

FINAL DELIVERABLE

Title	Waterloo Housing Policy Briefs
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Date Completed	December 2020
UI Department	Department of Rhetoric
Course Name	Public Policy and Persuasion: SJUS:3560:0001 RHET:3560:0001 POLI:3560:0001
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Community Partners	City of Waterloo

This project was supported by the Iowa Initiative for Sustainable Communities (IISC), a community engagement program at the University of Iowa. IISC partners with rural and urban communities across the state to develop projects that university students and IISC pursues a dual mission of enhancing quality of life in Iowa while transforming teaching and learning at the University of Iowa.

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[Student names], led by [Professor's name]. [Year]. [Title of report]. Research report produced through the Iowa Initiative for Sustainable Communities at the University of Iowa.

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To: Mayor Quentin Hart
From: Carrie Schuettpelz, MPP
Cc: Travis Kraus, Wendy Bowman, Rudy Jones
Re: Waterloo Housing Recommendations
Appendices: Contributors
Homeownership Resource Inventory
Low-Income Homeowner Resource Inventory
Vacancy and Abandoned Property Maps
Landlord Comparison

BACKGROUND

In advance of the first Waterloo Housing Task Force meeting, my policy class at the University of Iowa was charged with identifying some of Waterloo's most pressing affordable housing and homeownership issues. I divided my students into four distinct (albeit, overlapping) topic groups:

- Increasing homeownership opportunities;
- Supporting low-income homeowners;
- Creating sustainable housing rehab; and
- Improving landlord practices.

Below is a synthesis of student recommendations into what I feel are Waterloo's most important and urgent housing-related tasks.

RECOMMENDATIONS

1) Appoint/hire someone to staff the Housing Task Force.

If issues around homeownership, housing affordability, and rehab are priorities of the city, then Waterloo must hire or appoint someone to staff the Housing Task Force full-time. This person's sole responsibility would be the task force (i.e.: this is not an additional project to add to someone's existing portfolio).

- a) AmeriCorps could be a good vehicle to hire someone with energy and enthusiasm for a defined period of time (usually 1-2 years).
- b) The Office of the Mayor would be an appropriate place for this new person to be housed. In order to achieve the goals of the task force, this staff member will need to sit in an office that has the power to convene people from across sectors.
- c) This staff member would be in charge of overseeing projects like data collection and marketing, as described below.

2) Conduct data-driven analysis of impediments to homeownership, housing affordability, and housing rehab.

Waterloo needs a clearer sense of the challenges associated with housing. Below are some data points that the community must invest time in understanding.

- a) Properties that are abandoned, blighted, and at-risk of city ownership. This kind of data collection can be done using proxies such as: home value, ownership and residency (landlord/tenant data), property taxes, Operation Threshold information, Census data, etc. Proxy data can be used in conjunction with GIS or other citywide data in programs like Urban Footprint.
- b) Population of potential homeowners, with an emphasis on residents who identify as BIPOC.
 - i) Create a survey that asks questions related to respondents' demographic information and information about barriers to homeownership. Distribute

the survey to participants of all housing-related activities, including classes taught by the City and the Housing Authority.

- ii) Partner with Housing Counseling agencies (including Family Management Financial Solutions) to distribute the survey to their clients (with permission).
- iii) Partner with Habitat for Humanity to distribute the survey to potential clients, including those who are on the waiting list for housing.

3) Create a more accessible database of resources available for residents.

Currently, information pertaining to homeownership, housing rehab, and tenant rights in Waterloo is difficult to find. Having a “one-stop shop” could be a real game-changer for helping residents understand what’s available to them.

- a) All information about local programs serving homeownership – including classes, grants, counseling, etc. – need to be located on one website that’s accessible and easy to navigate.
- b) Once there’s a more all-encompassing landing page on the city’s website, you can begin marketing your resources using pamphlets and mailers.

4) Re-design landlord policies.

Currently, there is one rental housing inspector in Waterloo, and landlords pay just \$25 for each rental unit. As a result, Waterloo is at risk of rental housing that does not meet code and no viable method of oversight.

- a) Increase landlord fee from \$25 to \$35. This, alone, would result in over \$100,000 additional revenue for the city.
- b) Impose a graduated fee on rental units that do not pass inspection. This will further incentivize landlords to conduct proper rehab and upkeep on their rental units.
- c) Hire 1-2 additional rental housing inspectors. Funding from the increased landlord fee could, at least partially, subsidize the cost of hiring.

APPENDICES

CONTRIBUTORS

Carrie Schuettpelz is a Faculty Fellow of Practice at the University of Iowa's Public Policy Center, as well as a Faculty Lecturer in the Department of Rhetoric – where she teaches courses on public policy, rhetoric, and leadership.

