

# Agenda

## Housing & Community Development Commission (HCDC)

Tuesday, July 10, 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 June 21, 2018 minutes\*
3. Public comment of items not on the agenda
4. Nominate and elect officers\*
5. Overview of HCDC purpose, funding sources, and schedule
6. Review and consider final recommendation for the Aid to Agencies process\*
7. Recommendation to City Council regarding applications for FY19 Round 2 HOME Investment Partnerships Program (HOME) Funding – applications available online at <http://www.icgov.org/actionplan>\*
8. Clarify Review of Affordable Housing Location Model Intent
9. Review Annexation Policy Comprehensive Plan Amendment\*
10. Staff/commission comment
11. Adjournment\*

\* Indicates Action Item

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

---

Date: June 28, 2018  
To: Housing and Community Development Commission (HCDC)  
From: Neighborhood Service Staff  
Re: July 10, 2018 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 Kirk Lehmann at 319-356-5247 or [Kirk-Lehmann@Iowa-City.org](mailto:Kirk-Lehmann@Iowa-City.org).

**Item 4: Nominate and Elect Officers**

Per HCDC Bylaws, the commission nominates and elects a chair and vice chair in July. The commission will nominate and vote for these two positions at this meeting.

**Item 5: Overview of HCDC purpose, funding sources, and schedule**

Because new members are starting, staff will provide a brief overview of the Housing and Community Development Commission, its funding sources, and the schedule for the upcoming year.

**Item 6: Review and consider final recommendation for the Aid to Agencies process**

On June 21, HCDC recommended to City Council general changes to the Aid to Agencies (A2A) public services allocation process. Some can move forward, including changes to the reporting requirements, application, determination of priority, and timeframe. However, other recommendations need more specificity, including set aside amounts (and length of funding), the percentage of funds dedicated to priorities, ranking criteria, and minimum funding amounts. Please see the attached recommendation memo for additional information.

**Item 7: Recommendation to City Council regarding applications for FY19 Round 2 HOME Investment Partnerships Program (HOME) Funding – applications available online at <http://www.icgov.org/actionplan>**

Please be prepared to discuss a recommendation to City Council regarding apportionment of additional FY19 HOME funds. Staff has provided scoring criteria and individual funding recommendation sheets for reference at the meeting. Note that scoring criteria are just one piece of information to aide your decision making.

**Item 8: Clarify Review of Affordable Housing Location Model Intent**

An HCDC subcommittee reviewed the Affordable Housing Location Model (AHLM) through the lens of potential racial equity impacts. This discussion is to clarify what kind of an analysis HCDC wants to undertake before requesting guidance from City Council.

**Item 9: Review Annexation Policy Comprehensive Plan Amendment**

City Council requested HCDC review an amendment to the Comprehensive Plan Annexation Policy by adding a section pertaining to affordable housing. The resolution, and a proposed change is in the packet.

**Item 10: Staff/Commission Comment**

**MINUTES**

**PRELIMINARY**

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION  
JUNE 21, 2018 – 6:30 PM  
SENIOR CENTER, ROOM 202**

**MEMBERS PRESENT:** Syndy Conger, Charlie Eastham, Vanessa Fixmer-Oraiz, Christine Harms, Harry Olmstead, Maria Padron Paula Vaughan

**MEMBERS ABSENT:** Bob Lamkins, John McKinstry

**STAFF PRESENT:** Kirk Lehmann, Erika Kubly

**OTHERS PRESENT:** Sara Barron, Geoff Fruin

**RECOMMENDATIONS TO CITY COUNCIL:**

By a vote of 7-0 the Commission recommends to send the HCDL Aid to Agencies Subcommittee's recommendations to City Council for review at their July 3 meeting.

By a vote of 6-0 (Olmstead abstained) the Commission recommends to send a letter to City Council regarding Jonson County SEATS and City Bus contracts at their July 16 meeting.

