

NIACOG NEWS

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Jan-Feb 2018

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NIACOG RECEIVES HIGH MARKS FROM EDA



On October 15, 2017, the Denver, CO Regional Office of the United States Department of Commerce, Economic Development Administration (EDA) conducted a Peer Evaluation of NIACOG. The Peer Evaluation team consisted of Tom Bliss, Executive Director of Southeast Nebraska Economic Development District, Steve Castaner, Iowa/Missouri Economic Development Representative for EDA, and Cindy Edwards, Area Director for Denver EDA. The purpose of the review was to conduct an evaluation of the management, fiscal operation, and performance of the District with respect to the EDA Partnership Planning program.

The Regional Office completed its “Performance Evaluation & Recommendation Report” of NIACOG’s Partnership Planning Program. As a result of the evaluation, the following com-

ments were made by Cindy Edwards: “Overall, our team was very impressed with the operations and performance of your organization. It was very clear that the Executive Director, staff and board all work closely together and with passion to support the economic needs of your region.”

NIACOG staff was very pleased with the “Performance Evaluation & Recommendation Report” and continues to pledge its commitment to successful programs and services for the betterment of north Iowa.

TRANSPORTATION ALTER- NATIVES PROGRAM (TAP) FUNDING



The RPA 2 TAP Committee has set March 2, 2018 as the deadline for new TAP applications. There are

some new requirements and processes for TAP funds that are mainly internal to NIACOG and the IDOT.

As always, do not hesitate to contact Chris Diggins at the NIACOG office with questions on a potential TAP project.

COMMUNITY DEVELOPMENT BLOCK GRANT

Congratulations to the cities of Marble Rock and Nora Springs for their successful CDBG Water and Sewer Fund (W/S) applications.

NIACOG was very happy to be involved in both of these projects. NIACOG provided guidance through the CDBG W/S application process and wrote the successful applications.

The CDBG application process, whether a Water/Sewer (W/S), such as the above described applications, Community Facility and Services (CF&S), Owner Occupied Housing Rehabilitation or Downtown Façade (DTR) project, is very competitive and requires persons knowledgeable and experienced with the State of Iowa CDBG program.

NIACOG has been very successful in its CDBG assistance with cities and counties this year. These two applications are the 3rd and 4th funded W/S applications since the State of Iowa went to a quarterly application system bringing in \$1,600,000 in awards for 2017.

In addition, NIACOG staff was successful in writing a CF&S project application for Cerro Gordo County for \$600,000, and the NIACOG Housing staff was also successful with two housing rehabilitation applications awarded funds in 2017.

The CDBG application process is very competitive, but NIACOG staff is very ready, willing and more importantly, ABLE, to help your community better prepare and package your proposed project thereby increasing your chances of receiving funding. The sooner you get NIACOG staff involved the sooner we can guide your city and your project to be in the best position for funding. There are many steps involved including procurement, preliminary engineering and local financing in place, just to name a few. And this is before you even submit the application.

Feel free to contact Chris Diggins at the NIACOG office if you would like to discuss a potential CDBG CF& S or CDBG W/S application. Contact Steve Wendt for

CDBG Owner Occupied Housing Rehabilitation.

IOWA PRISON INDUSTRIES AND RURAL HOUSING

Iowa Prison Industries (IPI) is currently working with the COG's on a project involving IPI building homes that can be delivered and placed to help fill the rural housing needs across Iowa.

The program is modeled after South Dakota's "Governor's House" program, in which two and three-bedroom stick-built homes are built within the prison by inmates and trucked to the home site. The proposed site would be adjacent to the Newton Correctional Facility.

The hope is that the homes can be built for around \$40,000-\$50,000 and with lot, site and utilities can be sold for around \$100,000 to \$120,000. The model in South Dakota has worked so well mainly because they have a ready workforce and they procure the supplies for all the houses they produce up front getting huge discounts in economies of scale.

Some of the benefits outlined:

- This program creates a pipeline of apprenticed trades to the construction industry.
- This addresses rural housing needs as well as affordable housing.
- Economic development tool – how do businesses or schools grow or keep workers if there are no houses or affordable houses in the area?
- This addresses the governor's initiative – Future Ready Iowa – goal of 70% of Iowa's workforce will have education or training beyond high school by 2025.
- Reduces recidivism rates and decreases the state's burden for individuals being reincarcerated.

A bill is being drafted to launch a rural housing initiative through IPI. We will keep you updated as to the progress of the proposed program during the upcoming legislative session.



Calendar of Events

January

1st	New Year's Day	NIACOG Office Closed
8th	NIACOG Board Mtg.	Bennigan's Grill, CL @ 7 pm
10th	Haz-mat Mtg.	NIACOG Office @ 1 pm
10th	Transportation Policy Board Mtg.	NIACOG Office @ 2:30 pm
15th	MLK, Jr. Day	NIACOG Office Open
19th	Clerks Assoc. Mtg.	NIACOG Office @ 9:30

February

NoRISC Safety Training		TBD
12th	NIACOG Exec. Board Mtg.	NIACOG Office @ 12 pm
19th	Presidents Day	NIACOG Office will be open



WORKING WITH HOUSING DEVELOPERS



Real estate developers can expertly execute housing development because of their expertise in developing financial tools (design/costing, pro-formas, tax credits, etc.) and managing rental housing. Hubbell Realty of West Des Moines recently hosted a ‘Lunch & Learn’ session on housing development from the housing developers perspective, and with recent interest from our region about housing development (especially rental), NIACOG thought it might be beneficial to share some of the comments that Hubbell’s staff shared.