Prior to joining the faculty at Iowa, she was a homelessness policy advisor in the Obama Administration from 2009-2016. She was a Fulbright Scholar in 2006, which was awarded by the U.S. Department of State to study the East-West divide of the European Union in Copenhagen, Denmark. Schuettpelz's ongoing projects involve experiential learning, public policy curriculum, and poverty policy. She is a trained storyteller and teaches digital storytelling at a variety of levels. She is an enrolled member of the Lumbee Tribe of North Carolina. She serves on the Board of Directors of Shelter House of Johnson County, as well as the Vice President of the Native American Council at the University of Iowa.



She earned a Master of Public Policy from Harvard University, an MFA in Creative Writing from the University of Wisconsin-Madison, and a BA in Political Science and Anthropology from the University of Iowa.

She lives in Iowa City with her husband and son.

Students enrolled in Public Policy & Persuasion who contributed to this report are:

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HOMEOWNERSHIP RESOURCE INVENTORY

Name	Who Runs It?	What is it? Amount?	Who Qualifies?	Other Information
<p>Community Development Down Payment Assistance Program</p> <p>(discontinued but site is still active)</p> <p>Hyperlink</p>	<p>Waterloo Community Development</p> <p>Participating Lenders:</p> <ul style="list-style-type: none"> • BankIowa • Collins Community Credit Union • Farmers State Bank • Lincoln Savings Bank • MidWestOne Bank • Regions Mortgage • U. S. Bank • Veridian Credit Union • Wells Fargo Bank • Dupaco Community Credit Union <p>Participating Educators:</p> <ul style="list-style-type: none"> • Consumer Credit Counseling Services • Family Management 	<p>5,000 dollar five-year forgivable 0% interest loan.</p>	<ol style="list-style-type: none"> 1. Complete a HUD certified Home Buyer Education Class. 2. Secure a mortgage from a Participating Lender that is in good standing with the Community Development Department. 3. Select a home in the Consolidated Urban Revitalization Area (CURA). 4. Apply for down payment assistance at Community Development and meet the HUD household income eligibility guidelines. 5. The home selected must meet HUD - Housing Quality Standards. 	<ul style="list-style-type: none"> • The link at the bottom of the page for more information is circular and does not lead anywhere. • This program was available until June 30, 2019 but the site is still active.
<p>Home Buyer Assistance Program</p> <p>Hyperlink</p>	<p>Waterloo Community Development</p>	<p>Waterloo Community Development will provide up to a maximum of \$10,000 in Homebuyer Assistance after seller concessions and lender credits.</p> <p>Loan is forgivable upon five years of occupancy. This is mentioned on the application, but not on the main page.</p>	<ul style="list-style-type: none"> • Designed to help low to moderate-income eligible households. • Funds are available on a first come, first served basis. • Assistance is in the form of a 0% interest deferred forgivable loan. • Borrower is required to provide a minimum contribution of \$1,000 towards the purchase price of the home. 	<ul style="list-style-type: none"> • Short paragraph on home buyer education classes but no link to register, no clear point of contact, no updated list of dates • “A first-time homebuyer is an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with homebuyer assistance.” • Application is 25 pages; should include a table of contents for those looking for specific information
<p>Down Payment Program</p> <p>Hyperlink</p>	<p>Waterloo Housing Authority</p>	<p>A forgivable 2nd mortgage in the amount of the grant is required of each homebuyer, and any recaptured amounts will be used to replenish the loan fund if the homebuyer</p>	<ul style="list-style-type: none"> • Non-traditional first-time home buyers • An applicant must have successfully completed Home Buyer Training provided by Operation 	<p>This is the same program as the ‘Home Buyer Assistance Program’ on a different site and with a different description.</p>

		decides to sell in less than 5 years.	<p>Threshold, or Family Management.</p> <ul style="list-style-type: none"> • An applicant must be a current resident of Waterloo for at least one (1) year. • An applicant must be a first-time homebuyer defined as neither party head or having ownership in a home or title to a mortgage within the within the last 36 months. • An applicant may not own other residential property. • If possible, the homebuyer should cover closing costs from their own funds. • Total family income cannot exceed 80% of median income for the MSA based on family size. 	
Home Buyer Education Classes, Money Smart and the prerequisite class for down payment assistance	Run by Tajah Wright	<p>Money Smart – three free classes taught by local experts from banks, credit unions, and financial management agencies</p> <p>Home buyer education classes – 20 dollars for all four, prerequisite class for down payment assistance and voucher program</p>	Must attend all classes to receive a certificate	Out-of-date dates for classes offered; should be taken down if there are no upcoming classes or redirect people to similar classes offered by another office
Home Ownership Voucher Program Hyperlink	Waterloo Housing Authority	The home ownership option is limited to three percent (3%) of the total Section 8 voucher program budgeted by WHA in any fiscal year, excluding disabled and elderly families.	<ul style="list-style-type: none"> • Participants in the Section 8 Housing Choice Voucher Program, option of purchasing a home with their Section 8 assistance rather than renting. • Annual income equal to the current minimum wage x 30 hours/week • At least one year of continuous employment • First-time homeowner • Completion of Homebuyer Pre-Purchase education classes • Completion of Money Smart Financial Education classes (sponsored by the Housing Authority in 	The site has dates for classes from October listed here. These dates must be updated if this program is continuing.

