

# **Agenda**

## **Housing & Community Development Commission (HCDC)**

**Thursday, November 19, 2015  
6:30 P.M.**

### **Senior Center, Assembly Room**

*Please use the Washington Street entrance –  
all other entrances will be locked.*

**28 S. Linn Street, Iowa City**

- 1) Call meeting to order
- 2) Approval of the October 22, 2015 minutes
- 3) Public comment of items not on the agenda
- 4) Staff/commission announcements
- 5) Monitoring visits
  - a) The Housing Fellowship, Maryann Dennis
  - b) Systems Unlimited, Casey Westhoff
  - c) Mayor's Youth Empowerment Program, Roger Lusala
- 6) Review of process – Annual Action Plan Amendment #1
- 7) Consider a recommendation to council on the FY2016 Annual Action Plan Amendment #2
- 8) Discussion of scoring criteria and application form for CDBG and HOME grant applications and consider a recommendation to council
- 9) Guidance regarding group emails to HCDC commissioners
- 10) Adjournment

# **Revised Agenda**

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- 6) Review of process – Annual Action Plan Amendment #1
- 7) Consider a recommendation to City Council on the FY2016 Annual Action Plan Amendment #2
- 8) Discussion of scoring criteria and application form for CDBG and HOME grant applications and consider a recommendation to City Council
- 9) Public Meeting - Annual Review of the 2016-2020 Consolidated Plan (aka CITY STEPS)
  - a) Discussion of the 2016-2020 Consolidated Plan
- 10) Adjournment

**MINUTES  
HOUSING AND COMMUNITY DEVELOPMENT COMMISSION  
OCTOBER 22, 2015 – 6:30 PM  
SENIOR CENTER, ROOM 202**

**PRELIMINARY**

**MEMBERS PRESENT:** Peter Byler, Bob Lamkins, Dorothy Persson, Emily Seiple, Mark Signs

**MEMBERS ABSENT:** Syndy Conger, Jim Jacobson, Angel Taylor (resigned October 21, 2015), Michelle Bacon Curry

**STAFF PRESENT:** Kris Ackerson, Tracy Hightshoe

**OTHERS PRESENT:** Maryann Dennis, Justin Matiyabo, Casey Westhoff, Alissa Voss, Angie Meiers, Thomas McInerney, Ron Berg, Jerry Waddilove

**RECOMMENDATIONS TO CITY COUNCIL:**

By a vote of 5-0 the Commission recommends allocating \$100,002 to Prelude, \$50,000 to Systems Unlimited and \$49,998 to The Housing Fellowship and to encourage all other applicants to resubmit their applications with more detail in the regular funding round.

By a vote of 5-0 the Commission recommends a CDBG loan of \$600,000 to Bilam Properties LLC (a SouthGate Companies entity) to rehabilitate 53 units at Walden Ridge with the following financial terms: 15-year amortization, 15-year term, 3 percent full amortizing with a 15-year compliance period. Payments would begin once the rehabilitation is completed. Executing the agreement would be contingent on SouthGate paying off the \$600,000 loan for the Orchard Place (aka Broadway Condos) project.

**CALL TO ORDER:**

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

**APPROVAL OF SEPTEMBER 17, 2015 MINUTES:**

Persson moved to approve the minutes of September 17, 2015 with minor edits.

Signs seconded the motion.

A vote was taken and motion passed 5-0.

**PUBLIC COMMENT:**

None.

**STAFF/COMMISSION COMMENT:**

Persson noted the Commission should be kept informed when the City Council makes decisions that might come under the Commission's purview. Questions are being asked or things are appearing in the media before the Commission is made aware. Byler agreed there is a City

Council meeting every two weeks so if there will be something on the agenda the Commission needs to be aware of, perhaps an email can be sent.

Byler mentioned that at a previous meeting a recommendation was made to Council to split an allocation which the Council did not follow through with and gave the entire allocation to The Housing Fellowship. His question is what happened between the Commission vote and recommendation and the Council's decision. Hightshoe said due to the loss of possible funds to HUD and the upcoming HOME commitment shortfall, the recommendation process was different than what normally happens. Staff prepared the action plan amendment as it was proposed to HCDC. HCDC's objection was noted in the staff memo and the action plan amendment under comments received. At the time HCDC reviewed, The Housing Fellowship had only identified one property. Before the Council meeting, The Housing Fellowship obtained purchase agreements on two properties and secured financing. Due to this, Council agreed to award the entire allocation to The Housing Fellowship. Byler questioned what recommendation goes forward when staff and HCDC disagree. Hightshoe stated the normal process is to present HCDC's recommendation. If staff objects, it would be in a staff memo, but HCDC's recommendation would be presented to Council for consideration. The process for this one amendment did not follow standard practice due to the upcoming HOME deadlines. Hightshoe stated that Council gets minutes of the HCDC meeting where the topic was discussed before they make a decision as well.

Ackerson noted that Angel Taylor notified him that she needs to step down from the Commission so they will post an announcement for the opening in November and the Council will make an appointment in January. Byler noted that with Taylor's absence there will not be anyone with a voucher on the Commission so that may be a consideration for the replacement.

Ackerson also mentioned the memo on inclusionary zoning and plans to keep the Commission up to date on that progress and believes Staff will be drafting the language for that zoning in the next few months.

Hightshoe updated the Commission on the Towncrest Senior Housing project. The City Council approved a local contribution of \$600,000 for a Low Income Housing Tax Credit application for 41 units of senior housing. It is the same developer (3 Diamond Development) that applied unsuccessfully in 2013 for a 41 unit senior housing project. In 2014 a local developer applied for CDBG Disaster Recovery Multi-Family funds for a similar senior housing project and was denied. This will be the third application for senior housing at this location. If the project gets funded, 36 of the 41 units must be targeted for households under 60% of median income. The project will be competitive due to location, income targeting and a strong local contribution. Commission requested email updates when projects such as this are presented to Council if there is not a HCDC meeting scheduled before the Council meeting.

**DISCUSSION REGARDING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
REQUESTS AND DEVELOP CDBG BUDGET RECOMMENDATION TO COUNCIL:**

Byler said they will have a representative from each group discuss their application and allow the Commission to ask questions. After each application is discussed they will then make recommendations.

Persson recommended beginning the discussions with applications that fit into CITY STEPS. She would also like to ask questions on how some of these programs are fitting into the services

and programs coming out of the Hearth Act and Opening Doors.

Byler noted that there are \$625,000 funding requests and \$200,000 to allocate. He said the Commission has been given direction to look at requests above \$50,000 but noted the Commission could award under \$50,000 if they were an established partner and the project would go smoothly. Persson said that since they requested applications of \$50,000 or more she would prefer those under \$50,000 to submit their applications in the regular cycle.

Byler first asked The Housing Fellowship to come forward to discuss their CDBG request of \$49,998 for two residential rehabs at \$24,999 each (keeping the amount under \$25,000 due to lead abatement).

Persson asked about how this application aligns with the goals and objectives of the Hearth Act and Opening Doors and what The Housing Fellowship does to prevent homelessness. She noted that one of the major issues for the City right now is affordable housing. Persson explained that the Hearth Act defines what the Government considers homelessness and the effort is to move people to rapid rehousing for stability in neighborhoods and families.

Maryann Dennis (The Housing Fellowship) said the two properties are currently occupied by low income families. The Fellowship's letterhead states "opening doors for Johnson County" so they focus on opening doors and they are the only non-profit in Johnson County providing permanent affordable rental homes for families which creates stability for families and neighborhoods. Dennis noted that one family has been in one of their homes since 1997.

Byler asked if they needed to relocate people who are currently in these homes because it appears to be an extensive rehab. Dennis replied that no, they can stay in the homes during the rehab, both homes have two bathrooms. She noted they recently finished five other homes and the residents are extremely appreciative of the Fellowship.

Persson asked if the Fellowship was denied this special allocation would they resubmit in the official round coming up in a few months. Dennis said they would or else look for other sources of funding to make these projects happen.

Byler asked if only one project was funded which one would be picked, Dennis replied that the Dover Street project would be rehabbed first.

Lamkins made the observation that the request is a high priority in the CITY STEPS Plan, there are disabled members in both of these homes, so this is an important and valuable request. Persson noted it also prevents homelessness.

Next application is Systems Unlimited, application for \$50,000. Byler asked about the application, noting there are three disabled persons living in a three bedroom rental and paying \$1450 in rent. Byler asked if the residents were paying that cost.

Casey Westhoff (Director, Systems Unlimited, Inc.) said that yes, the residents of the rental are paying the rent. The application is to buy a home that Systems Unlimited would own and then have the residents pay rent to live in. Byler was concerned about the residents having to move, and then still be paying rent and how that fit into the low-income housing model. Westhoff noted that with Systems Unlimited owning the rental unit they would be able to charge more affordable rents and keep the unit affordable for low-income housing. Byler asked if Systems Unlimited

would provide all the same services the current landlords do for the residents. Westhoff said they probably do more because of the volume of houses they own. He noted the current residents they want to move into one of their homes are young men with autism and can be destructive. Their goal is to be able to customize homes to fill the need.

Lamkins noted his observation that this application would be using CDBG money and leveraging it significantly which is positive.

Seiple asked if there was a location currently identified for this project. Westhoff stated they had not committed to any location yet so are just estimating at \$200,000 for a purchase price, or for the cost of renovating a less expensive home to meet the needs for the residents. The \$50,000 would be down payment assistance.

Persson asked if they were awarded the money could they spend it in the time frame dictated with the award. Westhoff replied that yes, they would be able to do so.

Byler moved onto the next application, the Arc of Southeast Iowa which is to build three rooms in the basement of the building on Muscatine Avenue.

Alissa Voss (Associate Program Director, Arc of Southeast Iowa) stated that without this award, they would help fewer kids.

Signs asked if they received this award and built the three rooms, would they need more staff and where would those funds come from. Voss said those funds would come from other sources of fundraising and grants.

Byler asked if the kids (families) that use the services pay. Voss said they do on a sliding scale, so that is a source of income, or also through Medicaid waivers.

Persson asked Voss if they did not receive funding now would they resubmit in the next funding cycle. Voss was sure they would.

Byler asked what is in the space currently. Voss explained that right now it is an open space and is used for their after school program for adolescents and on the weekends it is used for group respite alternating weeks with older and younger groups. If the rooms were built they would not need to alternate and could offer respite care for both groups every weekend.

Byler noted they need to partition the space. Voss agreed noting the space is already carpeted, has a kitchen area and a bathroom. Byler stated it seems like a large request for money just to put up partitions. Voss explained it would be drywall and moveable walls so the spaces can be utilized in multiple ways.

Byler stated his concern there were no official bids on the project. Signs noted his concern that if this is an estimate and there has not been an official bid estimate then it is hard to know what can really be done in the space. Persson questioned that if they waited until another cycle of funding would they have more information so the Commission could make a more informed decision.

Lamkins noted he feels this application is a bit hurried or forced and perhaps more time to flesh out the details of the project and to reapply for funding assistance in the next cycle round would

be more appropriate. The application meets the goals of the funding, it's a disabled population and also youth which is a different population than other applications, but the proposal is missing details.

Persson said it is similar to funding they have approved for neighborhood centers and in the past have found in those situations it is best to have all the details and know exactly what the costs will be, etc.

Seiple noted she felt it was a compelling application and they provide specific services for the community.

Persson suggested skipping the next two applications because the funding requests were specified to be at least \$50,000. This extra funding needs to be used to make the biggest impact. The other requests are worthy projects and could be considered in the next funding cycle. Byler said he still would like to hear from them and ask questions.

Next application comes from the Crisis Center. Byler noted the application appears to be a laundry list of deferred maintenance items with a couple upgrades and while those are worthy funding items, there is a concern that this particular funding source is to make a deeper impact. Persson agreed and said this unanticipated funding (known as windfall program income) and should be used for the greatest needs. Persson commented on item 8 of the Crisis Center's application which discusses the impact on homelessness. What population of homeless are they serving and how are they defining homeless.

Angie Meiers (Office Manager, Crisis Center) answered that through their food bank program they provide emergency assistance that goes towards rent and utilities to avoid losing housing. They work closely with the homeless coordinating board and community on helping folks stay in their homes.

Byler noted the application is very clear and states that not every application must provide for homeless, that is just one of the areas of need. Persson agreed but wants to see how applicants are working together to common goals and not against each other's needs.

Signs stated he has no objections to the applications that are less than \$50,000 but feels the numbers on the Crisis Center application seem very high. When looking at condensers, the cost seemed high and security camera systems can be much lower, around \$1,500. Signs also agreed that this application is a laundry list of deferred maintenance and questions if that is the correct use of funds the Commission has available.

