

# Agenda

## Housing & Community Development Commission (HCDC)

Thursday, May 24, 2018  
6:30 P.M.

City Hall, Emma J. Harvat Hall  
410 E. Washington Street, Iowa City

1. Call meeting to order
2. Approval of the April 19, 2018 minutes
3. Public comment of items not on the agenda
4. Monitoring Reports
  - Habitat for Humanity (FY17 & FY18)
  - Shelter House (FY17 FUSE)
5. Review and consider recommendation to City Council on approval of FY18 Annual Action Plan Amendment #2
6. Review and reconsider recommendation to City Council on approval of FY19 Annual Action Plan – plan available online at <http://www.icgov.org/actionplan>
7. Review and consider changes to the Aid to Agencies allocation process
8. Review and consider recommendation to City Council regarding the Affordable Housing Location Model
9. Discussion of the Summer Schedule
10. Staff/commission comment
11. Adjournment

If you will need disability-related accommodations to participate in this program or event, please contact Kirk Lehmann at [kirk-lehmann@iowa-city.org](mailto:kirk-lehmann@iowa-city.org) or 319-356-5230. Early requests are strongly encouraged to allow sufficient time to meet your access needs.



# CITY OF IOWA CITY MEMORANDUM

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Date: May 11, 2018  
To: Housing and Community Development Commission (HCDC)  
From: Neighborhood Service Staff  
Re: May 24, 2018 meeting

Thank you for your time and dedication during the funding allocation process. 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 Kirk Lehmann at 319-356-5247 or [Kirk-Lehmann@Iowa-City.org](mailto:Kirk-Lehmann@Iowa-City.org).

#### **Item 4: Monitoring Reports**

Staff or project recipients will provide updates on open projects.

- Habitat for Humanity (FY17 & FY18)
- Shelter House (FY17 FUSE)

#### **Item 5: Review and consider recommendation to City Council on approval of FY18 Annual Action Plan Amendment #2**

During its routine annual monitoring at the April 19 HCDC meeting, Successful Living requested combining its FY18 HOME and CDBG acquisition funds into a single project to allow a larger down payment. This would lower the number of units they would acquire from 10 Single Room Occupancy (SRO) units to 5 SRO units. However, it would also make their offers on homes more competitive. It is difficult to put offers contingent on an environmental review when homes sell as rapidly as they do in Iowa City (one such offer was rejected).

Previously, Successful Living had discussions with staff about focusing their FY18 rental rehabilitation activities from four buildings totaling 23 SRO units to one building with five SRO units. They made this request after learning in discussions with an engineer that repairs would cost significantly more than initially expected.

Successful Living subsequently requested these changes formally as a single amendment and staff made plans to publish the draft amendment for a 30-day public comment period following review and consideration of recommending the amendment to Council at the May HCDC meeting.

#### **Item 5: Review and consider recommendation to City Council on approval of FY19 Annual Action Plan – plan available online at [www.icgov.org/actionplan](http://www.icgov.org/actionplan)**

The Annual Action Plan provides a summary of actions and resources that will help address the needs and goals in the 2016-2020 CITY STEPS for the City's 2019 fiscal year. The Plan includes the budget for CDBG and HOME funds, a description of the projects to be funded, and several U.S. Department of Housing and Urban Development (HUD)-required documents. After approval by City Council, the Plan will be submitted to HUD for approval.

At the April meeting, HCDC approved the FY19 Annual Action Plan to Council, including the prior budget recommendations for Aid to Agencies and CDBG/HOME housing and public facilities projects. However, HCDC must reconsider the plan and its allocations due to an increase in CDBG and HOME entitlement amounts exceeding the 20 percent contingency established in March. Staff has already incorporated the updated budget into the plan and added the revisions requested by HCDC in April.

However, allocations are complicated by Federal requirements that the plan must be submitted to HUD by June 30. Unfortunately, there are no City Council meetings in June, so May 29 is the only available Council meeting before the deadline. As a result, the Annual Action Plan's initial 30-day public comment period was extended on May 10, 2018 through May 29, 2018. The City Council's original public meeting on May 15, 2018 was rescheduled to Tuesday, May 29, 2018.

