

HOUSING & COMMUNITY DEVELOPMENT COMMISSION (HCDC)

October 15, 2020

Electronic Regular Meeting – 6:30 PM

Zoom Meeting Platform

Electronic Meeting

(Pursuant to Iowa Code section 21.8)

An electronic meeting is being held because a meeting in person is impossible or impractical due to concerns for the health and safety of Commission members, staff and the public presented by COVID-19.

You can participate in the meeting and comment on an agenda item by going to: https://zoom.us/webinar/register/WN_e7hnsceaRla6DCjrPBjBWw to visit the Zoom meeting's registration page and submitting the required information. Once approved, you will receive an email message with a link to join the meeting. If you are asked for a meeting or webinar ID, enter the ID number found in the email. If you have no computer or smartphone, or a computer without a microphone, you can call in by phone by dialing (312) 626-6799 and entering the meeting ID **915 5508 5635** when prompted. Providing comment in person is not an option.

AGENDA:

1. Call to Order

2. Consideration of Meeting Minutes: September 17, 2020

3. Public Comment of Items not on the Agenda

Commentators shall address the Commission for no more than 5 minutes. Commissioners shall not engage in discussion with the public concerning said items.

4. Iowa City Council Meeting Updates

Two commissioners are assigned each month to monitor Council meetings. This agenda item provides an opportunity for brief updates on Iowa City Council activity that is relevant to HCDC business.

A copy of the FY20 Affordable Housing Year-End Report and memo presented to Council by staff on September 15, 2020 is included in the packet.

5. Discuss CDBG Projects Without Agreements

The City's Unsuccessful or Delayed Projects Policy requires CDBG subrecipients who have not entered a formal agreement by September 30 to report to HCDC. HCDC will determine whether extenuating circumstance exist, and if so, whether the project is anticipated to proceed. HCDC may recommend the recapture and re-use of funds to City Council.

6. Review Substantial Amendment #2 to the FY20 Annual Action Plan

An amendment is proposed for the FY20 Annual Action Plan to include the third round of CARES Act funding, which will support economic development activities including business loans, grants, or technical assistance for businesses impacted by COVID-19.

The City Council will consider this recommendation October 20, 2020 following a five-day public comment period. If approved, Amendment #2 will be submitted to the U.S. Department of Housing and Urban Development (HUD). Amendments and the FY20 Annual Action Plan can be found at www.icgov.org/actionplan.

7. Housing & Community Development Information**8. Adjournment**

If you will need disability-related accommodations to participate in this program or event, please contact Brianna Gabel at brianna-gabel@iowa-city.org or 319-356-5230. Early requests are strongly encouraged to allow sufficient time to meet your access needs.



CITY OF IOWA CITY

410 East Washington Street
Iowa City, Iowa 52240-1826
(319) 356-5000
(319) 356-5009 FAX
www.icgov.org

**Housing and Community Development Commission
October 15, 2020 Meeting Packet Contents**

Agenda Item #2

- September 17, 2020 HCDC Draft Meeting Minutes

Agenda Item #4

- FY20 Affordable Housing Year-End Report and Memo

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- Unsuccessful or Delayed Projects Policy

Agenda Item #6

- Substantial Amendment #2 – FY20 Action Plan

Agenda Item #7

- “Our Children Spoke” Ribbon Cutting Ceremony Flyer

MINUTES

PRELIMINARY

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
SEPTEMBER 17, 2020 – 6:30 PM
ELECTRONIC MEETING

Electronic Meeting

(Pursuant to Iowa Code section 21.8)

An electronic meeting is being held because a meeting in person is impossible or impractical due to concerns for the health and safety of Commission members, staff and the public presented by COVID-19.

MEMBERS PRESENT: Peggy Aguilar, Matt Drabek, Lyn Dee Hook Kealey, Theresa Lewis, Kyle Vogel

MEMBERS ABSENT: Megan Alter, Nasr Mohammed, Peter Nkumu, Maria Padron

STAFF PRESENT: Brianna Gabel, Erika Kubly

OTHERS PRESENT: Sara Barron, Cady Gerlach, Ellen McCabe, Martha Wichert, Christine Ralston

CALL MEETING TO ORDER:

Drabek called the meeting to order at 6:30 PM.

CONSIDERATION OF MEETING MINUTES: AUGUST 20, 2020:

Lewis moved to approve the minutes of August 20, 2020. Aguilar seconded and a vote was taken and the motion passed 5-0.

PUBLIC COMMENT FOR TOPICS NOT ON THE AGENDA:

Sara Barron (Johnson County Affordable Housing Coalition) stated the Johnson County Affordable Housing Coalition will have their annual meeting next Thursday, from 4pm to 5pm on zoom, their speaker is going to be state senator Zach Wahls, who's going to talk about state legislative efforts and other work underway to secure more affordable housing throughout the state. Obviously, this has been a really challenging year for that. Many colleagues across the country are calling this a crisis on top of a crisis on top of a crisis, whether those three crises are the existing problem with affordable housing, the pandemic, and then one of any number of weather-related issues that people are facing from wildfires to derecho to hurricanes. So there's a lot of work to do and they're looking forward to setting their focus for the next year next Thursday from 4pm to 5pm on zoom and Barron shared the link to that meeting in the chat box. The second thing Barron wanted to share was that a group convened through Project Better Together and is working on a couple of things to increase knowledge about housing in Johnson County and

resources for landlords and tenants. In October, they're going to have some good information about the resources that are available and how people can access them and that might be of interest to HCDC Commissioners.

OVERVIEW OF THE HOUSING TRUST FUND OF JOHNSON COUNTY:

Ellen McCabe (Executive Director of the Housing Trust Fund of Johnson County) presented an overview of their organization. McCabe said she has been in Iowa City for more than 38 years and has worked at eight not-for-profit organizations and volunteered at 11 other organizations and used to run the youth shelters in Iowa City 30 years ago. McCabe wanted to share where some of the funding that The Housing Trust Fund awards to housing projects also receives funding from HCDC. She stated they are not formally partners in this but they do a lot of work that crosses over. The Housing Trust Fund's mission is to promote and support housing that is affordable and their vision is that everyone in Johnson County should have access to safe, decent and affordable housing. They have two main programs, the program that pertains most to HCDC work is the revolving loan fund and then they also program the owner-occupied rehabilitation program, but this is for individuals outside of Iowa City since Iowa City has its own program. They have four funding rounds per year for affordable housing in The Housing Trust Fund and if they listened to Tracy Hightshoe's report Tuesday evening in front of the Council she talked about the one of the benefits of working with The Housing Trust Fund is that they are flexible and have four funding rounds per year, which allow applicants to put their irons in the fire when it's right for them. So flexibility is one of the key factors about The Housing Trust Fund. They support housing with financial backing when they create units of housing or when they preserve units of housing. So taking existing rental properties and keeping them affordable and providing needed rehabilitation. They also provide a limited amount of assistance for rent deposit in shelter facilities. McCabe stated they have a website that points applicants to information and the actual application that people fill out and guidance for their applications, including income maximums, deadlines, things like that. They currently have a funding round that is open with \$1 million and the deadline for applicants is the first of October, and then before the close of October they should know the outcome of their application. McCabe said they look most importantly at the area median income (AMI). Housing wage is \$19.44 an hour or \$40,000 a year for someone to afford that two-bedroom apartment and only 10% of people who qualify for Housing Choice Vouchers are able to receive one. McCabe next showed the AMI levels for this year, including the wage that someone would need to make in order to qualify as low income, a one-person household is \$10.21 an hour and people who make \$55,000 a year as a single person are qualified as low income.

McCabe next explained the types of outcomes that can happen when people apply, they can receive a grant and that's usually for the acquisition of projects or people who are below 30% AMI. People can also qualify for forgivable loans which is essentially a grant or a zero-interest loan or a low interest loan, 1% to 2%. The Housing Trust Fund also charges that interest rate for the larger projects, the for-profit providers who are the LIHTC providers and so forth. They also have projects that take the form of grant or loan combination and some of the funding is forgiven and some is paid back. They have quite a few of those with The Housing Trust Fellowship and Iowa Valley Habitat for Humanity. The operations committee suggests an amount to be offered based on the funds available and then the board of directors approves that amount and then they roll out the funding round with an email, on Facebook, on Twitter and a press release. There's a deadline for the applications in each round and the applicants are competing against each other. The distribution committee reviews the applications and makes recommendations to the full board and then the board determines the awards and then feedback is given to the applicants. The characteristics that influence outcomes are if the project is under 30% AMI, it's going to take precedence over a similarly situated project that's higher than 30% AMI. Also projects that benefit people who have another challenge, such as a disability will have favor over those that don't. The Housing Trust Fund values new partnerships and she'll show one of those later on in her presentation. The projects that are funded have to be viable, the numbers have to make sense, they have to have affordable rents and so forth and then have an appropriate term of affordability, they've been pushing projects to negotiate with them to say if they applied for a 10 year affordability, would they accept a 20 year affordability and so forth. The Housing Trust Fund is also looking for innovative projects. McCabe explained some possible outcomes that make the project not eligible for funding, perhaps they didn't consult with the executive director before putting in their application and it did not meet the standards or they're eligible for funding,

but there's not funding available, so they would be encouraged to apply again. If a project is funded and the terms offered might differ from what's in their proposal, they get an award letter that states the terms being offered and then The Housing Trust Fund attaches contingencies to most projects that they have to secure the other funding or they have to meet the timelines or zoning, things like that in order for the project to get the actual funding.

