City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MPW

DATE: January 18, 2019

SUBJECT: Proposed Resolution supporting Iowa Prison Industries Affordable Home Program

Iowa Prison Industries and the Iowa Association of Councils of Governments have proposed establishing a Prisoner-Built Housing Program in Iowa in order to help provide quality homes to rural Iowa that are affordable to low and moderate income households. The program also seeks to reduce recidivism and provide Iowa with workers in high-demand skill areas by training inmates for careers in the construction industry.

Iowa's program is being modeled on the "Governor's House" program in the State of South Dakota. In 1996, the Governor's House program was created as a way to provide reasonably sized, affordable homes to income-qualified individuals and families. More than 2,000 Governor's Houses have been sold to elderly, persons with disabilities, and income-qualified families in South Dakota.

Attached to this memo is information on the program along with a resolution of support that the Council is requested to consider approving.

RECOMMENDATION: Mayor and City Council consideration and approval of the attached resolution supporting the Iowa Prison Industries Affordable Home Program.

1869 Carroll 2019 150 YEARS

Resolution #_____

Iowa Prison Industries Affordable Home Program

Whereas, the City of Carroll has a need for new workforce housing units that the market does not allow to be built or financed in our community; and,

Whereas, the proposed Iowa Prison Industries/Iowa Association of Councils of Governments Prisoner-Built Housing Program can help provide quality homes to rural Iowa that are affordable to low and moderate income households; and,

Whereas, this housing program can, after an initial investment of approximately $4.0 million, be self-sufficient and require no additional state investment; and,

Whereas, the city has lots available on which these homes may be placed; and,

Whereas, this housing program will reduce recidivism and provide Iowa with workers in high-demand skill areas by training inmates for careers in the construction industry.

BE IT HEREBY RESOLVED BY THE CITY COUNCIL that the City of Carroll is in support of the Iowa Prison Industries/Iowa Association of Councils of Governments Prisoner-Built Housing Program and supports state funding requested to implement this program.

Dated the 11th day of February, 2019.

_____

Eric P. Jensen, Mayor

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Laura A. Schaefer, City Clerk

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OF COUNCILS OF GOVERNMENTS

Homes for Iowa Rural Housing Initiative

Building Affordable Housing with Iowa Prison Industries

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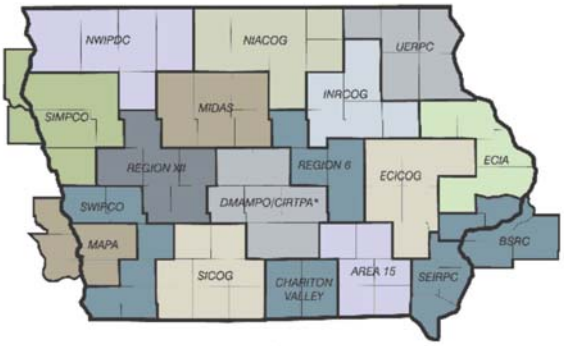
What are Councils of Governments?

Councils of Governments provide regional planning & technical assistance to cities, counties, businesses, and community members for:

- Housing
- Community Projects
- Economic Development
- Workforce programs
- Grant-writing
- Planning (land use, transportation, etc.)
- Public Transit



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Overview of the Rural Housing Initiative

Modeled after South Dakota's "Governor's House" Program, this program has several goals:

- **Goal 1**: Build stick-built homes affordable to low and moderate income persons in communities across Iowa
- **Goal 2**: Provide job training to offenders in high-demand occupations
- **Goal 3**: Decrease demand on the justice system and strengthen communities with decreased recidivism
- **Goal 4**: Create a long-term housing and workforce program that is self-sustaining.

