



CY '10

(January 1, 2010 – December 31, 2010)

Oskaloosa Housing Trust Fund
Annual Report

OSKALOOSA HOUSING TRUST FUND

The Oskaloosa Housing Trust Fund (OHTF) was established by ordinance in November of 2000 and began its operations in January of 2001. The OHTF focuses energy and resources on programs that address the community's varied housing needs and desire to increase the value of homes in the city. The OHTF currently provides programs for first time home buyers, rent assistance, urgent repair, exterior improvement and demolition for removal of dilapidated structures.

A committee comprised of major donors to the trust fund and four City Council appointed members govern the activities of the fund. OHTF committee members representing area businesses at the end of the calendar year were: Rob Taylor, Chair; Dan Adams, Vice-Chair; Jim Hansen; Kandes Dalbey; Jim Lorber; Leon McCullough; Julia Ross; and Randall Irwin. Representing the community at-large and appointed by the City Council are Pam Blomgren; Bernice Hahn; Debbie Stevens; Doug Hunt; Thomas Potter and Randell Davis. Meetings of the OHTF are generally held the first Thursday of each month at noon in the City Hall Conference Room.

During the first year of the trust fund, grants were received from the Iowa Department of Economic Development in the amount of \$240,000 and \$250,000 from the Federal Home Loan Bank. A local fund raising effort and transfer of the City's revolving loan funds for 1st-time home buyer and the demolition program resulted in being able to initially capitalize the trust fund with about \$840,000 in cash and assets.

During the past few years, the OHTF has been funded through the Iowa Finance Authority's (IFA) Local Housing Trust Fund grant to assist households with incomes of less than 80% of the Mahaska County Median. The 2010 grant award was in the amount of \$51,069. These funds, along with fundraising dollars and revolving loan repayments raised over a three-year campaign, allow the trust fund to continue with existing programs. The IFA has decreased grant funds available to small housing trust funds to encourage the formation of a regional trust fund approach. The Area XV Regional Planning Commission, through AHEAD, Inc. has formed the regional trust fund for a six county area (Mahaska, Keokuk, Wapello, Jefferson, Davis & Van Buren). Housing staff and the OHTF committee have been working with the regional trust fund to put plans into place and will apply for funds from the region. The OHTF has a projected program budget for the next four years.

Whether it be governmental agencies or local citizens with an interest in improving the quality of housing within the community, contributions are essential to the success of the OHTF efforts. Investors in the trust fund during its 10 years can be found in Figure 1.

Contributors to Oskaloosa Housing Trust Fund Activities

Figure 1

Aaron Ver Steeg, Ajinomoto USA, Inc., Bank Iowa, Bates Funeral Home, Cablevey, Cargill, Inc., Carter's Int. Material Handling, City of Oskaloosa, Church & Dwight, Clow Valve Company, Community 1st Credit Union, D&S Siding, David & Patricia Dixon, Dr. & Arlene Nuckolls, Dr. Paul and Cynthia Riggs, Dr. Tony & Joan Kunz, Drs. Anne & Matt Whitis, Edgetowne Furniture, Edward Jones Investments-Alan Fender, Fannie Mae Iowa Partnership, Federal Home Loan Bank, First National Bank Midwest, Garden & Associates, Ltd., George Daily Charitable Trust, Glaco Mid-West, Inc., Hawkeye Lumber Company, Hawkeye Real Estate, Heather Brown, Horizon Bank, Hunt Kain & Associates, Independent Insurance Agents, Interpower Corporation, Iowa Dept. of Economic Development, Iowa Finance Authority, Jim Zimmerman, K-Line Unlimited, Mahaska Title-Johnson Abstract, Malcom Lumber & Hardware, MidWestOne Bank, MUSCO Charitable Foundation, MUSCO Sports Lighting, Oskaloosa Board of Realtors, Oskaloosa Chiropractic Clinic, Oskaloosa Food Products, Oskaloosa Vision Center, Palmer & Palmer Law Office, Pat Russell, Pella Rolscreen Foundation, Phil Griffin Insurance, Robert Auld Investments, Shankster Masonry, Smith-Wake Ag Group, Steven's Concrete Limited, True Value Hardware, USDA Rural Development, Vermeer Charitable Foundation, Wells Construction Company