**CALL MEETING TO ORDER:**

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

**APPROVAL OF THE MAY 24, 2018 MINUTES:**

Eastham moved to approve the minutes of May 24, 2018 with correction. Conger seconded the motion. A vote was taken and the motion passed 7-0.

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

None

**REVIEW AND CONSIDER RECOMMENDATIONS BY THE AID TO AGENCIES SUBCOMMITTEE:**

Lehmann began with a brief overview that is outlined in the memo in the packet. He also included the meeting minutes from the subcommittee's meetings on June 7 and June 15 and comments received from agencies. The committee consisted of Fixmer-Oraiz, Padron, Kubly, and Lehmann.

Fixmer-Oraiz said they began by looking at the history of the Aid to Agencies to ensure that the program's original purpose and intent are being served. One of the subcommittee's first recommendations was to split funding into two pools of money with one predominantly supporting "legacy" agencies, defined as nonprofits that received Aid to Agencies funding in one of the last five years. As a result, the legacy agency funding pool would consist of most Aid to Agencies funding. While funding would not be

guaranteed for legacy agencies, it would be provided at minimum increments of \$15,000 each year over two years. This would support the goal of providing a more reliable source of funding. To access the legacy pool of funds, legacy agencies would apply through the United Way Joint Funding Process. HCDC would also receive regular reports to ensure accountability over the two years, similar to other Joint Process Funders. If an agency does not perform to a minimum standard, funding could be revoked.

In order to encourage and support new “emerging” agencies, defined as any nonprofits not designated as legacy, HCDC would also create a smaller pool of funds. These funds would have a smaller funding minimum, perhaps \$5,000, and would be allocated annually to help the development of new organizations. Emerging agencies should not expect this pool of funds to become permanent, but they could access legacy funds after being awarded. The application for the emerging pool of funds would occur separately from the United Way Joint Funding Process, allowing a smaller, customized application that would be due at the same time as the City’s HOME/CDBG funding round in December. This allows the funding to be awarded closer to when the agency will receive the funding. Because Emerging Agencies would submit shorter applications, their timeframe would be shorter overall.

The subcommittee also discussed the process wanting to have more clarity, longer period of review for HCDC. The proposed timeline is to make review applications and make allocations is expanded from one month, the current process, to a review process resembling the following:

- **September:** Receive applications and commissioners would read and rank them for the October meeting. Staff would compile individual commissioners’ results beforehand.
- **October:** At their meeting, HCDC would discuss the ranking results and their individual thoughts. This would likely comprise most of the meeting.
- **November:** At their meeting, HCDC could discuss lingering issues about applications and would decide on applicants to call in for further questions. Applicants would receive questions in advance. This would likely take up a small portion of the meeting.
- **December:** At their meeting, HCDC would have a Q&A session with invited agencies. Only agencies invited to speak at the meeting would speak.
- **January:** At their meeting, HCDC would determine final allocations.

Fixmer-Oraiz noted they reached out to some of the agencies and asked for their feedback on the process. The responses are included in the packet.

Padron added they also discussed determining priority needs for legacy agencies and noted the prioritization of agencies into low, medium, and high groupings based on the population served was developed to ensure funds have the greatest impact and is required by CITY STEPS. The current use of these categories in the allocation process tends to be ineffective because nearly all agencies attempt to meet the high priority category. Therefore the subcommittee proposes dedicating a percentage of funding to High, Medium, and Low priorities to spread funding throughout groups and reduce competition for high-priority designations. A possible allocation would be 60% of funds to high priority, 25% to medium and 15% to low priorities so they can help everyone. Lehmann added Staff would determine if an agency fell into the high, medium or low priority category, which would be affirmed by a vote of HCDC.

Fixmer-Oraiz stated another proposal from the subcommittee is to adjust the application, there was a lot of duplication on the joint application, so wanted to eliminate that. Additionally, much of the application process appeared subjective and they wanted to create more objectivity. They updated CDBG/HOME Evaluation Criteria sheet (in the packet) to bring back to HCDC to discuss. Lehmann noted he went through what allocations would have looked like had they used this new criteria sheet at the last round of allocations and that has brought up additional questions.