Hubbell’s staff was asked, “Would you consider developing in North Iowa?” Their response was that two things would be required. Those two things are:

1. **A MARKET STUDY.** The intent of a market study is to identify the demand for new housing. To get your foot in the door with a developer a market study is an absolute must. Most, if not all, will not even consider developing in a community without a market study. The study should be prepared by a 3rd party source for credibility reasons. It should contain substantial documentation that evaluates factors that affect market trends -for example: population change, job growth, number/price of home sales, vacancy rates, and other factors that affect the market. In true Economics 101 fashion, the market study should also evaluate the supply and demand for the type of housing (rental / owner-occupied / condo / etc.) that is desired and the amount (# of units and bedrooms per unit) and the price point that the market will bear for the respective units.

2. **CONSTRUCTION LABOR.** With construction labor in short supply, housing developers are keenly interested in whether local labor is sufficient to construct a housing development. Hubbell said that

they even went to the extent of obtaining local housing for the laborers during construction to avoid the not-too-uncommon occurrence of laborers visiting home for the weekend and not returning on Monday. Being able to provide the names of ready and willing construction contractors with sufficient/stable workforce could be very helpful in securing a developer.

BONUS POINTS: In addition to the above, other items can also be packaged with the above to sweeten the deal. Since developers will build only if the risk associated with the development is balanced with a greater likelihood of success, the following items should be considered to minimize risk to the developer and increase their likelihood of success:

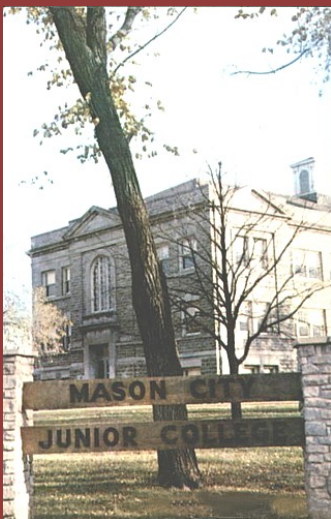
1. **Limited Development Requirements** – Large setbacks, expansive street design requirements, etc. can make projects substantially more expensive so that the development will ultimately not cash flow sufficiently to cover risk.
2. **Amenities Provided Locally** – Amenities provided by locals can make the units more appealing thereby enhancing demand and consequently reduce the risk of empty units that are not producing revenue.
3. **Financial Incentives** – Tax abatement, tax increment financing, tax credits, or other financial incentives can help to bridge funding gaps especially if the course to offer them is pre-established.
4. **Land** – Having land readily available and properly zoned for the development can assist the developer in terms of saving considerable time and money spent in securing a location.
5. **Investors** – Having a primed list of potential investors with local ties to help afford construction of the housing development can also be an important part of the development package.

The bottom line approach is to create a development package to recruit housing developers that includes: a market study, committed construction labor, and whatever bonus point items can be made available.

Fun Fact

2018 marks the 100th anniversary of NIACC, which began in 1918 as Mason City Junior College (the first public two-year college in Iowa) and became North Iowa Area Community College in 1966.

NIACC’s service area encompasses all of Cerro Gordo, Floyd, Franklin, Hancock, Mitchell, Winnebago and Worth counties and parts of Butler, Chickasaw, Kossuth and Wright counties.





HOUSING REHABILITATION PROGRESS IN THE NIACOG REGION

Significant housing rehabilitation activity was accomplished in the NACOG region in 2017 and 2018 is off to a rapid start as well.

Last month, the City of Bancroft completed its housing rehabilitation program. The Bancroft program was funded in 2015 through the Iowa Economic Development Authority's CDBG Housing Fund, also known as the CDBG Residential Housing Sustainability Program. Nine homes were rehabilitated altogether in Bancroft program's. NIACOG congratulates the community of Bancroft in their efforts to make a portion of their housing stock more safe, sound, and affordable.

Great progress is also being made by two other NIACOG communities which are presently undergoing housing rehabilitation programs. This month, the City of Fenton will begin the contractor procurement process on its 6th rehabilitation project, and on its 7th and final project. Likewise, the City of Lu Verne will also begin the contractor procurement process this month on its 6th and 7th (final) projects. Both cities were awarded Housing Fund grants through the Iowa Economic Development Authority (IEDA) in 2016. The performance target for both grants is the rehabilitation of 6 homes so each City will exceed its performance target by one home.

Two cities in the NIACOG region were awarded Housing Fund grants by the IEDA this year (Program Year 2017). These are the communities of Grafton and Manly. The inspections and project specification will be completed soon on the first 3 projects in each community. Both have a performance target of 6 rehabilitated homes.

Two cities in the NIACOG region will be submitting CDBG Iowa Housing Fund grant to the IEDA this year (Program Year 2018). These are the Cities of Charles City and Garner. Both cities are

applying for funds that would assist in the rehabilitation of 6 homes, which initially is the maximum performance target allowed by the IEDA. The applications will be due at the IEDA by May 4th of this year.

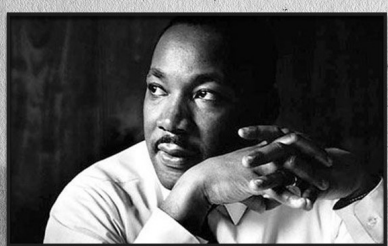
CONGRATS, JODI !



Jodi Wyborny, the administrative assistant at NIACOG, recently celebrated her 20th anniversary working at our agency.

CONGRATS, DEAN !

Congratulations to driver Dean Graven, who retired on November 30th after nearly ten years of service to the Region 2 Transit System.



**LIFE'S MOST
PERSISTENT AND
URGENT QUESTION
IS, 'WHAT ARE YOU
DOING FOR
OTHERS?'**

- MARTIN LUTHER KING, JR. -