Staff will provide an overview of the revised draft CFY19 (Federal FY18) Annual Action Plan which incorporates HCDC's funding recommendations for the upcoming fiscal year, followed by staff's recommendation for additional funds, discussion, proposed changes, and a consideration of recommending the revised draft Plan to City Council. Revised public copies are available at the Iowa City Public Library, Neighborhood Services Department at City Hall, and online at [www.icgov.org/actionplan](http://www.icgov.org/actionplan).

#### **Item 7: Review and consider changes to the Aid to Agencies allocation process**

City Council has charged HCDC with reviewing the Aid to Agencies (A2A) allocation process. Historically, A2A has provided a stable funding source for nonprofit agencies that could be counted on for year-to-year operations. However, it also provides an opportunity for new agencies to form. Council would like to see both functions of A2A funds continue, but to do so in such a way that provides predictability for agencies to make longer-term staffing decisions. HCDC is asked to discuss and provide a recommendation with possible solutions.

#### **Item 8: Review and consider recommendation to City Council regarding the Affordable Housing Location Model**

HCDC has asked to review and consider recommending changes of the Affordable Housing Location Model (AHLM). The packet includes background information on the AHLM's adoption (including the current AHLM map), the resolution most recently updating the AHLM, and considerations that may warrant changes to the AHLM.

#### **Item 10: Staff/Commission Comment**

- **Invest Health Symposium:** June 22, 2018 from 9:30 am – 3:30 pm at the University of Iowa Campus Levitt Center for Advancement
- **Fair Housing Training:** we will likely hold off for an HCDC briefing until after new HCDC members join
- **Transit Presentation:** Transit will talk to us about their Route Study sometime this summer or early fall; they are still developing their timeline.

**MINUTES**

**PRELIMINARY**

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION  
APRIL 19, 2018 – 6:30 PM  
SENIOR CENTER, ROOM 202**

**MEMBERS PRESENT:** Syndy Conger, Charlie Eastham, Christine Harms, John McKinstry, Harry Olmstead, Maria Padron Paula Vaughan

**MEMBERS ABSENT:** Vanessa Fixmer-Oraiz, Bob Lamkins

**STAFF PRESENT:** Kirk Lehmann, Tracy Hightshoe, Heidi Wolf, Patricia MacKay

**OTHERS PRESENT:** Carla Phelps, Ashely Gillette, Anthony Smith, Roger Goedken, Becci Reedus, Mary Cannon

**RECOMMENDATIONS TO CITY COUNCIL:**

By a vote of 7-0 the Commission recommends approval of the Iowa City Housing Authority 2018 Annual Report to City Council.

By a vote of 6-1 (Eastham dissenting) the Commission recommends approval of the FY19 Annual Action Plan to City Council, subject to modifications as discussed (includes typos, some sentence additions/modifications, and inclusion of the City's Affordable Housing Plan).

**CALL MEETING TO ORDER:**

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

Eastham moved to reorder the agenda by moving item 6 *Discussion of projects that have not complied with the 'Unsuccessful or Delayed Projects Policy'* to after item 3 *Public comment of items not on the agenda*. Vaughan seconded. Passed 6-0 (Conger not present for vote).

**APPROVAL OF THE MARCH 15, 2018 MINUTES:**

Eastham moved to approve the minutes of March 15, 2018 with edits. Vaughn seconded the motion. A vote was taken and the motion passed 7-0.

**PUBLIC COMMENT FOR TOPICS NOT ON THE AGENDA:**

None

**DISCUSSION OF PROJECTS THAT HAVE NOT COMPLIED WITH THE 'UNSUCCESSFUL OR DELAYED PROJECTS POLICY:**

Hightshoe explained the City has a policy to keep projects that the City awarded funding to moving forward, spending the money, and getting the projects completed in a timely basis, especially for CDBG funds. Our policy states that recipients must spend at least 50% of their award by March 15. If a project has not done so, the Commission reviews, gets an update, and can decide to take no action or recommend to City Council to reallocate any unspent funds.

Eastham asked if these were just updates or if action was needed. Hightshoe replied that the Commission does not have to take any action unless they feel the applicant is not making sufficient progress and could recommend to Council to reallocate the funds.