Fixmer-Oraiz also noted they broke out the Impact/Benefit question on the evaluation criteria from being a broad question to more specific categories. Additionally with the leveraging question it was felt there needed to be some clarification. Conger agreed, when that question was first added to the evaluation criteria it was to encourage fundraising, but isn’t sure if the question achieves that goal and if it should even be part of the evaluation criteria. Olmstead said when that question was first raised he felt it was important to look at what other financial resources does an agency have. For example there was one

agency that was in seven counties and therefore should be able to get money elsewhere. Eastham stated he was not sure having leveraging ability as part of the scoring criteria is valid and feels it could be discouraging to smaller agencies and startups. He also noted that larger agencies have to have other funding sources, they could not function on just Iowa City funding.

Olmstead asked about the legacy funding and when would the five years of funding be counted from. Fixmer-Oraiz said the subcommittee looked at funding this year and then back five years to see what organizations had consistently received funding. Conger noted if an organization has been around for five years they are likely also getting funding from other sources. Conger feels the leveraging question should be removed from the startup and smaller agency applications and Fixmer-Oraiz agreed.

Lehmann noted the evaluation criteria ask if the applicant has documented efforts to secure other funding, so the question regarding project leveraging may not be needed. Vaughn stated that the leveraging question could be stated as asking for a list of external funding sources.

Eastham asked for clarification on how the proposal divides up available funding between legacy agencies and startup agencies. Lehmann said the legacy group is the process that currently is in place, they would fill out the United Way application, and they would request a \$15,000 minimum. The change is if awarded funds, the funds would be secure for two years. The legacy applicants would still be ranked based on the evaluation criteria of the application into high, medium and low priority. Fixmer-Oraiz said in the most recent allocation round HCDC had 27 applicants and funded 17 of them so there will still be agencies that receive no funding. The biggest change is the schedule of review of the applications, the idea is to give HCDC more time to review and discuss the applications to be better prepared to move forward with the allocation process.

Olmstead noted his concern regarding funding the emerging startups is within a year or two they may be so successful to the community HCDC may want to fund them at a higher level. Lehman said the subcommittee suggests allocating \$15,000 to the emerging startup fund and that \$15,000 can be allocated how HCDC sees best, it does not have to be divided equally amongst applicants.

Padron pointed out that the emerging agencies may not be new agencies, they are just agencies that have not received City funding in the past five years.

Eastham noted the extra time and work for staff with this new category of agency funding. He stated the time staff spends administering a \$1,000 grant is the same as administering a \$25,000 grant. Lehmann acknowledged that was true and that is why the subcommittee sought to set up a \$5,000 minimum.

Geoff Fruin (City Manager) stated the City Council knows HCDC is going through this process and they want to see what recommendations the Commission makes before it is communicated to the agencies.

**Fixmer-Oraiz moved to send the HCDC Aid to Agencies Subcommittee's recommendations to City Council for review at their July 3 meeting, Eastham seconded.**

Eastham noted that Ron Berg's email was quite helpful in understanding how the evaluation criteria was viewed by the agencies.

Vaughn clarified that the recommendation to City Council is for the general concept of review of applications in two groups, legacy and emerging, but the details such as the evaluation criteria still need to be vetted out by HCDC. Fixmer-Oraiz agreed.

**A vote was taken and the motion passed 7-0.**

#### **AFFORDABLE HOUSING LOCATION MODEL SUBCOMMITTEE UPDATE:**

Lehmann stated a HCDC subcommittee has begun reviewing the Affordable Housing Location Model.

