

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

5th floor Conference Room / 505 5th Ave

10:00 a.m.

BUSINESS MEETING

Board Members Present:

1. Kris Schechinger-Camper, Vice Chair
2. Angela Connolly, Secretary
3. TJ Brand, Treasurer
4. Luis Montoya, Past Chair
5. Jill Altringer
6. Creighton Cox
7. Jeff Damman
8. Sara Hopkins
9. Junior Ibarra
10. Josh Mandelbaum
11. Lindsay Rone
12. Nathan Simpson
13. Jodie Stephens
14. Emily Stork

Board Members Absent:

1. Ena Babic Barnes, Chair
2. Nathan Drew
3. Ajay Kalra
4. Jay Singleton

18 board members; 9 quorum

Staff:

1. Toby O'Berry, Executive Director
2. Mark Thompson, Director of Housing Development
3. Matt Hauge, Director of Communications & Community Outreach
4. Julian Neely, Director of Advancement & Community Investment
5. Johnny Alcivar, Director of Planning, Research & Compliance
6. Noah Hirayama, Planning & Research Intern
7. David Teachout, Office Manager

BUSINESS MEETING

1. Call to Order

1.1 Introductions and welcome

1.2 Roll-Call (David)

1.3 Approve Agenda *

Angela Connolly moved to approve the agenda; seconded by Luis Montoya. Motion carried unanimously.

1.4 Approve October 2025 minutes *

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

Angela Connolly moved to approve the October 2025 minutes; seconded by Josh Mandelbaum. Motion carried unanimously.

2. Report of the Finance Committee

2.1 Approval of Preliminary Sept 2025 Financials *

SUMMARY – PCHTF monthly financials

RECOMMENDATION – The Finance Committee recommends the Board approve the preliminary Sept 2025 Financial Reports attached hereto.

TJ Brand, speaking for the Finance Committee, noted that he would review the September financials, describing them as straightforward. He added that the committee is still waiting for the final audit to be completed, which has not yet occurred.

Toby explained that Denman cannot issue the final audit because the federal government has not yet approved the 2025 compliance supplement required for a higher-level federal audit. As a result, the organization will remain in a preliminary financial reporting status longer than usual, though the numbers are not expected to change. Final approval and voting on the audit must wait until the compliance document is finalized, which Denman estimates could be in late December or January. Many other nonprofits are in the same situation.

TJ noted that the Finance Committee discussed balance sheet items, including plans to remove or reclassify ARPA-related titles as those funds have been allocated. He reported that the organization's financial position remains strong. The State Housing Trust Fund dollars have not yet been received, with the award expected in early 2026. Toby added that the award announcement was made the previous day, confirming the organization received the maximum award, with funds expected to be received around February when the contract is finalized.

TJ asked whether the award amount matched expectations, and Toby confirmed that it did. TJ noted that from a budget perspective the organization is ahead of schedule, with many program commitments occurring later in the year in the second and third quarters. He characterized the September financials as straightforward and invited any questions.

Matt Hauge asked Lindsay Rone to share her question, and she noted that while the agenda had been moved and seconded, it was never formally voted on before the meeting proceeded. She pointed out this procedural issue for the sake of accurate minutes, contrasting it with the later vote on the minutes. TJ acknowledged the concern and said the group would step back to address it.

Jeff Damman moved to approve the September 2025 financial reports; seconded by Josh Mandelbaum. Motion carried unanimously.

2.2 Approval of FY26 Bankers Trust Line of Credit Renewal *

SUMMARY – Since 2011 it has been a part of the Financial Policies of the organization to maintain an Operating Line of Credit. This facility is maintained for liquidity purposes in the event grantees call for allocations to be paid at a time when the organization has no Certificates of Deposits maturing or does not have enough cash on-hand for short-term needs.

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

RECOMMENDATION – The Finance Committee recommends that the Board of Directors renew the organization’s existing Line of Credit with Banker’s Trust Company under the terms and conditions on the Term Sheet attached hereto and authorize the Executive Director to execute all documents necessary to carry out this resolution.

TJ introduced Item 2.2, the approval to renew the Bankers Trust line of credit. He explained that the line is secured by a certificate of deposit, is rarely if ever used, and is maintained as a precaution to ensure access to liquidity if needed. The CD securing the line is typically just under \$300,000.

Toby confirmed that the \$300,000 certificate of deposit is being renewed at a 3.25% interest rate. He explained that the line of credit is limited to the lesser of \$500,000 or the CD balance, effectively making it a \$300,000 line of credit that provides additional liquidity if needed.

Josh Mandelbaum moved to approve the FY26 Bankers Trust Line of Credit Renewal; seconded by Lindsay Rone. Motion carried unanimously.

Note: Emily Stork abstained from voting.

3. Report of the Development Committee

3.1 Approval of New Rental Development Program Funding / Matrix Attached *

Mark Thompson explained that there are two programs up for approval: new rental development awards and owner-occupied repair awards. For the new rental development program, only two applications were received, and together they requested less funding than was allocated, leaving the program undersubscribed.