**FY18 Little Creations Daycare** (Pastor Anthony Smith, Little Creations Academy) came forward to give an update. Eastham shared that he was on the Board of Little Creations Academy when it began and remained on the Board until he joined this Commission. Smith shared that they have sent out bids for the asbestos tile removal project, currently waiting for bids back on April 24. Once the contract is awarded they will move forward, the biggest hurdle is moving the daycare during the construction phase. Smith added that the playground that was originally in the bid has been funded outside of this project by the AM Rotary and that project is already in progress. They are currently working to complete the second bid document, containing all the other projects, for a general contractor. Those projects are to replace the main entrance to the daycare, and the secondary entrance, and to put new door strips on for electronic keypad access to the daycare. Also replacing some broken windows and replacing two of the HVAC systems. They are adding a storage shed and installing room dividers and cubbies/lockers.

**FY18 Crisis Center Remodel** (Becci Reedus, Executive Director, Crisis Center) presented the update on the project. They are in line with their timeline, they executed their sealed bids on time and anticipated breaking ground around March 15, however delayed until March 19. They are four weeks into the project and it is looking nice. So far they have staked the plumbing, erected walls, etc. They have been delayed a bit due to the unseasonable weather but have worked around that with some interior work. Reedus noted that construction is expected to last 8-12 weeks, and is on schedule. She noted they are facing higher building costs due to the hurricanes last fall, the estimate from November 2016 was about \$285,000 and the bid came in at \$345,000. They are doing fundraising for the difference.

**FY18 Successful Living SRO CDBG Acquisition** (Roger Goedken, Executive Director, Successful Living) stated they have not spent their CDBG funds as they had some things that held them back last year, they hadn't actually actively been looking for houses, they did put a bid in on one house but are finding houses are selling for above asking prices. Their Board met earlier in the week and set the goal of having the funds spent by July 1. They have requested to combine these funds with HOME funds for the down payment amount to reduce debt. Hightshoe noted the Commission can vote on that request next month, as it has to be a formal agenda item. The Commission indicated they would be okay with allowing Successful Living to combine once formal process is determined.

#### **REVIEW AND CONSIDER RECOMMENDATION TO CITY COUNCIL ON APPROVAL OF IOWA CITY HOUSING AUTHORITY 2018 ANNUAL REPORT:**

Hightshoe noted this is a report that the housing authority has to submit to HUD basically reporting on their accomplishments for the past year.

Eastham asked about section B.1 (Review of PHA Plan Elements) he asked what the Deconcentration Policy was in reference. Wolf noted that deconcentration is if there is a concentration of participants in the program and the City does not have that issue.

Eastham then asked about the total amount of housing assistance statements that are included in the report and why there were two different numbers. There is a number listed on page 6 (\$7.6 million) and another on page 16 (\$7,052,127). Lehmann noted that the \$7.6 million number might include TBRA funds. MacKay was unsure why the numbers were different as she did not prepare the report but would find out and report back to the Commission.

Olmstead asked if in the report they could spell out the acronyms when first used. He also noted that instead of listing special needs, it should be stated as persons with disabilities.

**Eastham moved to recommend approval of the Iowa City Housing Authority 2018 Annual Report to City Council. Harms seconded and motion passed 7-0.**

**REVIEW AND CONSIDER RECOMMENDATION TO CITY COUNCIL ON APPROVAL OF FY19 ANNUAL ACTION PLAN – PLAN AVAILABLE ONLINE AT <http://www.icgov.org/actionplan>**

Hightshoe stated the Annual Action Plan is a document the City has to submit 45 days prior to the program year that tells HUD how the City plans to utilize and prioritize the funds. The most important part of the report is the exhibit at the end showing how they plan to spend the money. Lehmann stated the exhibit is on page 60 and those amounts are the ones the Commission reviewed and allocated.

Harms noted that the introduction and the conclusion really do go together and the priorities in this city are so clear and admirable.

Olmstead noted again the need to change special needs to persons with disabilities and to spell out the acronyms. Lehmann added he could send out a list of acronyms to the Commission as well. Olmstead also pointed out on page 9 with the discussion of partners city transit is mentioned but there is also a relationship with Johnson County SEATS.