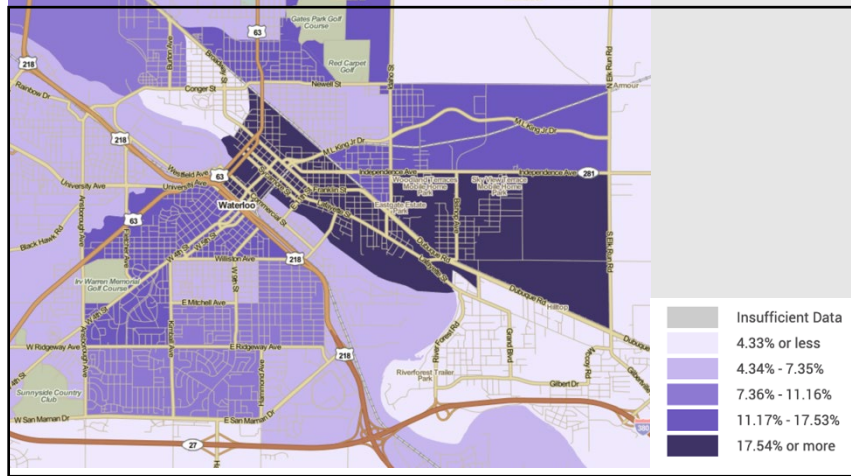
			<p>the Spring and Fall of each year.</p> <ul style="list-style-type: none"> In all cases, the determining factor for participation in the program will be the family's ability to qualify for a mortgage. 	
<p>Closing Cost Assistance</p> <p>Hyperlink</p>	Waterloo Housing Authority	Eligible home buyers using conventional financing may now benefit from \$1,500 in closing cost assistance.	The closing cost assistance is available for a limited time only and is expected to assist approximately 230 home buyers.	The link for more information here is broken again and leads to a 404-error page. If the assistance is no longer available, this information should be taken down.
<p>Housing Assistance</p> <p>Hyperlink</p>	Iowa Heartland Habitat for Humanity	There is very little information on eligibility other than H4H recommendations to pay off debt and request a credit report, among other things. No specific requirements on the website. This is even though 5 in 6 people on the list will not qualify.	<ul style="list-style-type: none"> Develop and provide multiple programs and education resources which are tailored specifically for the local challenges that residents of these counties face. Offer homebuyer programs for new construction and refurbished family homes 	<p>Message on the homeownership page for applying for the program:</p> <p><i>"Please give us your information and you will be placed on our waiting list. We will contact you when we reach your name on our list"</i></p> <p>Under documents, there are multiple broken links, such as the link to the waiting list form and the link to the critical repair form.</p>
<p>Housing Counseling</p> <p>Hyperlink</p>	Operation Threshold, the community action agency of Black Hawk, Buchanan, and Grundy Counties	No eligibility requirements for taking their courses.	<p>INFORMATION ON CLASSES</p> <p>Homebuyer Education classes Topics covered include budgeting and financial management as well as energy conservation, anti-predatory lending, and home maintenance. Both pre- and post-purchase homebuyer education classes are taught in several sessions that are held by Operation Threshold over the course of a month.</p> <p>Pre-Purchase or Loan Counseling Covers Understanding the Home-Buying Process, tips on Saving Money for a Down Payment, deciding what you can Realistically Afford and the Mortgage Amount to take out, Reviewing and Improving Credit, and Finding the Right Mortgage Lender.</p>	