The first application is the Urbandale 9% project, a hotel redevelopment on Douglas near the interstate. Volker Development, the RFP winner, is seeking funding but has not yet secured low-income housing tax credits or finalized its financing, so any award would be contingent on obtaining the remaining funding.

The second application is the University of Commerce Building redevelopment near Euclid and 6th Avenue, a 14-unit project requesting \$150,000. This project has most of its financing in place.

Because the program was undersubscribed, the committee did not need to make difficult funding choices and recommended awarding both projects their full requested amounts, totaling \$350,000.

Angela asked whether the City of Urbandale funding would be returned if the project did not secure needed financing. Toby confirmed that the money would come back if Urbandale does not receive LIHTC and would be rolled into another investment. He noted that LIHTC awards are highly competitive, though Urbandale may receive extra points due to strong community support and the city’s effective involvement, making it a well-supported but still uncertain project.

TJ and Toby also discussed rising development costs. They noted that cost per unit has increased significantly, from roughly \$350,000 to \$390,000 per unit, and that gap funding needs

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

have grown substantially. Where the trust fund previously filled gaps of \$150,000 to \$200,000, average gap funding is now closer to \$400,000 to \$500,000, reflecting steadily increasing construction costs.

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
 Friday, December 5, 2025

**FY 2026 PCHTF New Rental Development Round Matrix /
 Development Committee Recommendations**
Funds Allocated by FY 2026 HAP: \$600,000

Project Name	Developer	Total No. of Units	No. of BR mix of Rent-Restricted Units	AMI Restrictions	Total Requested	PCHTF Cost per Low-Income Unit	Total Project Cost
Urbandale 9% (New Construction)	Volker Development, Inc.	50	8 2BR @ ≤ 40% AMI 4 3BR @ ≤ 40% AMI 5 1BR @ ≤ 50% AMI 22 2BR @ ≤ 50% AMI 11 3BR @ ≤ 50% AMI	12 UNITS @ ≤ 40% AMI 38 units @ ≤ 50% AMI	\$200,000	\$4,000	\$17,430,141
University of Commerce Building (Renovation)	Sonar Development Partners	14	8 1BR @ ≤ 60%	8 units at ≤ 60% AMI 6 units at market rate	\$150,000	\$18,750	\$5,448,000
Total					\$350,000		

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
 Friday, December 5, 2025

**FY 2026 PCHTF New Rental Development Round Matrix /
 Development Committee Recommendations**
Funds Allocated by FY 2026 HAP: \$600,000
(continued from prior page)

Project Name	Total Cost Per Unit	LIHTC to be Applied For?	Developer Fee	PCHTF Request as a % of Total Cost and Non-PCHTF funds Committed as a % of total project cost	Notes	Dev. Comm. Recommendation
Urbandale 9% (New Construction)	\$348,602	Yes	Constr.: \$503,511 Perm: \$1,800,954 Total: \$2,304,465	PCHTF Request = 1.15% of total cost. Percent of Non-PCHTF funding that is committed: 0%	LIHTC award not yet secured (competitive round)	\$200,000
University of Commerce Building (Renovation)	\$389,143	No	N/A	PCHTF Request = 2.75% of total cost Percent of Non-PCHTF funding that is committed: 59.3%	Currently owns the property; seeking: \$233,861 in Workforce Housing Tax Credits, \$1,545,729 in Historic Tax Credits, and \$531,659 in Iowa Redevelopment Tax Credits	\$150,000
Total						\$350,000

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
Friday, December 5, 2025

Angela Connolly moved to approve the New Rental Development Program Funding; seconded by Josh Mandelbaum. Motion carried unanimously.

3.2 Approval of OOR Funding/Matrix Attached *

Mark reviewed the Owner Occupied Repair (OOR) Program and noted that, because not all funds were used in the new rental development program, the committee recommends reallocating some of the unused money to OOR, which was heavily oversubscribed. Six OOR applications requested a total of \$858,500, while only \$350,000 was originally available.

To address this, the committee approved shifting approximately \$133,000 from the unused new rental development funds to the OOR program. This increases the total recommended OOR funding to \$483,000. The revised allocations are reflected in the matrix, but even with the additional funds, no applicant would receive the full amount requested.

Jeff Damman explained that the new rental development program originally had \$600,000, of which \$350,000 was awarded, leaving \$250,000 unallocated. Of that remaining amount, \$133,000 is being reallocated to the Owner-Occupied Repair program, increasing its total to \$483,000. This leaves \$127,000 in reserve for a future, yet-to-be-determined use. He noted that the development committee is recommending this reallocation on an interim basis and then moved to approve the Owner Occupied Repair budget at the \$483,000 level.

Angela asked how the remaining \$127,000 in reserve could be used. Toby explained that it could be allocated to an oversubscribed capital improvement project, redirected back to the Owner Occupied Repair program, or applied to other priorities where need is greatest. He noted that the funds must be allocated by June, with a likely recommendation coming to the board at the April meeting. Options include funding another project at a higher level or carrying the funds forward into the next housing allocation cycle, with the final decision left to the board.

