

Agenda

Housing & Community Development Commission (HCDC)

Tuesday, March 7, 2017
6:30 P.M.

Senior Center, **Room 208** – note the Senior Center has
ground, first, mezzanine, and second floors

28 S. Linn Street, Iowa City

*Use the Washington Street entrance or
2nd floor skywalk via Tower Place parking garage*

1. Call meeting to order
2. Approval of the February 16, 2017 minutes
3. Public comment of items not on the agenda
4. Recommendation to City Council regarding applications for FY18 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Funding – applications available online at <http://bit.ly/2k50LJP>
5. Consider a recommendation to City Council regarding amended Affordable Housing Location Model
6. Correspondence
7. Staff/commission announcements
8. Adjournment

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of the City of Iowa City should contact ADA Coordinator in the Office of the City Manager, 410 E. Washington Street, Iowa City, Iowa, 319-356-5010 or TTY 319-356-5493 (email: ADACoordinator@iowa-city.org) as soon as possible but no later than 48 hours before the scheduled event.

**MINUTES
HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
FEBRUARY 16, 2017 – 6:30 PM
SENIOR CENTER, ASSEMBLY ROOM**

PRELIMINARY

MEMBERS PRESENT: Peter Byler, Syndy Conger, Christine Harms, Bob Lamkins, John McKinstry, Harry Olmstead, Dorothy Persson, Emily Seiple, Paula Vaughan

MEMBERS ABSENT: None

STAFF PRESENT: Kris Ackerson

OTHERS PRESENT: Roger Goedken, Maryann Dennis, Steven Rackis, Mark Patton, Becci Reedus, Kari Wilken, Anthony Smith

RECOMMENDATIONS TO CITY COUNCIL:

By a vote of 9-0 the Commission recommends to approve the proposed HCDC Bylaws Amendments.

CALL MEETING TO ORDER:

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

APPROVAL OF THE JANUARY 19 AND FEBRUARY 9, 2017 MINUTES:

Olmstead moved to approve the minutes of January 19, 2017. Vaughn seconded the motion. A vote was taken and the motion passed 8-0 (Conger absent).

Olmstead moved to approve the minutes of February 9, 2017 with minor edits. Seiple seconded the motion. A vote was taken and the motion passed 8-0 (Conger absent).

PUBLIC COMMENT FOR TOPICS NOT ON THE AGENDA:

None.

QUESTION/ANSWER SESSION REGARDING FY18 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDING - APPLICATIONS AVAILABLE ONLINE AT <http://bit.ly/2k50LJP>:

Byler stated they would review the applications in the order they are in the agenda packet.

Roger Goedken (Executive Director, Successful Living) stated the application was to purchase two houses, requesting the down payments for a total of \$72,000.

Byler asked for some background on the application. Goedken stated they wish to purchase two homes that will house 10 people. They are looking for three or four bedroom homes that they can convert into five bedroom homes. Byler asked if those five occupants include a full-time caregiver. Goedken said the housing would provide for chronically mental ill persons

who would have 24-hour caregiving.

Byler asked about the organization's decision to sell the large group home. That home housed 20 persons and now with these two new homes they will only house ten. Goedken said the Board decided to sell the 21-room house on Dubuque Street because it was unmanageable, hard to staff and too many police visits. They have already purchased another home, so they are housing five persons at that house so the end net will be 20 persons down to 15. They do hope to be able to continue to address the needs of the community.

Byler asked if they had already found the homes to be purchased. Goedken said they do have a realtor on board who is assisting them, and they were able to locate and purchase three houses within three months.

Vaughn asked about the vacancy rate. Goedken said that compared to the vacancy rate in Iowa City (which is somewhere around 0.5 percent) their tenants tend to be more difficult which leads to high turnover and vacancies.

McKinstry noted he only lives half a block away from the former Dubuque Street home and was not concerned about the home or the police complaints. They were good neighbors (better than the fraternity) and he was sad to see them go. Goedken stated that the fraternity that moved in is a dry house.