In terms of this past year, McCabe said The Housing Trust Fund received funding from a number of sources, Johnson County is their highest dollar funder at \$654,800, then the City of Iowa City, then the City of Coralville and the City of North Liberty. Coralville and North Liberty have both increased their funding this past year and this current year. The Housing Trust Fund receives state funding, which is what kicked off The Housing Trust Fund way back in 2002 when state funding became available. They partner with the Federal Home Loan grant for rehabilitation outside of Iowa City on properties owner occupied, and then they also apply for other grants and donations. McCabe showed a summary slide of what's taken place this past year for Johnson County, they awarded \$1.2 million but she put an asterisk by that because they actually awarded \$850,000 more than that, on projects that did not advance their next steps with the LIHTC program. She noted the magic number is that \$1.2 million is going to leverage almost \$16 million or another way to look at it is for every \$1 that's invested \$15 ends up being added to the support for affordable housing in Johnson County. They will create or support 141 units of housing. In terms of Iowa City funding, McCabe showed how they spent it last year, they received \$500,000 minus \$25,000 for administration which left a balance of \$475,000 to invest. They invested in two Project Next apartments, which created 32 units and Shelter House which is going to create 36 units at Cross Park Place to permanent supportive housing for people with chronic or who have been chronically homeless. So The Housing Trust Fund put in a total of \$1.1 million which also they leveraged together \$13 million with the Iowa City funding. Looking at how the money is invested, they created 85 units for housing under 30% AMI and that was 99% of the funding this past year, and \$5,000 went to support two units between the 30 and 60 AMI level and \$3,000 to support people between 60% and 80% through the Inside Out Reentry program. From the Iowa City funding 77% went to grants primarily to the Cross Park Place, the rest impacted Iowa City by supporting the Affordable Housing Coalition, they provided a \$15,000 grant. They were the first in the state to use Iowa Finance Funding for capacity building that helped them increase their hours, increase their membership, increase their visibility and their impact with the manufactured housing task force. Over the last four years they received \$30,000 and they'll receive that bump up again this year. For the Inside Out reentry program, most of the housing that they supported through rent and deposits was located in Iowa City, they helped 12 households with a \$20,000 grant to help formerly incarcerated individuals who are participating in the Inside Out program. Over the last few years, they've provided almost \$60,000 in grants and they're providing \$20,000 again this year. In March when they realized that COVID was coming McCabe began to work with her board of directors and they created an emergency shelter grant funding round so they had an extra funding round and allocated \$65,000 to help get people out of the shelter and help keep people from entering the shelter. DVIP applied and received \$25,000, Shelter House applied for and received \$40,000 for rental assistance, they've already spent their funding for 20 households with 36 people, 19 of those 20 households had incomes below 30% AMI.

McCabe noted The Shelter House on Southgate is 10 years old so they applied for and received a loan for \$36,900 to rehabilitate their showers and that should serve 70 people a day for 10 years. Shelter House applied for and received funding for the Cross Park Place 2 project to provide for permanent supportive housing, using the housing first approach, for 36 households with incomes below 30%. That project is going to leverage \$5.5 million. A new partner is Unlimited Abilities, The Housing Trust Fund gave them \$105,350 with a zero-interest loan, and they're going to have a house for five individuals. They picked out a property and hope to move in this winter. McCabe said they also have some awards prior to fiscal year 20 that are still hanging out there, they gave funding to purchase three lots for Iowa Valley Habitat for Humanity so they're going to build three homes in Iowa City. There's a little stall on that project due to the COVID. They have a program with Iowa Valley Habitat for Humanity to rehabilitate some homes. They have a program with Greater Iowa City Area Homebuilders to help senior citizens and people with disabilities. They have a grant program going with the City of Iowa City that she works with Kubly on. They have the Iowa City Co-Housing Program has some down payment assistance that was awarded to them years back that they haven't found the right tenants for, and then they have a bunch of

projects that leased up or are leasing up this year at the Next Apartments, there are 36 units, one, two and three bedrooms out on Herbert Hoover Highway, it's leasing up currently, they got a \$775,000 loan from The Housing Trust Fund, which included some funding from Iowa City, and the overall project was \$8.4 million. McCabe showed some pictures of inside an apartment at Next. The Housing Trust Fund gave Shelter house some funding for another fair weather lodge that's located in Iowa City for five people with chronic mental health issues. Finally, with The Housing Fellowship they funded units in Del Rey Ridge and it's currently leasing up 29 one and two bedroom units just south of downtown. They received an award of \$800,000 loan from the Housing Trust Fund for a \$6.7 million project. McCabe is also working with Shelter House to serve on the Governor's Recovery Housing Subgroup, which local homeless coordinating boards looking at livable communities focused on elderly.

McCabe next discussed COVID-19 stating her board decided to offer loan deferrals to their loan partners. They have 50 loans that they service and they just knew that some organizations were going to be in trouble. One organization took them up on the deferrals with a with a number of loans, and another one is still considering doing so. They also offered that emergency shelter funding round, they don't know how this is going to impact housing, right now they are putting all of their efforts towards making sure that people know about assistance programs available and they're all working together extremely well. Additionally, they don't know what the impact of the storm is going to be, not necessarily here in Johnson County, but the affordable housing stock in Cedar Rapids and Linn County has taken such a hit, that they may have increased competition here. McCabe wanted to express her gratitude as they have an amazing group of volunteers on the board of directors and the committee's that do this hard work, and then the funding from the City of Iowa City just makes all the difference in the world to be able to make these projects happen.

McCabe concluded by showing the impact of The Housing Trust Fund's work over the last 16 years, they've awarded \$9.5 million, which has helped create affordable units of housing for 837 households.

Lewis thanked McCabe for the awesome work they do in the community and wondered how the Commission could help get the word out there about the grants and the opportunities that The Housing Trust Fund provides. McCabe said the Commission can as they have in the past support the Council's decision to fund things. She noted The Housing and Community Development Commission gave up part of their funding for the LIHTC projects and went to The Housing Trust Fund to award the City's LIHTC funding which is 190 this year, which will be 380 next year.

Vogel asked McCabe how many loans that they're currently servicing. McCabe said they are currently servicing 50 loans. Vogel asked what the standard repayment on those loans is. McCabe said it really depends, most of the rehabilitation loans are 10 years, the loans creating units is usually 20 years, and then the larger projects are 30- or 40-year projects. Vogel asked if they ever had any issues with loan defaults or with non-payments. McCabe said not very often, they had one partner who really struggled with Medicaid reimbursement, so they had to lengthen the term and change the agreements, but they've never had anybody default.

Vogel asked if the money comes from the City is that money ever part of the loan process or is the money from the City just part of grant awarding processes. McCabe said most of the money would be a loan and all the principal comes back into the loan fund, they never touch the principal of any loan. Funds to keep the lights on and all of that comes from the interest income and the administrative funding specifically from Iowa City and Coralville and North Liberty and what they portion off as the administrative piece.

Vogel asked if they know what the total amount of monies are held as a future liability or a future accounts receivable that The Housing Trust Fund has received from the City over time. McCabe said she can't parcel it off for the City but they have liabilities coming to them in the \$8 million. Vogel is just curious because he thinks generally when a grant is being awarded from the City to an organization, it's for something very specific, but in The Housing Trust Fund's case, it's really giving money to give to somebody else that's going to give it back to you at some point, but that money never comes back to the City so eventually that money's just collecting compounding interest and compounding return on investment towards The Housing Trust Fund so he is just curious what those historical numbers are.

McCabe says the board looks at the balance and takes all but \$100,000 (because \$100,000 belongs to The Housing Trust Fund, it was earned by the trust fund in another way and that's their emergency fund) and they put it all back into the funding rounds. So yes, some Iowa City money may end up in Coralville in the long run.

Vogel acknowledged McCabe just raised another question because he was if they do not limit funds from the City being provided to builders or providers of affordable housing outside of City limits. McCabe said they do only use the Iowa City money the first time around for projects in Iowa City. Vogel noted but they don't keep track of that repayment of money in a separate account inside of the Trust so that when that money does get paid back in future use, it would also be only supplied to an Iowa City project. McCabe said that is not something they have done. Vogel noted there is something to be said about some kind of chain of record of knowing where funds that taxpayers and Iowa City have paid was for City programs and even long term when those monies are continuing to be reused are being used for Iowa City projects and not getting used outside of town. It's not that Coralville shouldn't have affordable housing either, but they should pony up for that kind of stuff on their dime as well.

Drabek had a question about the total impact of growth over time. What is the maximum where they say they're doing all they can do. McCabe believes there is no limit, the beauty of it is they're not making the housing they're not hammering or managing the properties; the experts are doing that. Therefore, she doesn't see a limit.

IOWA CITY COUNCIL MEETING UPDATES:

Drabek noted it was presented it at their previous meeting to assign two commissioners per month to follow the City Council meetings and flag issues that were relevant to HCDC. Drabek said he followed the first September meeting fairly closely and from the one that was just a couple of days ago he jotted a few things down from the minutes but has not had a chance to watch the recording of the meeting. The issues he jotted down were things that were mostly relevant to Iowa Freedom Riders demands and the City Council's addressing those issues. He noted from the first September meeting, that the Council voted to eliminate one full time police officer role and establish in its place one full time victim service specialist role. The Council also deferred a resolution to purchase tasers. Council voted six to one to establish the Truth and Reconciliation Commission.