Luis asked whether there are other upcoming grant application cycles. Mark confirmed that the single-family and capital improvement programs are still ahead, and Toby noted that the capital improvement program was oversubscribed last year, though outcomes can vary depending on demand.

The group discussed the significant reductions made to OOR requests. Mark acknowledged the cuts were substantial but unavoidable, given that \$860,000 was requested against only \$350,000 originally available. Toby explained that reallocating funds this early in the year is unusual, but it was possible this time because the new rental development and OOR programs were reviewed concurrently, allowing unused funds to be shifted. He emphasized this is not expected to be a regular practice.

Toby also noted that making the reallocation now avoids the need to amend contracts later in the spring and allows for a single contract per recipient. While applicants are not receiving their full requests, the combined allocation is higher than it would have been otherwise, and additional OOR funding could still be considered later if the development committee recommends it.

TJ asked about the timing of LIHTC awards. Matt said awards are typically known by March or April, likely in time for the April board meeting. Toby added that this timing could free up

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

additional funds to allocate to other projects and explained that the intent was not to commit all surplus funds too early, but to reallocate only a portion for now. Mark noted that in prior years the board has reallocated additional funds to the Owner Occupied Repair program later in the year, so there remains the possibility of further funding, even though it cannot be done at this time.

Creighton asked whether the actions should be split into two separate votes: one to approve the \$133,000 reallocation and another to approve the development committee's Owner Occupied Repair recommendation. Toby said that approach was acceptable, and Mark agreed, noting it would be a good idea and would not cause any issues.

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
 Friday, December 5, 2025

FY 2026 OOR Application Matrix and Development Committee Recommendations
Funds Allocated by the HAP: \$350,000

#	APPLICANT OOR PROGRAM	Service Area	# OF UNITS/AMI LEVEL	Requested	Request as a % of the total allocation	Funding, Request/Total Program Cost	Amount of PCHTF grant to be used as Admin	Percentage of requested PCHTF grant to be used as Admin (Not to exceed 15%)
1	Metro Home Improvement Program	Ankeny, Altoona, Bondurant, Grimes, Polk City, Urbandale, West Des Moines, & Windsor Heights	16 2 @ <30% 4 @ 31-50% 10 @ 51-80%	\$120,000	34%	\$120,000/ \$276,948	\$0	0%
2	Polk County Emergency Repairs	All of Polk County	200 66@ <30% 67@ 31-50% 67@ 51-80%	\$300,000	86%	\$300,000/ \$770,030	\$0	0%
3	Polk County Weatherization	All of Polk County	100 0 @ <30% 50 @ 31-50% 50 @ 51-80%	\$100,000	29%	\$100,000/ \$2,813,423	\$0	0%
4	City of DSM Owner Occupied Repairs	City of Des Moines	10 5 @ <30% 4 @ 31-50% 1 @ 51-80%	\$100,000	29%	\$100,000/ \$1,400,000	\$0	0%
5	GDM Habitat	All of Polk County	30 15 @ <30% 10@ 31-50% 5@ 51-80%	\$175,000	50%	\$175,000/ \$530,300	\$26,250	15%
6	Rebuilding Together Greater Des Moines	All of Polk County	69 39 @ <30% 28 @ 31-50% 2 @ 51-80%	\$63,500	18%	\$63,500/ \$175,440	\$13,500	21%
Total Requested:				\$858,500	245%			

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
 Friday, December 5, 2025

FY 2026 OOR Application Matrix and Development Committee Recommendations
Funds Allocated by the HAP: \$350,000
(continued from prior page)

#	APPLICANT OOR PROGRAM	Total Cost Per Unit	Requested from PCHTF Cost Per Unit	Has applicant committed 50% of their current grant?	Dev. Committee's recommended award of the original HAP allocation	Dev. Committee's recommended additional allocations*	Dev. Committee's total recommended award
1	Metro Home Improvement Program	\$17,309	\$7,500	Yes	\$40,000	\$20,000	\$60,000
2	Polk County Emergency Repairs	\$3,850	\$1,500	Yes	\$170,000	\$40,000	\$210,000
3	Polk County Weatherization	\$28,134	\$1,000	Yes	\$50,000	\$25,000	\$75,000
4	City of DSM Owner Occupied Repairs	\$140,000	\$10,000	Yes	\$40,000	\$20,000	\$60,000
5	GDM Habitat	\$17,677	\$5,833	Yes	\$40,000	\$20,000	\$60,000
6	Rebuilding Together Greater Des Moines	\$2,543	\$920	Yes They state that they have 50% committed (e-mail)	\$10,000	\$8,000	\$18,000
Total Recommended:					\$350,000	\$133,000	\$483,000

* Because the New Rental Development program round was under-subscribed, the Development Committee is recommending that a portion of the excess funds originally allocated to the New Rental Development Program be repurposed and awarded under the OOR program, as it was significantly over-subscribed.

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
Friday, December 5, 2025

Jeff Damman moved to approve the OOR Program Funding; seconded by Luis Montoya. Motion carried unanimously.