Vaughn questioned if the principles from the 2016 Affordable Housing Plan been incorporated into the principles of this Plan. Hightshoe said it is mentioned periodically as other steps the City has taken but the focus on the document is what we are using CDBG/HOME funds for. Hightshoe noted we can add as an Exhibit. Lehmann notes on page 52 they discuss the affordable housing, Hightshoe stated they will look to see all 15 steps of the Affordable Housing Plan are included in the plan and if the Commission can add to their motion that staff add them in.

Eastham noted that the Commission has asked the staff to prepare an inclusionary zoning policy, or recommendations, for newly annexed areas in the City. Hightshoe explained that state law does not allow the City to pursue “rent control.” The Council is pursuing a change in the Comprehensive Plan that addresses annexation and the goal of including 10% affordable when determining if land will be annexed into the city.

Conger stated that transportation is a key issue for affordable housing and must be present in locations where affordable housing is located. Olmstead noted though for elderly and people with disabilities the transit system does provide off hours when they can ride for free. Eastham noted that Council is planning a major review of the Iowa City bus systems. Olmstead suggested a recommendation to Council to enact Sunday bus service. Hightshoe noted that while transportation is vital to affordable housing, when talking about CDBG funds it is hard to fund because vehicles are under public services which means they have to apply for Aid to Agencies which is an extremely competitive funding source.

Olmstead next discussed page 19, Salvation Army, it states victims of domestic violence and the preferred term is survivors. That terminology is also seen under the DVIP section. Lehmann noted they will search the document and change that terminology throughout.

Eastham noted on page 31, Annual Goals and Objectives, he would like to add information to that table to show the initial rents for the units that have been produced as rentals and initial sales prices for those being purchased. Hightshoe stated they would have to put that as a special exhibit as this is a HUD specified form. Eastham said having an additional exhibit would be fine just so long as the information is included in the report. Hightshoe also noted that the applications only state “fair market rent” so that would just be what the fair market rent of a certain date is and for sales prices (like with Habitat for Humanity) they will not know what the sales price is, they give a range but until the house is built they won’t know what they are selling it for. Hightshoe said rather than an exhibit it could just be a statement explaining the fair market rents.

Eastham then referenced page 37 and the set of tables that describes the individual projects that were approved and included in those projects is the City’s project on the southeast side on Taylor and Davis Streets and he would like to insert into that description after the statement “Housing units assisted will be single or multi-unit affordable housing to be sold, rented, or leased/purchased as allowed by CDBG and

HOME regulations” a sentence that states “the racial equity impact of the sale of any affordable housing will be analyzed and reported”. Eastham reminded everyone that as the Commission was reviewing the draft, they voted to recommend to the Council that the racial equity toolkit be used to examine the South District Partnership.

Olmstead asked about rental relocation the City assisted with Rose Oak Apartments. Hightshoe said that wouldn't be included in this plan as this is for the upcoming year. However the City did create a policy that for site plans (if no rezoning is required) that greater notice must be provided to those that may be displaced if more than 12 units are impacted. The City anticipates that most changes in land use (where property is being taken down) will require rezoning. The City has more authority to require items like relocation assistance, etc. if a rezoning is required.

Eastham believes this Commission, after some consideration, could make a recommendation to Council to adopt a more adequate displacement relocation assistance policy that the City funds in cases where the redevelopment doesn't require rezoning.

Hightshoe noted this document will be on the May 15 Council agenda and public comment is open until that point.

Eastham asked if recommending to Council the approval of this plan indicates that the Commission wants Council to approve all the planned activities in the action plan. Hightshoe confirmed yes. Eastham stated he would vote against this recommendation then because it includes the purchasing and rehabbing of two rental duplexes for resale on Taylor and Davis Streets.