Lewis said she did review the agenda from the first meeting in September and didn't find that there was too much. She was also able to watch most of the recordings of the September 15 meeting where Council did review the affordable housing report. The City said their COVID crisis relief efforts are going to continue with Community Crisis Services, Shelter House and Center for Worker Justice and they're providing some additional money there for them. Council reviewed the report and really talked about increasing density in a variety of different neighborhoods and adopting some policy and implementing some South District Form Based Codes, which is what they had done with some of the current affordable housing issues and things done in the South District. At the end of the presentation there were a few questions about accessibility she thought were interesting. What she got from the discussion was at least one of the City Council members was really concerned about accessibility and there was some concern about families being able to access some of the COVID relief funds for either rental support or utility support. There was a proposal made to talk to the current three nonprofits (Community Crisis Services, Shelter House and Center for Worker Justice) to see what their needs were for additional staff to be boots on the ground, to actually go out and do some engagement among marginalized communities to really get people to go and apply for that relief. So the plan was for the City to approach those agencies to see what they would need as far as funding to be able to have someone who could dedicate their time to go out and engage those communities and try and get people the support that they need.

Lewis noted it may not be appropriate to bring this up now but in doing the agency visits, one of the agencies that she did visit today they discussed how the community is really supporting these neighborhood nests to support the school district for the online learning as well as when the hybrid learning would be in place. So if you don't know those would be places for kids to go to get some academic support for the times that their on the hybrid, that they're not in school, or even when they're on

their fully online classes, and they have those off days where it's kind of that unstructured time. So one of the things that she did find out today that Alexander Elementary, which is on the south side, has a pretty significant number of kids who are not engaged, have not enrolled or have not logged on and have not participated in online education. Therefore, there's a real need to have a neighborhood nest at Alexander Elementary and so she also found out that there have been some CDBG funding that went to a few agencies to support neighborhood nests, and wondering if HCDC wants to consider funding for a neighborhood nest at Alexander Elementary to really support that community. She acknowledged it's not directly related to housing, but when she did hear that some funding was used for other organizations to support some neighborhood nests it made her really think about whether or not they should really try to help the families and kids who are struggling in the southside neighborhoods, get some families and kids engaged in learning and really support them through this virtual time.

Vogel agrees that is great and thinks the first step would be for somebody who wants to do the nest or run with the program to come to the City and ask for funds. Does anyone know if the City has been contacted for assistance with something on that side of town or Alexander related? Kubly said they haven't heard from anyone specifically from Alexander, but if anyone happens to know contacts, they could make sure they're on the outreach list when they have their next funding availability and can reach out to them directly.

Lewis said that part of the coalition of a small group of individuals who's really pushing these neighborhood nests and working with organizations across Iowa City have reached out to Neighborhood Centers because Neighborhood Centers does a lot of after school care programs and some before school programs. They said they would be able to start right away and do a 12 week 8am to 3pm program at Alexander and really engage that neighborhood, it would cost around \$20,000 but they'd be able to start it right away. She can get back in touch with people that she had contact with if there's some interest in this Commission to helping support that community and kids during this really crazy time.

Vogel asked if they know what the school districts are doing regarding assisting with those funding such as using any of their empty buildings for this kind of situation. Does the City have some agreement or relationship with a shared space studio or what spaces would be available especially if the schools go back to hybrid in a week.

Drabek asked Kubly and Gabel about this and what would HCDC do to support something like this. Could it be part of the funding rounds in October. Right now, they have no pot of money in front of them. Kubly said an allocation that went to 4C's was part of the first allocation of CDBG-CV funds and is going towards that nest that's in partnership with Dream City so they do currently have some funds that are going towards that project. She doesn't have a lot of familiarity with the other locations or needs or the buildings that they're using. The City is working with the State to get the second allocation of CDBG-CV funds and that went to Council on Tuesday and was approved. They were planning to use a portion of that fund to do another competitive round for agencies so they'll get more applications from providers that are participating in this, including like Neighborhood Centers and maybe Four C's again for longer term funding. They could prioritize this type of project with that funding and can always bring that to HCDC.

Lewis asked if is that something that HCDC have to like and take a vote on. She is just concerned about the at-risk kids who within the first two weeks of school in elementary, haven't been engaged and aren't starting school online.

Kubly said she doesn't think it's necessary to vote on because one of the barriers that they'd be experiencing is just timing of receiving the State funds and actually be able to do the allocations and then get it out to agencies, it's probably going to be a month at the best, so it's not going to be the most immediate situation.

Lewis asked if there is something that they can recommend to Council as an action item to say as HCDC they're concerned and again, it doesn't have real relevance to the housing piece, but as a community trying to rally around what the school is, and the parents and the families are dealing with, and knowing

that there are some really high-risk kids and families that are not being engaged in education because of this, and what effects that will have on the community long term.

Kubly said they could write a letter to Council, she would say that right now the priorities for our CDBG-CV funding include childcare, which is the broader education, and the Nest could be lumped into that category.

Lewis said she appreciated that the funding is prioritized on childcare because the Nests fit into that, it's just that month timeframe for the funds is an issue and what would that look like depending on how things continue with a virtual versus going to the hybrid version. She would love to draft a letter for all of HCDC to review and then to send to Council. Drabek said anyone on the Commission can draft a letter whenever they want it doesn't guarantee that everyone will sign it, but anyone can draft one.

Kubly noted they can also individually send a letter anytime but if you want to do it on behalf of the Commission it should be voted on.

Lewis made a motion to send a letter on behalf of the Commission to request some more immediate funding to support nests. Keely seconded the motion.

Vogel said he is still somewhat unclear as to what the purpose letter would be aside from just telling the Council that they're behind the idea of if a group comes forward asking for money, that they're pro giving them money, but he is still hesitant to make a pro giving money stance and they don't know what organization or group or program is even looking at asking the Council for funding. He is absolutely behind the idea of providing these services and if they can help fund those services, they should but it seems like it's a tough thing to try to recommend the Council to take a positive direct action on something when they don't know what the positive direct action would be.

Lewis stated this specific request is for Alexander Elementary so the specific ask would be for Neighborhood Centers who would be willing and able to very quickly ramp up a neighborhood nest at Alexander Elementary, but they would need \$20,000 to do it. Now whether Neighborhood Centers needs to adopt and put forth a specific proposal is something different. Her reason for bringing it forth was she knew that other neighborhood nests received some funding from our funding sources and there's a real need at Alexander Elementary due to a high number of families and kids that are not engaged there.

Vogel asked what that does mean when they say they need \$20,000, do they have a space in mind already, do they know where they would go. Other than Alexander Elementary he can't think of anything else over there where that neighborhood nest would have as a space.

Lewis said she can explore to get more information and can just as a person, write a letter to the City Council based on what she finds out about what's happening in the community and they don't need to have a vote on it.

Lewis withdrawal her motion.

Gabel made a note that Vogel and Padron are looking at the October Council meetings.

CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT (CAPER) STATUS:

Drabek stated the next agenda item the yearly CAPERs status which they would normally be looking at but he believes City staff are going to update them and tell them that they're not going to look at that for a while. Gabel confirmed and said the update is basically it isn't happening yet because HUD issued a waiver to give the City 90 days from their normal due date because there's so much up in the air right now.

Vogel asked if staff could explain the CAPER to the newbies in the group. Kubly explained every year they do a report at the end of the fiscal year that outlines how they're meeting the goals that they identified in the Consolidated Plan, the Action Plan, the progress towards those goals and how they spend the money. It is a big overview of the year that is submitted to HUD. As part of that process, they'll do a 15-day public comment period and bring it to HCDC for approval before they send it on to HUD. The reason for the waiver is because they're getting additional funding that goes within that CAPER and can't close it out and move on.

Vogel asked what the difference between the Action Plan and City Steps. Kubly explained the Action Plan is the one that they do before the beginning of every year and the City Steps is the five-year Consolidated Plan which is a broader planning process.

REVIEW OF CITY STEPS (FIVE YEAR CONSOLIDATED PLAN) PRIORITIES:

Drabek stated next in the agenda packets is the list of priorities for the City Steps five-year Consolidated Plan, this is for an open discussion and to give feedback on those priorities to staff.

Kubly explained this is from the five-year Consolidated Plan and this Consolidated Plan just started in July. They did an amendment in May to include COVID related projects and now have that broad pandemic issue covered within the Consolidated Plan. This review is for if there are any changes in the community where they need to revise the priorities so they can fund projects to meet those needs.