Byler acknowledged that a lot of the applications have deferred maintenance in them, so that is hard to pick and choose from, but this particular application does seem to be items that are very small in cost (although agrees that a security system does not need to cost \$8900). Meiers noted that security system will encompass their entire campus, both the 1121 and the 1105 properties, on one system.

Meiers stated they have done a lot of funding of maintenance and repair and last spring funded a remodel of their 1121 property to make more room for programming. Byler asked if the Crisis Center had a two- or five-year maintenance or capital improvement plan. Meier said that every year when they do their budget the finance committee and the Board set aside for unexpected maintenance. She also noted the condenser will be moved outside the building to free up space

and make the client choice area of the food bank less noisy.

Lamkins asked if they currently have a security system. Meiers said they do have security systems on their doors but no video surveillance. There is a video camera outside the main door to see people to be buzzed into the building since it is staffed 24/7.

Persson said she believes it is a worthy project but feels there needs to be better cost estimates and more information on exactly what they will be doing with the money and then consider the application for resubmission.

Signs asked about the condenser, if it works and they just want to move it, or if they need a whole new one. Meiers said it does work, but would like a new one to place outside because the current condenser is an older unit that requires preventative maintenance every quarter to make it last. Signs asked about the broken window, if it was a safety concern, is it broken or just cracked. Meiers answered that they are the type of windows that appear to be a clear brick that are more just to let light through and when it rains a certain direction water does come through, but it is not a safety issue. Signs asked about the ADA doors, if they work currently. Meiers said they have had issues with the doors not working at all times, and because the doors are so old replacement parts are no longer made for them.

Lamkins noted Meiers' answers to the cost questions are very helpful in understanding the application and encourages her to include those type of details in any future applications.

Byler called the next application up, the CSCC Child Care expansion. The application for upgrades to a basement and questioned if the basement is currently utilized.

Thomas McInerney (architect) prepared the application for his client. He said the City will not give occupancy to any building for a daycare that is in a basement that does not have an accessible route (like an elevator). Since this building is an older church facility adjacent to the daycare and since the church is on a hillside it will allow them to grade it so that there could be an entrance to the basement. Currently the basement is not utilized in any way, so this project would allow an unused area to be used to serve lower income children. The funding would help install a ramp to a new basement entrance.

Signs asked how many members were in the King of Glory congregation. McInerney answered 105. Hightshoe noted Staff has no problem with the portion that is the church, they have funded the free lunch program and Home Ties programs at other churches, but Community Service Community Center is not the owner of the building so there is concern about the City investing in the property and if CSCC has a long term lease for the space because if they move to another relocation or close operations within five years they will have to pay the money back to the City. Hightshoe noted the church would have to agree for the City to put a mortgage on their building to protect the investment.

Signs asked what was currently in the basement. McInerney said it is currently not utilized. The daycare is currently in another building next to the church, they share the same parking lot, so this basement would be an expansion for the daycare.

Byler asked where the rest of the funding would come from to outfit this basement to be turned into a useable daycare space. McInerney said that at one time there was a child care facility in the basement but doesn't meet today's standards with accessibility in the restroom and

entrances.

Persson asked about code requirements and if the space will pass code. McInerney said if they provide an accessible entrance and restroom it will meet current code requirements.

Lamkins noted he liked the concept but had a concern about the leverage as it appears the City's funding would be paying 100% of the costs.

Byler announced the next application Fairmeadows Park Playground is the City of Iowa City.

Ackerson said it is a playground that was installed about 20 years ago so the equipment is aging and needs to be replaced. Often the City has pots of money (open space funds) that are set aside by developers when subdivisions are installed but there are none of those funds available to the parks department for this neighborhood.

Signs asked about general funds for park maintenance throughout the City. Hightshoe said this park is not in the City's five-year plan for upgrades. Persson asked why this park was not included in the five-year plan. Hightshoe said Parks has a five year plan that is reviewed by City staff and a citizen advisory board, but did not know all the specifics of funding priority for these projects. Mercer Park upgrades are in the five-year plan and Byler noted that the equipment at Mercer Park is very similar to the equipment at Fairmeadows. Hightshoe could not comment on the Parks and Recreation overall improvements plan, but noted that Fairmeadows did just get a splash pad, new bathroom and parking lot so that is likely why they were not on the five-year plan for additional upgrades. The idea for upgrading and moving the playground equipment is to move it closer to the parking lot and splash pad so parents can see both areas from one spot. Signs noted the school also has playground equipment and it is newer and therefore children also tend to play over there.

Lamkins stated that the City needs to pay more attention to maintenance of park space. He noted he lives in the area and does know this park is well used and the playground equipment should be moved closer to the parking lot for safety reasons as well.

Hightshoe noted Fairmeadows Park was chosen to apply for CDBG funds also because it is in a low-income area and not all parks are.

Persson noted that the Commission has funded park needs before. Byler asked if the Commission chose to partially fund this project, will that compel the City to fund the rest. Persson didn't think they would, because the park is not in their five-year priorities. Hightshoe was unable to know for sure, but believed if Parks and Recreation were able to get some federal funding for this project that might change their priorities and shift funding to this project to make sure it was completed.

Lamkins also shared concern about the note in the application that states the project won't be completed until November of 2016, which is entering a time of year when the park will not be utilized, so the timing of the project is unusual.

Byler moved onto the next application, Prelude's Future.

Persson noted that in that area of town it is very difficult to obtain land to expand services because there are people who will oppose it because the area is very congested. She said the

nonprofits in that area work very hard to have parking spaces and not have complaints from people in the neighborhood. She was impressed that Prelude could buy land in the area and saw that as a positive.

Ron Berg (CEO, Prelude Behavior Services, formally known as MECCA) stated they targeted this application on the purchasing of the property and building, there would be other phases that would need to be put in place to complete the whole plan for expansion, but this would be the first step to secure the ownership of the property.

Byler asked which property they would be purchasing. Berg said it was to the north, the TMOne parking lot and building. Signs asked what the total purchase price for the property is. Berg said the total purchase price was \$1.55 million.

Hightshoe asked how soon they would be building something on that acquired parking lot. Berg said they would not build on the parking lot. They would purchase and remodel the building. Hightshoe asked what they would do to the building. Berg said they would immediately build out 5,000 square feet now and 25,000 square feet later. Hightshoe asked if there would be an immediate use of the building, Berg replied yes, within three months they could be using the building. Signs noted they would be vacating one of their current buildings, the administration building, as part of the transaction so there is motivation for them to quickly get the new building ready for occupancy.

Berg noted their master plan is to connect the current building with this new building to expand the outpatient operations which is needed for changing Medicare and Medicaid laws. Then they will also be able to retool the current residential services building to make it more appropriate for residential clients. Right now there are 32 beds in 8 rooms and on weekends with visitors there can be up to 100 people crammed into a space meant for 32. He also added that having the parking lot space allows them for future expansion uses over the next several decades.

Persson asked about Prelude's relationship with other service providers who work with homelessness and other nonprofits in the neighborhood. Berg noted there are several in that neighborhood, Shelter House is across the street, Four Oaks is next door, and HACAP Waterfront's facility is in the area. They contract with Shelter House for all their evening meals. Staff goes to Four Oaks to provide prevention services and various programming services. Persson stated her understanding is that when Shelter House gets clients with co-occurring problems Prelude assists those clients. Berg said they work closely with Shelter House on getting clients temporary housing once they leave Prelude.

Lamkins noted a sense of collaboration amongst agencies in that area in the application and being able to keep Prelude and their services in this area is very positive. It is unfortunate that the Commission only has \$200,000 of funding to allocate and this application alone is for \$200,000.

Persson stated the whole area has collaborated their services together which is wonderful and also noted the Commission has not funded Prelude as much in the past and would like to see services in that area well provided for.

Byler asked about the current properties that will be sold to assist with the purchase of this new property and if those figures are set and agreed upon. Berg said they are being negotiated at this time. Byler noted then if the Commission were only able to fund say \$100,000 of the

request, Prelude could get funding for the rest of the amount and Berg agreed but had to be conscious of their bond rating and cash reserves they would need to use for this project.

Seiple noted confusion of the use of the old space and what will be used in the old spaces and the new spaces. Berg said they currently have five properties. Two will be sold to make this new purchase and the other three will be retained and repurposed as part of this new project.

Byler moved onto the final application, Towncrest Investment which is demolition funding for a lot that then will be sold in hopes of getting tax credits. There was no one present on behalf of the applicant. Staff was present for the discussion and supported the applicant's application as part of a larger senior housing project.

Persson questioned why the Commission would finance demolition. Byler agreed as well and noted they would be funding someone that will then turn around and make a profit on that property. Signs agreed and said the owner is going to tear down the property regardless and will make money regardless.

Hightshoe said the developer requested that the landowner apply for CDBG funding to make up the difference in the amount they were able to pay to reach the seller's asking price. Signs does not feel the Commission should supplement a request such as that. Lamkins also noted there would be other City monies going into this project. Ackerson said the risk is that the landowner won't sell and the affordable senior housing units won't get built.

Byler stated the City wants the property redeveloped; it is an eyesore in an area where the City has already invested a lot of TIF money. Signs noted that if the Commission funds this request, and the deal still doesn't go through, the owner could demolish the building and sell the property to someone who won't put affordable housing there. Hightshoe said the Commission can put conditions on the funding.

After review of all the applications, the Commission began proposing allocations.

Persson proposed two options:

1. Fund Prelude the full \$200,000 or;
2. Fund The Housing Fellowship and Systems Unlimited and give the remaining funds to Prelude.

Persson also noted that all other applicants should be encouraged to resubmit in January for the next funding cycle.

Signs agreed with the second option with the one change of adding the ADA doors at the Crisis Center.

Byler asked if there was a consensus that the last application, Towncrest Investment, would be funded zero dollars. All agreed that was the Commission's consensus.

Byler stated that the Arc project is a good project but is unsure if there is enough detail at this time to be funded in this round but would encourage them to resubmit at the next funding round with more detail. Persson agreed that with the exception of Towncrest Unlimited, any application not funded in this round should resubmit in the next round.

Byler moved onto the Crisis Center application. Signs noted he would like to allocate \$8,800 to have the ADA doors repaired. Hightshoe noted that the Commission made a policy to make allocations based on significant impacts and also due to staffing cuts there is not the ability for staff to take on multiple low dollar projects. So due to lack of funding and staff resources, the policy was made to fund projects \$50,000 or above and to make the largest impact with the dollars available. A \$6,000 project takes the same amount of staff time as a \$60,000 project, but has a much smaller impact and often leads to the applicant applying several times. Hightshoe stated that agencies should be reviewing their long term needs and basing an application on a well thought out capital improvement plan, not a compilation of deferred maintenance items that provide short term benefits. Byler then asked if the Commission is in consensus to pass on the Crisis Center application at this time and all were in agreement.

Next discussed was the CSCC basement project. Byler noted that from the application there are no other money sources identified so if there were issues with the project, and the allocation was not enough to cover all the expenses, then what would become of the project. He would like to see a resubmitted more comprehensive plan in the next allocation cycle. Lamkins agreed, thinking there would need to be many more internal improvements on the property to enable a preschool to operate in that location. And additionally there is no leverage, they are asking for full funding.

With regards to the Arc application, Lamkins has the same concerns as he has with the CSCC project that it is not thoroughly thought out. Signs noted then the Commission would be passing on two applications benefiting children, but understands the reasoning. Byler agreed and encouraged the Arc came back in a few months with more specific plans. Therefore the Commission's consensus is for no funding at this time to Arc.

Byler noted on the Systems Unlimited request they are not rehabbing or gaining additional units it is just a re-shifting and is there a significant benefit to those living in the units. They are currently getting services from the organization, the rent will be reduced which is good, but is it worth a \$50,000 investment to have the rents reduced \$100. Lamkins sees it as more of a long term benefit. Persson agreed and says it becomes a lodge concept which is working in other communities, having like people come together and live together in communities and having ownership of the property gives this a long-term benefit. Signs agreed and said it is a highly leveraged application, they are not asking for full purchase cost, just down payment assistance.