Geoff Fruin (City Manager) stated he appreciates the intent and motivation for HCDC to review the Affordable Housing Location Model, his concerns are simply ensuring that City Staff (Lehmann and Kubly) have the time to dedicate to the Council's top strategic priorities that fall within their work area. Fruin noted he was hesitant on dedicating staff time on this issue as they just completed a comprehensive review of the Affordable Housing Location Model just over a year ago and it took a considerable amount of time for staff and HCDC. Fruin acknowledged that the changes HCDC is looking at this time may not require as much time as the last review however he would request before HCDC goes down this path any further to make sure City Council is comfortable with the direction HCDC is going so staff and HCDC is not putting a lot of work into something Council is not on board with. Right now with Lehmann and Kubly being fairly new to staff they have a lot to learn with the day-to-day operations and this would be a lot to take on and Fruin would share that concern with Council.

Eastham noted in Fruin's memo to HCDC he points to two items staff will be working on for Council and the second one is considering modifications to the Affordable Housing Location Model as it stands right now and asked if that review will include a racially equity impact as that is not a component Eastham has been able to find in any previous work the Council has requested. Fruin said he cannot speak to what the review will include as they have not yet discussed it, they just today spent a couple hours in a webinar with a homebuilders association beginning to learn about the process. He said likely what will happen is staff time will be used to investigate a range of options for Council to review and receive feedback. With regards to the specific issue of racial equity analysis Fruin said he would not be opposed to reviewing that, but they haven't gotten that far into the planning to identify the pieces they will review. Eastham believes the Council should be informed of what HCDC has done so far in noticing a deficit in racially equity impact in the way the Affordable Housing Location Model is currently constructed. He would like Council to know that HCDC feels that needs to be reviewed by staff either separately or as part of the overall Affordable Housing Location Model review. Fruin appreciates that and is in no way telling HCDC how to shape their recommendation but would like a recommendation to go to Council in July so they can begin to shape staff workloads for the year.

Sara Barron (Executive Director, Johnson County Affordable Housing Coalition) stated they do not have a specific recommendation to make about the review of the policy at this time but would ask HCDC view them as a resource as they are considering both language and potential impact of any policy changes. They have a number of resources available including some ability to talk about it from the racially equity standpoint.

Fixmer-Oraiz said they definitely don't want to duplicate efforts or overburden staff so HCDC would be willing to work with whatever resources are available.

Conger shared she is mystified as to why a question about analysis leads to or gets interpreted as a review of the entire Affordable Housing Location Model. She noted if one were to study the effects of the Affordable Housing Location Model is it impossible to extract any data that would be relevant. Fruin reiterated he is not taking issue with the reason for the review he is concerned about the staff time involved. He added each time data is adjusted on the map, a whole new set of data points are created so it can be time consuming to read all that data and try to get the results correct. Vaughn confirmed as a member of HCDC at that time it was a lot of staff and commission time involved.

Olmstead suggested a joint subcommittee of HCDC and the Johnson County Affordable Housing Coalition to look at this further before making any recommendations to Council.

Eastham is open to a joint subcommittee, he also wanted to acknowledge all the work that was done previously to develop the Affordable Housing Location Model did not include any information on racial equity impact.

Fixmer-Oraiz is also not opposed to a joint subcommittee however she feels it is clear this should be put before City Council before heading down that path.

Eastham believes that talking to Council is a good idea and should be done with both staff and HCDC members present. Fruin said that type of work session could be requested with Council, he questions

whether it would be necessary, he thought if HCDC could place a memo into the Council packet for them to discuss. Eastham asked if Fruin was okay having staff review the Affordable Housing Action Plan as that is different and Fruin agreed. Eastham asked if part of that review could include the racial equity impact and Fruin agreed if that is the direction Council wants to go. He added however he would not limit that to the Model, if they are going to do a racial impact study of affordable housing they should also look at the 12 steps they have already completed and what is the analysis associated with those areas. Eastham agrees it would be good for the staff review to encompass the Action Plan areas as well.

Vaughn asked if the point of the analysis is just to look at what the City is doing with their funding or overall racial equity impact. Eastham replied with City funding. Vaughn asked if that was not in the application the agencies submit where it asks for a racial breakdown of percent of people they have served. Eastham acknowledged that and noted some of the numbers in the Action Plan are very useful to show the effect of City policies on different racial groups but the Action Plan itself isn't an equity impact analysis of the City overall housing opportunities.

