AHEAD REGIONAL HOUSING TRUST FUND

GUIDELINES for: **Rental** Housing Improvement Program

Purpose: The Purpose of the AHEAD Regional Housing Trust Fund is to provide financing to assist in improving the stock of affordable housing within the counties it serves.

The AHEAD RHTF will consider financial assistance in the form of partial funding or full funding depending on the project and borrower circumstances.

Eligible Projects: Projects eligible for AHEAD RHTF funds include those that improve the condition of existing housing through rehabilitation and/or repair, or contribute to the development of affordable housing in Davis, Jefferson, Keokuk, Mahaska, Van Buren or Wapello County. All projects funded must serve Davis, Jefferson, Keokuk, Mahaska, Van Buren or Wapello County households with incomes less than 80% of the statewide median family income.

Only projects that retain and improve the structural integrity of the housing unit will be funded.

Application Procedure: Applications will be accepted by the AHEAD RHTF on a continuous basis as long as funds are available. Completed applications will be reviewed for eligibility within 30 days of receipt. A visual inspection of your property may be done prior to final approval. Applicants will be formally notified of approval, contingency approval, or denial within 10 days of the final decision.

For an application: Application forms are available on-line (www.area15rpc.com/RHTF) or available from Area 15 Regional Planning Commission, 224 E. Second St., Ottumwa.

Return applications to: Area 15 Regional Planning Commission, PO Box 1110, Ottumwa, IA 52501

Priority will be given to projects that best meet income target goals as stated in the AHEAD Regional Housing Trust Fund Housing Assistance Plan.

THE AHEAD RHTF RESERVES THE RIGHT TO ACT AS SOLE JUDGE OF THE CONTENT OF THE APPLICATION SUBMITTED FOR EVALUATION AND SELECTION.
THE AHEAD RHTF RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO REJECT ANY OR ALL APPLICATIONS.
THE AHEAD RHTF WILL NOT BE LIABLE FOR ANY COST INCURRED IN CONNECTION WITH PREPARATION AND SUBMITTAL OF ANY APPLICATION.

PROGRAM CRITERIA

- Eligible Existing Properties: Rental housing unit located in eligible participating city/county. Housing unit must have an assessed dwelling value of $20,000 or greater.
- Applicant/Landlord requirements: Applicant must own the property and maintain the improvements for the life of the loan. Applicant must have title at time of application. Applicant must have at least 25% equity in the property.
- Rental requirements: Units must be rented to households with incomes not more than 80% of the statewide Median Family Income (MFI). All units benefiting from RHTF funding must rent at or below the Fair Market Rent (FMR) for the life of the loan or five (5) years, whichever is greater. (See page 2 for FMR by county)
- Rental units must, at the completion of the project, meet Section 8 Housing Quality Standards and be in compliance with all State and Local health and safety codes.
- Taxes and insurance must be current at time of application and kept current for the life of the loan.
- The AHEAD RHTF will finance projects through low interest (3%) loans.
    - Payments can be deferred or amortized as fits the circumstance.
- Funding limits are set at $7,500 per rental housing unit
$30,000 maximum (4 units).
- Applicants must provide at least $1.00 in private funds for each $1.00 of RHTF program funds
- Loan must be fully repaid in the event that ownership changes during the loan term.
- Affordability period will be a minimum of five (5) years.
- Applicant/Landlord will be required to perform an income test on tenants of assisted units. Income test must include documentation of all income for all persons residing in the assisted unit.
- A mortgage will be required as security. RHTF mortgage must be in first or second position.
- AHEAD RHTF will be listed as a "loss payee" on the rental property's insurance policy for life of the loan. Proof of insurance must be provided to the RHTF on an annual basis for the life of the loan.

PROGRAM CRITERIA (continued)

- Applicants must demonstrate feasibility/capacity to complete the proposed project.
- Applicants will be required to obtain at least one itemized quote for the proposed improvements to the property and monies from the trust fund will be paid directly to the provider of the improvement. On some occasions, the AHEAD RHTF may require bids.
- Contractors that participate in our program must be a Registered Contractor with the State of Iowa, must be insured and, when determined necessary, be IDPH certified Lead Safe Renovators. Owner-applicant and/or non-registered contractor labor is an ineligible cost.
- Contractors will have 60 calendar days from the time the Notice to Proceed is signed by the property owner (typically at Loan Closing) to complete the project.
- Assisted applicant owners & contractors will comply with applicable state and local rules/ordinances, including: building codes & permits, zoning & floodplain, lead-safe renovators/work practices, and asbestos inspection/removal.
- Inspections, upon completion of the proposed project, may be required.
- There will be a processing fee of 1% of loan amount, minimum of $120, due at loan closing.
- The AHEAD Regional Housing Trust Fund reserves the right to recall any loan if the above requirements are not met.

RENTER INCOME LIMITS

	Number of persons in Household							
MFI	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
80%	$57,200	$65,400	$73,550	$81,700	$88,250	$94,800	$101,350	$107,850

HUD FY2026 State of Iowa Income Limits effective May 1, 2026

AFFORDABILITY REQUIREMENTS

FY2026 Fair Market Rent (FMR) inclusive of utilities by county as per HUD. huduser.gov/portal/datasets/fmr.html

	Davis	**Jefferson**	**Keokuk**	**Mahaska**	**Van Buren**	**Wapello**
Bedrooms	Max. Rent	Max. Rent	Max. Rent	Max. Rent	Max. Rent	Max. Rent
0	$774	$821	$682	$717	$682	$793
1	$795	$826	$764	$722	$713	$814
2	$1,043	$1,084	$919	$947	$919	$1,068
3	$1,251	$1,300	$1,178	$1,135	$1,102	$1,354
4	$1,392	$1,435	$1,227	$1,254	$1,510	$1,468

HUD Fair Market Rents effective May 21, 2026

INCOME AND AFFORDABILITY GUIDELINES ARE SUBJECT TO CHANGE ON AN ANNUAL BASIS.

MATCHING FUNDS

Applicant/Landlord must provide at least 1:1 in matching funds* to be eligible for this program.

*Matching funds can be obtained from a variety of sources, including personal funds, other loan funds, other grant funds, community housing funds (currently available in some communities), etc.

Matching funds will be collected and held in escrow by the Trust Fund before project begins.

Nondiscrimination Statement

AHEAD RHTF is committed to providing equal access to all programs and services. We do not discriminate based on race, color, national origin, age, disability, sex, sexual orientation, gender identity, religion, or any other protected status under applicable law.