Byler then suggested following Persson's second recommendation the allocations should be as follows:

Applicant	Request	Recommendation
The Housing Fellowship	\$49,998	\$49,998
Systems Unlimited	\$150,000	\$50,000
The Arc of Southeast Iowa	\$70,000	\$0
Crisis Center	\$24,255	\$0
CSCC Child Care	\$35,000	\$0
Fairmeadows Playground	\$85,000	\$0
Prelude	\$200,000	\$100,002
Towncrest Unlimited	\$112,000	\$0
	<b>Total</b>	\$200,000

**Lamkins moved to allocate \$100,002 to Prelude, \$50,000 to Systems Unlimited and**

**\$49,998 to The Housing Fellowship and to encourage all other applicants to resubmit their applications with more detail in the regular funding round.**

**Seiple seconded the motion.**

**A vote was taken and the motion passed 5-0.**

**DISCUSSION OF SOUTHGATE DEVELOPMENT SERVICES' CDBG APPLICATION FOR THE REHABILITATION OF THE WALDEN RIDGE TOWNHOMES AND SUPPORT FOR AN IOWA WORKFORCE HOUSING TAX CREDIT APPLICATION:**

Hightshoe explained that Southgate applied for and received CDBG funds in 2012 for the rehabilitation of the Orchard Place condos at 1956-1960 Broadway Street in Iowa City. Today the vacancy rate for the project is below one percent. At that time they received \$900,000 in funding, \$300,000 was a grant and \$600,000 was a loan with repayment deferred for five years. Now they would like to rehab Walden Ridge (which is 53 units) off Mormon Trek Boulevard. So the proposal is to pay back the loan from the Orchard Place project, and have that money reallocated back to Southgate for the rehab of Walden Ridge. Southgate had asked for a grant, and the City had the National Development Council review the proposal and complete a financial analysis that found there is an ability to repay the loan, so the recommendation would be that \$600,000 applied to Walden Ridge and then after project completion Southgate would pay back the loan at 3% interest.

Lamkins asked if they would get another five year deferment on repayment of the loan and Hightshoe said no, they would be on the original repayment schedule.

Byler asked if the reason for this repayment of the first loan only to have the monies reallocated back to Southgate in a second loan is just to keep the monies and properties separate.

Jerry Waddilove (Southgate Development) said the reason was because the lender they are looking to refinance the Orchard Place properties with does not want a subordinate mortgage also on the property. Southgate needs funds to rehab Walden Ridge, as it is a location they are trying to prevent becoming a location similar to what Broadway Condominiums used to be.

Persson asked if those condominiums once rehabbed will remain affordable housing units as they currently are. Waddilove said they would, more than 51% of the units are affordable housing units. Hightshoe said staff usually recommends the same compliance period as HOME regulations. For the amount of assistance per unit, HOME would require a 10 year compliance period. Persson asked if Southgate was willing to keep the units affordable after the 10-year period and Waddilove said they were committed to doing so.

Byler asked if the property that was being paid off (the Orchard Place properties) were going to remain affordable housing units. Waddilove said that in terms of what the market will bear yes, those units will remain as affordable housing units, and they could not increase rents and keep their occupancy rates. Byler asked if they were able to raise their rates above HUD requirements and get occupancy they would do so. Waddilove said yes, but that would take years to reach that level of rents and maintain occupancies and right now they are still charging below the HUD maximums for two-bedroom units by a wide margin.

Byler congratulated Southgate on their rehab on Broadway Street which was an extreme

upgrade for that area. However, his concern is this should be two separate issues. Southgate should repay the funding they owe from the one project. Then Southgate should come in and ask for funding for the new project, obviously the funds are very limited for such projects as demonstrated in applications reviewed earlier in the meeting. This situation feels like Southgate is saying they will only repay the loan if the funds are given right back to them for another project. It is not to discount that the project is not a valuable project.

Lamkins and Persson feel that it is a good way to accomplish this project. Byler disagrees and feels Southgate will do the project whether the City funds the \$600,000 or not.

Waddilove noted this is just a loan, not a grant, they will pay the money back. Byler said however that Southgate needs to pay this loan back in order to refinance the Orchard Place condominiums so the money was coming back to the City and perhaps there are other projects that should also be prioritized for those funds. Waddilove understands that concern but the ultimate goal is to reestablish a healthy low to moderate income neighborhood and they have successfully accomplished that in Orchard Place and would like to do that again in Walden Place.

Persson agreed and noted how on the west side there were low and middle class communities that upper class built around and embraced the areas but deserve to see the properties kept up. Byler agreed it's not a bad project, he just questions when a for-profit successful company asks for such a large grant and then shifts it to a loan when a grant is denied. Lamkins noted that although a company is for-profit, they are willing to take risk of their own and do positive things for the community such as affordable housing, neighborhood stabilization, and access for other populations that is a good thing. Hightshoe noted from Staff's perspective they are always trying to create new partnerships in the community, not only non-profits but for-profit companies as well. Southgate is providing for-profit housing at below HOME fair market rents and they are paying taxes.

Seiple asked a question from the application, in which it states the goal is to attract a higher quality tenant and asked if Waddilove could comment on that. Waddilove explained that what they did with the Orchard Place Condominiums was they implemented a crime-free lease so they do credit and criminal background checks on all tenant applications. If a tenant commits a crime while living in one of the units that is grounds for eviction. Those new lease stipulations have created a safe environment for all the tenants and community. With regards to Walden Place, they do have the same lease in effect for their 53 units, and their ultimate goal is to acquire the rest of the units in Walden Place. Some of the other landlords in the complex are problem landlords and will just rent to anyone. Lamkins asked how many units Southgate would have to buy to get control of the condo association. Waddilove said there are 100 units total and even just one or two poor tenants can create a bad living environment for everyone. Byler noted that if Southgate controls the majority of the condo association they could encourage all units to use their leasing agreement making it a required association guidelines lease.

**Signs moved to recommend a CDBG loan of \$600,000 to Bilam Properties LLC (a SouthGate Companies entity) to rehabilitate 53 units at Walden Ridge with the following financial terms: 15-year amortization, 15-year term, 3 percent full amortizing with a 15-year compliance period. Payments would begin once the rehabilitation is completed. Executing the agreement would be contingent on SouthGate paying off the \$600,000 loan for the Orchard Place (aka Broadway Condos) project.**

(CDBG rules require that 51% of the units be rented to those under 80% of median income at no more than the CDBG fair market rent).

**Lamkins seconded the motion.**

**A vote was taken and the motion passed 5-0.**

**DISCUSSION OF SCORING CRITERIA AND APPLICATION FORM FOR CDBG AND HOME GRANT APPLICATIONS:**

Byler noted the Commission was able to have a productive discussion on this evening's applications without any scoring criteria. He doesn't feel the scoring forms need to be filled out. Seiple noted she did use the scoring worksheets when reviewing tonight's applications just so she could get used to using them. She does agree she would not want the allocations to be based on scoring only without discussion.

Persson said she would like to see the Commission get a list of the CITY STEPS and then to have a discussion about homelessness, rapid rehousing, and what the Commission should be looking at in terms of affordability so they can better react to applications that state they serve homeless needs. She feels it is important to have definitions of homelessness and rapid rehousing set so that they can see if the applications fit into those definitions.

Berg noted that from an applicant's perspective it would be nice to have evaluation criteria so they know if their application meets the stated criteria.

Dennis noted that the Commission's charge is to be the best stewards of the federal funds that come into the City by making recommendations to the Council and there are three things they need to look at: Is there a need? Is the project reasonable and have a reasonable budget? Does the applicant have the capacity to fulfill the project? In her opinion the scoring sheet makes it difficult to answer those three questions and make a reasonable judgment.

Lamkins noted that the application seems to have a lot of redundant questions on it as well. Perhaps that can be trimmed down.

Byler asked if anyone was interested in forming a smaller committee to meet to come up with a recommendation. Persson volunteered to work on it and would like input from others and also applicants. Hightshoe said if changes are made to the applications, then it must be done soon because Council needs to approve the applications in early December.

Byler asked that the Commission give the scoring and application some thought and then at the November 19 meeting the Commission can discuss and also hear public input.

**ADJOURNMENT:**

**Persson moved to adjourn.**

**Lamkins seconded the motion.**

**A vote was taken and motion carried 5-0.**

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION  
ATTENDANCE RECORD**

<b>NAME</b>	<b>TERM EXP.</b>	<b>11/20/14</b>	<b>1/15/15</b>	<b>2/19/15</b>	<b>3/12/15</b>	<b>4/16/15</b>	<b>6/18/15</b>	<b>9/17/15</b>	<b>10/22/15</b>
<b>BACON CURRY, MICHELLE</b>	9/1/2016	O/E	X	X	X	O/E	X	X	O/E
<b>LAMKINS, BOB</b>	9/1/2016	---	---	X	X	X	O/E	X	X
<b>PERSSON, DOTTIE</b>	9/1/2016	X	X	X	X	X	X	X	X
<b>TAYLOR, ANGEL</b>	9/1/2017	X	O/E	X	O	X	X	O/E	----
<b>JACOBSON, JIM</b>	9/1/2017	X	X	X	X	X	O/E	X	O/E
<b>BYLER, PETER</b>	9/1/2017	X	X	X	X	X	X	X	X
<b>CONGER, SYDNY</b>	9/1/2018	---	---	---	---	---	---	O/E	O/E
<b>SEIPLE, EMILY</b>	9/1/2018	---	---	---	---	---	---	X	X
<b>SIGNS, MARK</b>	9/1/2018	---	---	---	---	---	---	X	X

Key:

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

## Kristopher Ackerson

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**From:** Vicki Watson <vwatson@ncdaonline.org>  
**Sent:** Wednesday, November 04, 2015 3:53 PM  
**To:** Kristopher Ackerson  
**Subject:** Appropriations Update; Fair Housing; HOME Coalition National Sign On Letter

Members,

NCDA has been meeting with Congressional appropriators on CDBG and HOME funding and, at this point, appropriators are hopeful both programs will be level-funded (\$3.0 billion for CDBG) and (\$900 million for HOME), with possibly a slight increase for HOME in FY16 (\$950 million to \$1 billion).

NCDA is still advocating for an increase for CDBG, too, but it depends on how large of a re-allocation the Transportation-HUD subcommittees receives, so for now plan on level funding for CDBG and a slight bump in HOME in FY16.

NCDA and the National Association of Counties have been working together and meeting with Congressional appropriators seeking additional funding for CDBG grantees to use in developing their Assessment of Fair Housing Tool. In our meetings, we have also asked appropriators to include language in the final omnibus spending bill to require HUD to provide a written certification to grantees that their AFH Tool has been approved and meets the requirements imposed by HUD. Further, we have requested that HUD work with our two groups in developing a more streamlined Tool for small CDBG grantees. HUD has agreed to do so once the final AFH Tool is published, which is expected to be released by the end of the year.

We will be sending language to Congressional appropriators to insert in the final budget bill on these requests. We're not certain they will accept it, but are hopeful.

Finally, the HOME Coalition, of which NCDA is a member, is circulating a national sign-on letter in support of the program. The letter is available at:

[http://salsa3.salsalabs.com/o/50954/p/dia/action3/common/public/?action\\_KEY=17145](http://salsa3.salsalabs.com/o/50954/p/dia/action3/common/public/?action_KEY=17145)

The deadline to sign on to the letter is Monday, November 9. Please share with your CHDOs and other local groups and urge them to sign-on, too.

Thanks,  
Vicki

--

Vicki Watson  
Executive Director  
National Community Development Association  
1825 K Street, NW, Suite 515  
Washington, DC 20006  
[540-656-9552](tel:540-656-9552)  
[vicki@ncdaonline.org](mailto:vicki@ncdaonline.org)



# CITY OF IOWA CITY MEMORANDUM

## DRAFT

Date: November 10, 2015

To: Thomas Markus, City Manager

From: Kristopher Ackerson, Community Development Planner

Re: City Council meeting on December 15 – Resolution Adopting the *FY16 Annual Action Plan* Amendment #2

### Introduction

A resolution considering approval of the *FY16 Annual Action Plan* Amendment #2 (see attached) will be considered at the December 15, 2015 City Council meeting. The amendment allocates \$800,000 in CDBG funds to four new projects.

### History/Background

The City of Iowa City received unanticipated CDBG (Community Development Block Grant) program income totaling over \$200,000 upon the sale of two CDBG assisted properties owned by Community Mental Health Center and the Extend the Dream Foundation. Staff conducted a mid-year funding round for the \$200,000 available in CDBG funds.

In addition, Bilam Properties LLC (a Southgate entity) requests to repay the \$600,000 CDBG loan awarded to Wetherby Condos South LLC used to rehabilitate 94 condos at 1956, 1958 and 1960 Broadway (formerly Broadway Condos). They request these funds be reallocated to Bilam Properties LLC (a Southgate entity) to rehabilitate 53 condominium units at Walden Ridge (off Mormon Trek Boulevard).

### Discussion of Solution

The Housing and Community Development Commission (HCDC) considered new projects for the allocation of CDBG funds. The nine applications included three housing projects, five public facility projects, and one economic development project. Applications were due on October 9, 2015.

### Recommendation

At their October 22 meeting, the Housing and Community Development Commission (HCDC) voted unanimously in favor of funding the following projects.