Vogel asked then if this is a discussion just about priorities or solutions to satisfy those priorities? He asks because he has a litany of issues that are revolved around how they expand looking at things for solutions to these priorities. He read through the entire plan, and obviously the thing close and dear to his heart is expansion of affordable rental and owner housing options. The problem he sees is that there's stuff in there like how to expand it, how to make private rental investment landlords provide housing to affordable housing to HCV to 30 and 40 and 50 and 80% AMI. There's discussion in the Steps Plan about having a discussion and looking at waiving rental permits or waiving license fees and that kind of thing. However most of the Plan is still aimed at the concept of nonprofit organizations or very much wrapped up in the tax credit stuff. Riverfront Crossings got its own special way to figure out AMI, whereas they're doing the 80/30 rule for HUD and HCV and everything else, suddenly they're doing 40% AMI for Riverfront Crossings just to make those numbers work. Vogel reached out to Steve Rackis and he said out of 431 entities who got HCV payments last month 30 of them are government nonprofit or tax credit properties. That means 400 current providers of affordable housing in Iowa City that are taking HCV payments and providing affordable housing to clients fall into that private landlord private residential owner. So the vast majority of housing being provided through that HCV program is coming from people who own a duplex, own a couple duplexes, own a house that they rent out and he thinks it does the City a disservice when they're not including those people in the Steps Plan. They're not reaching out to those people when it comes time to reduce their costs, whether that is something like when they get the housing inspection for an HCV tenant that gets marked and their rental permit license for the next year is waived. In the last 10 years, they've seen housing rental permit costs go up some crazy number like 80%, they've gone from every two years to getting every year inspections and then those inspections are on top of the HCV inspections that rental property owners have when a new HCV tenant moves in for the first time. Vogel stated there is no discussion at all in any of the Steps Plan about accessory dwelling units, and it's been 12 years since HUD put out their first case study showing how accessory dwelling units help single and low income housing and especially elderly housing and senior housing, and to add those to existing properties, without major changes to zoning or major changes to building codes, etc. Vogel wonders how they get that discussion started with City building and City zoning and City housing inspection and all that to get some real world assistance to the people who do own property and do pay taxes. He also acknowledged talking about some of the taxing properties are getting tax breaks and aren't even paying the taxes that the rental property owners are and in Iowa City rental property owners, apartment owners, have seen 16% higher reassessments of property taxes in the last five years and all of those costs add up. When they're trying to get people into houses they can afford, especially older houses, those costs have to at some point find a happy spot where private investors can provide the

housing they want to provide without the incredible expensive costs that they have to give that nonprofits and community associations and community organizations aren't having to pay because they're getting access to grants and funds. His point is how do they get that conversation going with building and the other departments of the City to get a Steps Plan that actually incorporates all available possibilities and not just this very limited outlook of taking giant amounts of money and helping a smaller amount of people versus more of the direct housing needs that people in Iowa City.

Keeley added that one of the site visits that she did made her really think that the nonprofit organizations around the community, especially when it has to do with housing, are noting that so many of their families are just one crisis away from losing their house, from not being able to pay their bills, from just all out losing it all and having to look for alternative arrangements for themselves. The nonprofits are in the same boat, they're just one crisis away so how the Commission thinks about and uses their recommendations to the City Council is important. With everything that is happening right now, in the middle of COVID crisis, how do they think forward to the future to allow the City, the organizations and the families to think beyond just that one step away from a crisis to really getting to be sustainable. They really need to begin taking some good steps forward enacting some significant changes for the community and the families that they serve. In meeting with one of the agencies she asked them what they needed from the Commission their answer was to start thinking long term, help them get past just thinking one day at a time, one paycheck at a time, one budget cycle at a time and help them really get to be in a sustainable place.

PROPOSED POLICY CHANGES TO 2016 EQUAL ACCESS RULING:

Drabek said the next item in the packet was a letter they're considering opposing HUDs policy changes around gender. This was brought to the attention of the Commission last month, the HUD change is to eliminating protections for transgender people.

The commissioners stated they support the letter that was in the agenda packet.

Vogel moved to support opposing proposed changes to the 2016 Equal Access Ruling by sending letter to the U.S. Department of Housing and Urban Development on behalf of HCDC. Lewis seconded the motion; a vote was taken and the motion passed 5-0.

COORDINATION OF JOINT FUNDING APPLICATION PROCESS:

Kubly stated when Padron put this item on the agenda she did not know if she'd be able to draft a letter by this meeting, so she was just going to give a general update, but yesterday she was able to send that letter through. Kubly said her plan is to submit that letter tomorrow with the minutes from the last meeting, but Council won't meet again until October 6.

HOUSING & COMMUNITY DEVELOPMENT INFORMATION:

Kubly gave an update on the CDBG-CV funds. They've got their first allocation out and agreements in place with some of the agencies that have been awarded funds and are working through some of the nuances with other agencies. They also got a second allocation of \$686,000 in CDBG-CV funds, but it was through the State and that went to Council this week for approval. They are planning to do the same thing with this money, 60% will go to Community to do emergency housing assistance, and then 40% will go to the agency allocation round so people will be able to apply for those funds. They also found out last week that they're getting a third allocation of Cares Act CDBG money and that will be \$424,000.

Keeley asked for the additional 40% that they're going to allocate to agencies of that \$686,000 that's not the same as the amount that was already funded, this is new, so it would be in addition to what they would already get as legacy agency funding. Kubly said it's not legacy funding, it is Cares Act money, so

they did an allocation maybe a month ago and agencies applied. Things like the 4C's nest project was one that got funded. With this new funding they will be able to apply for new projects or additional funding for the same projects. She added they do not know of any future monies from a future Cares Act, there is word of a potential new Cares Act that keeps going in and out of the news but there's no information at this point.

Gabel pointed out the last thing in the packet was the 21-day Equity Challenge. The City Manager's office asked staff to send that out to all of boards and commissions.

Gabel concluded by saying at the next meeting on the agenda they will be discussing CDBG projects without agreements.

ADJOURNMENT:

Vogel moved to adjourn. Kealey seconded the motion and a vote was taken and the motion passed 5-0.

**Housing and Community
 Development Commission
 Attendance Record 2020-2021**

Name	Terms Exp.	7/16	8/20	9/17								
Aguilar, Peggy	6/30/22	O/E	X	X								
Alter, Megan	6/30/21	X	X	O/E								
Drabek, Matt	6/30/22	X	X	X								
Kealey, Lyn Dee Hook	6/30/22	X	X	X								
Lewis, Thersea	6/30/23	X	X	X								
Mohammed, Nsar	6/30/23	X	X	O/E								
Nkumu, Peter	6/30/22	O/E	X	O/E								
Padron, Maria	6/30/21	X	X	O/E								
Vogel, Kyle	6/30/23	X	X	X								

- Resigned from Commission

Key:

- X = Present
- O = Absent
- O/E = Absent/Excused
- = Vacant



CITY OF IOWA CITY MEMORANDUM

IP3

Late Handouts Distributed

Date: September 8, 2020
 To: Geoff Fruin, City Manager
 From: Tracy Hightshoe, Neighborhood and Development Services Director
 Re: **FY20 Affordable Housing Year-End Report (Revised 9/14/2020)**

9-14-20

(Date)

The purpose of this report is to provide the City Council and public a report on the City's affordable housing efforts over the last fiscal year. The City's Consolidated Plan for Housing, Jobs and Services for Low-Moderate Income Residents (a.k.a. CITY STEPS) outlines how the City will spend its federal dollars for affordable housing over a five-year period. FY20 represents the last year of the 2016-2020 CITY STEPS plan. In addition to the federal dollars received, the City annually allocates general fund dollars to support our Affordable Housing Action Plan through the Affordable Housing Fund and separate allocations. The City Council reviewed and approved the distribution of these funds in June of 2016 and then revised in July of 2019, after a review of the City's housing programs and initiatives.

The City aims to meet the following overlying goals through actions identified in the City's Consolidated Plan and Affordable Housing Action Plan:

- 1) Invest City and federal CDBG/HOME funds to create and/or preserve affordable homes, both rental and owner-occupied housing;
- 2) Support our most vulnerable residents, especially those experiencing homelessness or at risk of homelessness, maintain safe, affordable housing;
- 3) Ensure equitable growth for all Iowa City residents and minimize displacement; and
- 4) Support innovation in housing and streamline processes.

The City of Iowa City, with its funding partners, made over \$12.4 million available for affordable housing in FY20. Of this figure, over \$12 million was spent to create and/or assist 1,780 households/units of affordable housing. To avoid duplication of units, beneficiary data for assisted units are typically reported in the year they are completed as often housing projects can take multiple years to complete. The HOME program allows housing projects to take up to five years to complete.

FY20 Affordable Housing Highlights:

- Completed two Low Income Housing Tax Credit (LIHTC) projects with a total of 61 affordable units for those under 60% median income. Eight of the units are affordable to those at 30% median income and 16 are affordable to those at 40% median income. Total projects costs were estimated at over \$14.2 million.
- Established a security deposit program with CommUnity Crisis Services to assist those under 50% of median income secure permanent housing. 31 households served since February 2020.
- Established eviction/foreclosure prevention programs to assist residents under 80% of area median income financially impacted by COVID-19 maintain their existing housing.
- First vacant lot purchased with Opportunity Funds (former land banking funds) in the Lindemann Subdivision, Part 8. The lot is designed for six townhouse units. The land will be held by the City for a future affordable housing project.

