

Agenda

Housing & Community Development Commission (HCDC)

Thursday, March 10, 2016

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 February 18, 2016 minutes
- 3) Public comment of items not on the agenda
- 4) Staff/commission announcements
- 5) Recommendation to City Council regarding applications for FY17
Community Development Block Grant (CDBG) and HOME Investment
Partnerships Program (HOME) Funding

Grant applications available online at:

<http://www.iowa-city.org/weblink/0/doc/1513503/Electronic.aspx>

- 6) Adjournment

MINUTES

PRELIMINARY

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FEBRUARY 18, 2016 – 6:30 PM

SENIOR CENTER, ASSEMBLY ROOM

MEMBERS PRESENT: Peter Byler, Syndy Conger, Bob Lamkins, Jim Jacobson, Harry Olmstead, Matthew Peirce, Emily Seiple

MEMBERS ABSENT: Michelle Bacon Curry, Dorothy Persson

STAFF PRESENT: Kris Ackerson, Tracy Hightshoe

OTHERS PRESENT: Karen DeGrout, Thomas McInerney, Elias Ortiz, Roger Lusala, Crissy Canganelli, Tracy Achenbach, Stu Mullins, Genevieve Anglin, Maryann Dennis, Ben Porush, Maggy Jares, Mark Patton

CALL TO ORDER:

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

APPROVAL OF JANUARY 21, 2016 MINUTES:

Ackerson noted that Stephanie Bowers recommended changing the wording on the recommendation to Council regarding the housing vouchers. The new wording proposed is “a recommendation on including housing choice voucher and other rental subsidies in the definition of public assistance source of income under the Human Rights Ordinance.”

Olmstead moved to approve the minutes of January 21, 2016 with that change.

Peirce seconded the motion.

A vote was taken and motion passed 7-0.

PUBLIC COMMENT:

None.

STAFF/COMMISSION ANNOUNCEMENTS:

Ackerson said that they have received word that they will receive a little more HOME funding than originally anticipated. There will be an additional \$60,000 and he will resend out the scoring sheets with the corrected amounts.

DISCUSSION REGARDING APPLICATIONS FOR FY17 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDING - QUESTION/ANSWER SESSION:

Byler said the typical process is for the Commission to invite anyone up to answer questions or make any additional comments regarding their applications.

Hightshoe noted that the City did do facility tours and Ackerson took pictures.

Karen DeGrout (Arc of Southeast Iowa) is interested in funding for a facility that is not divided well to serve kids of different ages at the same time. So their hope was to divide the lower level into three classrooms and add a classroom in the upper level. There would also be some other changes needed in the rest of the facility.

Byler asked if there was a previous application in another funding cycle for the basement. It was acknowledged that there was an application for that last year. He asked if phase one is the division of the basement and DeGrout confirmed that. Phase two is the restroom and carpeting in the basement. DeGrout then explained that phase three is the upper level where they would take the conference room and divide it out into a smaller conference room and another classroom. Byler asked if they divide the basement in phase one, then really phase two of the new carpet would also need to be completed at the same time. DeGrout replied that they could use the carpet that is already there to a certain extent. Byler asked about the bids for the project, DeGrout said they received two bids for the lower level and one bid for all three phases of the project. They have done business prior with one of the companies.

Olmstead asked about the matching funds and if those funds were contingent on getting all three phases approved. DeGrout explained that is the amount they have available right now for the project regardless of what the Commission approves.

Seiple noted the application states the organization will be self-supporting after this renovation. DeGrout said that some of the services they would be able to bill through waivers and the daycare portion would be funded by private funding (either families on a sliding fee scale or childcare assistance).

Jacobson asked what the major change programmatically would be once this project was complete. DeGrout replied that right now they serve mostly junior high age children in after school programs. With the remodel they would be able to open their facility up to other ages of childcare.

Thomas McInerney (CSC Child Care Center) explained that their project last year was mainly to get accessibility to the basement. This year they have refined their application to be more detailed and also noted the need for sprinkling in the building has arisen.

Byler asked about the addition, the ramp for accessibility is for the main building. McInerney replied that the small addition is for an office for staff, who currently do not have any office space. McInerney explained that they are currently maximizing every inch of the property for daycare of children and they are maxed out at 30. So they are looking for an opportunity to double the amount of children/families they can serve.

Byler asked about the cost of \$75,000 for a ramp, noting a typical chair lift costs about \$25,000 to \$35,000 so questions the cost of this project. McInerney noted the added benefit of having a ramp allows them to occupy the basement, otherwise daycares are not allowed in basements. Code requires that any classroom has to have a direct access to grade.