Applicant	Type	Request	Recommendation
<b>The Housing Fellowship</b>	<b>Housing</b>	<b>\$49,998</b>	<b>\$49,998</b>
<b>Systems Unlimited</b>	<b>Housing</b>	<b>\$150,000</b>	<b>\$50,000</b>
The Arc of Southeast Iowa	Public Facility	\$70,000	-
Crisis Center	Public Facility	\$24,255	-
CSCC Child Care	Public Facility	\$35,000	-
Fairmeadows Playground	Public Facility	\$85,000	-
<b>Prelude</b>	Public Facility	<b>\$200,000</b>	<b>\$100,002</b>
Towncrest Unlimited	Econ. Dev.	\$112,000	-
<b>Bilam Properties LLC</b>	<b>Housing</b>	<b>\$600,000</b>	<b>\$600,000*</b>
		<b>Total</b>	<b>\$800,000</b>

\*Contingent upon Wetherby Condos South LLC repaying their \$600,000 loan for the former Broadway Condos.

HCDC also recommended the request by Southgate with the following conditions: 15-year amortization, 15-year term, 3% interest, with a 15-year compliance period. Payments would begin once the rehabilitation is completed.

At the December 15 council meeting, staff recommends approval of the FY16 Annual Action Plan Amendment #2 as recommended by the HCDC. To date, the City has received no written comments regarding the proposed projects.

**Fiscal Impact**

These projects will utilize CDBG entitlement funds from the U.S. Department of Housing and Urban Development.

If you have any questions about the amendment please contact me at 356-5230 or at Kristopher-Ackerson@iowa-city.org.

# EXHIBIT A

## FY16 Annual Action Plan Substantial Amendment #2 December 2015

The City of Iowa City received unanticipated CDBG (Community Development Block Grant) program income totaling over \$200,000 upon the sale of two CDBG assisted properties owned by Community Mental Health Center and the Extend the Dream Foundation. Staff conducted a mid-year funding round for the \$200,000 available in CDBG funds. In addition, Bilam Properties LLC (a Southgate entity) requests to repay the \$600,000 CDBG loan awarded to Wetherby Condos South LLC used to rehabilitate 94 condos at 1956, 1958 and 1960 Broadway (formerly Broadway Condos). They request these funds be reallocated to Bilam Properties LLC (a Southgate entity) to rehabilitate 53 condominium units at Walden Ridge (off Mormon Trek Boulevard).

The City proposes amending the FY16 Annual Action Plan to include four new projects totaling \$800,000. The proposed amendment is detailed on the following page.

The City Council will consider this recommendation on December 15 following a 30-day public comment period and the amendment will be submitted to the U.S. Department of Housing and Urban Development (HUD) following City Council approval.

<b>Jurisdiction: City of Iowa City, Iowa</b>	<b>Contact Person</b>
Jurisdiction Web Address: <a href="http://www.icgov.org/actionplan">http://www.icgov.org/actionplan</a>	Tracy Hightshoe Neighborhood Services Coordinator 410 E. Washington Street Iowa City, IA 52240 319.356.5244 <a href="mailto:Tracy-Hightshoe@iowa-city.org">Tracy-Hightshoe@iowa-city.org</a>

# Proposed Amendment

<b>Project Name</b>	The Housing Fellowship Rehab Project
<b>Target Area</b>	
<b>Goals Supported</b>	Increase the supply of affordable rental housing
<b>Needs Addressed</b>	Expanding Affordable Rental Housing
<b>Funding</b>	CDBG: \$49,998
<b>Description</b>	Rehab of two rental properties for income qualified tenants
<b>Target Date</b>	1/15/2017
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Two households. 0-80% MFI: 100%
<b>Location Description</b>	2700 Wayne Avenue and 1017 Dover Street
<b>Planned Activities</b>	Rental rehab

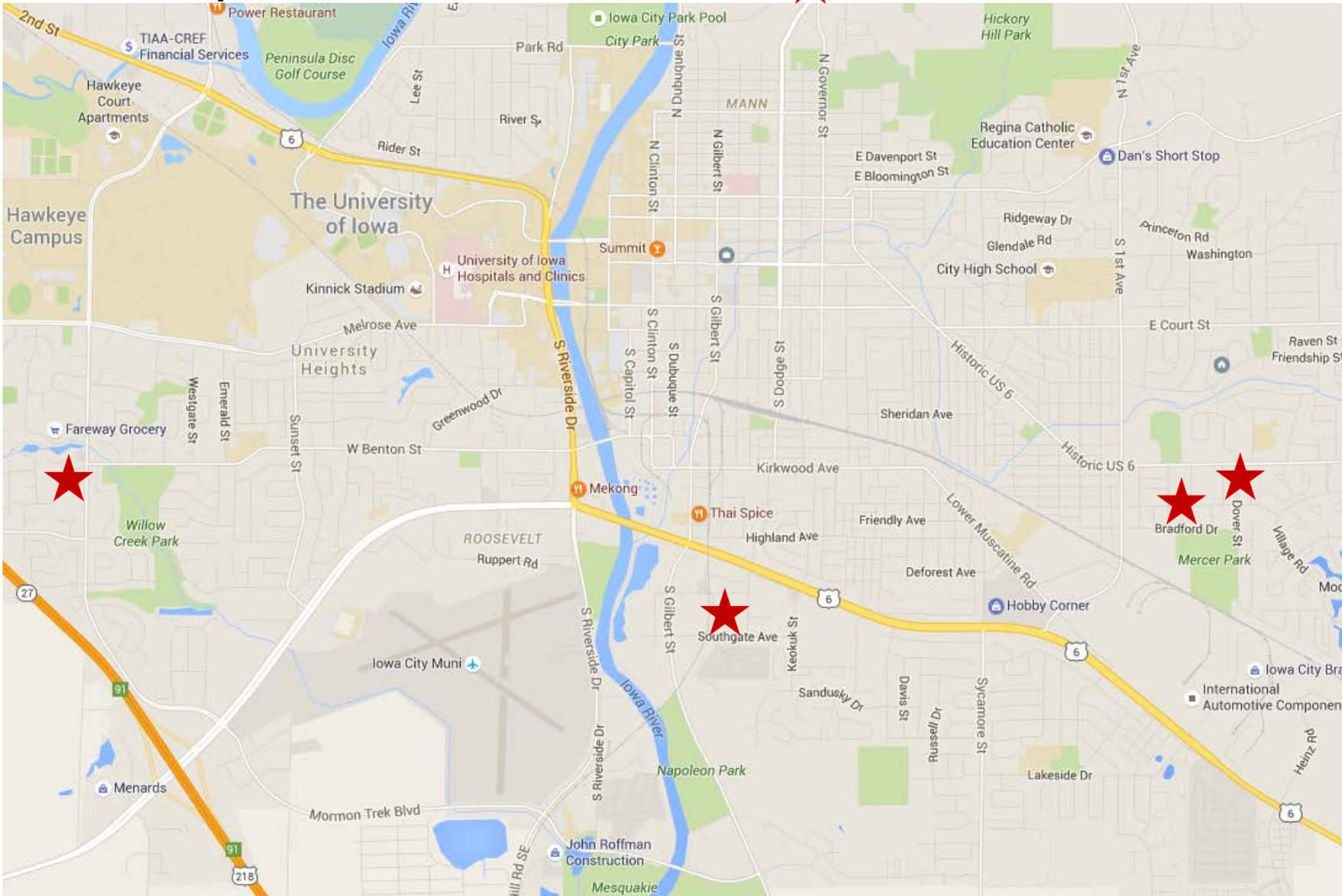
<b>Project Name</b>	Walden Ridge Rehab
<b>Target Area</b>	
<b>Goals Supported</b>	Increase the supply of affordable rental housing
<b>Needs Addressed</b>	Expanding Affordable Rental Housing
<b>Funding</b>	CDBG: \$600,000
<b>Description</b>	Rehab of up to 53 rental housing units for income qualified tenants.
<b>Target Date</b>	1/15/2017
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	53 households. 0-80% MFI: 100%
<b>Location Description</b>	Bittersweet Court units 2450, 2446, 2442, 2438, 2428, 2419, 2415, 2411, 2407  Clearwater Court units 2574, 2570, 2566, 2562, 2556, 2552, 2548, 2544, 2538, 2534, 2530, 2526, 2520, 2516, 2512, 2508  Shady Glen Court units 2426, 2422, 2418, 2400, 2431, 2404, 2408, 2412, 2419, 2423, 2427  Sylvan Glen Court units 2568, 2564, 2560, 2556, 2550, 2532, 2520, 2565, 2561, 2557, 2553, 2565, 2561, 2557, 2553, 2547, 2543, 2539, 2535, 2521, 2517
<b>Planned Activities</b>	Rental rehab

<b>Project Name</b>	Prelude Behavioral Services
<b>Target Area</b>	
<b>Goals Supported</b>	Suitable living environment
<b>Needs Addressed</b>	Availability
<b>Funding</b>	CDBG: \$100,002
<b>Description</b>	The applicant proposes to acquire property that will be utilized to provide services to people with addiction.
<b>Target Date</b>	1/15/2017
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	0-30% MFI: 60 percent 31%-50% MFI: 20 percent 51%-80% MFI: 10 percent Over 80%: 10 percent
<b>Location Description</b>	1925 Boyrum Street
<b>Planned Activities</b>	Property acquisition

<b>Project Name</b>	Systems Unlimited
<b>Target Area</b>	
<b>Goals Supported</b>	Increase the supply of affordable rental housing
<b>Needs Addressed</b>	Expanding Affordable Rental Housing
<b>Funding</b>	CDBG: \$50,000
<b>Description</b>	Acquisition of a three-bedroom home for three Single Room Occupancy units. Targeted groups are those with disabilities.
<b>Target Date</b>	1/15/2017
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	3 persons with disabilities. 0-30% MFI: 100%
<b>Location Description</b>	To be determined
<b>Planned Activities</b>	Property acquisition

# Location Map

★ Systems Unlimited location to-be-determined



# Publication Notice

Iowa City Press Citizen

December 4, 2015

## PUBLIC MEETING NOTICE

### FY16 Annual Action Plan Amendment #2

The City Council will hold a public meeting, accept comments, and consider approval of Iowa City's FY16 Annual Action Plan Amendment #2 on December 15, 2015. The meeting will be held at City Hall, Emma Harvat Hall, 410 East Washington Street at 7:00 p.m.

The Annual Action Plan is a portion of Iowa City's Consolidated Plan (a.k.a. CITY STEPS). The Annual Action Plan includes information on the proposed use of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds for housing, jobs, and services for low-moderate income persons. The Annual Action Plan outlines proposed activities and their budgets.

The FY2016 Action Plan Amendment #2 proposes adding the following CDBG funded projects due to unanticipated program income:

The Housing Fellowship, \$49,998 in CDBG funds to rehab two existing affordable rental units; Systems Unlimited, \$50,000 in CDBG funds to purchase a three-bedroom home for people with disabilities; Prelude Behavioral Services, \$100,002 in CDBG funds to acquire 1925 Boyrum Street for public services; and Bilam Properties LLC, \$600,000 to rehab 53 affordable rental units at Walden Ridge townhomes off of Mormon Trek Boulevard.

Copies of the proposed amendments are available from the Neighborhood and Development Services Department, 410 East Washington Street; the Iowa City Public Library, 123 S. Linn Street; or on Iowa City's web site ([www.icgov.org/actionplan](http://www.icgov.org/actionplan)). Additional information is available by calling 356-5230.

Comments may be submitted in writing to the Neighborhood and Development Services Department at the address above or by email to [Kristopher-Ackerson@iowa-city.org](mailto:Kristopher-Ackerson@iowa-city.org). If you require special accommodations or language translation please contact Tracy Hightshoe at 356-5230 or 356-5493 TTY at least seven (7) days prior to the meeting.

## **Public Comments Received with Staff Response**

The 30-day public comment period for the FY16 Annual Action Plan Amendment #2 starts November 13, 2015 and ends December 15, 2015. The City Council is holding a public meeting on December 15, 2015.

### **Comments Received:**

None

### **Staff Response:**

N/A

## DRAFT

# Applicant Guide Iowa City CDBG and HOME Programs

This guide outlines requirements for applicants seeking Community Development Block Grant (CDBG) and/or HOME Investment Partnership (HOME) program funds through the City of Iowa City.

The applications for FY17 funding (housing and public facilities) include a number of narratives and statistical and financial questions so please contact staff if you have questions or need technical assistance.

### Notes to applicants

- 1) HCDC strongly encourages all applicants to attend one of the CDBG/HOME Applicant Workshops (see Application Timeline below).
- 2) First consideration for funding will go to housing (not including CHDO operating expenses) and public facility projects of \$50,000 or more. No more than two public facility projects will be awarded funding.
- 3) The Housing and Community Development Commission (HCDC) will not review any materials submitted by the applicant after the deadline unless the Commission requests it.
- 4) The application (and the pro forma for housing applications) must be substantially complete for HCDC consideration.
- 5) Please review the City's Strategic Plan ([www.icgov.org/strategicplan](http://www.icgov.org/strategicplan)) to determine if your project fits into the identified priorities. If so, please identify in the application.