- Completed the first two homes of the South District program and sold to neighborhood residents under 50% of median income. Both buyers were able to acquire the homes with estimated monthly housing costs (mortgage, insurance and taxes) of approximately \$510. The Fair Market Rent in Iowa City for a two-bedroom unit is \$1,011.
- Initiated a partnership with Iowa Valley Habitat for Humanity to market, leverage rehabilitation funds and work with interested households in the South District to qualify for 30-year mortgages under the South District Program.
- The City's owner-occupied CDBG/HOME and GRIP programs rehabilitated 30 homes with an investment of over \$509,000 to preserve our affordable housing stock.
- Nine HOME projects were completed that assisted 28 units and 29 households.
- 78 new mainstream vouchers issued from HUD to the Iowa City Housing Authority for those experiencing chronic homelessness with a disabling condition. Leasing started in March 2020.
- The Riverfront Crossings Affordable Housing Requirement and Tax Increment Financing (TIF) residential projects have produced 66 affordable units under at least a 10-year compliance period. TIF requires 20 years.
- Completed the Analysis of Impediments to Fair Housing Choice. The study identified the impediments to fair housing choice in our community and outlined recommendations to address each barrier. (www.icgov.org/actionplan).

The Affordable Housing Fund

At the end of FY20, unspent funds that are not allocated to certain projects are carried over to the subsequent year. Prior to July 2019, the City allocated 25% of the Affordable Housing Fund to land banking activities. In FY20 the City spent \$204,000 to purchase Lot 10 in the Lindemann Subdivision, Part 8, for the future construction of six townhomes. It is hoped the City can work with a developer to combine this lot with additional vacant lots for a future scattered site Low Income Housing Tax Credit Project (LIHTC) for families.

After July 2019, the Council combined this fund with the Opportunity Fund and the amount allocated to various programs and purposes was changed. At the end of FY20, there is \$595,000 available in this fund for land acquisition or various housing opportunities. The City is actively working with property owners to acquire additional land.

The City allocates 50% of the Affordable Housing Fund to the Housing Trust Fund of Johnson County (HTFJC) for affordable housing activities. In FY20 they received \$500,000. \$182,046 was spent. The remainder was allocated to the Nex Senior LIHTC project. As the project was not able to secure Low Income Housing Tax Credit (LIHTC) funds from the Iowa Finance Authority (IFA), HTFJC recently repurposed the balance of FY20 funds (\$317,954) to the Shelter House Cross Park Place 2.0 project. Shelter House successfully applied for and received another \$2.7 million award from IFA in August 2020 to develop a second "Housing First" 36-unit project providing permanent supportive housing for homeless individuals/households with a disabling condition.

The estimated total project cost is \$6.3 million. The funds will be used for project construction which is anticipated to start in spring 2021. Much like Cross Park Place, the newly approved project will be able to receive project-based vouchers due to the set-aside the City Council established in 2018 for permanent supportive housing projects for persons who are chronically homeless with a disabling condition.

Project based vouchers are important to these types of developments as they provide a reliable source of ongoing rental revenue to the owner. The household pays an established amount to the owner (typically approximately 30% of their monthly income) and the Housing Authority pays the balance of rent due to the owner. Cash flow for this specific property will also be improved through the use of project-based vouchers as Shelter House will be able to charge 100% of the Fair Market Rent for one-bedroom units as opposed to someone who has a tenant-based voucher limited by the rents established by the National Housing Trust Fund. Those rents are approximately 45% less than our Fair Market Rent.

\$200,000 was allocated to HTFJC for LIHTC projects. No projects in Iowa City were awarded funds in FY20. Administrative funds, up to 5%, are paid to conduct the application process and the monitoring of previously awarded projects. \$190,000 is carried forward to the FY21 LIHTC funding round. Applications are typically due to IFA in the fall each year. The City anticipates another Iowa City based application to apply for these funds in the next funding round.

The Healthy Homes and Landlord Risk Mitigation initiatives did not spend City funds in FY20. The City received a grant for the Healthy Homes program through the Housing Trust Fund of Johnson County that expires in October 2020. The City utilized these funds for the eight applications received for assistance. The City is working with the Johnson County Local Homeless Coordinating Board (LHCB) to establish a landlord risk mitigation program. No funds were spent in FY20 and this has been delayed due to COVID relief efforts. The City will continue to work with the LHCB to establish a fund in FY21. The FY20 unspent funds from these two initiatives are placed in the Opportunity Fund at the end of the fiscal year. These funds will be applied to future land acquisitions or other affordable housing efforts as designated by City Council.

Housing Rehabilitation Programs

In FY20 the City completed 30 owner-occupied housing rehabilitation projects through the CDBG, HOME and GRIP programs. Seven of those projects were housing rehabilitation grants for mobile home owners. Housing rehabilitation staff has focused on incorporating sustainable building features into projects and partners with Green Iowa AmeriCorps to complete free home energy audits prior to determining the scope of the rehabilitation project. The HOME program recently expanded to include single-family and duplex rental properties, but no applications have been received to-date.

The first South District Program homes were renovated and sold in FY20 at 1232-1234 Sandusky. Staff incorporated several sustainable improvements into the project such as solar panels, spray foam insulation, landscaping and trees, long life-cycle flooring, new windows and doors, and Energy Star rated appliances. The homebuyers were current residents of the South District neighborhood who had rented in the neighborhood for a combined total of 21 years.

The UniverCity program continued this year with additional rehabilitation of a duplex property at 520 N. Dodge Street. The property is now available for sale. There is a one-bedroom unit on the first level and an efficiency unit on the second level. A buyer would have the opportunity to live in one unit and rent out the other, or because the home is in a neighborhood commercial zone, the owner could have a neighborhood business on the first floor. 322 Douglass Court was also purchased for the UniverCity program in FY20 and is currently under renovation. A total of 68 homes, with an investment of over \$3 million in rehabilitation, have been renovated and sold through the program since 2011.

CDBG and HOME Housing Projects

FY20 marked the completion of a HOME Tenant-Based Rent Assistance (TBRA) program administered by the Iowa City Housing Authority, which provided rent assistance over a period of four years to a total of 29 households. HOME rental rehabilitation projects were completed by Successful Living and the Housing Fellowship serving five persons with disabilities and four other households under 60% AMI. Three affordable properties were acquired with HOME assistance by Mayor’s Youth Empowerment Program (MYEP) and Successful Living which provide housing for 11 persons with disabilities. Shelter House used HOME funding for the acquisition of permanent supportive housing that serves five individuals. Habitat for Humanity acquired, constructed and sold three homes.

In FY20 the City was also able to secure a waiver from HUD to increase the Community Housing Development Organization (CHDO) operating funds for the Housing Fellowship from \$22,000 to \$48,000 to maintain staffing levels during the pandemic as they experienced a substantial drop in rental income. This increase in operational funds will continue for FY21.

Riverfront Crossings Affordable Housing Requirement & Tax Increment Financing

In June 2016 the City adopted an affordable housing requirement in the Riverfront Crossings District where new developments zoned Riverfront Crossings with more than 10 units must provide affordable housing equivalent to 10% of the total units in the development. At the end of FY20, this requirement had created 42 affordable rental units to those at or under 60% of median income.

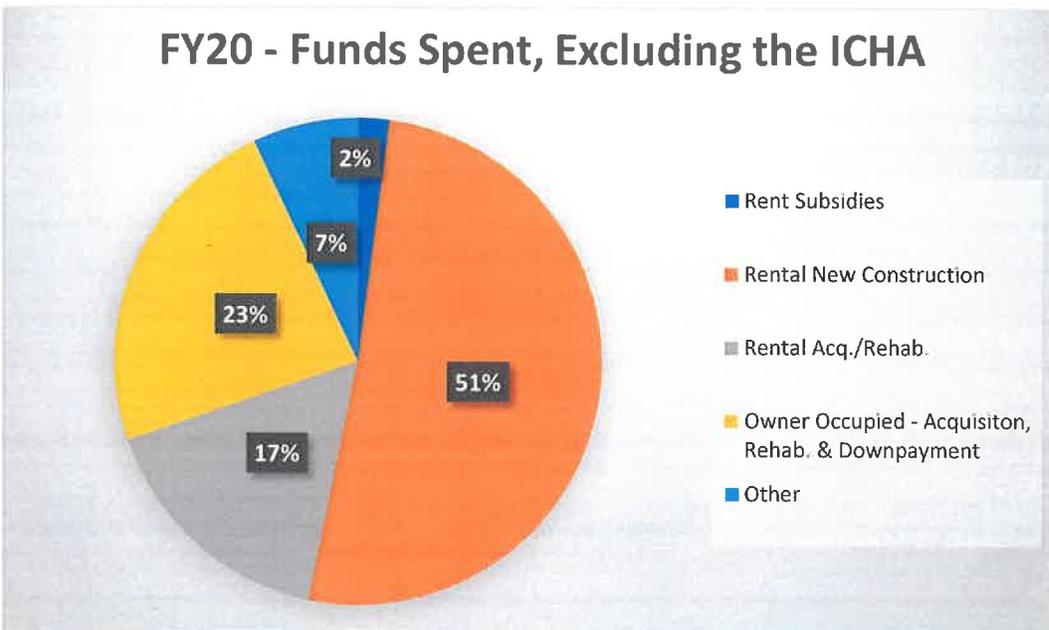
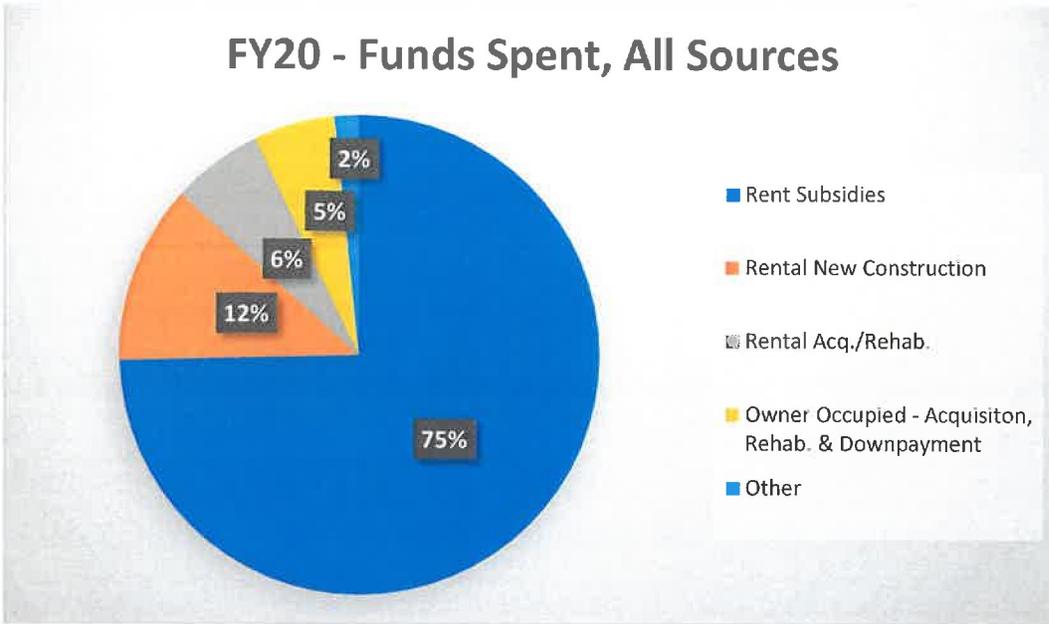
Developers may also pay a fee-in-lieu per unit if they don’t provide on-site units. To date the City has received \$756,244 in fee-in-lieu payments for five units, plus repayment for a non-compliance issue. These funds are available for affordable housing opportunities within the Riverfront Crossings District.