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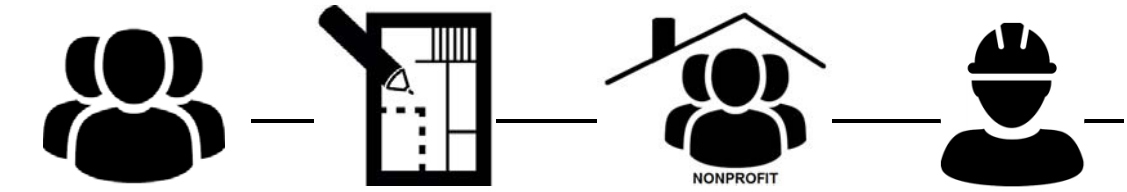
Process of the Rural Housing Initiative



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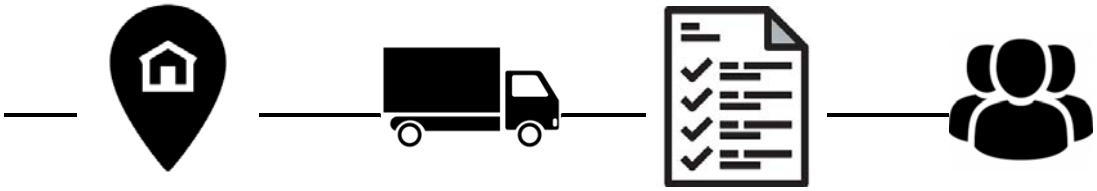

Utilities and foundation are completed by buyer

Once built, home is delivered in one piece to location

COGs oversee local process and closeout. May help with payment assistance programs.

Homeowner takes possession

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Why are COGs involved in this process?

- COGs are units of local government, recognized in Iowa Code (28H) and controlled by local governments
- Councils of Governments (COGs) have a state-wide presence to address regional issues
- COGs already administer various grant and loan programs
- COGs have a long history with housing programs
- COGs have relationships with key local and statewide stakeholders
- COGs are experienced with P&Z and building codes
- COGs currently assist with smart growth and understand opportunities (e.g. infill housing)
- COGs have experience with related and paperwork, lien agreements, permitting, financing, etc.

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Where will IPI build the houses?

- Property targeted for the project is owned by the state and is adjacent to the Newton Correctional Facility

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Benefits of Program

Provide affordable houses for around $100,000 to $120,000

Create a pipeline of apprenticed trades among offenders

Lower recidivism rates in Iowa

Help companies grow their workforce with a statewide economic development initiative

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It always seems impossible; until it's not.

Photo from Springfield, SD

- Inmates work on a home inside the confines of the correctional facility.
- Houses are built on pylons so they may be trucked to their community in one piece.

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It always seems impossible; until it's not.

Photo from Springfield, SD

- Quality-built homes with attractive finishes, cabinetry, and flooring.

"**I was always told I was good at nothing**, until this program I did not realize I had a talent and was actually great at something." –*S.D. Prisoner, Carpentry Apprentice*

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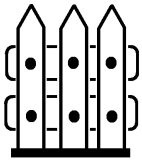
The Cost

$4 million in funding for 3 major investments in the program. Once it is up and running, the program is self-sustaining!



$1,000,000
Fencing, Gates,
Cameras,
Design Fees
Utility Access

$1,000,000
Warehouse
Office & Classroom
Workshop

$2,000,000
Flatbed & Semi
Jacks
Tools and Capital

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Current Status

1. ICOG has incorporated the non-profit Homes for Iowa to operate the program
2. Gov. Reynolds called for the program to be created in her Condition of the State address.

Diverse board membership:
- Home building
- Building trades
- Banking
- Local Government
- Community development
- Local Economic Development
- Housing advocates
- State Stakeholders

501(c)3

501c3 designation is being sought to accept charitable contributions

Non-profit will establish home building program policies and procedures, capitalize operations, and contract with IPI to construct homes.

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Next Steps

- Advocacy & Research – Iowa Association of COGs members and our partners are actively discussing the initiative in communities, with organizations large and small, and with state officials both elected and appointed.
- Support – ICOG needs your support. Whether it is passing a resolution of support or writing a letter stating this program is needed (or both), Iowa's legislators and the Governor need to know that this project has a broad base of support.
- Funding – A state appropriation is key to the infrastructure and kicking off the project. Once embraced in by policy-makers and authorized, additional funding and financing options will be researched and secured as is possible by Homes for Iowa.

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Thank you!

Questions and resolutions may be directed to:

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(712) 775-7800

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