Byler noted that the Commission does not know what their budget will be, but if the budget dictates allowing only a partial award would they then just purchase one house. Goedken replied that is likely what they would do.

Ackerson noted that in his reading of the application it stated that the vacancy losses were potentially covered by Medicaid which might improve the pro forma and the debt service the applicant provided is higher than what it will be.

Ackerson asked if a tenant has no income, how rent will be paid. Goedken said the biggest barrier is getting the tenants on services (a notification of authorization or notification of decision is required for any services and hard to obtain). Rent is often attached to getting the services, once a person gets on Medicaid the services start to fall into place. However ability to pay the rent is not a barrier for someone to move into one of the homes; sometimes they waive rent the first month until the services kick in.

Mary Ann Dennis (The Housing Fellowship) has one application for \$100,000 for affordable rental rehab. She explained these are five dwelling units they have owned for several years and have been in service as affordable rental housing. They are now in need of substantial rehabilitation.

Persson asked if the Commission only partially funded the project would they still rehab what they could. Dennis acknowledged that was correct.

Olmstead noted that the application states that property taxes are tax exempt. Dennis confirmed that was correct.

Byler questioned an application for rehab on existing homes rather than acquisition of new homes, and if there is not a possibility of using the equity on the homes to fund the rehabs. Dennis stated they recently received a State HOME award for acquisition, and to assist in funding that project The Housing Fellowship Board agreed to use the equity in the existing homes. The bank pools all of The Housing Fellowship properties into one big loan. Dennis also noted that they do budget for capital improvements each year from their cash reserves as well as rely on HOME and CBDG funds.

Olmstead asked if they ever receive in-kind donations for rehabs. Dennis stated that with HOME funds it is required to bid competitively all projects. They have done projects in the past with just Housing Fellowship funds and contractors have donated their time.

{Conger joined the meeting}

Byler then moved onto the other Housing Fellowship application, which was for annual CDHO operating expenses.

Ackerson stated that the HOME program allows an organization to set aside a certain percentage of funds for operations because operating a CDHO requires additional staff and training.

Persson noted that since she has been on the Commission they have always supported the CDHO operating expenses.

Steven Rackis (Iowa City Housing Authority) discussed a \$200,000 request to fill in a gap in federal funding. They may not know their exact funding from the government until July. He mentioned their payments are going up seven to eight percent, in 2016 they averaged about \$500,000 in housing assistance payments per month and the average utilization with vouchers was 98%. In January 2017 they had 100% of the vouchers utilized and the housing payment was over \$600,000. They are anticipating they will not be able to support the 98-100% voucher rates so with the additional HOME they feel they can continue to assist all the vouchers.

Byler asked about the expectation of a \$700,000 gap they are anticipating. Rackis confirmed that yes, just for calendar year 2017 that is the anticipated gap. Byler asked then if \$200,000 or some amount comes out of HOME funds would that mean some vouchers would need to be cancelled. Rackis confirmed that is correct, if the Housing Authority runs out of money they can cancel vouchers at any time.

Byler noted that the fair market rent calculation went up 17%, which caused payment standards to go up 7%, is that due to landlords asking for the increase or does the Housing Authority automatically adjust the payments. Rackis stated that the payment standard has to be set between 90 and 110% of fair market rent per HUD requirements.

Olmstead asked if this is a conflict of interest, as it is a City agency asking for money from the City, has the City Attorney approved this. Ackerson noted it is an eligible project, The Housing Authority is its own entity, and it is a division within the City of Iowa City. Rackis added that The Housing Authority did receive HOME funds in 2011 and have been used in prior years as well. Ackerson said he would run it by the City Attorney to confirm.

Vaughn asked if most of the tenants are in Iowa City. Rackis replied that about 60-68% are in Iowa City. There are some in Coralville and North Liberty. The vouchers are being used in the same pattern as the population pattern in Johnson County.

Seiple shared her concern about someone's housing voucher being cancelled due to funding shortages.