Activities of the trust fund during the past year are as follows:

- Demolition.** This program is a continuation of a program started in 1998 and was modified in 2004 as a result of the City Council contribution of \$117,000 in bond funds. The program provides up to \$4,000 in the form of a grant if the owner agrees to rebuild on the property within two years. If the property is not redeveloped within the 2-year period the grant is to be repaid and will include current prime rate interest, accrued over the first two years, with the balance to be amortized over 12 months at current prime rate of interest.

In total, since the program began in 1998 there have been 75 applications approved (see Figure 2). Forty-seven properties that have been demolished have made it back on the tax roles. They are now assessed at over \$4 million and the average assessed value of those properties is \$94,038. Twelve loans were repaid, seven are within the two year redevelopment period, two properties were sold at tax sale, two loans are delinquent, two garages were built, and one property was returned to the bank. Six applications were approved for the demolition program during the past year. The applications were for demolition of 910 North A; 1107 B Avenue West; 1007 South F; 602 North 7th; 1105 2nd Avenue West; and, 146 Pella Avenue. The average assessed value of these four structures at the time of application was \$22,187.

Recap of Demolition Activity Since 1998

Figure 2

# of Demos	Redeveloped	# Repaid	\$ of Demo	Before Value	After Value
73	47	12	\$296,837	\$964,567	\$4,419,800

Properties utilizing the demolition program



1107 B Avenue West



1007 South F

- Demolition II Program.** An additional demolition program was approved in March 2010 providing a grant/loan for up to \$4,000 encouraging green space and/or future development in exchange for removal of dilapidated structures. One-half of these awarded funds shall be issued in the form of a no-interest loan to be repaid in 24 monthly installments beginning the first month following project completion. One-half of the awarded funds shall be issued in the form of a non-repayable grant. One loan from the above referenced data was issued to demolish the property at 602 North 7th Street and one approved application pending demolition also falls under this program.

Property utilizing the Demo II Program



602 North 7th



602 North 7th

3. **1st-time Home Buyer Down Payment and Closing Cost Revolving Loan Fund.** The continuation of this very successful program continues to be a high priority for the committee and community. These no-interest loans of up to \$3,500 are matched by the family and are repayable over a 10-year period. During 2010, the program assisted 15 families with the purchase price of \$1,297,760 in Oskaloosa. Since the program's inception, we have assisted 407 households with the purchase of over \$27 million worth of housing. The average purchase price of homes in this loan portfolio is \$66,987 with an average loan amount of \$2,111. In addition to these families becoming stakeholders in our community and helping to stabilize our workforce, an emphasis on developing home ownership opportunities creates other ripple effects within the community. Some of the obvious examples include approximately: \$1,635,815 in real estate commissions; \$162,800 in appraisal fees; \$81,400 in legal fees; and, \$50,875 in abstracting fees. Figure 3 shows the yearly breakdown of loan activity since the program's inception.