**Conger moved to recommend approval of the FY19 Annual Action Plan to City Council, subject to modifications as discussed (including correction of typos, some sentence additions/ modifications, and inclusion of the City's Affordable Housing Plan). Harms seconded. Passed 6-1 (Eastham dissenting).**

### **MONITORING REPORTS:**

**Mayor's Youth Empowerment Program:** Lehmann supplied two reports in the Commission packets, one from MYEP for CDBG FY18 Updates. The report states project 1 – parking lot resurfacing is complete as of November 2017. Hanson Asphalt completed the resurfacing of the parking lot at 1208 Gilbert Court which allowed for increased parking spaces and off-street employee parking and more importantly allowed for a loading and unloading area that is accessible for clients that use wheel chairs. The grant budget was \$31,000 and the project was completed under budget at \$24,550. With project 2 – Mayor's Youth affordable rental, it is also complete, on February 1<sup>st</sup> they closed on a three-bedroom home located at 1156 Downing Drive, one tenant moved in mid-February, the second is moving in on April 21 and the third tenant is being sought through their normal referral process. The grant budget was \$50,000 and all \$50,000 was put towards the down payment on the home.

**The Housing Fellowship** report is also in the Commission packet. The FY16 acquisition of Sabin Townhomes was the purchase of three newly constructed two bedroom townhomes constructed in Riverfront Crossings District on August 2017. Rents for the units are \$869 and market rent for townhomes on the first and second story at \$1750 and \$1950 for townhomes on the third and fourth stories. All 28 townhomes in the building are identical as far as size and amenities. The grant was \$300,000 and the Housing Trust Fund supplied \$272,000 as a loan so total value of \$572,000 and total cost was about \$574,000 and the appraised value is \$775,000. Two of the townhomes are occupied and The Housing Fellowship is aggressively marketing the remaining unit. Hightshoe noted that although they are nice new units and downtown, they are having trouble finding tenants due to the added cost of parking. The FY17 and FY18 rehabilitation of affordable rental units is the rehabilitation of five units

owned and managed by The Housing Fellowship for almost 20 years and the properties need substantial improvements including windows and other remodels. The grant includes two years of funding from the City of \$144,000. They have also applied to The Housing Trust Fund of Johnson County to supplement the rehab of three of the subject properties in the amount of \$31,000. The properties are 700 S. 1<sup>st</sup> Avenue; 2110/2112 Taylor Drive; 1226 Williams Street; and 105 Pine Street. All units were built in the 50's and 60's and The Housing Fellowship acquired them in the 90's. The agreement was signed February 2018, they have done lead assessments, bid packets have been prepared for two of the properties and advertised. Four of five of the properties are occupied. For FY18 CHDO operating the City supplied \$18,000 which was used to supplement the salary for their Chief Financial Officer.

**Successful Living** discussed earlier the delay in purchasing a property. With regards to the other project in this fiscal year, Roger Goedken stated they had an engineer go out and survey some land around the North Johnson house and they are now able to proceed with some of the fixes around that house.

### **DISCUSSION OF THE COMMUNITY DEVELOPMENT CELEBRATION:**

Hightshoe stated that National Community Development Week is in April. Last year HCDC encouraged a letter writing campaign, but they used to plan a summer celebration to highlight CDBG/HOME projects. HCDC would help plan the celebration and staff would help execute it. Such a celebration has not occurred in three or four years but wanted to ask this current Commission if this is something they wanted to do again.

Eastham noted that given the statements everyone hears about the workload of City Staff he is inclined to not add to the workload and do this as lightly as possible.

Vaughn noted that the letters written to legislatures from real people are important, people's stories speak to them.

Olmstead noted that some organizations take out booth space at some of the festivals and that could be used to educate the public on programs that are available.

Hightshoe noted they used to have signs they would place outside of projects to notify they were CDBG funded projects so the public could see what their dollars are used for. They could begin to do something similar with posters or plaques in places. Consensus was not to host a celebration this year and have staff explore other (less staff intensive) means to show support to our legislators and community in general for these programs.

### **STAFF/COMMISSION COMMENT:**

Hightshoe stated the Building Business Basics workshops (meant for early stage entrepreneurs) will be held Saturday, May 5 at Kirkwood from 10am to 3pm. This is the third year holding this workshop. The workshop will have sessions for business ideation, legal and insurance, credit repair, marketing and permits/other available resources. Lehmann stated they have around 46 people signed up for this workshop.