Luis Montoya moved to approve the OOR Program Funding Reallocation from the New Rental Development Program; seconded by Creighton Cox. Motion carried unanimously.

3.3 Staff Update

Mark gave a staff update noting that both the revolving loan program and the single-family housing program will be coming up soon. He stated that the revolving loan program currently has about \$1 million available due to funds being returned from projects that did not move forward. Toby clarified that this includes approximately \$114,000 repaid by Habitat, consisting of both principal and interest from the initial \$500,000 loan. Mark emphasized that this demonstrates the program's revolving nature.

Mark noted that the single-family housing program will open soon and is scheduled to come before the board on February 6.

Mark added that the only other update was about the Neighborly software they invested in last year to manage applications and related processes. He noted that, in his view, the software is working very well—there were no issues with the last two rounds, and a new round has just opened—concluding that the system is performing effectively.

4. Presentation on Preservation of Federally Funded Affordable Housing

Matt Hauge explained that the presentation would include both review and new material, based on a report he and Johnny published in August. The report inventories federally backed affordable housing across Polk, Dallas, and Warren counties to better understand regional housing options for low-income residents in the Des Moines area. This focus is important because federally assisted housing—such as public housing, HUD multifamily properties, and USDA Rural Development housing—often serves the most vulnerable populations and typically includes rental assistance, unlike LIHTC properties where assistance is not guaranteed.

He emphasized the value of maintaining a comprehensive database of these properties, noting its usefulness during funding discussions such as those surrounding ARPA dollars. The database helps visualize need, track property conditions, and inform future policy and funding decisions.

Matt also clarified that most federally backed housing is privately owned, not government-owned. As a result, affordability terms are negotiated with private owners rather than mandated, which explains why changes in affordability can be costly and limited. Additionally, many of these properties do not have permanent affordability restrictions, meaning properties can and do leave affordability programs over time.

Matt explained that he and Johnny visited all 176 federally backed affordable housing properties across Polk, Dallas, and Warren counties to build the database, regardless of proximity to DART routes. They traveled throughout the region to directly observe the housing, noting that this helped correct common misconceptions about where affordable housing is located, what it looks

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

like, and who lives there. The site visits also served as a visual reminder of the residents these programs are designed to serve.

New information was shared regarding the demographics of Low-Income Housing Tax Credit (LIHTC) residents in Iowa, based on HUD data reported by state housing finance authorities under federal HERA requirements. According to the most recent available data (as of December 31, 2022), the median annual income of an Iowa LIHTC household is \$19,400. Despite the program's affordability goals, 39.7% of LIHTC households remain cost-burdened, and 14.2% experience severe cost burden, largely because rental assistance is not automatically included in LIHTC housing.

The presentation highlighted the strong relationship between LIHTC and rental assistance programs. Approximately 48% of Iowa LIHTC households receive some form of rental assistance. Of those, about 53% are in properties with project-based HUD assistance, often older HUD properties rehabilitated using LIHTC, and 38% receive assistance through Section 8 Housing Choice Vouchers. While vouchers can be used in LIHTC properties, the voucher and LIHTC application processes are separate, and vouchers involve long waitlists and utilization challenges. As a result, LIHTC properties play a critical role in providing housing where vouchers are more likely to be successfully used.

Matt concluded by noting that these statistics were drawn from HUD's statewide LIHTC tenant data and represented a useful addition to understanding the populations served by the projects routinely approved by the board.

Johnny noted that the presentation was being condensed to fit a 15–20 minute timeframe, compared to the original one-hour webinar, requiring a high-level overview. He emphasized the importance of explaining preservation risks, particularly to address common misconceptions that federally backed affordable housing remains affordable indefinitely. One major preservation risk is "exit risk," where affordability requirements reach their end date or, in some cases, owners accelerate the process to remove restrictions and convert properties to market-rate housing.

Angela asked whether the Trust Fund could intervene on certain properties to preserve affordability by proactively engaging the owner before the property exited the LIHTC program. Matt responded that, in theory, this could be possible, but the primary challenge would have been addressing the property's capital improvement or financing needs. While limited funds (approximately \$300,000) might have helped if the owner sought relief from financial or capital pressures, properties nearing the end of their 30-year LIHTC compliance period are often unwilling to pursue preservation options or qualified contract alternatives.

Matt highlighted the importance of enforceable long-term affordability commitments. Using a recent Urbandale project as an example, he noted that while developers may voluntarily commit to extended affordability periods, such as 50 years, communities need formal protections within LIHTC agreements to ensure accountability and prevent premature exits from affordability commitments.

Johnny explained the remaining two major preservation risks for federally backed affordable housing beyond expiration. The first is depreciation: all housing ages and requires ongoing maintenance, including replacement of major building systems, which can be extremely costly as construction expenses continue to rise. Some older affordable housing programs were not

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

structured with sufficient long-term capital planning, further increasing the risk that properties cannot sustain affordability over time.