### Application Timeline

- |   |   |
|---|---|
| 1) Applicant workshops at Emma Harvat Hall, City Hall | December 17, 2015 at 11:00 AM<br>January 7, 2016 at 4:00 PM |
| 2) Applications Due                                   | <b>12 noon, January 15, 2016</b>                            |
| 3) HCDC Meeting – Question/Answer with Applicants     | February 18 at 6:30 PM                                      |
| 4) HCDC Meeting – Review Rankings and Recommendations | March 10 at 6:30 PM   |

## DRAFT

### Part I. Estimated Federal Funding Available

In FY17 the City of Iowa City is expecting to have available approximately \$1,100,000 in federal funds (including FY17 entitlements plus program income) from the U.S. Department of Housing and Urban Development (HUD). The City has approximately \$350,000 available for allocation to recipients after Council set-asides have been removed for administration, economic development, owner-occupied housing rehabilitation, neighborhood infrastructure and aid to agencies. Of the \$350,000 available, approximately \$290,000 must be used for HOME eligible activities. The focus of the HOME program is for affordable housing activities; rehabilitation or new construction of rental housing, tenant based rent assistance and homeownership opportunities. The HOME program requires not less than 15% of the HOME entitlement be reserved for Community Housing Development Organizations (CHDOs). In FY17 this set-aside is approximately \$48,000.

### Part II. Application Requirements and Considerations

Applicants should evaluate the following HUD guidelines as well as City policies contained in CITY STEPS when considering the types of proposals, funding estimates, and time schedules for achieving their program/project goals.

#### Ineligible Activities

The following types of activities that are ineligible include, but are not limited to, the following:

- First consideration for funding will go to housing (not including CHDO operating expenses) and public facility projects of \$50,000 or more. No more than two public facility projects will be awarded funding.
- Public service eligible activities such as operations or salaries.
- Buildings for general conduct of government and expenses required to conduct the regular responsibilities of local government, e.g. street maintenance, public buildings for government.
- Political, religious and lobbying activities, income payments, such as rent assistance and mortgage payments. HOME only: tenant based rent assistance is an allowable activity.
- CDBG only: New housing construction, except for residential facilities providing shelter for persons with special needs (homeless shelters, convalescent homes, halfway houses, and group homes).
- Purchase of construction equipment.

NOTE: The purchase or lease of furnishings, equipment, or other personal property (such as vehicles) needed for an eligible public service is eligible only under the CDBG public service category; however, the City will not be considering public service activities under this allocation process. Additional requirements and CDBG award limitations may apply, please contact Neighborhood Services staff to discuss.

#### Eligible Activities

- a. Activities that can be carried out with **CDBG funds** include, but are not limited to, the following:

## DRAFT

- Acquiring real property, demolishing structures and clearing property, and relocation assistance for residents of property being demolished.
  - Rehabilitation or preservation of residential and nonresidential structures, including weatherization, painting, accessibility improvements, emergency repairs and comprehensive rehabilitation.
  - Construction of public facilities and improvements, such as water and sewer facilities, infrastructure repairs and installation of curb ramps, construction of neighborhood centers and installation of accessible playground equipment.
- b. Activities that can be carried out with **HOME funds** include the following:
- Acquisition of real property (including Homeownership Assistance), payment of "soft" costs associated with a project, demolition and clearing property, site and infrastructure improvements, and relocation assistance for persons being displaced by a HOME activity.
  - Rehabilitation or preservation of residential structures (comprehensive rehabilitation only).
  - Tenant Based Rental Assistance (TBRA) for a period of up to 24 months.
  - New construction of affordable housing units (rental or owner-occupied).
  - Operational expenses and Capacity Building for Community Housing Development Organizations (CHDOs) within the limit of 5% of Iowa City's HOME allocation.

### National Objective

ALL proposals must address a Low-Moderate Income Benefit

a. CDBG Funds

The National Objective of the CDBG Program is the "development of viable urban communities by providing decent housing and suitable living environments, and expanding economic opportunities, principally for persons of low and moderate income." At least 51% of the program beneficiaries (persons or households) must have incomes at or below 80% of the local median income category. [For programs that directly fund individual households (e.g. housing rehab), all of the households must earn less than 80% of the median household income.]

Applicants must document that the National Objective is being met. While the CDBG program allows self-certification of income, the household must certify their income with their signature. HUD also requires that a certain percentage of the participants provide source documentation such as pay stubs or a Social Security statement to further verify the household's income. This source documentation must be kept in the client's file and is subject to monitoring when City or HUD staff review the client files. The City has set this percentage at 5% of the programs beneficiaries.

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## b. HOME Funds

The national objective of the HOME program is the provision of safe and decent affordable housing. All activities undertaken with HOME funds must benefit persons or households below 80% of median family income. An additional income restriction is added for rental housing projects funded by HOME. For these rental projects, 90% of the HOME assisted units must be targeted to persons and/or households below 60% of the median family income.

Median income limits for Iowa City effective June 1, 2015 for the HOME program:

Household Size	30% Median Income (Poverty Level)	50% Median Income	60% Median Income	80% Median Income (low income)	Median Income
1	\$17,300	\$28,850	\$34,620	\$46,100	\$57,700
2	\$19,800	\$32,950	\$39,540	\$52,650	\$65,900
3	\$22,250	\$37,050	\$44,460	\$59,250	\$74,100
4	\$24,700	\$41,150	\$49,380	\$65,800	\$82,300
5	\$26,700	\$44,450	\$53,340	\$71,100	\$88,900
6	\$28,700	\$47,750	\$57,300	\$76,350	\$95,500
7	\$30,650	\$51,050	\$61,260	\$81,600	\$102,100
8	\$32,650	\$54,350	\$65,220	\$86,900	\$108,700

The CDBG statute pertaining to the low-moderate income national objective specifies criteria for determining low- and moderate-income benefit.

1. The activity must be carried out in an area or neighborhood consisting predominantly of low-moderate income persons, or the activity must involve facilities or services designed for use predominantly by low-moderate income persons. Demographic information is available at the Neighborhood & Development Services Department. In some instances, applicants may need to conduct a survey of the potential beneficiaries to determine income eligibility.
2. Housing that is being improved, as part of a project must be occupied predominantly by low-moderate income persons.
3. Job creation or retention as an activity must involve employment of predominantly low and moderate-income persons.

### Performance Schedule and Payment

Preference will be given to projects that can be completed within the City's fiscal year (July 1-June 30).

Reimbursements can be made after the contract has been formalized. **Expenses incurred before July 1, 2016 or before a contract has been entered may not be reimbursable and may jeopardize all the CDBG/HOME funds awarded to the project.** Disbursements can be made upon receipt of 1) invoices for labor, materials and services rendered, and 2) signed lien waivers (as appropriate) covering all amounts to be paid. In some instances, pre-agreement costs may be reimbursed to applicants; however, Neighborhood Services staff must be contacted **prior** to making any pre-agreement disbursements to verify if the cost may be reimbursed. In case of minor cost overruns or requests for additional funding, the City Manager and staff may approve a contract amendment that is non-substantial. In the case of substantial changes (as defined in the Citizen Participation Plan) the Housing

## DRAFT

and Community Development Commission and City Council must approve the change and an amended agreement is required.

### **Budget Considerations**

In estimating the amount of the proposal or the project budget, applicants should try to obtain documentation for the costs and consider the following expenses:

- Appraisals, legal fees, title opinions and surveying costs for property acquisition projects.
- Building permits, engineering or surveying costs, zoning application fees, professional fees, advertising and bidding costs for rehabilitation and building projects.
- HOME funds are required to be matched at the rate of one match dollar for each four HOME dollars or 25% of the HOME funds being requested. The City has made a commitment to match local HOME dollars, however, we also expect applicants for local HOME funds to contribute to meeting this matching contribution (see HOME regulations for eligible forms of match).
- The City requests that applicants leverage private funding, volunteers, and in-kind contributions whenever possible and to include this information on your application. These contributions are worth points in the ranking sheets and are included in HCDC's evaluation of your application.
- Construction estimates should be realistic. Funds remaining after the proposed work is completed will revert back to the CDBG line of credit.
- Applicants can apply for grants and/or loans.
- Other project costs such as compliance with HUD regulations (audits, labor standards, environmental studies, fair housing, etc.) listed in Part III below should also be included.

### **PART III. Housing**

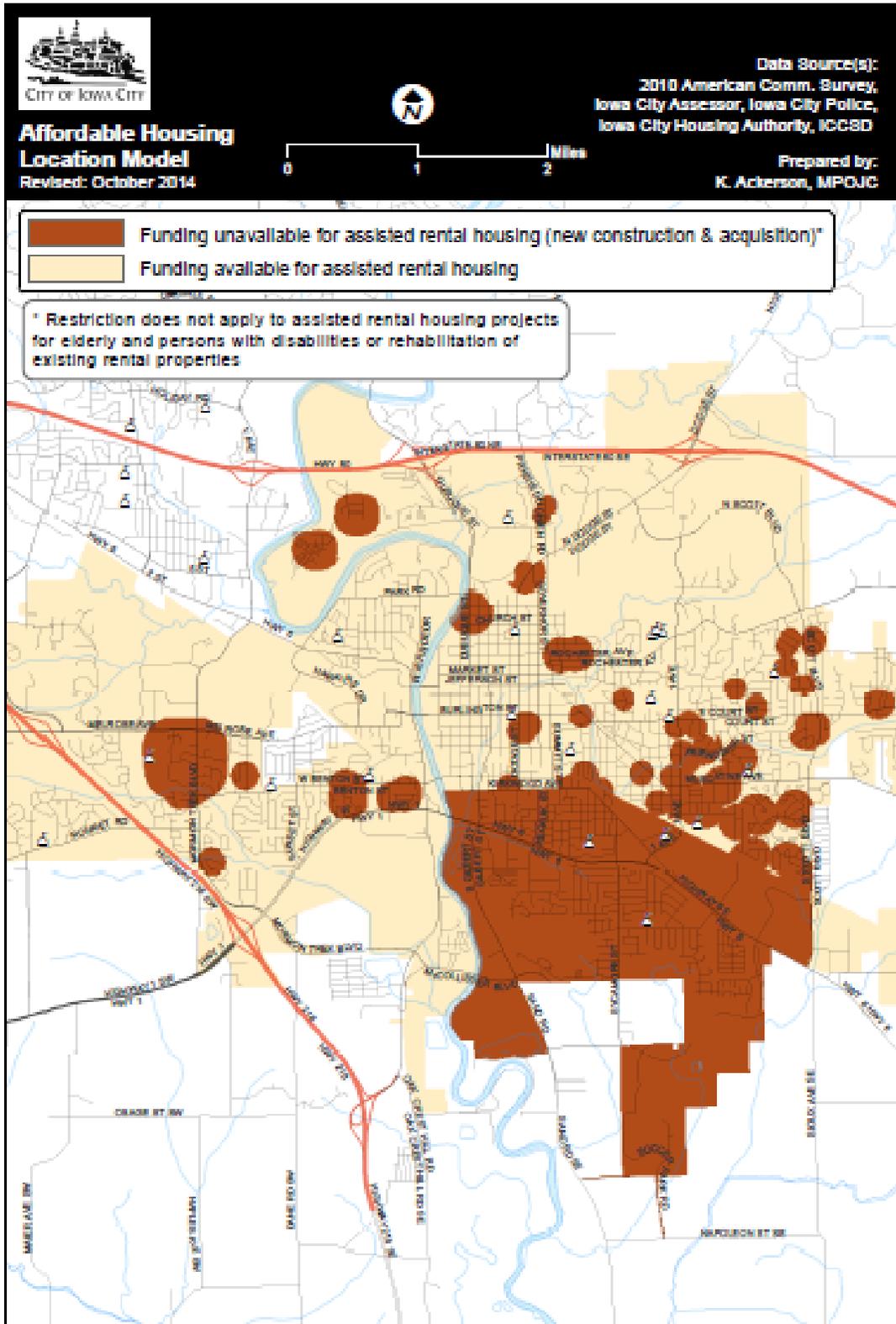
Site Location. One of the City's goals is to encourage the distribution of housing and residential facilities (e.g. permanent housing – rental and homeownership, transitional housing, homeless shelters, and special needs housing) throughout Iowa City. See the attached Affordable Housing Location Model to view where City assisted rental housing may be located. The Location Model is also available at [www.icgov.org/actionplan](http://www.icgov.org/actionplan).

Additional Information Requirements. Before an applicant may enter an agreement with the City, the applicant must submit updated information such as, but not limited to, the project schedule, sources and uses statement, construction budget (if applicable), and pro forma (if applicable). All other funding sources must be identified and verification submitted to the City to complete a subsidy layering analysis when multiple public funding sources are utilized.