Hightshoe next updated the Commission on the Invest Health initiative and what they heard from areas, especially the Broadway neighborhood, was people wanted activities in their neighborhoods. So with the remaining funds they are holding a gardening and food expo. Grow Johnson County will be at Weatherby Park Sunday May 6 at 1pm to do a gardening demo on what can be gardened in Iowa. And then Global Food Village will have tasty treats from items grown in gardens. The first 30 families will get a tomato or pepper plant and a container to grow it in. Then on Saturday May 12 they are planning a music festival, Off Broadway Music Festival, from 12-4 at the Pepperwood Plaza parking lot. The final event is Wednesday May 23 at Wetherby they will host a sports night for soccer and basketball and around 50



basket and soccer balls will be handed out. On Friday June 22 they are hosting their first Invest Health Healthcare Symposium on how to improve health together.

Lehmann noted that a few of the Commissioner's terms are expiring on June 30 (Conger, Pardon and Olmstead). To reapply the application is online and due May 8. They also encourage new applicants and City Council makes the final determination. Olmstead announced he will not reapply so his spot will be open.

Hightshoe noted that staff and various Council members have received concerns about Aid to Agency funding. On next month's agenda, the Commission will discuss funding. The City Manager's office would like HCDC to consider a policy that provides continued/stable funding to agencies awarded funding while also considering new applications. To be on the next agenda.

**ADJOURNMENT:**

Vaughn moved to adjourn. Eastham seconded. Passed 7-0.

**Housing and Community Development Commission  
Attendance Record**

<b>Name</b>	<b>Terms Exp.</b>	<b>8/17</b>	<b>9/21</b>	<b>10/30</b>	<b>11/16</b>	<b>12/18</b>	<b>1/23</b>	<b>2/15</b>	<b>3/15</b>	<b>4/19</b>		
<b>Conger, Syndy</b>	7/1/18	X	X	X	O/E	X	X	X	X	X		
<b>Eastham, Charlie</b>	7/1/20	X	X	X	X	X	X	X	X	X		
<b>Fixmer-Oraiz, Vanessa</b>	7/1/20	X	X	X	X	X	X	O/E	X	O/E		
<b>Harms, Christine</b>	7/1/19	X	X	X	X	X	X	X	X	X		
<b>Lamkins, Bob</b>	7/1/19	X	O/E	X	O/E	X	X	O/E	X	O/E		
<b>McKinstry, John</b>	7/1/17	X	X	X	X	X	X	X	X	X		
<b>Olmstead, Harry</b>	7/1/18	X	X	O/E	X	X	X	X	X	X		
<b>Padron, Maria</b>	7/1/20	O/E	X	X	X	X	X	O/E	O/E	X		
<b>Vaughan, Paula</b>	7/1/19	X	X	X	O/E	X	X	X	X	X		

Key:

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

# EXHIBIT A

## FY18 Annual Action Plan Substantial Amendment #2 July 3, 2018

The FY18 Annual Action Plan includes three allocations to Successful Living as part of the “Other Housing Activities” project. The first is the rehabilitation of 23 Single Room Occupancy (SRO) units funded by \$50,000 in FY18 HOME funds. The remaining two are the acquisition of ten new rental SRO units (two properties), funded by \$51,000 in FY18 HOME and \$36,000 in FY18 CDBG funds.

Successful Living requests to reduce the number of units assisted with their \$50,000 rehabilitation award. Instead of rehabilitating four properties, they will rehabilitate one property with five SRO units due to increased costs of rehabilitation. Successful Living also requests to combine the \$51,000 HOME and \$36,000 CDBG award for acquisition into one property, instead of two, for a total of five SRO units. No funds have been expended on this project to date. The proposed amendment is detailed on the following page.

The City Council will consider this recommendation on July 3, 2018 following a 30-day public comment period and an amendment will be submitted to the U.S. Department of Housing and Urban Development (HUD) subject to City Council approval.