The second risk is appropriations. Funding for maintenance, operations, and rental assistance is subject to political and budgetary fluctuations. Appropriations have often failed to keep pace with inflation, rising construction costs, and increasing operational needs, which can undermine the long-term viability of affordable housing properties and contribute to preservation losses.

Johnny explained that the team combined data from multiple sources—including HUD, the Iowa Finance Authority, and the National Low-Income Housing Coalition—to create an independent, regional database of federally backed affordable housing. The goal is to maintain an internal profile of the region that tracks existing properties, new additions, and properties at risk of or exiting affordability, rather than relying solely on external data sources.

The database covers Polk, Dallas, and Warren counties in alignment with the Capital Crossroads collaboration and currently includes 176 active properties totaling approximately 10,800 units. Johnny clarified that the data reflects only properties that are currently active, not those under construction, in the pipeline, or previously expired.

A mapping tool displaying these properties, color-coded by federal program, is available on the Housing Trust Fund's website (pchtf.org/preservation) and was also included in board packets. Johnny emphasized that many of these properties have operated for decades and play a critical role in the community by providing stable housing, safety, dignity, and quality of life for thousands of residents.

Johnny explained that, when focusing specifically on Polk County, the database identifies 141 federally backed affordable housing projects totaling 9,075 units. The concentration of projects in Polk County reflects its larger share of the region's population.

The slides presented provided a breakdown of projects by federal program. The total count across programs exceeds 141 because many properties participate in multiple programs. In Polk County, seven LIHTC properties overlap with either USDA Rural Development or HUD multifamily programs. LIHTC is also increasingly used for rehabilitation and preservation of existing properties. However, it was reiterated that LIHTC does not automatically include rental assistance, unlike Section 8-supported housing.

Johnny noted a key finding from the analysis: all public housing properties in Polk County are located within the City of Des Moines, while all rural development housing is located outside the city. He also observed that there are more rural development properties than public housing properties. A countywide map was shown, similar to prior maps, with properties color-coded by program, along with a breakdown by County Supervisor districts.

These maps are intended to support future planning and decision-making by illustrating housing density, population patterns, and areas of need. The tool is designed to inform both the Housing Trust Fund and local cities as they consider incentives, site selection, and strategies for additional affordable housing development.

Johnny then discussed potential affordability losses. While owners' future intentions are unknown, the data indicates 13 properties at risk of losing affordability, representing 741 units

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

regionwide, with 10 of those properties and 623 units located in Polk County. He emphasized that these are potential losses and not confirmed exits.

Finally, Johnny tied these findings to the Trust Fund's Capital Improvement of Existing Rental Housing program. He noted strong demand for the program, citing last year's oversubscription when eight projects requested nearly \$650,000, but only \$300,000 was available and allocated to three projects. This underscores the likelihood of continued and growing need for additional capital improvement funding to help preserve affordability.

Johnny discussed properties currently in the development pipeline or under construction. He noted that one recently announced project—Southridge Flats, a 160-unit LIHTC 4% development—was not yet included in the data. Excluding that project, there are 11 new developments in the pipeline, nine of which are located in Polk County. These developments are expected to add 837 units regionwide, including 689 units within Polk County.

When compared to the potential affordability losses discussed on the prior slide, the projected net gain is approximately 96 units, which Johnny characterized as modest given the region's overall affordable housing needs.

Johnny also provided context on demand for the Trust Fund's New Rental Development Program. In fiscal year 2025, the program received \$4 million in requests across 10 projects, making it oversubscribed. Approximately \$1 million was ultimately allocated to three projects. Of the nine Polk County properties currently in the pipeline, seven have received funding from the Trust Fund through the New Rental Development Program and/or ARPA funds.

Matt explained the strategic importance of monitoring how affordable housing properties age and identifying opportunities for the organization to support them financially. He noted that small, targeted investments—such as multiple rounds of funding for air-conditioning replacements at the Apartments of River Trace, a HUD-subsidized senior property—are often essential because owners lack other funding sources, and preserving livable conditions is as important as creating new units. He also cited the YMCA project, now at year 15 of its original LIHTC financing, as an example of when properties commonly seek additional capital for repairs or improvements. Matt explained that aging LIHTC properties may pursue re-syndication to fund major renovations and that, while the organization has not been heavily involved in such efforts to date, it is important to track and anticipate these needs going forward.

Matt emphasized that planning for new housing requires a clear understanding of existing affordable housing inventory. He explained that having accurate, in-service data supports informed discussions with cities, helps prevent the loss of affordable units, and avoids duplicating investments already supported by other governments or funding sources. He noted the importance of understanding regulatory agreements tied to properties and improving collaboration with local governments. Matt also discussed ongoing efforts to expand and improve the preservation database by consolidating historic data and identifying gaps, including untracked funding sources such as Federal Home Loan Bank investments. Finally, he stressed the need to elevate awareness of the very low-income populations served by this housing and highlighted how state and federal policy decisions—such as housing tax credits or potential changes to Section 8 funding—could significantly affect those residents.

