabilitation or acquisition - that will receive fewer resources and less emphasis that primary housing activities for addressing a particular housing need. (See also, "Primary Housing Activity".)

Section 215: Section 215 of Title II of the National Affordable Housing Act. Section 215 defines "affordable" housing projects under the Home program.

Service Needs: the particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severe Cost Burden: See cost Burden > 50%.

Severe Mental Illness: A serious and persistent mental or emotional impairment that significantly limits a person's ability to live independently.

Sheltered: Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

Small Related: A household of 2 to 4 persons, which includes at least one person, related to the householder by birth, marriage, or adoption.

Substandard condition and not Suitable for Rehab: By local definition, dwelling units that are in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Substandard Condition but Suitable for Rehab: By local definition, dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction or minor livability problems or maintenance work.

Substantial Amendment: Rehabilitation of residential property at an average cost for the project in excess of $25,000 per dwelling unit.

Supportive Housing: Housing, including Housing Units and Group Quarters, that have a supportive environment and includes a planned service component.

Supportive Service Need in FSS Plan: the plan that PHAs administering a Family Self-Sufficiency program are required to develop to identify the services they will provide to participating families and the source of funding for those services. The supportive services may include child care; transportation; remedial education; education for completion of secondary or post secondary schooling; job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; money management, and household management; counseling in homeownership; job development and placement; follow-up assistance after job placement; and other appropriate services.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, childcare, transportation, and job training.

Tenant-Based (Rental) Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant Housing Units: Unoccupied year round housing units. (U.S. Census definition)

Unsheltered: Families and individuals whose primary nighttime residence is a public or private place; not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., streets, parks, and alleys).

Vacant Awaiting occupancy or Held: Vacant year round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year round housing units that are held by owners or renters for occasional use. (U.S. Census definition)

Vacant Housing Unit: Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.

Very Low-Income: households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of prevailing levels of construction costs or fair market rents. (This term corresponds to low-income households in the CDBG Program.) (For the purpose of further distinguishing needs within this category, two subgroups (0 to 30% and 31 to 50% of MFI) have been established in the CHAS tables and narratives.)

Worst-Case needs: Unassisted, very low-income renter households who pay more that half of their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.

Year Round Housing Units: Occupied and vacant housing units intended for year round use. (U.S. Census definition.) Housing units for seasonal or migratory use are excluded.

NOTE: Terms not defined above may be defined in the specific instructions for each table. If a term is not defined, the State is to provide its own definition.

State of Iowa Required Definitions

Area of Low-Income Concentration: Any county in Iowa with a rate of poverty that is 150% or greater than the State poverty rate of 11.5% for all persons and 8.4% for families.

Area of Racial/Ethnic Concentration: Any county in the State of Iowa with greater than 500 persons that are African Americans, Native Americans, Asians, or Hispanics.

Standard Condition: Any housing units meeting Housing Quality Standards (HQS) as established by the US Department of Housing and Urban Development.

Substandard Condition but Suitable for Rehabilitation: Any housing unit that is determined to be structurally sound but does not meet all Housing Quality Standards.

APPENDIX TWO —PLAN CERTIFICATIONS

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2. Establishing an ongoing drug-free awareness program to inform employees about -

(a) The dangers of drug abuse in the workplace;
(b) The grantee's policy of maintaining a drug-free workplace;
(c) Any available drug counseling, rehabilitation, and employee assistance programs; and
(d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -

(a) Abide by the terms of the statement; and
(b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such

conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official Date

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

2. It engages in or will engage in planning for community development activities;

3. It provides or will provide technical assistance to units of local government in connection with community development programs; and

4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2000 through 2004 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official Date

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature/Authorized Official Date

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Signature/Authorized Official Date

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.

2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.

4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).

5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).

6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

State of Iowa Department of Economic Development
200 East Grand Avenue
Des Moines, Iowa 50309

Check ___ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).