<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>	Erika Kubly Neighborhood Services Coordinator 410 E. Washington Street Iowa City, IA 52240 319.356.5221 <a href="mailto:Erika-Kubly@Iowa-City.org">Erika-Kubly@Iowa-City.org</a>

# Proposed Amendment

<b>Project Name</b>	Other Housing Activities
<b>Target Area</b>	Citywide
<b>Goals Supported</b>	Improve quality of affordable rental units; Increase the supply of affordable rental housing
<b>Needs Addressed</b>	Expanding Affordable Rental/Owner Housing; Preserve Existing Affordable Housing Units; Housing & Services for Homeless/Those at Risk; Planning & Administration
<b>Funding</b>	CDBG: \$ 36,000          HOME: \$290,000
<b>Description</b>	With CDBG and HOME funding in accordance with rules and regulations, assistance will be provided by the City directly to homeowners and developers, as well as to nonprofits, forprofits or CHDOs to acquire and/or rehabilitate properties, correct substandard conditions, make general repairs, improve energy efficiency, reduce lead paint hazards, and make emergency or accessibility repairs. May include: acquisition/rehab/resale, refinance/rehab, demolition/site preparation, new construction, downpayment/closing cost assistance and housing counseling. Housing units assisted will be single or multiunit affordable housing to be sold, rented, or lease/purchased, as allowed by CDBG and HOME regulations. Beneficiaries of housing activities will be low to moderate income households as specified by HUD regulations. Other funding available includes program income generated by the repayment of loan funds. Funding will also be utilized for project delivery costs and administration of housing programs, as allowed by CDBG and HOME regulations.
<b>Target Date</b>	June 30, 2018
<b>Goal Outcome Indicators</b>	<del>27</del> <u>10</u> Rental Housing Units Rehabilitated 1 Homeowner Housing Unit Added <del>13</del> <u>8</u> Other (Rental Housing Units Acquired)
<b>Location Description</b>	Citywide
<b>Planned Activities</b>	See Exhibit A attached for planned activities and beneficiaries.

(Changes will be reflected throughout the document, including beneficiary descriptions, etc.)

Project	Planned activities	CDBG Award	HOME Award	Persons / Households / Facilities Assisted
Low-Mod Clientele Public Services/Facilities	Aid to Agencies Shelter House	\$49,696	NA	650
	Aid to Agencies NCJC	\$43,434	NA	120
	Aid to Agencies DVIP	\$4,570	NA	300
	MYEP Facility	\$31,000	NA	445
	Little Creations Academy	\$73,000	NA	15
	Crisis Center Remodel	\$85,000	NA	11,859
Neighborhood and Area Benefits	Wetherby Park Improvements	\$75,000	NA	300
Homeowner Housing Rehabilitation	Comprehensive rehabilitation	\$235,000	\$90,000	22
Other Housing Activities	CHDO Operating	NA	\$18,000	NA
	The Housing Fellowship Rental Rehab		\$86,000	5
	Successful Living SRO units	\$36,000	\$51,000	<del>405</del>
	Habitat for Humanity		\$35,000	1
	MYEP Rental Acquisition		\$50,000	3
	Successful Living Rental Rehab		\$50,000	<del>235</del>
Economic Development	Economic Development Set-aside	\$50,000	NA	2
CDBG and HOME Administration/Planning	CDBG Administration	\$126,049	NA	NA
	HOME Administration	NA	\$46,635	NA
Total		\$808,749	\$426,635	13,732



# CITY OF IOWA CITY MEMORANDUM

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Date: May 14, 2018  
To: Housing and Community Development Commission (HCDC)  
From: Kirk Lehmann, Community Development Planner  
Re: CDBG and HOME Funding Recommendation

Good news! The City of Iowa City received a significant increase in CDBG and HOME funds. For FY19, the City received a 25 percent budget increase, but timing requirements constrain the revision of the Annual Action Plan. Plans are typically submitted to HUD for approval 45 days before the beginning of the fiscal year. Because HUD was delayed in allocating funds, the due date was revised to June 30, 2018. The Council is not set to meet in June, so they will be considering the CDBG/HOME budget (FY19 Annual Action Plan) at their May 29 Council meeting.

If the City received more than a 20% change in funding amounts, HCDC wanted to review the budget and allocations again. HCDC will review and formulate a funding recommendation at their May 24 meeting. These recommendations will be sent to Council as a late handout for their May 29 meeting. Due to timing, staff is making a funding recommendation for the CDBG funds (a 16% increase) and will recommend another funding round for HOME funds (36% increase) for HCDC consideration. Under HOME, the City can allocate these increased funds under "other housing activities" that can be approved by HCDC review and City Council approval during the fiscal year. HCDC can support staff's recommendation or submit their own to City Council. Due to timing issues, staff is presenting a recommendation to start the discussion.