Appraised Value at Project Completion. Each housing project, except minor home repairs, funded with CDBG and/or HOME funds must have an appraised value at project completion that demonstrates adequate equity to secure any liens.

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Map will be updated prior to Council approval on December 15



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### PART IV. Compliance with Federal Regulatory Requirements

All CDBG/HOME contracts include requirements imposed by various Federal-sponsoring agencies. These include procurement standards for labor, materials, supplies and services not only related to the project but also to the applicant's operation.

1. Procurement standards and subcontracting requirements are set forth in OMB Circular A-110 and 24 CFR Part 84 (for non-profit organizations). The following list briefly describes the main points in contracting for services and purchasing supplies and materials.
2. Affirmative efforts shall be made to utilize small and minority-owned businesses or sources of supplies and services. Conflict of Interest rules will also apply.
3. Construction contracts in excess of \$2,000 shall comply with the Fair Labor Standards Acts. Specifically, 1) **the Davis-Bacon Act** which requires contractors to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor, 2) **Copeland Anti-Kick Back Act** which prohibits employers from inducing employees to give up any part of the compensation to which they are otherwise entitled, and 3) **the Contract Work Hours and Safety Standards Act** which requires contractors to compute wages on the basis of a standard work week of 40 hours. Work in excess of the standard workweek shall be permissible if the worker is compensated at a rate of 1½ times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. No worker shall be required to work in unsanitary, dangerous or hazardous surroundings.
4. Contracts over \$10,000 shall contain requirements relating to Equal Employment Opportunity.
5. Provisions for termination shall also be included in all contracts.
6. Records should be kept for all procurements. Construction projects for more than \$100,000 must utilize the competitive sealed bids (formal advertisement) method of procurement. Procurement by small purchase procedures shall be utilized for projects \$100,000 or less. Price or rate quotations shall be obtained from an adequate number of qualified sources under this method.
7. Contracts in excess of \$25,000 shall contain provisions and conditions that allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms.
8. Contracts in excess of \$100,000 shall meet bonding and Section 3 requirements. Minimum bond requirements include: bid guarantee equal to 5% of bid price, performance bond for 100% of contract price and payment bond for 100% of contract price.
9. Provisions regarding federal regulations on Non-discrimination, Equal Employment, Affirmative Marketing and Fair Housing.
10. Acquisition, Displacement and Relocation are also contained in the Agreement.
11. Lead Based Paint regulations regarding interim controls and abatement may also apply.

## **PART V. Financial Management**

Standards for financial management and record keeping are provided in 2 CFR Part 200 and 24 CFR Part 84. Local accountants and agency directors experienced with federal requirements may be helpful resources.

- Each recipient shall have a financial management system that provides effective control over and accountability for all funds, property, and other assets, must identify the source and application of funds for federally-sponsored activities, and permit the accurate, complete, and timely disclosure of financial results in accordance with the reporting requirements of the City and HUD.
- A separate ledger for the CDBG and/or HOME account is strongly recommended.
- Appropriate time distribution records must be kept for employees paid with CDBG funds in addition to other funds.
- All project-related expenditures must be supported by third party documentation (invoices, contracts, and purchase orders). Lien waivers are required from all contractors and subcontractors.
- Reductions in project costs or increases in the commitment of other funding, if any, shall be brought to the immediate attention of staff. The impacts of these changes must be discussed with staff and appropriate reductions in CDBG and/or HOME funds may be made on a pro-rated, case-by-case basis.

## **PART VI. Reporting and Monitoring**

Neighborhood Services staff will monitor all aspects of the project beginning with pre-agreement activities, goal setting to project closeout. Any project changes must be approved by the City.

All notices and reports should be directed to:

**Neighborhood Services  
410 East Washington Street  
Iowa City, IA 52240**

Periodically, Neighborhood Services staff and HCDC members will conduct monitoring visits to review project progress, financial management, construction contracts, time records related to the project as well as client statistics. Staff will attempt to give reasonable notice prior to the site visit.

In most cases, a financial audit of the project expenditures will be required. Qualified individuals who are sufficiently independent of the agency and can produce unbiased opinions and conclusions should conduct these audits. Audit reports should be submitted within six months of project completion and final disbursement of funds.

For organizations that expect to receive more than \$500,000 in federal assistance from all sources are required to have an audit covering the financial activities of the organization as well as the project disbursements will be required as set forth in OMB Circular A-133.

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For CDBG projects, all records relating to the project should be kept at least four years after the submission of the Consolidated Annual Performance and Evaluation Report (CAPER) in which the activity is reported as complete. The CDBG Agreement should be retained until the end of the compliance period.

For HOME projects, all records shall be maintained as required in 92.508 Recordkeeping depending on the type of project (rental, homeownership, or tenant-based rental assistance).

The City of Iowa City requires quarterly reports and has a standardized reporting form. For rental and homeownership projects, the applicant must complete project close-out forms and submit to the City upon project completion. The period of affordability does not begin until the City has been notified and the data entered into HUD's information and management system (IDIS). The compliance period will vary depending upon the regulatory requirements of the CDBG and/or HOME program and the information contained within the CDBG/HOME application. During the compliance period, Neighborhood Services staff will request records relating to the stated purpose of the project to see if goals have been carried out, to review the low and moderate income benefit requirements as established by HUD, and to monitor the financial status of the organization.

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## Summary of Priority Needs (2016-2020 CITY STEPS)

For the five-year period of 2016 through 2020, the City has identified the following as priority needs for CDBG & HOME funding. Your application must meet an identified need to be considered for funding.

<b>PUBLIC SERVICES: (CDBG Aid to Agencies)</b>		
<b>Priority:</b>	<b>Matrix Code:</b>	<b>HUD Category</b>
Child Care	05L	Child Care Services
Chronic Substance Abuse	05F	Substance Abuse Services
Domestic Violence	05G	Battered & Abused Spouses
Elderly	05A	Senior Services
Employment Training	05H	Employment Training
Homeless Services	05 & 05T	General, Security Deposit
Mentally Ill	05O	Mental Health Services
Persons with Disabilities	05B	Handicapped Services
Persons with HIV/AIDS	05	General
Transportation	05E	Transportation Services
Youth Services (unaccompanied youth inc.)	05D	Youth Services
<b>PUBLIC FACILITIES:</b>		
<b>Priority:</b>	<b>Matrix Code:</b>	<b>HUD Category</b>
Child Care	03M	Child Care Centers
Chronic Substance Abuse	03P	Health Facilities
Domestic Violence	03C	Homeless Facilities
Elderly	03A	Senior Centers
Employment Training	3	Public Facility
Homeless Services	03C	Homeless Facilities
Mentally Ill	03P	Health Facilities
Persons with Disabilities	03B	Handicapped Centers
Persons with HIV/AIDS	03S	Facilities for AIDS Patients
Transportation	3	Public Facility
Youth Services (unaccompanied youth inc.)	03D	Youth Centers
<b>PUBLIC INFRASTRUCTURE: (Set-Aside)</b>		
<b>Priority:</b>	<b>Matrix Code:</b>	<b>HUD Category</b>
Serve primarily non-student LMI	03L	Sidewalk Improvements (inc. curb cuts)
Census Tracts	03K	Street Improvements (inc. street lights)
	03E	Neighborhood Facilities
	03F	Parks, Recreational Facilities
	03I	Flood, Drainage Improvement
	03N	Tree Planting
	01	Acq. of Real Property

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<b>ECONOMIC DEVELOPMENT: (Set-Aside)</b>		
<b>Priority:</b>	<b>Matrix Code:</b>	<b>HUD Category</b>
Micro-enterprise Development	18C	Micro-Enterprise Assistance
Façade Improvements (URA)	14E	Rehab; Publicly or Privately Owned Commercial
<b>HOUSING:</b>		
<b>Priority:</b>	<b>Matrix Code:</b>	<b>HUD Category</b>
<b>Expand Affordable Rental Housing:</b>	01	Acquisition of Real Property
Development	12	Construction of Housing
Acquisition or Rehabilitation	14G	Acq. for Rehabilitation
Tenant Based Rent Assistance	05S	Rental Housing Subsidies
	05T	Security Deposits (homeless)
<b>Expand Owner Housing</b>		
Downpayment	13	Direct Homeownership Assistance
<b>Preserve Rental &amp; Owner Housing</b>		
Rehabilitation	14A & B	Rehabilitation (includes accessibility)
	14F	Energy Assistance Improvements

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### Housing and Community Development Commission Unsuccessful or Delayed Projects Policy Adopted by City Council March 2, 2004 (Resolution 04-68)

From time to time there may be Community Development Block Grant (CDBG) and/or HOME Investment Partnership Program (HOME) projects that do not meet the anticipated schedule for implementation as presented to the Housing and Community Development Commission (HCDC). These circumstances may be due to unforeseen events (e.g. unfunded applications for other financing).

HCDC recognizes the need to utilize CDBG, HOME and other funding as effectively and efficiently as possible to meet the needs of low-moderate income household for housing, jobs and services within Iowa City.

To assist HCDC in evaluating a project's status and ability to proceed the following policy is hereby adopted to begin with Fiscal Year '04 projects beginning July 1, 2003:

1. All CDBG and HOME projects will have entered into a formal agreement with the City of Iowa City for the utilization of federal funds by September 30 each year. ***Should a recipient fail to meet this threshold, 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 completion of 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 LIHTCs) 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 recipient with approximately 255 days following the start of the fiscal year to reach this threshold for CDBG projects. All HOME projects will expend their funds on a timely basis per the applicable HOME regulation. Should a recipient fail to meet these thresholds, all unexpended CDBG/HOME funding will be recaptured by the City of Iowa City and recommendations be made by the HCDC for re-use of the funds or HCDC may allow the recipient to retain the funds for the previously approved project.
3. If housing projects are applying for other funds through various state or federal agencies, the recipient must apply for those funds in the first available application period offered. Should a recipient fail to meet this application threshold, all CDBG/HOME funding will be recaptured by the City of Iowa City and recommendations be made by the HCDC for re-use of the funds.
4. Should a recipient be unsuccessful in obtaining the funds listed in the application in the application round immediately following the allocation of local CDBG/HOME funds, and the project will not be able to proceed without the aforementioned funds, all CDBG/HOME funds will be recaptured by the City of Iowa City and recommendations be made by the HCDC for re-use of the funds or HCDC may allow the recipient to retain the funds for the previously approved project. If the project is unsuccessful in obtaining the required funds listed in the application after two consecutive funding rounds following the allocation of local CDBG/HOME funds, the City of Iowa City will recapture all CDBG/HOME funds.

## CDBG and HOME Program Investment Policies

### **Economic Development**

Economic development projects making application to the CDBG Economic Development Fund will be reviewed by the Council Economic Development Committee. The Council Economic Development Committee will make a recommendation to the City Council for each project proposed for funding. Said recommendation shall include the amount of CDBG assistance to be allocated and the terms of investment.

Typically, for-profit business projects will receive low-interest loans; whereas, non-profits may be recommended for forgivable loans or grants. Decisions regarding investment terms for economic development projects will be made based on the nature of the project including, but not limited to, the risk, potential for growth, the number of and quality of jobs created for low-moderate income persons, the ability to repay a loan and the amount of other funding leveraged.

### **Housing**

*Rental Housing.* Except as noted below, the interest rate for rental housing activities will be zero percent (0%) for non-profit owned projects and prime rate (determined at the time the CDBG/HOME agreement is executed by the City) minus two points for for-profit owned projects with an amortization period up to thirty (30) years or the period of affordability, whichever is less.

*Homeownership.* Each year Iowa City adopts resale/recapture provisions that apply to all HOME assisted homebuyer projects. The recapture/resale provisions shall be the same for both CDBG and HOME assisted homebuyer projects. These provisions are set forth in the Annual Action Plan for the year the funds were allocated to the Subrecipient/Recipient.

*Tenant Based Rental Assistance (TBRA).* All HOME funds provided for TBRA will be in the form of a grant.

*Exceptions.* The City may grant a different interest rate and/or a different repayment option based on the nature of the project including, but not limited to, the revenue generated, the ability to repay a loan, the type of housing provided, the beneficiaries, the amount of other funding leveraged and the location of the site.

### **Public Facilities**

The City of Iowa City, as the recipient of Community Development Block Grant (CDBG) funds, utilizes these funds for "public facilities" projects as defined in 24 CFR 570.201 (c) that are completed by the City and/or subrecipients. The following policy applies to CDBG assistance provided to non-governmental subrecipients ("governmental" includes only jurisdictions with taxing authority as provided for in Iowa Code).

Projects that receive an allocation by the City of Iowa City will receive an earned grant, as defined herein, which will be secured by a mortgage or other comparable security instrument. The compliance term of the earned grant will be determined by the formula also provided herein. At the end of the applicable compliance term the lien or other security instrument will be released by the City. If the real property is leased, the lease shall be for a period that matches or exceeds the compliance term of the earned grant.