Ackerson noted they spoke with Development Services Division at the City and they noted that previously when the daycare expanded the church they received a special exception with regards to the amount of parking they have and configuration of the parking. So that is another consideration of expanding the daycare, they would have to get another special exception for parking. McInerney said they have been before the Board of Adjustment twice and have approval now for up to 30 and if they expand the daycare with a diversified age group the parking should suffice.

Olmstead noted that one request the Commission had of the applicant was to be provided the figures for each stage of the project. It appears there are three separate projects. McInerney said it's basically two, because the restroom improvements are tied to the expansion and accessibility for the basement. McInerney has spreadsheets that show the detail amounts.

Peirce noted the ramp is going on the church and asked what percentage of the use of that ramp will be by the daycare versus the church. McInerney said the church is only used on Sundays and the daycare is Monday thru Friday.

Seiple noted the application mentioned some cultural acquisition classes or language classes. McInerney replied that many of the people they serve are immigrants so they would be able to provide those services to them.

Elias Ortiz (Domestic Violence Intervention Program) introduced himself as the director of shelter services.

Byler noted that last year's grant was \$116,000 and wanted to hear an update on that project. Ortiz said they are still in the process of completing that project, it was a project to renovate the north and south restrooms, and reconfiguring doors. The building was built in 1993 and the doors by code must be fire safety doors, however the frames that were constructed were not constructed to hold those heavy doors. Ortiz said that project should be complete by the end of May. The construction schedule is constantly changing because the shelter is always open and the need to work around residents.

Olmstead asked about the overall structure of the shelter. For example, he could not go upstairs because of his mobility issues and wondered what the shelter would do with a resident with mobility issues. Ortiz said the main floor does have a room specifically for someone who cannot use stairs; part of their intake process is to ask if there are any physical limitations. He noted that part of the reason they are requesting the asphalt repair so those with physical limitations can access the building from the parking lot rather than going around to the front sidewalk.

Byler asked about the request for window replacement. Ortiz noted there are many aspects to the window replacement, one is safety. The current windows are the old latch and crank system windows and most aren't aligning correctly anymore so there are huge gushes of wind that come through. There is also a safety issue with the windows that don't latch correctly and children could push them open and fall out. He noted they have replaced about half of the windows upstairs already, paid through private grants and fundraising, so that leaves about six windows upstairs to still replace, along with the entire main floor.

Ackerson noted that bunk beds are not an eligible CBDG expense so if this project was funded it would be at \$45,000.

Conger asked since DVIP is now serving eight counties, are they reaching out to all eight counties to seek available funds. Ortiz replied that yes, they are constantly fundraising and looking for additional funds from many sources.

Byler noted that DVIP had a five-year facilities plan made which he reviewed and encourages all partners and organizations to get a similar plan for deferred maintenance it is very helpful.

Roger Lusala (Mayor's Youth Empowerment Program) is the executive director and explained that the proposed project is really three pieces. The first piece is for safety of the people they serve and they have noticed over the past few years there is a lot more traffic in that area. So they are looking to structure their buildings differently, especially the entry to add more doors and also create a fob-key entry for the staff with a buzz-in entry system for the public to maintain a safe environment for those inside. The second part of the project is to replace the air conditioning units, and the third part is to deal with water coming into the program area when there is rain or snow melting.

Byler asked if they had bids for these projects. Lusala said these were just general estimates because they have a construction company on their Board that can give them general estimates and a property manager that will actually do a lot of the work for them.

Byler asked if this application could not be fully funded, then they would just take whatever available funds given and complete the projects within the phases described. Lusala confirmed that was their intention.

Conger asked if Lusala could break it down to how much of the funding would be for each phase of the project. Lusala said it would be about \$30,000 to take care of the safety issues, the estimates for the air conditioning replacement is about \$10,000 and the water issues would be about \$15,000.

Byler asked about the \$10,000 matching funds and Lusala said that was cash they had on hand. He also noted they would use volunteer labor as much as possible for the projects as well.

Next up is the Shelter House application. Hightshoe noted that Crissy Canganelli (Executive Director, Shelter House) is out of town but is on speaker phone to address questions. Tracy Achenbach (Executive Director of the Housing Trust Fund of Johnson County) is present to field any questions as well.

Achenbach noted she is also a member of the Local Homelessness Coordinating Board and this has really been an initiative of the Local Homelessness Coordinating Board for a couple of years now and the Housing Trust Fund has contributed money for a person to work quarter-time to investigating, collecting data on frequent users and looking into how we would proceed with this.