LOW-INCOME HOMEOWNER RESOURCE INVENTORY

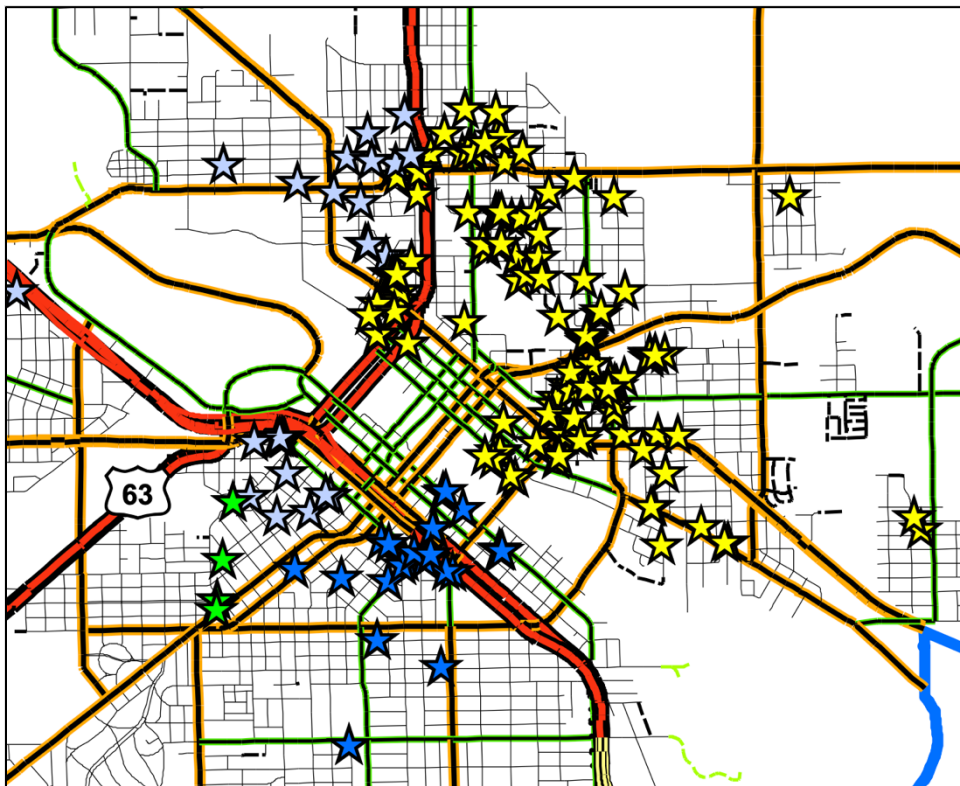
<i>Resource</i>	<i>Purpose</i>	<i>Funding Source</i>	<i>Funding Amount</i>	<i>Households Served</i>	<i>Notes</i>
<i>COVID-19 Eviction and Foreclosure Prevention Program</i>	Short term relief to renters or homeowners at risk of eviction or foreclosure due to COVID-19 related loss of income	Iowa Finance Authority - CARES Act funds	→ mortgage assistance - up to four months (\$3600 maximum) → rental assistance - up to four months (\$3200 maximum)	917 renters, 51 homeowners assisted in Blackhawk County	Program applications closed December 4, 2020
<i>Residential Utility Disruption Prevention Program</i>	Short-term utility assistance for households at risk of disconnection due to COVID-19 related loss of income	Iowa Finance Authority - CARES Act funds	\$2000 maximum amount per household		Program applications closed December 4, 2020
<i>Residential Rehabilitation Forgivable Loan Program</i>	Financial assistance to LMI household repair to make them decent, safe, and sanitary	City of Waterloo Community Development - CDBG funds (HUD)	\$25,000 maximum amount per household	46 households (2018)	
<i>Mortgage Counseling</i>	Referral hotline to local counseling agencies that provide foreclosure and mediation services	Iowa Mortgage Help - federal grant funding		25,000 households statewide since its inception	Local agencies referred to: FMCC & CCCS
<i>Low Income Home Energy Assistance Program (LIHEAP)</i>	Supplement the high cost of winter heating, provide emergency furnace repair or replacement, assistance with telephone costs	Operation Threshold – CSBG funds (HHS)		5,226 households (2019)	
<i>Crisis Assistance, Pocket Change Programs</i>	Financial assistance to households facing crises such as utility disconnection, emergency fuel deliveries, and furnace repair / replacement	Operation Threshold – CSBG funds (HHS)	One month’s bill or the disconnection amount per household		
<i>Weatherization Program</i>	Energy efficiency-related home maintenance assistance to low-income homeowners and renters	Operation Threshold – CSBG funds (HHS)		76 households (2019)	Can be automatically paired with LIHEAP or applied for separately
<i>Single Family Housing Repair Loans & Grants</i>	Loans to low-income homeowners to repair, improve, or modernize their homes; grants to elderly low income homeowners to remove health and safety hazards	US Department of Agriculture	Maximum loan amount: \$20,000 Maximum grant amount: \$7,500		Loans and grants can be combined

VACANCY AND ABANDONED PROPERTY MAPS

WATERLOO VACANCY RATES 2014-2018



WATERLOO-OWNED PROPERTIES



LANDLORD COMPARISONS