- *Earned Grant: A lien against the real property being assisted, or other comparable security, which is repaid only upon transfer of title, rental of the property, or termination of services or occupancy as outlined in the applicable CDBG Agreement. If the subrecipient fully satisfies the terms outlined in the applicable CDBG Agreement the mortgage against the property, or other security instrument, will be released by the City following the completion of the compliance period that begins on the date of execution of the mortgage or security instrument.*

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- *Earned Grant Formula: The total amount of CDBG assistance allocated to a subrecipient in any one City fiscal year for a "public facility" project divided by \$10,000 equals the number of CDBG compliance years for the Earned Grant. (For example: \$20,000 in CDBG assistance divided by \$10,000 would equal a compliance term of 2 years or 24 months). If the Earned Grant Formula results in a compliance term of less than one year (12 months) the minimum compliance term shall be one year (12 months). The maximum compliance term for any CDBG assistance shall be no more than twenty (20) years.*

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# Housing Proposal Evaluation Criteria

This evaluation sheet **will be used as a guide** to assist the Housing and Community Development Commission (HCDC) in the FY17 allocation process. HCDC members will rank each project according to the questions/criteria shown below. However, the scores will not be the sole determinant of a funding decision.

**I. Need/Priority (maximum 20 points)**

**Meets identified need in CITY STEPS? Yes \_\_\_\_\_ No \_\_\_\_\_**

If yes:

1. How well has the applicant documented the ability of the project to meet this need? (0-20 points) \_\_\_\_\_

**SUB-TOTAL \_\_\_\_\_**

**II. Leveraging Resources/Budget (maximum 25 points)**

**Project budget is justified? (Costs are documented/reasonable) Yes \_\_\_\_\_ No \_\_\_\_\_**

If yes:

1. How well does the organization and/or project leverage human resources or utilize community partnerships? [Volunteers, collaboration, etc.] (0-10 points) \_\_\_\_\_

2. Does the project leverage private financial resources? [Including in-kind] (0-10 points) \_\_\_\_\_  
0 to 25% Private Funds (0-1 point)  
26 to 50% Private Funds (2-4 points)  
51% to 75% Private Funds (5-7 points)  
76% to 99% Private Funds (8-10 points)

3. Has applicant documented adequate efforts to secure other private or public funding? (0-5 points) \_\_\_\_\_

**SUB-TOTAL \_\_\_\_\_**

**III. Feasibility/Need for Subsidy (maximum 20 points)**

1. How well has applicant demonstrated the requested level of public subsidy is necessary? [Private/other funds not available?] (0-8 points) \_\_\_\_\_

2. Does the project schedule adequately demonstrate the project will be completed within the required time period? (0-4 points) \_\_\_\_\_

3. How well does the proposed budget establish the project is viable without further subsidy? (0-8 points) \_\_\_\_\_

**SUB-TOTAL \_\_\_\_\_**

**IV. Impact/Benefit (maximum 30 points)**

1. What primary level of low- to median-income persons are targeted? (0-30%=10, 31-50%=6, 51-60%=4 points, 61-80%=1) \_\_\_\_\_

2. How innovative of a solution to the problem does the project represent? (0-10 points) \_\_\_\_\_

3. Does project pay full property taxes (5) or provide payment in lieu of taxes (3)? (0-5 points) \_\_\_\_\_

4. Does the project propose to utilize a site that is appropriate based upon City policies and/or community interests? (0-5 points) \_\_\_\_\_

**SUB-TOTAL \_\_\_\_\_**

**V. Capacity/History (maximum 5 points)**

**Applicant can maintain regulatory compliance throughout the project, including the affordability period?**

**Yes \_\_\_\_\_ No \_\_\_\_\_**

If yes:

1. Has applicant demonstrated strong financial skills or arrangements for necessary financial management and established the administrative capacity to successfully complete this project? (0-5 points) \_\_\_\_\_

**PROJECT NAME: \_\_\_\_\_ GRAND TOTAL \_\_\_\_\_**

**PROPOSED ALLOCATION: \$ \_\_\_\_\_ (Maximum amount of points – 100, Projects under 60 points receive \$0)**

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Public Facility and Planning Proposal Evaluation Criteria

This evaluation sheet will be used as a guide to assist the Housing and Community Development Commission (HCDC) in the FY17 allocation process. HCDC members will evaluate each project according to the questions/criteria shown below. However, the scores will not be the sole determinant of a funding decision.

I. Need/Priority (maximum 20 Points)

Meets identified need in CITY STEPS? Yes \_\_\_ No \_\_\_

If yes:

1. How well has applicant documented the ability of the project to meet this need? (0-20 points) \_\_\_

II. Leveraging Resources/Budget (maximum 25 Points)

Project budget is justified? (Costs are documented/reasonable) Yes \_\_\_ No \_\_\_

If yes:

1. How well does the organization and/or project leverage human resources or utilize community partnerships? [Volunteers, collaboration, etc.] (0-10 points) \_\_\_

2. Does the project leverage private financial resources, including in kind? (0-10 points) \_\_\_
0 to 25% Private Funds (0-1 point) 26% to 50% Private Funds (2-4 points)
51% to 75% Private Funds (5-7 points) 76% to 99% Private Funds (8-10 points)

3. Has applicant documented adequate efforts to secure other private or public funding? (0-5 points) \_\_\_

III. Feasibility/Need for Subsidy (maximum 20 points)

1. How well has applicant demonstrated the requested level of public subsidy is necessary? [Private/other funds not available?] (0-8 points) \_\_\_

2. Does the project schedule adequately demonstrate the project will be completed within the required time period? (0-4 points) \_\_\_

3. How well does the proposed budget establish the project is viable without further subsidy? (0-8 points) \_\_\_

IV. Impact/Benefit (maximum 30 points)

Does the project help persons gain self-sufficiency? Yes \_\_\_ No \_\_\_

If yes:

1. What primarily level of low- to median-income persons are targeted? (0-30%=10, 31-50%=6, 51-60%=4 points, 61-80%=1) \_\_\_

2. How innovative of a solution to the problem does the project represent? (0-10 points) \_\_\_

3. Does the project (or related facility) pay full property taxes (5) or provide payment in lieu of taxes (3)? (0-5 points) \_\_\_

4. Is the project likely to produce a demonstrable benefit to the community in comparison to its cost? (0-5 points) \_\_\_

V. Capacity/History (maximum 5 points)

Applicant can maintain regulatory compliance? Yes \_\_\_ No \_\_\_

If yes:

1. Has applicant demonstrated strong financial skills or arrangements for necessary financial management and established the administrative capacity to successfully complete this project? (0-5 points) \_\_\_

PROJECT NAME: \_\_\_\_\_

GRAND TOTAL \_\_\_\_\_

PROPOSED ALLOCATION: \$ \_\_\_\_\_ (Maximum amount of points – 100)

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## Public Facility, Planning & Other Projects Application for FY2017 CDBG/HOME funds

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- Contact Neighborhood Services staff at 319.356.5230 or by email at [Kristopher-Ackesron@iowa-city.org](mailto:Kristopher-Ackesron@iowa-city.org) with questions.
- Submit the original application to the City of Iowa City, Neighborhood Services. The application may not be longer than 10 pages, must be typed (10 point font or larger), and must be single sided.
- Email the completed application to [Kristopher-Ackerson@iowa-city.org](mailto:Kristopher-Ackerson@iowa-city.org). Emailed applications must receive a confirmation email from City staff **before** the application deadline to be considered for funding. **Email is preferred** but you may send your application by certified or registered mail; overnight delivery service e.g., Federal Express; deliver in person and have the application date/time stamped by a Neighborhood Services representative.
- Please remember that only *one* project proposal may be submitted on each application. Use *separate* applications for each project proposal.

Applications are due on **Friday, January 15, 2016 by noon.**  
**NO EXCEPTIONS!**

City of Iowa City  
Neighborhood Services  
410 E. Washington Street  
Iowa City, IA 52240  
319.356.5230

# Public Facility, Planning & Other Projects

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1. Name of Project:
2. Total Amount of CDBG Funds Requested: \$
3. Applicant Name:  
Applicant Address:  
DUNS Number:  
Signature: \_\_\_\_\_
4. Contact Person:  
Phone Number:  
Fax Number:  
Email Address:
5. Location of proposed project:
6. Did you attend the Applicant Workshop?  NO  
 YES - Please indicate date attended:  12/18/14 or  1/5/15
7. Brief summary of the proposed project (*please limit response to a paragraph*).

## Section 1 – Need/Priority

8. Please specify **the one most applicable priority need** this application addresses, as shown in CITY STEPS 2016-2020 ([www.icgov.org/actionplan](http://www.icgov.org/actionplan) or review Application Guide).

Priority Need:

- 9a. Tell us why this project is needed (include information from studies\research or other supporting documentation) and how it fills a gap in the community as outlined in CITY STEPS. Also, indicate how the project partners with existing services/facilities, including whether other agencies will be housed in or will be allowed to use the facility.
- 9b. Will this project address the established priorities in the City's Strategic Plan? Please identify the priority(s). ([www.icgov.org/strategicplan](http://www.icgov.org/strategicplan))

## Section 2 – Leveraging Resources\Budget

10. Provide a budget breakdown for your specific project. Complete the various categories appropriate for your project. Use categories such as property acquisition, architectural expenses, construction costs, material and administrative costs, etc. for construction/rehabilitation projects. **The budget breakdown should only include those costs directly related to the project.** If a construction project, provide the total estimated costs of the project, but do not include operational expenses or expenses not directly related to the construction project. Under the “status” column, indicate if funds are anticipated or committed for each source of funds. If anticipated, include the date the funds will be available if awarded funding. Please include the cost of an audit for any organization that expects to receive over \$500,000 from all federal sources. Also include a budget for the other items under Budget Considerations in the FY15 Applicant Guide.

**Document Costs Whenever Possible. A construction estimate is strongly encouraged for all rehabilitation or new construction projects. PLEASE NOTE: The Housing and Community Development Commission may request a copy of your overall agency budget.**

Budget Breakdown (Include only those costs directly related to the project.)							
Expense Category (e.g. salaries, acquisition, rehab) If possible, please prioritize the budget	CDBG Funds	Other Funds	List Source of Other Funds including whether Public or Private	Type		Status	
				In-Kind	Cash	Anticipated Date	Committed
				<i>Please place an "X" in the box that applies:</i>			
	\$	\$					
	\$	\$					
	\$	\$					
	\$	\$					
	\$	\$					
	\$	\$					
<b>Total</b>	\$	\$					

Amount of private\agency\other funds \$ \_\_\_\_\_ (a)

Amount of CDBG funds \$ \_\_\_\_\_ (b)

**Total Project Funding** \$ \_\_\_\_\_ (c)  $(a + b)$

Number of persons assisted \_\_\_\_\_ (d) *(see question 19)*

Total cost per person \$ \_\_\_\_\_ (e)  $(c \div d)$

**Total CDBG Cost Per Person** \$ \_\_\_\_\_ (f)  $(b \div d)$

11. If volunteers are used please describe how these volunteers are utilized for the proposed activity and estimate the amount of volunteer time and value dedicated to the identified tasks.

Unskilled labor	_____ hours	x \$10 per hour =	\$ _____
Skilled labor ( _____ )	_____ hours	x \$____ per hour =	\$ _____
Skilled labor ( _____ )	_____ hours	x \$____ per hour =	\$ _____
<b>Total</b>			<b>\$ _____</b>

12. What percentage of the proposed budget will be made up of private funds? \_\_\_\_\_%

13. Describe what efforts have been taken to secure private or other public funding?

### Section 3 – Feasibility/Need for Subsidy

14. Briefly outline the proposed timetable for the commitment and expenditure of the funding being requested (include other project factors such as rezoning, construction schedule, or application(s) for other funding).  
**Please Note: If funded, this schedule will be used for any project agreement for the use of CDBG funding.**

**Date:** July 1, 2015  
**Description of Activity:** Beginning of City Fiscal Year and Project Start Date

15. Explain why this project needs and is worthy of the requested public subsidy.
16. If funding is granted for this project, what steps are in place to decrease the likelihood it will require further subsidy in the future?
17. In what manner or form will the project proceed if it is awarded less than full funding? If the project has several individual components, please prioritize them according to your needs.

## Section 4 – Impact/Benefit to the Community

18. Please indicate the population to be served by the proposed project according to the income categories shown in the Applicant Guide. *(Please Note: If this application is funded, the information in this table will be used as income targeting for the CDBG Agreement).*

Number between 0 - 30% median income	_____ persons	<b>(a)</b>
Number between 31 - 50% median income	_____ persons	<b>(b)</b>
Number between 51 - 80% median income	_____ persons	<b>(c)</b>
Number over 80% median income	_____ persons	<b>(d)</b>
<b>Total</b>	_____ persons	<b>(e)</b>
<b>Percent LMI</b>	_____ %	$(a + b + c) \div e$
<b>Percent Iowa City Residents</b>	_____ %	

**Please describe the basis or methodology used to estimate the number of clients to be served (i.e. survey, last year's reports, etc.)**

19. Does your project represent an innovative solution to meet the specific need it is intended to satisfy? If so, please explain.