Tax increment financing supported the creation of 24 additional affordable rental units that are within their compliance period during FY20. The Rise also committed to 33 units of affordable housing in perpetuity due to a local requirement to purchase the property in the Riverfront Crossing District.

Summary of Balances Carried Over to FY21 Available for Allocation:

Fund/Source	Amount Carried over to FY21	Note:
Opportunity Fund (Former Land Banking Fund)	\$595,000	
Low Income Housing Tax Credits	\$190,000	Administered through the Housing Trust Fund. \$380,000 available for the FY21 LIHTC funding round.
Riverfront Crossings Fee in Lieu Payments	\$756,244	May only be used in the Riverfront Crossings District.
ICHA Affordable Housing Fund	\$420,000	Reserved for the development/acquisition of low-income replacement housing units.
Total:	\$1,961,244	

For reference the following pie charts demonstrate the percentage of FY20 funds spent by funding category:



The City will continue our affordable housing efforts in FY21. The focus in FY21 will be to support our COVID19 response to enable low income residents (under 80% AMI) to maintain their existing housing and create and implement those regulatory changes that provide a diversity of housing in all the City's neighborhoods. The City hopes to approve and implement the South District Form Based Code in the fall of 2020, amend the Riverfront Crossing Form Based Code and initiate a Comprehensive Plan amendment that will encourage more density and a diversity of housing in low density single family residential zones.

The City will continue to support our COVID housing relief efforts with contracts entered or initiated at the end of FY20 and start of FY21 with CommUnity Crisis Services, Shelter House and the Center for Worker Justice. The City Council recently gave the City Manager authority to increase funding to these programs administratively, up to 1.5 times the original allocation, when needed.

The attached spreadsheet outlines the programs, projects and initiatives created or supported in FY20 under their most relevant goal. Many of the projects serve more than one goal but are only reported in one location.

City staff will be present at your September 15 work session to review the City's affordable housing efforts and to answer questions.

City of Iowa City Affordable Housing - FY20 Year End Report (Revised 9/14/2020)

Total Funds Available for Affordable Housing in FY20:	\$12,460,316
Total Funds Spent in FY20:	\$12,006,773
Number of Affordable Rental Units/Households Created or Assisted*:	1,745
Number of Owner-Occupied Units Created or Assisted*:	35

*Reports units completed in FY20 with FY20 or prior year funds

Affordable Housing Goals:
1) Invest City and federal CDBG/HOME funds to create and/or preserve affordable homes, both rental and owner-occupied housing;
2) Support our most vulnerable residents, especially those experiencing homelessness or at risk of homelessness, maintain safe, affordable housing;
3) Ensure equitable growth for all Iowa City residents and minimize displacement; and
4) Support innovation in housing and streamline processes

1) Invest City and federal CDBG/HOME funds to create and/or preserve affordable homes, both rental and owner-occupied housing.

FY20 City of Iowa City Affordable Housing Fund (\$1,000,000). \$650,000 - \$1,000,000 allocated annually

Action Plan #5. City Council approved annual distribution formula, revised July 2019:

Project Name	City General Funds, Distribution Formula:	Project Type	Funds Allocated	Project Status	Funds Leveraged	Households/ Units Assisted	Income Level Assisted	FY20 Funds Spent	Notes/Status
Housing Trust Fund Annual Contribution	Affordable Housing Fund (50%)	Various	\$500,000	Multiple	\$12,675,777	61	Less than 60% AMI	\$500,000	Staff reports completed projects in FY20 that utilized FY20 or prior year funding. Del Ray and Nex Apartments, LIHTC projects (new construction) were completed in FY20. HTFJC allocated a total of \$1,575,000 to these two projects. Received FY17-20 General allocation & LIHTC set-aside funds. In FY20, the HTFJC spent \$182,046 in funds. Due to the inability of Nex Senior to proceed, the remaining FY20 funds are reallocated to the Shelter House CPP 2.0 project.
LIHTC Annual Allocation	Affordable Housing Fund (20%)	Affordable Rental	\$200,000	Deferred	\$0	0	NA	\$10,000	Nex Senior, LIHTC application, not funded by the Iowa Finance Authority (IFA) as of 8/2020. Funds carried over to next IFA funding round. HTFJC authorized 5% for administrative fees. HTFJC receives remaining funds when eligible project proceeds.
Opportunity Fund	Affordable Housing Fund (7.5%)	Various	\$75,000	Multiple	NA	72	Less than 80% AMI	\$41,500	Houses into Homes: \$15,000, Signed agreement 1/29/2020 Center for Worker Justice - COVID Relief. \$25,000, Signed agreement 7/28/2020. Beneficiaries to be reported in FY21. Shelter House Eviction Prevention \$50,000 (FY20 - \$35,000, FY21 - \$15,000) Signed agreement 6/8/2020. Beneficiaries to be reported in FY21. August 2020, approved a \$5,000 grant for Forest View to weatherize mobile homes for the winter.
Healthy Homes	Affordable Housing Fund (7.5%)	Housing Rehab	\$75,000	Obtained HTFJC Grant	\$0	0	Less than 80% AMI	\$0	To date, assisted 6 homes under the grant with HTFJC. HTFJC grant expires 10-2020. Two remaining homes to be completed with HTFJC funds before expiration date. Assessments were on hold due to COVID, resuming inspections/assessments. Beneficiaries to be reported in FY21.
Security Deposit Assistance	Affordable Housing Fund (7%)	Rental Assistance	\$70,000	Ongoing	NA	31	Under 50% AMI	\$27,855	Contract with CommUnity signed 2/2020. CommUnity estimates spending all FY20 funds by 12/20. Will then enter FY21 contract.
Landlord Risk Mitigation	Affordable Housing Fund (3%)	Rental Assistance	\$30,000	Ongoing	NA	NA	NA	\$0	Unspent funds not committed at the end of the fiscal year go into the Opportunity Fund. Staff continuing to work with Johnson County Local Homeless Coordinating Board in FY21 to establish.
Emergent Situations	Affordable Housing Fund (5%)	Various	\$50,000	Completed	NA	8	NA	\$2,135	Funds utilized for remaining Hawkeye Trailer Park relocation expenses. Total of \$17,557 spent in FY19/20. Balance goes into Opportunity Fund/Prior Land Banking Fund.
			\$1,000,000		\$12,675,777	172		\$581,490	

FY20 CDBG-CV Funds - One time allocation through the CARES Act for COVID relief

Project Name	Funding Source	Project Type	Funds Allocated	Project Status	Households/ Units Assisted	Income Level Assisted	Notes/Status
Eviction/Foreclosure Prevention Program - City	CARES Act Funding (COVID)	Emergency Housing Payments	\$246,000	Starts FY21	0	Under 80% MI	CommUnity Crisis Services awarded contract on 7/14/2020
Eviction/Foreclosure Prevention Program - IEDA	CARES Act Funding (COVID)	Emergency Housing Payments	\$370,000	Starts FY21	0	Under 80% MI	Allocated funds through State - \$686,610 60% allocated to eviction/foreclosure prevention. Program to start in FY21.

FY20 Housing Rehabilitation Projects Completed

Action Plan #1. Continue to fund existing housing programs.