The chart below highlights the increase in entitlement funds for the CDBG and HOME programs.

	<b>FY18</b>	<b>FY19</b>	<b>Difference</b>	<b>Percent Change</b>
CDBG	\$567,507	\$658,186	+\$90,679	16%
HOME	\$425,846	\$580,222	+\$154,376	36%
Total	\$993,353	\$1,238,408	+\$245,055	25%

There is also an addition of \$71,000 in HOME funds due to a repayment of funds. Staff was not sure if the repayment would be received in FY18 or FY19. The City terminated the Builders of Hope agreement (after the minimum required affordability period under the HOME program) and the balance was due immediately. The funds were paid back this month, so these funds must be programmed with our FY19 HOME recommendations.

This chart represents the funds we have available for all activities, including Council set-asides.

<b>SOURCES</b>			
	<b>CDBG</b>	<b>HOME</b>	<b>TOTAL</b>
FY19 Entitlement	\$658,186	\$580,222	\$1,238,408
FY19 Program Income	\$70,000	\$85,000	\$155,000
Returned Funds	\$0	\$70,000	\$70,000
Old Uncommitted Funds	\$15,000	\$230,000	\$255,000
Total Funds	\$743,186	\$965,222	\$1,718,408

We have an additional \$67,000 to allocate in CDBG funds and \$238,000 in HOME funds. Due to the quick turnaround, staff is providing a funding recommendation for HCDC to consider. For the increase in CDBG funds, staff recommends allocating funding for the following projects:

- \$16,000 in Aid to Agencies funds to Prelude Behavioral Services;
- \$51,000 in Public Facilities funding to the unfunded Arthur Street Healthy Life Center project. HCDC requested that the City grant them tax abatement, but because the project will not substantially change the tax base at that location, it is most likely not a possibility.

For the increased HOME funds, staff recommends initiating another funding round immediately. While we will not be able to complete the round before June 30, we can dedicate funds to the "Other Housing Activities" project to be administratively approved once those activities are known, reviewed by HCDC, and approved by City Council.

HCDC's prior recommendation is attached for your review. Staff's recommendation is only for the increased funding received. Please contact me with any questions.

**Appendix B  
CFY19**

<b>Project</b>	<b>Planned activities</b>	<b>CDBG Award</b>	<b>HOME Award</b>	<b>Persons / Households / Facilities Assisted</b>
	Aid to Agencies Shelter House	\$ 50,000	NA	1,100
<b>Low-Mod Clientele Public Services/Facilities</b>	Aid to Agencies NCJC	\$ 10,000	NA	120
	Aid to Agencies DVIP	\$ 35,000	NA	300
	NCJC Siding Improvement	\$ 41,000	NA	2,000
<b>Neighborhood and Area Benefits</b>	Neighborhood Improvements Set Aside	\$ 75,000	NA	300
<b>Homeowner Housing Rehabilitation</b>	Comprehensive rehabilitation	\$ 235,000	\$ 90,000	22
	THF - CHDO Operating	NA	\$ 21,000	NA
	THF - Rental Acquisition	\$ -	\$ 100,000	1
	Habitat for Humanity - Ownership	\$ -	\$ 80,000	2
<b>Other Housing Activities</b>	MYEP - Rental Acquisition	\$ -	\$ 75,000	3
	Successful Living - Rental Acquisition	\$ -	\$ 194,000	10
	City of Iowa City - South Dist. Part.	\$ -	\$ 100,000	4
	Prelude - Transitional Housing Impr.	\$ 34,000	NA	12
<b>Economic Development</b>	Economic Development Set-aside	\$ 50,000	NA	2
<b>CDBG and HOME Administration/Planning</b>	CDBG Administration	\$ 127,501	NA	NA
	HOME Administration	NA	\$ 51,085	NA
	<b>Total</b>	<b>\$ 657,501</b>	<b>\$ 711,085</b>	<b>3,876</b>