Olmstead asked if all the money from HOME would be used for tenants in Iowa City and not other areas of the county. Rackis said the program is run the same way the Housing Choice Voucher program is run, which allows families to choose where they want to live. There is a lot of senior housing started by tax credits in North Liberty, so they want to allow people to make their choice. The Housing Authority's jurisdiction does also include Iowa County and Washington County north of highway 92, but in the past the City Council has allowed for the HOME funds to be used in Johnson County only.

Byler noted that there is likely to be a \$500,000 shortfall even if there is HOME funding, so wouldn't make sense to take people off the voucher waitlist and lower the utilization rate in case funding gets cut. Rackis acknowledged that some housing authorities are doing that but the risk is HUD looks at what is spent to decide future funding.

Byler and Ackerson discussed future consideration of contingency plans if the Commission agrees to fund the Housing Authority and they do not end up with a budget gap.

Mark Patton (Iowa Valley Habitat for Humanity) the application is for \$90,000 to acquire two lots. Last year they went out to Coralville and Hills and did build one less house. The previous year when they received money for two lots from the Commission they built two homes on Prairie Du Chien Road.

Vaughn asked about the 'no' answer on the application with regards to all government regulations and how they are not in compliance. Patton acknowledged that is an error on the application they are in full compliance with all government regulations. There was a situation four or five years ago where they were out of compliance with a home they had sold three times so they rented the home which was not in compliance with local or HOME regulations.

Ackerson added there should be a correction regarding the property taxes, the report states it is tax exempt but the properties do pay property taxes.

Patton said they are currently looking at two lots on North Dodge Street if funding is received.

Becci Reedus (Executive Director, Crisis Center) stated this is a request for a food pantry remodel and expansion. The Commission visited the site in early February. The total cost for the remodel will be \$296,600. They have been working with an architect for over a year looking at service delivery design. There is not a lot of area to expand so need to see how they can make it work in their current facility. The food bank warehouse was constructed in 2003 and at that time the food bank was distributing about 350 food bags per week. Currently they are assisting about 1,000. In addition, they are coordinating the mobile food

pantries for the county, including a school-based pantry at Tate Elementary School. All of the food is warehoused at the pantry. As part of this expansion they need to add another bathroom, they are out of compliance based on the number of people the food pantry serves.

Byler asked if the \$296,000 was a number that was already the bid and confirmed. Reedus acknowledged it is and that they have already received some funding assistance and will be applying for more. The request for \$100,000 of CDBG funds will still leave them short \$75,000 to \$85,000 that they will have to raise privately. They will be doing a quiet campaign to fundraise.

Harms asked about a new walk-in cooler. Reedus said they researched the cost of a walk-in cooler and it was added to the project because they have turned down donations due to lack of cooler space.

Olmstead commented that with this expansion there will be an increase in costs for the pantry in utilities and insurance. Reedus acknowledged they are aware of that and will look for sustainability grant opportunities.

Kari Wilken (Director of Human Resources, Mayors Youth Employment Program) talked about the improvements needed. The first is repaving, second environmental testing, and other miscellaneous improvements. Wilken stated the environmental testing is for soil testing, the location was previously a vehicle repair shop. They are continuing to expand; a space they created in the upstairs of their current building is already at capacity. Therefore they would like to utilize this new building, but must know the environmental concerns are mitigated. If the area cannot be used for expansion, they will use it for parking and storage.

Harms asked if there was a time frame for completing the environmental testing. Wilken said it would be as soon as they get funding. If they only get partial funding from their request, the priority will be the repaving.

Anthony Smith (Little Creations Academy) is requesting \$108,000 for multiple little projects.

Byler noted that rather than move the asbestos tile for the floor replacement, new carpet can be placed on top of the tile and the asbestos. Asbestos mitigation is quite expensive. Vaughn asked though if the tile is bubbled will that be an issue. Byler acknowledged that a flooring contractor would be able to make that assessment. Persson noted that this location is for children and they need to be extra cautious. Smith stated there are places where the tile has gouges and water damage, and if they use carpet tiles and they need to replace a tile, the asbestos tile below will come up with it.