Project Name	Funding Source	Project Type	Funds Allocated	FY20 Funds Spent	# Units Rehabilitated	Notes/Status
GRIP	Local Funds	Owner-occupied Rehab	\$200,000	\$158,447	10	Must be under 110% AMI. Assessments stopped temporarily in FY20 due to COVID.
South District	Local Funds/HOME	Homeownership	\$140,000	\$120,000	2	First two program homeowners were under 50% AMI. (\$70,000 Rehab - General Fund, \$50,000 Downpayment -HOME). Two homes currently under renovations - to be reported when sold. (No FY20 HOME funds budgeted. \$94,000 in FY21 HOME funds for downpayment assistance to assist 4 households budgeted.)
UniverCity	Local Funds	Homeownership	\$60,000	\$60,357	-	520 N. Dodge available for sale, 322 Douglas Court currently under renovations. Beneficiaries reported when homes are sold. Funds spent include prior year funds allocated for 520 N. Dodge.
HOME Owner-occupied Rehab & Rental Rehab.	HOME	Owner-occupied/Rental Rehab	\$90,000	\$107,716	4	Rental rehab. of single family/duplex properties in targeted neighborhoods eligible; no applications received. 4 completed projects, 3 underway. Includes prior year funds for completed/ongoing projects spent in FY20.
CDBG Owner-occupied Rehab	CDBG	Owner-occupied Rehab	\$235,000	\$243,447	16	Administratively approved - includes unspent funds from FY19. 16 homes completed in FY20.
			\$725,000	\$689,967	32	

FY20 CDBG/HOME Housing Projects (Beneficiaries and funds leveraged reported when project is completed & closed in HUD's reporting system)

Project Name	Funding Source	Project Type	FY20 Funds Spent	Funds Leveraged	Households/ Units Assisted	Notes/Status
MYEP Acquisition - 1507 Spruce	HOME	Affordable Rental	\$0	\$140,605	3	Project closed in FY20.
Successful Living Acquisition - 500 2nd Ave.	HOME	Affordable Rental	\$0	\$126,330	5	Project closed in FY20.
Successful Living Acq. - 3234 Friendship	HOME	Affordable Rental	\$0	\$146,176	3	Project closed in FY20.
FY18 Housing Fellowship Rental Rehab	HOME	Affordable Rental	\$25,254	\$29,343	4	
FY18 Successful Living Rehab	HOME	Affordable Rental	\$5,799	\$21,120	5	
FY20 Shelter House Acquisition 15 Wakefield	HOME	Affordable Rental	\$94,000	\$163,884	5	
FY17 ICHA TBRA	HOME	Rental Subsidies	\$63,563	\$109,509	29	
FY20 The Housing Fellowship	HOME	CHDO Operating	\$48,000	NA	NA	
FY18 Habitat Acquisition -2629 Blazing Star	HOME	Homeownership	\$5,000	\$193,000	1	
FY19 Habitat - 2764/2774 Blazing Star	HOME	Homeownership	\$20,000	\$374,297	2	
Projects Underway - Not completed	HOME	Affordable Rental	\$383,731	NA	NA	Projects underway for the following: Successful Living and Mayor's Youth Empowerment Program
HOME Administration	HOME	Administration	\$86,610	NA	NA	
			\$731,957	\$1,304,264	57	

2) Support our most vulnerable residents, especially those experiencing homelessness or at risk of homelessness, maintain safe, affordable housing

ICHA Programs, Calendar Year 2019

The jurisdiction of the ICHA includes the following Counties: Johnson, Iowa and Washington (north of Hwy 92, but not within Washington City limits), unless noted.

Project/Program Name	Project Type	Vouchers Authorized	ICHA Owned & Managed Units	Households Assisted	CY19 Funds Spent	Income Limits	Notes
Housing Choice Vouchers	Affordable Rental	1,215	NA	1,253	\$9,023,593	Under 50% AMI	57% of all assisted households were elderly and/or disabled. 49% were working families. Less than 1% of assisted households report Family Investment Program (FIP) as their sole source of income. Note: head of household can earn income and have a disabled spouse - the household would be counted both as a working household & a disabled household. Totals include Cross Park Place Project Based Vouchers (PBV).
VASH Vouchers (reserved for veterans)	Affordable Rental	83	NA	82	\$330,016	Under 50% AMI	
HUD Mainstream Vouchers (chronically homeless with a disabling condition)	Affordable Rental	0	NA	0	\$0	Under 50% AMI	ICHA reports on a calendar year. 78 new vouchers authorized in CY20. Leasing started in March 2020. Beneficiaries & funds reported in CY20.

Public Housing	Affordable Rental	NA	81	75	\$649,750	Under 80% AMI	All units in Iowa City. Funds spent includes HUD rent subsidies and maintenance/repair of units. HUD counts Units Months Available (UMA), so due to turnover and/or standard repairs, this value is 75 units under lease per month over CY19. 3 units were offline for major repairs. Includes \$303,689 spent for maintenance, repair and rehab.
Other - Affordable Housing Under ICHA Management	Affordable Rental	NA	10	10	N/A	Under 80% AMI	All units in Iowa City.
		1,298	91	1,420	\$10,003,359		

3) Ensure equitable growth for all Iowa City residents and minimize displacement

FY20 TIF & RFC Affordable Housing Requirements under Compliance Period

Project Name	Policy	Project Type	Units Underway	Units under Compliance	Fee-in-Lieu Paid	AMI	Rent Limit	Compliance Period	Notes/Status
The Rise - 435 S. Linn	Local requirement	Affordable Rental	-	33	-	80%	HOME FMR	In perpetuity	
Orchard Court Lofts - 627 Orchard Ct	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
Dubuque St Apartments - 620 S. Dubuque	RFC - Zoning requirement	Affordable Rental	-	5	\$28,396	60%	HOME FMR	10 years	Fee for 4 units out of compliance for one year.
1301 Gilbert Street	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
The Edge - 314 S. Clinton St	TIF & RFC Zoning requirement	Affordable Rental	1	1	\$323,488	60%	HOME FMR	20 years	FIL for 4 units
Breckenridge - 707 S. Dubuque St	RFC - Zoning requirement	NA	-	-	\$404,360	-	-	-	FIL for 5 units
Del Ray Ridge - 628 S. Dubuque St	RFC - Zoning requirement	Affordable Rental	-	3	-	60%	HOME FMR	10 years	
1131 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
1121 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
1141 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
1201 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
225 E. Prentiss	RFC - Zoning requirement	Affordable Rental	5	-	-	60%	HOME FMR	10 years	
Riverview West - 629 S. Riverside Dr	TIF	Affordable Rental	-	12	-	120%	120% HOME FMR	10 years	
Augusta Place - 20 S. Gilbert	TIF	Affordable Rental	-	-	NA	80%	HOME FMR	In perpetuity	6 Units purchased in July 2020, ICHA will operate as affordable housing.
Augusta Place - 104 Westside Dr (offsite units)	TIF	Affordable Rental	-	12	NA	60%	Based on 40% AMI, Developer pays utilities	20 years	Compliance started 8/1/2019.
The Chauncey	TIF	Affordable Rental	-	-	NA	80%	30% of Income	In perpetuity	5 Units purchased 8/2020, will be added to Public Housing Program
				99	\$756,244				

FY20 Misc. Action Plan Initiatives

Project/Program Name	Council Approved:	Project Type	Units Created	Fee-In-Lieu Paid	AMI	Rent Limits	Notes:
Action Plan #7. Annexation Policy - 10% of units in residential developments affordable	7/17/2018	TBD	0	\$0	TBD	TBD	Community View annexed off American Legion Road in FY20. CZA signed. Affordable housing agreement not required until building permit issuance.
Action Plan #8. Consider TIF to support residential development. First agreement: Foster Road TIF Residential Development Agreement	7/17/2018	TBD	-	-	-	-	Estimated to generate over \$2-3 million for affordable housing over 10 years.
Action Plan #12. Create tax exemption/abatement policy to support affordable rental housing	10/1/2019	Affordable Rental - New Construction	0	\$0	Less than 40% AMI	AMI, minus tenant paid utilities	No applications received to date. Requires at least 15% of total units leased to eligible tenants to receive a 40% tax exemption on all units in a new residential development with 6 or more units for 10 years.
Action Plan #14. Minimize tenant displacement	10/3/2017	Major Site Plans	NA 0	NA	NA	NA	Requires Council approval when 12 or more households will be displaced and no rezoning needed. Requires a transition plan to better inform tenants and the public. Policy not triggered in FY20.

4) Support innovation in housing and streamline processes

Action Step:	Program	Estimated TimeLine	Notes:
Action Plan #9. Consider regulatory changes. Review processes/fees, etc. to support affordable housing.	Policy Review (NDS, Public Works, Parks & Rec, Legal)	Fall 2020	Received HBA and JC Affordable Homes Coalition input. Reviewing changes. (Remaining task out of the original 15 Affordable Housing Action Goals)
Action Plan #9. Consider regulatory changes. Review zoning code to increase density/diversity in all single family/low density residential zones (support missing middle housing)	South District Form Based Code	Implement Fall 2020	Will pursue FBC in all outlying greenfield developments.
Action Plan #9. Consider regulatory changes. Review zoning code to increase density/diversity in all single family/low density residential zones (support	Comprehensive Plan Amendment	8-10 month process	Enable more dense and/or more diverse housing in all residential zones (particularly low density residential zones outside of historic districts)
Action Plan #15. Rent abatement for emergency orders when vacation is not necessary.	Rental permit units	Completed 10/3/2017	No emergency orders issued in FY20.
Acquire land for future affordable housing opportunities (Opportunity Fund - former Land Banking Fund)	Land Banking (now Opportunity Fund)	Ongoing	Purchased first property in FY20. Lot 10, Lindemann Subdivision, Part 8 for the future construction of 6 townhomes.
Incorporate Sustainability/Climate Action in our rehabilitation programs	All City housing rehabilitation programs	Completed, July 2019	See below for measures incorporated.
Support unique housing solutions for special populations through zoning and/or financial support.	FUSE Housing First Program	7/5/2016 Approved Long Term Housing Use Zoning, Approved voucher set-aside for FUSE 10/2/2018	ICHA allows up to 5% of ICHA vouchers to be used for permanent supportive housing for persons who are chronically homeless with a disabling condition. Project based vouchers issued to Cross Park Place. 8/2020 Shelter House awarded \$2.7 million from IFA for another FUSE Housing First property (similar to Cross Park Place). Project eligible for this voucher set-aside.