Matt reviewed how regional planning and transportation intersect with affordable housing, using DART system maps to show the relationship between housing locations and transit access. He

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

highlighted recent service changes, noting the loss of routes to Grimes and Pleasant Hill and the removal of service near certain properties, such as Deer Ridge, while explaining that new on-call service areas are planned but not yet reflected on the maps. He emphasized that transit access is critical because a majority of DART riders use the system to get to work, making the housing-transportation connection essential for economic opportunity and regional growth.

Matt also explained how mapping adds value by showing how housing investments align with transit, political boundaries, population density, rent levels, and job locations. He noted that federally backed housing is generally located where population density is highest, but that affordable housing is less available in high-rent areas such as Ankeny, Johnston, and parts of Urbandale and West Des Moines, where median rents approach \$1,400. Supporting projects in these areas can provide affordability where it is otherwise scarce. Finally, he reviewed employment data showing concentrations of low-wage jobs, including shifts toward warehousing and logistics in outer areas of the region, reinforcing the need to develop affordable housing near these job centers for workers earning under \$40,000 annually.

Luis clarified that the job map showed the total number of low-wage jobs, not percentages, and Matt confirmed it reflected census estimates, with the largest concentration still downtown. Angela noted the figures differed from those previously used, while Luis acknowledged this was a different but useful way to view job concentration, particularly in highlighting outer areas. Toby added that the data focused narrowly on jobs paying \$40,000 or less. Matt emphasized that the takeaway was the ongoing challenge of maintaining affordability in fast-growing areas and the continued need for investment. Josh pointed out that large census tracts and major employers, such as Amazon in Bondurant, can skew the data, which Matt agreed with, noting past discussions with Bondurant officials about expanding affordable housing. The discussion concluded with Matt underscoring the shared responsibility to serve the region, before Johnny transitioned to next steps.

Johnny explained that the database work is ongoing and expanding beyond the initial presentation. He noted that Noah, the new intern, is contributing significantly by adding unit counts and AMI percentage breakdowns and reviewing land use restrictive covenants. The database, which initially focused on four federal programs, will continue to grow to include trust fund awards and other local, county, and state incentives, with additional reports to be presented in the future. Johnny thanked Noah for his detailed and time-consuming work, highlighting the progress made across Des Moines and much of Polk County. Noah added that while some records are straightforward, older documents are more tedious, and he is continuing to review Polk County files to capture additional programs. Matt concluded by expressing appreciation for Noah's efforts.

Josh raised concerns related to preservation and expiring affordability, particularly for older downtown projects approaching the end of their affordability periods. He described a recent example where a property coming off affordability was being sold and the prospective buyer proposed maintaining rents at 80% AMI, which Josh noted might be close to market rents anyway. He questioned how to determine whether public involvement actually secures meaningful affordability or simply subsidizes a higher sale price. Josh emphasized the need for better data and monitoring to assess whether affordability would persist without intervention, especially in cases of "naturally occurring" affordability where properties may remain relatively affordable unless significant capital upgrades are made.

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

Matt explained that strategies for preserving or reinvesting in affordable housing vary by program. In traditional HUD programs, there are clear standards for assessing capital needs and reporting financially troubled properties. In the LIHTC world, however, the key policy debate centers on whether state housing finance authorities allow resyndication and how much tax credit allocation they devote to it, since resyndicating an existing 9% project competes directly with funding new construction. As a result, much depends on Iowa Finance Authority policy, which the trust fund is closely monitoring.

He noted that local, non-LIHTC rental investments have become significantly more expensive. Pre-pandemic, securing affordability typically required about \$75,000 per unit; recent deals now require \$100,000–\$125,000 per unit or more, with even higher per-unit subsidies allowed in recent ARPA rounds for deeper affordability. This has prompted more deliberate scrutiny of what constitutes a “good investment,” including negotiating favorable deal terms such as longer affordability periods, acceptance of Section 8 vouchers, unit mix (e.g., three-bedroom units), and other tenant-focused outcomes.

Matt emphasized that while cities often seek additional design or amenity requirements, LIHTC projects are already highly regulated and costly, so adding non-rent-related requirements can further drive up per-unit costs. He encouraged caution and focus on affordability outcomes rather than “extra” features.

Finally, he explained that the broader effort is about better portfolio management and data-driven strategy. By systematically reviewing existing properties—particularly older HUD 202 senior housing and downtown LIHTC deals—the team is analyzing affordability terms (30 vs. 45 years), LURA restrictions, and upcoming decision points with owners. The goal is to reduce speculation, understand actual financial and regulatory conditions, and make more strategic, informed decisions about where and how much public money to invest to preserve affordability over the long term.

The discussion focused on the limitations of using 80% of Area Median Income (AMI) as an affordability standard for rental housing and the importance of pairing rent restrictions with income qualification.

Toby noted that many properties are already effectively priced at 80% AMI, and that if the city is investing funds—particularly for preservation—it should require deeper affordability, such as units at 60% AMI. He emphasized that preservation restrictions could also require income qualification, preventing higher-income tenants from occupying units priced for lower-income households.