Properties utilizing the 1st time home buyer program



122 12th Avenue East



302 College Avenue



1010 4th Avenue East



1109 4th Avenue East

Figure 3

**Oskaloosa 1st-time Home Buyer Down Payment and Closing Cost RLF
(loan activity by year)**

YEAR	# OF LOANS	\$ OF LOANS	PURCHASE PRICE	1ST MORT LN AMT
1998	15	\$24,426	\$603,917	\$546,784
1999	42	\$81,667	\$2,252,635	\$2,074,630
2000	34	\$63,731	\$1,928,481	\$1,802,456
2001	42	\$72,437	\$2,358,050	\$2,160,813
2002	40	\$68,005	\$2,408,200	\$2,303,715
2003	41	\$78,255	\$2,783,200	\$2,596,775
2004	48	\$102,518	\$3,444,350	\$3,191,733
2005	34	\$69,612	\$2,313,275	\$2,246,272
2006	41	\$96,821	\$3,314,759	\$3,043,990
2007	7	\$19,678	\$515,000	\$482,300
2008	24	\$64,938	\$1,952,100	\$1,869,634
2009	24	\$68,950	\$2,091,850	\$1,926,669
2010	15	\$47,041	\$1,297,760	\$1,240,010
TOTALS:	407	\$858,079	\$27,263,577	\$25,485,781

In an attempt to alleviate problems associated with our efforts to get people into home ownership that may not fully understand what is involved in being a home owner, the OHTF requires participants to receive home buyer education prior to their loan closing. Each participating lender provides an individual counseling program to the client and verification of course certificate of completion.

- 4. Rent Assistance Program.** One of the requirements of the IFA LHTF grant is that 30% of granted funds are to be used to assist families with incomes at or below 30% of median income. The OHTF utilizes this portion of grant dollars to assist extremely low income families with rent assistance. This program supplements the Oskaloosa Municipal Housing Agency (OMHA) Section 8 Housing Choice Voucher Program. The payments are calculated utilizing formulas that base the tenant's payment on 30% of adjusted gross income. The funds are issued to landlords as a monthly rent subsidy based on the family income according to HUD's guidelines. During 2010, the program has assisted four families for a total of \$12,594 with the average per month assistance amount of \$262.

5. **Urgent Home Repair Program.** The program was designed to provide funds for homeowners who experience an emergency for items that need repaired (i.e. furnaces, sewer maintenance, water heaters, roofs, etc.). The OHTF offers a deferred payment loan for up to \$5,000 to assist with these repairs. A lien is filed against the property to be repaid with no interest accruing when the property sells or the title transfers. During CY 2010, the program has assisted 4 households; 1 with a basement repair, 2 furnace replacements and 1 new roof reflecting an expenditure of \$20,000.

6. **New Construction Forgivable Loan Program.** The OHTF received a grant in March of 2005 to assist households with incomes of less than 80% of the Mahaska County median with a substantial down payment for newly constructed speculative housing. The program was to be matched with the first time home buyer program \$3,500 no-interest loan. A total of eight loans were made with this program, two at \$20,000 and six at \$32,000 for a total expenditure of \$232,000. The program contract expired on March 31, 2010.

7. **A Avenue/Market Street Exterior Improvement Program.** In July of 2010 the OHTF committee approved a new program to assist property owners on the two main corridors of Oskaloosa with exterior improvements to their homes; rental or owner occupied. The program provides up to \$7,500 as a deferred payment loan with a dollar for dollar match. No income limit is attached to this program as it is funded entirely with donated dollars. A committee has been established to review and score applications based on criteria of need, impact and leverage. The program encourages work such as painting, repair and/or replacement of windows and siding, replacement of shingles, as well as pavement of sidewalks and drives (public and private) or other exterior structural components. The program assisted two owner occupied households in 2010 with the replacement of windows, doors, fascia and a roof. These projects totaled \$11,418 in OHTF dollars with a matching dollar amount of \$16,594.

Properties utilizing the A Avenue/Market Street Program



505 A Avenue East



311 North Market

OHTF SUMMARY

Figure 4 reflects that the OHTF expended a total of \$173,141 in 2010. Investments in Oskaloosa's housing stock during the 10 years of OHTF existence exceeded \$3 million. These investments have resulted in over \$36 million of total investment in the community's housing stock (see figure 5).