Olmstead noted he asked Canganelli for clarification on the money that Mark Moen has said would be donated to the shelter. He has committed \$10,000 annually over the next three years and that money is going towards the extended winter projects.

Conger asked whether these units could be built over several years. Canganelli feels that won't make sense as it will be a single building housing multiple units.

Achenbach stated that they chose 15 units because once data was collected it was evident that more than 15 could really utilize this facility, but 15 was manageable.

Byler asked if a site has been located and Achenbach said they are investigating a couple different options. Byler noted this is a great project that is pulling together many different entities.

Olmstead asked if the new location would have the same rules as they currently use, such as rules for sobriety. Achenbach said this project is for permanent support housing but if the winter shelter is also included in this project, the rules for that shelter would be the same as the other temporary shelter.

Conger asked how it would work to have a temporary winter shelter in the same location as permanent support housing. Achenbach said the design would be as such so that they are really two separate facilities within one building. Canganelli said ideally it would be two separate buildings but that would have significant more costs so this was more of a practical approach.

Byler asked if there would be rent charged for the people that will live in the 15 units. Achenbach replied that yes there would be a rental charge and it was addressed in the application with regards to the Housing Authority. Canganelli added that the Housing Authority is a partner on this project and they are committed to providing a priority for tenants in this building with rapid re-housing funds and housing vouchers. Additionally once people have an address they can be enlisted into Medicaid services and that would provide a funding source for their support services.

Jacobson asked what would happen to the other shelter space during the day or when it's not winter time. Canganelli said it would provide a spot for day shelter services and it could be used for a meeting space for other non-for-profits.

Seiple asked about the requirements for those that would be housed in the 15 units and if those criteria were created based on what other communities have done in similar situations. Canganelli said that criteria were developed through the coordination committee and that there would have to have been at least \$50,000 of incurred expenses that have occurred within our community through the various providers.

Canganelli noted that they have been invited by the White House Office of Science and Technology Policy to participate in a research project. They will be looking at communities across the country that are working

with this high risk population and demonstrating the ability to keep these people out of jail and emergent services and providing stability and homes. This is a great privilege to work with on this project and have our community represented.

Stu Mullins (Executive Director, United Action for Youth) and Genevieve Anglin (Business Director, United Action for Youth) presented their application. Anglin noted that they have sold their properties on Iowa Avenue and purchased a spot in Eastdale Mall and plan to move into that space at the end of April. She stated that they spent about \$1 million on purchase and renovation of the new space. The downstairs space is currently a sporting goods store so that will need to be gutted and made into office space. The upstairs space is what the application is addressing, it is currently office space and the renovation is to rehab the office space to make it more usable for the transitional program living staff (who work with homeless teens) and the teen parent staff.

Byler asked about the balance on the project, they are asking for \$58,950 and they are contributing \$20,000 from the reserve of the sale of their Iowa Avenue property, so his question is what is happening to the remainder of the profits from the sale of the property, and if an endowment is being created. Mullins replied that yes, they are creating an endowment. Anglin said the properties were sold for \$2.8 million and \$1 million of that went to paying off all their debt and they are spending about \$1 million on the new space. That will leave them with about \$400,000 which is great but in reality that is not a lot of money over time, so they are hoping to create a small endowment and to have a small reserve.

Byler noted that the bid from Skogman has a 35% overhead and questioned why it was so high. Anglin broke down some of those expenses noting the cleanup and disposable and contractor fees as well as a big chunk of the money is architecture fees for re-doing the front of the space. Byler also noted that replacing all the lights and carpet are listed, which he does see as viable expenses. Ackerson noted that the City does encourage the non-profits to hire architects and contractors knowing that those are specific items that most non-profits have no expertise with.

Olmstead asked what percentage of the building will be used for administrative versus youth and what time of time percentage would they both have. Anglin said this particular space would be 100% staff that work directly with youth, there would be no administrative staff that would work in this space. The administrative staff will be downstairs and paid for out of the \$1 million received from the sale of the property.

Maryann Dennis (Executive Director, The Housing Fellowship) presented the Community Housing Development Organization (CHDO) funding for The Housing Fellowship, they are one of two CHDO's in Johnson County and have been a CHDO since 1993. They can allocate up to 5% of their HOME allocation to CHDOs. They do have to meet a series of criteria to be certified according to HUD to receive CHDO funding. They must be a non-profit, part of their mission has to be to provide affordable housing, 1/3 of the governing board must represent the low income community, and no more than 1/3 of the governing board can be public officials.