Matt reinforced this point by explaining that households in HUD-assisted properties typically earn far less (around \$13,000 annually). He argued that 80% AMI rent levels often leave truly low-income renters cost-burdened, making 80% AMI a more appropriate standard for homeownership than for rental housing.

Josh acknowledged that many development agreements still rely on 80% AMI and may not consistently require income qualification, though newer deals are beginning to include more units at 60% AMI.

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

The group concluded that simply setting rents at 80% AMI is insufficient; income verification is essential to ensure the intended populations benefit. This was identified as a potential policy improvement opportunity for the City of Des Moines.

The speakers emphasized the importance of income-restricted housing tools, particularly LIHTC, in addressing the needs of the lowest-income renters.

Matt argued that policies discouraging additional LIHTC developments are problematic because LIHTC provides income-qualified financing that brings substantial private investment into communities and specifically targets households most at risk of housing instability. He stressed that all communities need to find ways to accommodate this type of housing.

Toby contrasted LIHTC with workforce housing tax credits, noting that while workforce credits are popular and can reduce construction costs, they lack tenant income restrictions. As a result, there is no assurance that lower-income households actually benefit, which makes them less effective at serving those with the greatest housing needs.

Matt and Toby explained that the program only caps construction costs, not tenant incomes, meaning units can be occupied by higher-income households (e.g., attorneys) with no verification or limits. While the program is popular and politically attractive, this absence of income qualification creates a risk that it does not serve lower-income households as intended.

Matt acknowledged that workforce tax credits can support reasonably priced ownership housing—such as townhomes appraising at \$250,000–\$280,000—and that this is not inherently negative. However, he emphasized that the program is not an effective tool for serving very low-income renters, whose incomes are far below what such housing targets.

Toby suggested that, at the local level, the city or county could track how workforce housing tax credits are used within Polk County, including where projects are located and what rents are charged, and use that information over time to inform and elevate the community discussion.

Josh added that the lack of income qualification in workforce housing programs is an important nuance that is rarely highlighted. He noted that bringing more attention to this issue would make the broader “workforce housing” conversation more accurate and productive.

Matt explained that the addition of “compliance” to Johnny’s role reflects a deliberate shift toward closer oversight of housing deals to ensure public investments deliver their intended benefits. By monitoring deal characteristics and performance more carefully, the city can better protect taxpayer dollars.

He emphasized that this effort is not meant to duplicate existing regulatory oversight—such as LIHTC compliance managed by the Iowa Finance Authority—but rather to coordinate and supplement it. Given the limited funding available to address housing affordability, Matt stressed the importance of scrutinizing investments “under the hood” to ensure that scarce resources are used as effectively as possible.

Jeff Damman explained that Johnny’s compliance role expanded because, over time, a smaller share of housing projects were LIHTC deals, which previously came with built-in third-party compliance oversight. As LIHTC became a smaller portion of total projects, a verification gap

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

emerged, requiring the organization to take on more direct responsibility for monitoring compliance.

Jeff also emphasized that affordability at 80% of AMI is often achievable by the private market and through naturally occurring affordable housing. The real challenge, he noted—and where public subsidy is truly needed—is achieving affordability at much lower income levels, such as 30% of AMI. Angela agreed that this is the most difficult part of addressing housing affordability.

Matt emphasized two key lessons from his experience: extremely low-income households often have far less income than people assume, and public housing dollars must be carefully deployed to create real, measurable benefits. Matt concluded that the core challenge is balancing a clear understanding of residents' financial realities with accountability to taxpayers to ensure investments genuinely serve those most in need.

5. Report of Advancement Committee & Community Investment Committee

5.1 Advancement Committee Report

Julian opened the Advancement Committee discussion by announcing the organization's receipt of the Bank of America Neighborhood Builders Award. The award provides \$50,000 over two years and includes a professional and leadership development opportunity, with one staff member invited to attend an in-person convening in Charlotte, North Carolina, in October 2026. This is the first time an Iowa awardee has been invited to attend in person, offering a unique opportunity to connect with peer organizations nationwide. Although the funds are unrestricted, they have been designated for the Housing Opportunities for Preservation and Expansion initiative, including the Developer Launchpad and related Work that Impacts Housing. This award represents a newer and larger level of support from Bank of America, for which the organization expressed strong gratitude.

The campaign is active, with the bulk of work calls scheduled to begin in early 2026, though some are already underway. Charitable contributions have seen a slight increase, totaling \$401,000 to date. Of this amount, \$48,000 is reserved for the Community Investment (grant) Program, and \$353,000 is designated for the Housing Opportunities for Preservation and Expansion initiative.

Julian reiterated a call for full board participation in the campaign, emphasizing that contributions of any size demonstrate collective commitment and help encourage external donors.

The update also noted increasing challenges in the philanthropic landscape, including more limited grant availability and reduced corporate giving in recent years. While new grants have been secured, many are now restricted to specific programs. As a result, there remains a goal to raise \$400,000 for the Community Investment Program.