Figure 4

**CITY OF OSKALOOSA HOUSING TRUST FUND
YEAR ENDED DECEMBER 31, 2010**

RECEIPTS:	
Interest	\$2,514
Loan Repayment	\$68,572
Fees	\$2,575
Contributions - Private Sources	\$15,750
Transfers In	\$20,028
Federal Grant	\$32,907
State Grant	\$51,069
TOTAL RECEIPTS	\$193,415
DISBURSEMENTS:	
Administration	\$11,206
Transfers Out	\$20,028
Rental Assistance Program	\$12,594
Refund/Reimbursement	\$2,403
Pmts to Other Agencies	\$100
First Time Home Buyer Program	\$47,041
Housing Demolition Assistance Program	\$15,950
Urgent Repair	\$19,175
HOME/ADDI	\$32,000
A Avenue/Market Street	\$11,418
Grant & Lincoln School Development	\$1,226
TOTAL DISBURSEMENTS	\$173,141
Cash and Investment Balance, beginning	\$301,392
Cash and Investment Balance, ending	\$321,666

Programs of the OHTF (1/1/01 – 12/31/10)

Figure 5

Activity	Actual # of Units	OHTF \$ Invested	Total \$ Invested	Outstanding Loan Value
Rental Rehabilitation	13	\$40,140	\$80,280	\$1,812
TBRA (Unit Months)	1083	\$79,561	\$331,304	NA
Affordable Housing Construction Loans	11	\$220,000	\$1,200,000	\$0
Demolition	73	\$267,259	\$4,419,800	\$7,500
Acquisition/Redevelopment	15	\$556,760	\$556,760	\$0
1st-time Home Buyer*	407	\$859,079	\$27,263,576	\$129,001
FHLB Home Owner Rehabilitation **	184	\$852,603	\$877,598	NA
Deferred Payment Home Owner Rehabilitation	36	\$80,858	\$98,320	\$63,674
New Construction Forgivable Loan***	8	\$232,000	\$1,079,704	NA
Urgent Repair Program	8	\$38,485	\$56,052	\$38,485
SHTF Rent Assistance (Unit Months)	168	\$43,604	\$43,604	NA
A Avenue/Market Street	2	\$11,418	\$28,012	\$11,418
Totals:	2010	3,281,767	\$36,035,010	251,890

Notes:

* The 1st-time Home Buyer Program made its first loan in June of '98. The 0% interest loans have a 10-year repayment period.

** No outstanding loan value is shown for Home Owner Rehabilitation, as the FHLB funds have been utilized for this activity. The loans are a 5-year forgivable loan. All funds that are repaid are required to be returned to the FHLB.

***No outstanding loan value is shown for New Construction Forgivable Loan. All funds recaptured are required to be returned to IDED.

Lincoln and Grant Elementary Schools

The former Lincoln and Grant elementary schools now referred to as Grant Terrace and Lincoln Terrace are providing thirty new units of elderly housing to the community. The grand opening ceremony and open house were held January 27, 2010. Each building offers a community room, exercise room and computer room. The City of Oskaloosa received an All Star Community Award at the Iowa League of Cities conference in September 2010 for the redevelopment projects of these two schools.



Pam Blomgren, Randy Irwin, Laura Russell, Michael Schrock, Jr. and Rob Taylor

Awards

The trust fund received a Merit Award and an Award of Excellence from the National Association of Housing & Redevelopment Officials (NAHRO) in 2010. These awards were under the category of Program Innovation: Community Revitalization for the innovative role in the redevelopment of Grant & Lincoln Schools and the partnership with the school district in developing the NW quadrant of town where the new elementary school was built. The OHTF was recognized as one of 23 programs nationwide to receive the 2010 award from an original pool of 263 applicants. The Merit Award was presented at the NAHRO summer conference in Boston, MA on July 22 and the Excellence Award was presented at NAHRO's fall conference on November 1 in Reno, NV.



Randy Irwin & Akinola Popoola



Saul Ramirez, Jr., Randy Irwin, Laura & Akinola Popoola