Byler stated then that the \$16,000 requested goes to general operating costs for The Housing Fellowship and Dennis confirmed that was correct.

Byler then moved onto the other request from The Housing Fellowship of \$300,000. Dennis explained that it is an application for land acquisition. They have identified a site that must remain confidential at this time that would be for permanent affordable rental housing for families. The intent is to get the money to at least make a purchase offer and then to apply for other sources of financing to complete a low-income house tax credit project. Dennis said the project would be 28 townhomes.

Ackerson asked about the pro forma and it appears in the first year there would be a negative cash flow. Dennis said the financing would be separate and what they would probably do is waive the management fees and such to make sure they would hit the benchmarks for the income ratio.

Hightshoe asked if they are not awarded tax credits but the Commission has awarded the funds, what would The Housing Fellowship do. Dennis said they would not be able to pursue that particular land without the tax credits so they would need to look for other land. They do not currently have a purchase agreement.

Byler asked if the award was less than \$300,000 would the project not be viable. Dennis of course would appreciate the \$300,000 but stated any amount would help.

Jacobson asked staff how long The Housing Fellowship can hold this money, or buy this property, and then what happens if they don't get the tax credits. Dennis said the purchase agreement would be contingent on receiving the tax credits. Hightshoe said if they don't get the tax credits then they have to find another project.

Lamkins asked if the tax credits are something The Housing Fellowship will typically get. Dennis said it is a very competitive process and it is also an expensive process. The last project they did the pre-development costs were well over \$100,000.

Ben Porush (3 Diamond Development) & Maggy Jares (Lighten-Gale Group) presented their project. Porush said it would be a senior low-income tax credit housing development. It will be 40 units with a mix of 1- and 2-bedroom units with the rents will be in the affordable ranges of \$400-\$900 depending on the income range and the unit. They have applied for the housing tax credits and should find out the result of that application within a few weeks.

Byler asked if the tax credit application is denied, is this project nullified. Porush said that unfortunately yes, without the tax credits they cannot proceed.

Hightshoe noted that the City has already committed to \$600,000 in local funds for this project.

Olmstead asked how many of the forty units would be affordable and Porush replied thirty-six.

Byler noted the applicant is putting in 2.5% equity (\$190,000) and if they receive the \$238,000 they are asking for they would have 5.5% equity and still would get 6-7% return on their money. If they did not receive the HOME funds, what are their other options? Porush said they are trying to offset how high the land cost was and the project works without the HOME funds but it is very difficult. Jares said there would be a deferred developer fee to cover whatever the remaining gap would be in funding and there is only a certain percentage of fee that can be deferred. The developer fee is about \$630,000 and there is a maximum of half of that fee that can be deferred. Including that owner equity of \$190,000 and the \$238,000 of HOME funds gets them very close to that maximum half of developer fee.

Byler asked if they have done similar project and how many. Porush said this is the sixth project of this type, four in Illinois and one in Dubuque. The first project was completed in 2010.

Jacobson asked about the market for the tax credits and the project. Porush noted the market for the tax credits is very healthy.

Mark Patton (Executive Director, Iowa Valley Habitat for Humanity) said this was a land acquisition for two residential lots, locations to be determined.

Byler asked about compatibility of design for one of the homes that was built in the past. Patton said the design standards calls for one more basic door than the Code does and the crew that built the house put the door in the wrong place. It had the extra door but wasn't put where it was drawn.

Byler noted in the last fiscal year Habitat for Humanity was awarded \$70,000 and asked if that was also for two lots. Patton confirmed it was. Both lots are on Prairie Du Chien, one has a completed house and the other will begin construction in May. Patton said they build about 5 homes a year, but only two are funded from HOME funds due to time restrictions.

Lamkins asked if they had the two lots picked out. Patton said they have a realtor looking, but since they cannot do anything until the funds are available in July they have to be flexible. They do try to look for lots outside of southeast Iowa City.

Olmstead asked if Patton could explain what happened to the Indigo Court project. Patton explained that home was built before he started. The family failed and moved out of the community. They identified a young mother and put her in the home under a lease purchase because she didn't have the hours in that they normally require. During that time of the six-month lease purchase he came to find out it was out of compliance so they refunded the money back to the City.

Roger Lusala (Mayor's Youth Empowerment Program) said this application is for a down payment for another home.

Byler asked how many homes they own now. Lusala said they own eight and rent five. They prefer to own so they can customize the home for each individual. Byler noted they did a great job with their previous grant.

Byler announced that was all of the applications and they passed out the timeline to the applicants. Byler said by Thursday, February 25th they would like to have the ranking sheets to Ackerson.