20. Does the proposed project pay full property taxes? Yes No

If yes, what is the estimated value of taxes generated from this Project? \$

If property taxes are not paid, does the proposed project pay a Payment In Lieu of Taxes or a reduced tax rate?

Yes No If yes, what is the percent of full taxes paid? \_\_\_\_\_ % and amount paid is \$ \_\_\_\_\_

## Section 5 – Capacity/History of the Applicant

21. Please list amount of CDBG and/or HOME funds received within the last four City fiscal years and the status of the project(s) undertaken. (City fiscal year July 1 to June 30)

Fiscal Year Funds Recv'd	Budgeted Amount	Amount Expended (as of 12/31/14)	Date All Units Completed
FY12 (July 2011 - June 2012)	\$	\$	
FY13 (July 2012 - June 2013)	\$	\$	
FY14 (July 2013 - June 2014)	\$	\$	
FY15 (July 2014 - June 2015)*	\$	\$	

\*Six months remaining in FY15 at time of this application.

22. Is the applicant (including partners, co-applicants, etc.) currently in compliance with all federal, state and local laws, rules and regulations, including any CDBG and/or HOME funded projects?  Yes  No  
If "NO" or a matter is currently in litigation please give the name of the case and explain the basis for the case.

23. If the applicant has not received HOME/CDBG funds in the past three years, please provide evidence of your organization's administrative capacity, financial skills, commitment and/or experience to undertake and complete the proposed project within the established timetable and budget.

24. Please describe your organization's structure, officers and staff, as it relates to the overhead cost for this project.

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## Housing

### Application for FY2017 CDBG/HOME funds

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- Contact Neighborhood Services staff at 319.356.5230 or by email at [Kristopher-Ackesron@iowa-city.org](mailto:Kristopher-Ackesron@iowa-city.org) with questions.
- Submit the original application to the City of Iowa City, Neighborhood Services. The application may not be longer than 13 pages (17 pages including the 20-year pro forma), must be typed (10 point font or larger), and must be single sided.
  - Rental housing projects (rehabilitation **or** new construction) **MUST** complete and submit the proforma (excel format) provided by the City with this application.
- Email the completed application to [Kristopher-Ackerson@iowa-city.org](mailto:Kristopher-Ackerson@iowa-city.org). Emailed applications must receive a confirmation email from City staff **before** the application deadline to be considered for funding. **Email is preferred** but you may send your application by certified or registered mail; overnight delivery service e.g., Federal Express; deliver in person and have the application date/time stamped by a Neighborhood Services representative.
- Please remember that only *one* project proposal may be submitted on each application. Use *separate* applications for each project proposal.

Applications are due on **Friday, January 15, 2016 by noon.**  
**NO EXCEPTIONS!**

City of Iowa City  
Neighborhood Services  
410 E. Washington Street  
Iowa City, IA 52240  
319.356.5230

Project Name:

Type of Project (*check one*):  Homeownership  Rental  Tenant Based Rent Asst.  Rehabilitation  
(*Rental and Rental Rehabilitation projects require the completion of rental housing pro forma*)

## General Information

1. Lead Applicant Name:

Signature: \_\_\_\_\_

Applicant Address:

Contact Person:

Title:

Phone Number:

Fax Number:

E-mail Address:

DUNS Number:

2. Secondary Applicant (if applicable):

Signature: \_\_\_\_\_

Applicant Address:

Contact Person:

Title:

Phone Number:

Fax Number:

E-mail Address:

3. Type of Applicant (*check one*):

- Community Housing Development Organization  Private non-profit organization  
 Private for-profit, individual or partnership applicant  Public Organization

4. Amount of HOME/CDBG Funds Requested: \$

5. Did you attend the Applicant Workshop?  NO  
 YES - Please indicate date attended:  12/18/14 or  1/5/15

6. Provide a brief description of the proposed project & complete the table below.

Total Number of Units Proposed:	
Type of Units:	Number of Units:
Single Room Occupancy	
Efficiency	
1 - Bedroom	
2 - Bedroom	
3 - Bedroom	
4+ Bedrooms	

## Section 1 – Need/Priority

7a. Based on the City of Iowa City HOME Market Analysis Policy for New Rental Construction, Rental Rehab. & Acquisition of Existing Homes (rental), or New Owner-Occupied Home Construction & Acquisition of Existing Homes (owner-occupied), please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing. The HOME Market Analysis Policy may be found at [www.icgov.org/actionplan](http://www.icgov.org/actionplan).

(If the project is large or complicated, the City may require a Market Analysis to support the project before entering a legally binding agreement for funds. *This policy is not applicable to projects requesting funds for tenant based rental assistance, homeowner rehabilitation, downpayment assistance and CHDO operating expenses.*)

7b. How will this project meet the needs identified in the 2016-2020 CITY STEPS ([www.icgov.org/actionplan](http://www.icgov.org/actionplan))

7c. Will this project address the established priorities in the City's Strategic Plan? Please identify the priority(s). ([www.icgov.org/strategicplan](http://www.icgov.org/strategicplan))

8. Please specify **the one most applicable priority need** this application addresses, as shown in the 2016-2020 CITY STEPS Plan.

Priority Need:

## Section 2 – Leveraging Resources/Budget

9. Please provide the requested loan terms and affordability period:

	Principal Amount	Interest Rate	Loan Amortization (Years)	Affordability Period (Years)	Yearly Payment
Terms Requested*	\$				

\*Financing terms will be based on project feasibility and the ability to repay the loan. Terms approved by City Council may be different than what is requested.

10a. Please complete the table below showing the types and amounts of funding being requested for the proposed project. Please check the appropriate box if the funding source is committed. If not committed, please indicate when the applicant will apply for funds in Question #15, Project Timetable.

Funding Source & Type of Funds:	Funding Amount	Interest Rate	Amortization	Term	Committed?
Iowa City CDBG or HOME Funding (public)	\$				<input type="radio"/> Yes <input type="radio"/> No
State of Iowa HOME or CDBG (public)	\$				<input type="radio"/> Yes <input type="radio"/> No
IFA – Low Income Housing Tax Credits (public)	\$				<input type="radio"/> Yes <input type="radio"/> No
Bank Loan (private)	\$				<input type="radio"/> Yes <input type="radio"/> No
Applicant Contribution of Equity (private)	\$				<input type="radio"/> Yes <input type="radio"/> No
Other Public Resources (please list)					
	\$				<input type="radio"/> Yes <input type="radio"/> No
Other Private Resources (please list)					
	\$				<input type="radio"/> Yes <input type="radio"/> No
<b>TOTAL</b>	<b>\$</b>				

10b. Please provide the uses of funds for the project.

Uses of Funds	Amount
Acquisition:	
Building Acquisition	\$
Land Acquisition	\$
Site Improvements	\$
Construction	\$
Professional Fees	\$
Construction Finance	\$
Permanent Finance	\$
Developer Fee	\$
Reserves	\$
Other (please specify):	\$
	\$
<b>TOTAL (Must equal TOTAL in 10a.)</b>	<b>\$</b>

<b>Amount of Private Funds</b>	\$ _____	(a)
<b>Amount of Public Funds</b>	\$ _____	(b)
<b>Total Project Funding</b>	\$ _____	(c) a + b
Number of bedrooms	_____	(d)
Total Cost Per Unit	\$ _____	(e) c ÷ # Units

10c. What percentage of the proposed budget will be made up of private funds? \_\_\_\_\_%

11. If volunteers are used please describe how these volunteers are utilized for the proposed activity and estimate the amount of volunteer time and value dedicated to the identified tasks.

Unskilled labor	_____ hours	x \$10 per hour =	\$ _____
Skilled labor ( _____ )	_____ hours	x \$___ per hour =	\$ _____
Skilled labor ( _____ )	_____ hours	x \$___ per hour =	\$ _____
Skilled labor ( _____ )	_____ hours	x \$___ per hour =	\$ _____
<b>Total</b>			<b>\$ _____</b>

12. Please identify any identity of interest (IOI) relationships with the applicant and/or project owner, i.e. General Partner has a financial interest in the construction company, etc.

13. Describe what efforts have been taken to secure private or other public funding.
14. Program regulations require a 25% match for HOME funding. Describe how your organization or the proposed project will help the City of Iowa City meet this match requirement for local HOME funds.

Local HOME funds requested: \$ \_\_\_\_\_ x .25 = \$ \_\_\_\_\_ *Local Match*

### Section 3 – Feasibility/Need for Subsidy

15. Briefly outline the proposed timetable for the commitment and expenditure of the funding being requested (include other project factors such as rezoning, construction schedule, or application(s) for other funding). If applicant plans to apply for funds not committed to the project yet, include the anticipated date for application. **Please Note: If funded, this schedule will be used for any project agreement for the use of CDBG\HOME funding.**

Date:	Description of Activity:
July 1, 2015	Beginning of City Fiscal Year and Project Start Date

16. Briefly describe the project goals for providing or assisting in the preservation or expansion of affordable housing in Iowa City, and how the project will benefit the targeted income group (e.g. goal of providing rental housing to lower income persons without use of Section 8 rental assistance or level of subsidized rent compared to market rates).
17. To help promote the efficient use of federal, state and local funding please describe how the project will maintain long-term (in excess of CDBG\HOME program requirements) or permanent affordability; and, show how the project will provide for affordable housing at rental rates or purchase price for owner-occupied housing units lower than those in the existing market.

18. Explain why this project needs and is worthy of the requested public subsidy.
19. If funding is granted for this project, what steps are in place to decrease the likelihood it will require further subsidy in the future?
20. If partial funds are awarded, will the project/program continue?  Yes  No  
If yes, at what level?

Reminder: Rental housing (including rental rehabilitation) projects MUST complete and submit the pro forma (excel format) provided by the City with this application.  
**Rental housing applications submitted without the City's pro forma will not be considered.**

**Section 4 – Impact/Benefit to the Community**

21. An objective of the City of Iowa City Comprehensive Plan is to promote a diversity of housing types and mix of all income levels. Please describe the target population this project is to serve and how the project will promote diversity within the neighborhood.
22. Identify the location of the proposed project.
23. Also, please indicate the number of persons or households that will be served by the proposed project by income category. **(Please Note: If this application is funded, the information in this table will be used as income targeting for the CDBG\HOME Agreement).**

Number between 0 - 30% median income	_____	households <b>(a)</b>
Number between 31 – 50% median income	_____	households <b>(b)</b>
Number between 51 – 60% median income	_____	households <b>(c)</b>
Number between 61 - 80% median income	_____	households <b>(d)</b>
Number over 80% median income	_____	households <b>(e)</b>
<b>Total</b>	_____	households <b>(f)</b>
<b>Percent LMI</b>	_____	<b><math>(a+b+c+d) \div f</math></b>

24. Does the proposed project pay full property taxes?  Yes  No

If YES, what is the estimated value of taxes generated from this Project? \$

If NO, does the proposed project make a Payment In Lieu Of Taxes or pay at a reduced rate?

Yes  No If yes, what is the percent of full taxes paid? \_\_\_\_\_% and amount paid is \$ \_\_\_\_\_

25. Does your project represent an innovative solution to meet the specific need it is intended to satisfy? If so, please explain.

## Section 5 – Capacity/History of the Applicant

26. Please list amount of CDBG and/or HOME funds received within the last four City fiscal years and the status of the project(s) undertaken. (City fiscal year July 1 to June 30)

Fiscal Year Funds Recv'd	Budgeted Amount	Amount Expended (as of 12/31/14)	Date All Units Completed
FY12 (July 2011 - June 2012)	\$	\$	
FY13 (July 2012 - June 2013)	\$	\$	
FY14 (July 2013 - June 2014)	\$	\$	
FY15 (July 2014 - June 2015)*	\$	\$	

\* Six months remaining in FY15 at time of this application.

27. Is the applicant (including partners, co-applicants, etc.) currently in compliance with all federal, state and local laws, rules and regulations, including any CDBG and/or HOME funded projects?  Yes  No  
If "NO" or a matter is currently in litigation please provide the name of the case and explain the basis for the case.

28. Please provide a narrative of the education and experience of the key staff who will be implementing the development project. Staff does not include volunteers, board members and consultants. If utilized, please identify what role a consultant will play in the development of this project.

29. Please describe your organization's structure, officers and staff, as it relates to the overhead cost for this project.

30. Provide a summary of your organization's portfolio. Include how many rental units you own/manage, how many homes you have built/rehabilitated/sold and what projects are in the pipeline.