Changes approved after City Council review in July 2019:

1) Revised the Distribution Formula for City funds.
2) The Housing and Community Development Commission (HCDC) altered the preference criteria for CDBG/HOME housing projects to encourage applications serving lower income households.
3) Reduced the equity requirements for CDBG emergency rehabilitation projects, such as a broken furnace in the winter or a non-functioning water heater, to enable those that may not be able to proceed to be eligible for the program.
4) Due to the high cost of acquisition and new construction, HCDC altered the preference/evaluation criteria to support those CDBG/HOME rental applications that leverage significant dollars from non-City sources, such as Low-Income Housing Tax Credit projects. The acquisition or construction of SRO or group housing would remain supported due to the lower average public investment per assisted unit and to increase the supply of accessible homes in our community.
5) Removed the Housing Trust Fund of Johnson County (HTF) from the competitive Aid to Agency process and moved it to a contractual relationship where the HTF uses 5% of the funds allocated to them through the Affordable Housing Fund for administrative expenses. They will remain as a "Legacy Agency" in City Steps 2025 in case they do not get funded or funded at levels lower than their past funding awards in subsequent years through the Affordable Housing Fund.

Incorporated the following energy efficiency and health/safety measures into our housing programs:

1) All housing rehabilitation projects must complete a free home energy audit by Green Iowa AmeriCorps staff prior to funding approval. The audit measures the level of air coming into the home and provides basic weatherization, if necessary, to reduce air leaks. During the audit, participants receive LED light bulbs, low flow aerators in kitchen and bathrooms, pipe insulation for the water heater, taping of ducts in basement, and extra weatherization based on the results of the blower door test.
2) Expanded housing rehabilitation activities to include landscaping (tree planting) and grading for stormwater management, as needed, as part of a rehabilitation project.
3) The HOME owner-occupied housing rehabilitation program, with up to \$90,000 available annually, is now eligible to landlords of rental housing leasing to tenants with incomes at or below 60% of median income. Landlords are eligible for grants for radon testing and mitigation, if necessary, as part of their rehabilitation project.
4) The Neighborhood Improvements set-aside in the CDBG program was converted to a Neighborhood-Based Climate Action set-aside to encourage sustainable, energy efficiency initiatives in our neighborhoods with a higher number of lower income households.
5) Adopted our first radon ordinance, effective July 1, 2021, that requires radon testing, and mitigation, if necessary, to obtain or maintain a rental permit for single family detached or duplex homes.

CDBG and HOME Consolidated Policies

II. Unsuccessful and Delayed Projects

HCDC recognizes that from time to time, there may be CDBG and/or HOME projects that do not meet the anticipated schedule for implementation as presented to HCDC. These circumstances may be due to unforeseen events (e.g. unfunded applications for other financing). The following process helps ensure subrecipients use their funds in a timely manner.

1. All CDBG projects carried out by subrecipients will have entered into a formal agreement with the City of Iowa City for the utilization of funds by September 30 each year. Should a subrecipient fail to meet this schedule, the project will be reviewed by HCDC to evaluate if extenuating circumstances exist. If extenuating circumstances exist and it is anticipated the project will proceed, a new timeline will be established for the project. If circumstances do not warrant an extension of time, HCDC may recommend the recapture and re-use of the funds to the City Council.
2. All CDBG projects (except applicants for Low Income Housing Tax Credits) carried out by subrecipients will have expended a minimum of fifty percent (50%) of the assistance provided for the proposed project by March 15 each year. This provides the subrecipient with approximately 255 days following the start of the fiscal year to reach this threshold for CDBG projects. Should a recipient fail to meet this threshold, the project will be reviewed by HCDC to evaluate the timeliness of the project and its ability to proceed. If extenuating circumstances exist, a new timeline for expenditure will be established. If circumstances do not warrant an extension of time, HCDC may recommend the recapture and reuse of the funds to City Council.
3. All HOME projects carried out by subrecipients will have entered into a formal agreement with the City of Iowa City within two years of award (24 months). All HOME funds must be spent within five years. Should a subrecipient fail to show adequate progress towards meeting the schedule as identified in its application or the statutory requirements of the HOME program, the project will be reviewed by HCDC. If a HOME recipient is unsuccessful in obtaining funds identified in the application, HCDC will review the project and determine its viability without the proposed funds. HCDC may recommend the recapture and reuse of the funds to City Council.

EXHIBIT A
FY20 Annual Action Plan
Substantial Amendment #2
October 20, 2020

In light of the ongoing severity of the COVID-19 pandemic, Iowa City is interested in making CDBG funding available to program eligible projects and activities. A high priority has been placed on funding for special economic development assistance to businesses, public facilities (new, expanded, retrofitted, etc.), and public services and/or planning (in some limited cases) that would prevent, prepare for and respond to the impact of the pandemic.

The proposed FY20 Annual Action Plan Amendment #2 allocates \$424,128 in CDBG-CV dollars received through the third round of the CARES Act funds to support Economic Development activities. This includes business loans, grants, or technical assistance for businesses impacted by COVID-19, as well as project delivery for agencies administering these programs.

The FY20 Annual Action Plan Amendment #1 expanded language for public services, public facilities, economic development, and planning/administrative activities to allow available funds to be used for community response to the COVID-19 pandemic. Funds made available through the first round of CARES Act funding were allocated to public service activities.

The City Council will consider this recommendation on October 20, 2020 following a five-day public comment period and an amendment will be submitted to the U.S. Department of Housing and Urban Development (HUD) subject to City Council approval.

Jurisdiction: City of Iowa City, Iowa	Contact Person
Jurisdiction Web Address: http://www.icgov.org/actionplan	Brianna Gabel Community Development Planner 410 E. Washington Street Iowa City, IA 52240 319.356.5240 Brianna-Gabel@Iowa-City.org

Proposed Amendment

AP-15 Expected Resources

Priority Table

Source of Funds	Source	Uses of Funds	Expected Amount Available	Narrative Description
Other CDBG-CV	Public – federal	Other: To prevent, prepare for and respond to the Coronavirus.	\$410,422 \$834,550	CDBG-CV funds to be used to prevent, prepare for and respond to the Coronavirus

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Strengthen economic development	2016	2020	Other	Citywide	Other	\$50,000 CDBG; \$424,128 CDBG-CV	Businesses Assisted

AP-38 Project Summary Information

Project Summary Information

6	Project Name	Economic Development
	Target Area	Citywide
	Goals Supported	Strengthen economic development Provide facilities and services in support of the pandemic response
	Needs Addressed	Economic Development Provide facilities and services in support of the pandemic response
	Funding	CDBG: \$50,000; CDBG-CV: \$424,128

Description	Funding to facilitate the creation and expansion of businesses and create new employment opportunities for LMI people. Small business loan program will address the impact of credit access and reduction of capital for business startups or expansion. Funding may also be used to support the community response to the COVID-19 pandemic including a variety of economic development activities including but not limited to loans, loan guarantees, grants, and technical assistance to businesses to alleviate the impact of the outbreak.
Target Date	6/30/2020
Estimate the number and type of families that will benefit from the proposed activities	An estimated two businesses will be assisted, with at least one new job created or retained per \$20,000 in assistance through Economic Development CDBG Funds.
Location Description	Funding is available citywide. The exact addresses of projects will not be known until applications have been received, processed and funds awarded.
Planned Activities	<p>Planned activities at this time include:</p> <ul style="list-style-type: none"> • Provide business loans and/or grants to microenterprises primarily owned by low-income entrepreneurs or businesses that create jobs of which 51% are made available to LMI persons; and/or • Technical assistance to microenterprises primarily owned by low-income entrepreneurs with an emphasis on increasing the childcare capacity within Iowa City. • Business loans, grants, and/or technical assistance for businesses impacted by COVID-19.



"Our Children Spoke" Agenda Item #7

A South District Neighborhood Mural

Ribbon Cutting Ceremony

Friday, October 23

3:30pm - 5:00pm

1030 Cross Park Ave

*Please park in Pepperwood Plaza parking lot
Face coverings are required. Free masks available

If inclement weather, check status of event for reschedule date

Come celebrate our neighborhood's 4,400 square foot mural painted by our South District Neighborhood residents, and inspired by our neighborhood youth.

Also, come learn how to support and get involved in our next South District neighborhood initiative

Snacks

Raffle Prizes

Music

Voter Registration Booth

Gifts for Neighborhood Kids

**While supplies last*

Yard Games