Julian explained that all Advancement Committee members have individual peer-to-peer campaign landing pages and are each responsible for raising \$10,000. They are being encouraged to solicit donations from family, friends, colleagues, and neighbors throughout the holiday season, with contributions tracked through their respective pages.

POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS
Friday, December 5, 2025

5.2 Community Investment Committee Report

Julian provided an update on Community Investment, highlighting the successful launch of the Develop the Developer Launchpad Bootcamp, which began Monday. Twenty participants registered, with nineteen actively engaged, and were divided into five groups. The groups are supported by four developer mentors—Danny Hagan, Frank Levy, Larry James, and Molly and Scott Cutler—with Danny Heggen mentoring two groups. Each group is focused on a priority area, including workforce housing, mixed-use development, innovative building concepts and materials, and missing middle housing.

A program showcase is scheduled for Friday, December 12, at 3:30 p.m., with calendar invitations already sent and a follow-up email to include parking details. Economic development directors from across Polk County have been invited, including representatives from West Des Moines, Pleasant Hill, and the City of Des Moines, with Nicholas Tarpy participating as a presenter and potential judge. Julian noted strong enthusiasm and positive feedback from participants, panelists, and facilitators, and expressed appreciation for the board's support.

Julian provided an update on the Work That Impacts Housing initiative, noting that the program is nearing launch and is currently in contract discussions with Forest Avenue Outreach and the City of Des Moines. The goal is to launch the program within the first three months of the year. Additionally, Julian announced upcoming site visits for the Community Investment Committee, including visits to Oakridge Neighborhood Services, Primary Health Care, and YMCA Supportive Housing. These visits are intended to give committee members direct insight into the programs being funded by allowing them to meet staff, tour facilities, and better understand services, supporting more informed and intentional Community Investment Grant decisions.

Julian asked if there were any questions, and none were raised. TJ commended Julian for the strong work and thanked him for his efforts, noting that the board looks forward to the December 12 showcase.

5.3 Staff Update

6. Report of Marketing Committee & Communications/Outreach Update

Matt Hauge provided a brief update highlighting a significant shift in federal homelessness funding away from permanent supportive housing, which poses a major challenge for the region. A lawsuit is currently challenging this change, with oral arguments scheduled for today. If the shift proceeds, substantial program cuts are expected, with permanent supportive housing potentially beginning to lose funding as early as October of next year. The situation remains uncertain pending the outcome of the litigation, and updates may emerge before the holidays.

Toby noted that the federal shift reflects an effort to prioritize transitional housing over permanent supportive housing, which may force many Continuum of Care-funded applicants to pursue short-term transitional models that do not adequately meet client needs.

6.1 Staff Update

6.2 Funding Futures Bus Tour Booklet

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

Matt highlighted the bus tour booklet, noting it as a tangible record of the event and encouraging attendees to review it. Toby added that the bus tour had been very successful.

7. Report of Planning/Research/Compliance Update

Johnny provided a brief update, noting that the board packet includes an updated timeline for the Regional Housing Sites of Opportunity project, with many projects aligned for a busy Q1 2026. A dashboard for tracking affordable housing progress is in development, and he anticipates providing further updates at the next board meeting. He also highlighted recent and upcoming presentations of the Preservation Report, including one last November to the Capital Crossroads Regional Council and one for the Board of Supervisors. Also highlighted were upcoming presentations on January 12 to the Des Moines City Council and January 13 to the Metro Advisory Council. Overall, he emphasized that Q1 2026 will be a period of significant activity.

7.1 Staff Update

8. Executive Director Agency Update

8.1 Board Meeting FY26 Calendar

8.2 Developer/Project Loan Forgiveness Policy

8.3 Polk County Board of Supervisor Presentation

8.4 Loans Receivable Annual Invoice

Toby provided a brief update, noting that FY26 board meeting dates will be emailed to members. He also highlighted an upcoming initiative related to rental loans with balloon payments after a 15-year term. As developer requests for forgiveness of this requirement increase, staff plans to formalize a policy outlining the process. The proposed procedure would include submission of documentation by developers, review and recommendations by the Development Committee, and final approval by the board. This policy is expected to be developed starting in January and presented for board review in 2026.

Toby added that the Trust Fund will implement stronger loan receivable invoicing by sending annual statements of outstanding balances every January for all projects with interest or monthly payments. This standard reminder process, which he and David will manage, aims to ensure consistent tracking and payment of all open loans. He noted this is a new practice for the Trust Fund and will accompany the previously mentioned board calendar update.

9. Other Business

No additional business was addressed.

10. Adjournment

Angela Connolly moved to adjourn; seconded by Luis Montoya. Motion carried unanimously.

**POLK COUNTY HOUSING TRUST FUND
BOARD OF DIRECTORS**

Friday, December 5, 2025

The meeting was adjourned at approximately 11:35 a.m. The next meeting of the Polk County Housing Trust Fund is Friday, February 6, 2026, at 10:00 a.m.

Respectfully submitted David Teachout, Office Manager
Polk County Housing Trust Fund

Action Item *