Olmstead asked about the HVAC replacement, and because there is the same square footage for the church and the daycare below, the cost would be shared by both equally. Smith explained they are separate units and are only asking for replacement of the downstairs units.

Ackerson noted the refrigerator was removed from the list of projects, it is an ineligible expense because it is removable, so that removed \$2,800 from the request.

Ackerson also noted that they could fund a location that is housed in a church so long as the activities are non-religious activities and any child can attend the daycare regardless of religion.

Byler thanked all the partners for attending and answering questions about their applications.

Seiple questioned the leveraging calculation. Byler considers any other funds they are receiving as leveraging.

OVERVIEW OF HOUSING PRO FORMA TEMPLATE:

Byler suggested deferring this to another meeting. The Commission agreed.

CONSIDER A RECOMMENDATION TO CITY COUNCIL CONCERNING PROPOSED HCDC BYLAWS AMENDMENTS:

Byler said this is a recommendation due to the change of the end of the term for each Commissioner to June 30, the Chairperson and Vice-Chairperson will be elected annually in July instead of September.

Seiple moved to recommend the proposed HCDC Bylaws Amendments. Vaughn seconded the motion. A vote was taken and the motion passed 9-0.

CONSIDER SCHEDULE FOR MEMBERS TO ATTEND JOHNSON COUNTY AFFORDABLE HOMES COALITION MEETINGS:

Ackerson sends an informal email to see who will be attending. Byler noted that no more than four Commissioners should attend at one time so it will not be seen as a meeting of the Commission.

Olmstead acknowledged that he and Byler are on the Johnson County Affordable Home Board and should attend the meetings.

Byler proposes to have an sign-up sheet drafted each July stating which Commissioners will be attending the Johnson County Affordable Home Coalition meetings.

CORRESPONDENCE:

Ackerson shared a memo in the packet from Steve Rackis regarding a HUD requirement that all public housing units be smoke-free.

Olmstead asked if this includes electronic cigarettes and Rackis confirmed it does.

STAFF/COMMISSION COMMENT:

Byler noted that he and Ackerson had a meeting regarding the location model and it will be on the next meeting's agenda for discussion.

Olmstead stated that the Realtors Association will be taking a bus tour for affordable

housing and a reception afterwards at the Eastside Recycling Center.

Olmstead also noted he has put together a team including students and social workers at The University of Iowa do an ADA audit of restaurants in the community.

ADJOURNMENT:

Olmstead moved to adjourn. Persson seconded the motion. Meeting adjourned.

**HOUSING AND COMMUNITY DEVELOPMENT
COMMISSION ATTENDANCE RECORD
2016-2017**

Name	Terms Exp.	3/10	4/21	5/19	6/16	8/18	9/15	10/20	11/17	12/15	1/19	2/9	2/16
Byler, Peter	7/1/17	X	X	X	X	X	X	X	X	X	X	O/E	X
Conger, Syndy	7/1/18	O/E	X	O/E	O/E	X	X	O/E	X	X	X	O/E	X
Harms, Christine	7/1/19	---	---	X	X	X	X	X	X	X	X	X	X
Lamkins, Bob	7/1/19	X	O/E	X	O/E	O/E	X	O/E	X	O/E	X	O/E	X
McKinstry, John	7/1/17	---	---	X	X	O/E	O/E	X	X	X	X	X	X
Olmstead, Harry	7/1/18	X	X	X	X	X	X	O/E	X	X	X	X	X
Persson, Dottie	7/1/17	X	O/E	X	X	X	X	X	X	X	X	X	X
Seiple, Emily	7/1/18	X	X	X	X	X	X	X	X	X	X	X	X
Vaughan, Paula	7/1/19	---	---	---	---	X	X	O/E	X	X	X	X	X

Key:

X = Present

O = Absent

O/E = Absent/Excused

--- = Vacant



CITY OF IOWA CITY MEMORANDUM

Date: February 28, 2017
To: Housing and Community Development Commission
From: Community Development Staff
Re: March 7, 2017 meeting

The following is a short description of the agenda items. If you have any questions about the agenda, or if you are unable to attend the meeting, please contact Kris Ackerson at 356-5247 or Kristopher-Ackerson@Iowa-City.org.