Ackerson mentioned that the Commission would meet again on March 10, the second Thursday in March (because the third Thursday is during spring break).

ADJOURNMENT:

Olmstead moved to adjourn.

Jacobson seconded the motion.

A vote was taken and motion carried 7-0.

**Housing and Community Development Commission
Attendance Record**

Name	Term Exp.	3/12/15	4/16/15	6/18/15	9/17/15	10/22/15	11/19/15	1/21/16	2/18/16
Bacon Curry, Michelle	9/1/2016	X	O/E	X	X	O/E	O/E	X	O
Byler, Peter	9/1/2017	X	X	X	X	X	X	X	X
Conger, Syndy	9/1/2018	---	---	---	O/E	O/E	X	X	X
Jacobson, Jim	9/1/2017	X	X	O/E	X	O/E	X	X	X
Lamkins, Bob	9/1/2016	X	X	O/E	X	X	X	X	X
Olmstead, Harry	9/1/2018	---	---	---	---	---	---	X	X
Peirce, Matthew	9/1/2018	---	---	---	---	---	---	X	X
Persson, Dottie	9/1/2016	X	X	X	X	X	X	X	O/E
Seiple, Emily	9/1/2018	---	---	---	X	X	X	X	X

Key:

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

Scoring Criteria (sorted by median)

	Shelter House	The Housing Fellowship	Habitat for Humanity	MYEP Housing	CHDO operations - THF	DVIP Shelter	Diamond Senior Apartments	Arc of SE Iowa	MYEP Facility	United Action for Youth	CSCC Childcare
Bacon Curry	na	na	na	na	na	na	na	na	na	na	na
Byler	84	79	69	76	35	68	68	67	59	56	64
Conger	97	99	96	94	100	88	95	80	87	79	67
Jacobson	na	na	na	na	na	na	na	na	na	na	na
Lamkins	88	87	86	83	75	76	83	61	57	69	51
Olmstead	87	77	70	57	80	67	40	82	73	60	43
Peirce	86	75	78	73	0	77	64	59	57	70	51
Persson	91	73	48	60	87	54	60	44	63	44	60
Seiple	86	81	77	85	71	70	68	73	63	52	69
Median	87	79	77	76	75	70	68	67	63	60	60
Average	88	82	75	75	64	71	68	67	66	61	58
City Staff	92	86	80	89	84	86	74	76	84	78	76

Funding Recommendations

	Requested	HCDC	Byler	Conger	Jacobson	Lamkins	Olmstead	Peirce	Persson	Seiple	City Staff		
Housing	Amount	Average											
CHDO operations - THF*	\$16,000	\$ 11,889	\$ -	\$ 15,000	\$ -	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 12,000	\$ 16,000	Max:	\$ 16,000
Diamond Senior Apartments	\$237,636	\$ 67,222	\$ -	\$225,000	\$ 180,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -		
Habitat for Humanity	\$80,000	\$ 8,889	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -		
MYEP	\$65,000	\$ 11,111	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -		
The Housing Fellowship	\$300,000	\$ 106,333	\$ 120,000	\$ 50,000	\$ 48,000	\$ 194,000	\$ 150,000	\$ 100,000	\$ 48,000	\$ 48,000	\$ 199,000	Min:	\$ 48,000
Shelter House Trans. Housing	\$290,000	\$ 175,889	\$ 290,000	\$ 110,000	\$ 222,000	\$ -	\$ 145,000	\$ 175,000	\$ 166,000	\$ 290,000	\$ 185,000		
Subtotal	\$988,636	\$381,333	\$ 450,000	\$ 400,000	\$ 450,000	\$ 450,000	\$ 351,000	\$ 291,000	\$ 230,000	\$ 410,000	\$ 400,000	Min:	\$ 290,000
Public Facilities													
Arc of SE Iowa	\$160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
CSCC Childcare	\$145,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
DVIP Shelter	\$45,917	\$ 9,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,917	\$ -	\$ 40,000	\$ -		
MYEP Facility	\$60,000	\$ 17,778	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ 50,000		
Shelter House Winter Shelter	\$160,000	\$ 41,454	\$ -	\$ -	\$ -	\$ -	\$ 99,000	\$ 114,083	\$ 160,000	\$ -	\$ -		
United Action for Youth	\$50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Subtotal	\$620,917	\$ 68,778	\$ -	\$ 50,000	\$ -	\$ -	\$ 99,000	\$ 160,000	\$ 220,000	\$ 40,000	\$ 50,000	Max:	\$ 160,000