Item 4: Recommendation to City Council regarding applications for FY18 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Funding – applications available online at <http://bit.ly/2k50LJP>

Please be prepared to discuss a recommendation to City Council regarding apportionment of FY18 CDBG and HOME funds. Staff will compile your scoring criteria and individual funding recommendations for reference at the meeting. Note that the scoring criteria are just one piece of information to aide your decision making.

Given that staff expects our budget to change in the coming months when HUD releases final estimates, please plan to include a contingency plan for higher and lower funding levels.

Item 5: Consider a recommendation to City Council regarding changes to the Affordable Housing Location Model

The City Council-adopted *Action Plan for Affordable Housing* includes a review of the methods to identify adjustments that increase the amount of property eligible for affordable housing funding. Per your direction in January, staff worked with Peter Byler to develop an amended methodology for the Affordable Housing Location Model.

The proposed approach uses three criteria (instead of seven): elementary school free and reduced lunch (FRL) rate, subsidized unit density, and crime density. The other significant change is the criteria are not weighted and then added together; instead each criterion has a threshold that determines funding eligibility. Locations that feed into elementary schools with FRL rates over 50 percent are ineligible. And locations within 400 feet of two or more existing subsidized units are ineligible. The crime density threshold is an open question to discuss at your meeting.

Housing	Requested Amount	CDBG Recomm.	HOME Recomm.	
Successful Living	\$72,000	\$0	\$0	
Habitat for Humanity	\$90,000	\$0	\$0	
The Housing Fellowship Rehab	\$100,000	\$0	\$0	Min : \$58,000
CHDO operations - Housing Fellowship	\$25,000	\$0	\$0	Max : \$18,000
Housing Authority Rent Assistance	\$200,000	NA	\$0	
Subtotal	\$487,000	\$0	\$0	
Public Facilities				
Crisis Center Food Pantry	\$100,000	\$0	NA	
MYEP Facility	\$60,000	\$0	NA	
Little Creations Academy Daycare	\$107,934	\$0	NA	
Subtotal	\$267,934	\$0	\$0	
Total	\$754,934	\$0	\$0	
Funds available	\$585,000	\$225,000	\$360,000	

From: [Sandy A. Steil](#)
To: [Kristopher Ackerson](#)
Subject: FW: Land Development 101 & 201
Date: Friday, February 24, 2017 3:38:25 PM
Attachments: [Civic - Education Sessions offered by Sandra Steil.pdf](#)

What: Land Development 101 and Land Development 201

When: Tuesday, March 21st from 6:00-9:00 p.m.

-
Where: Shive-Hattery, 2839 Northgate Drive, Iowa City

Presented by: [Sandy Steil – Land Planning Specialist](#) with Shive-Hattery, Iowa City

A special presentation of **Land Development 101** and **Land Development 201** just for Cities and the County members shall be held on Tuesday, March 21st at the Shive-Hattery office in Iowa City. This presentation has been widely successful amongst real estate professionals as well as university and private corporations. For the first time ever, it is being offered to City Council members, Planning & Zoning commissioners, Board of Adjustment members as well as City/County staff. This presentation is being offered for FREE. So bring your notebooks and pencils and be prepared to take lots of notes.

Please forward to your City Council and Planning and Zoning members as well as any City and or County Staff you feel would be interested in attending.

Space is limited - **Please Register by March 13th** to <https://www.surveymonkey.com/r/T8S5DK6>

Sandy A. Steil

Land Planning Specialist

Shive-Hattery

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