Padron noted in the last meeting there were two questions raised. First was what was the purpose of the map and second is if the map accomplished that goal. Are those questions answered? Fruin stated that was essentially the review staff did last year to make sure the model was meeting its intended purposes and so they analyzed it against the original goals Council confirmed and found that there were some changes that could be made and they eliminated some of the criteria that was causing greater areas of the community to be restricted and those areas shrunk up a bit.

Fixmer-Oraiz stated the Affordable Housing Location Model is about where there can be new affordable housing built and is the goal to enrich neighborhoods or just looking at placing housing. It would be even more of an impact if the rehabilitation funds for landlords and where are those funds being applied. For example, in the south side of Iowa City where there is the densest population of affordable housing is where rehabilitation funds should be going to upkeep and renovate those homes for that population rather than worrying about how the \$500,000 is being spread over so many square miles. She added the Affordable Housing Location Model is only one tool, there is also the City Action Plan with 12 steps, land banking, etc. that need to be taken into consideration. She agrees a racial equity impact study should be done, but over a broader spectrum.

Eastham noted that City funding does leverage a huge amount of other outside funding, the biggest funding source for rental housing is the tax-credit program and a major part of that is getting local funding in order to qualify. He stated not being able to use City funds in south Iowa City means that area then also would not qualify for tax-credit funding.

Lehmann gave a report from the subcommittee's meeting, what they came away with. It included observations that the language was currently negative, focusing on the "burden" affordable housing places on the City, and that the language should be changed to a more positive language of opportunity instead. He said there was also issues with how conflicting policies worked together, for example, if there is an annexation policy with inclusionary zoning, and land is annexed in areas the Affordable Housing Location Model does not allow additional new construction of affordable housing, how do those policies interact. Finally they discussed the racial equity assessment, does the Affordable Housing Location Model negatively impact minority groups or what affect is it having on racial equity. Lehmann stated the subcommittee concluded they could change some of the goals of the Affordable Housing Location Model to reflect and clarify those conversation points. They also discussed the Model's purpose, impact, etc.

Fixmer-Oraiz said the second question on intersecting policies seemed to be the most critical of understanding the affect and repercussions. The Affordable Housing Location Model versus the inclusionary zoning annexation policy shows where the Affordable Housing Location Model is potentially failing in the South District and how can this be navigated to avoid future issues. In her opinion, that became the larger issue when looking at this model's impact.

Olmstead shared his concern about the use of the word minority as that is being discussed along racial lines, he added that people with disabilities are a minority group and have a difficult time finding affordable housing especially with their limited incomes so he asks that minority group be defined or

clarified when talking to Council. People with disabilities are the largest minority group today in Iowa as well as the United States.

Eastham stated the Affordable Housing Location Model does not prohibit the use of funding in any part of the City for housing that is intended for people with disabilities.

Eastham asked if there was a consensus to comply with Fruin's suggestion to write a memo to City Council showing an interest in including a racially impact analysis of the Affordable Housing Location Model and Affordable Housing Action Plan.

Olmstead asked if Lehmann could draft the memo and send it to HCDC for a vote from HCDC before it goes to Council. Lehmann agreed and would have a memo to present at the July HCDC meeting.

Fixmer-Oraiz thanked Barron for coming to talk to HCDC and asked if perhaps she would be interested in coming to a future meeting to give a presentation about resources available. Barron agreed and would be happy to come present at a future meeting.

### **DISCUSS GUIDELINES FOR RELIGIOUS ORGANIZATIONS:**

Lehmann reviewed some of the materials he sent to HCDC and noted the HUD's view on religious organizations used to be very strict but that changed in 2005 when they sought to make it fairer, allowing for religious organizations to compete for funding on equal footing with other nonprofits. Now, HUD allows faith based organizations to keep religious names, do religious activities, and display religious signs, but they cannot further their religious activities with HUD funding. There are some complex issues, for example if a church is doing a secular activity like a food pantry it can be eligible if done in a place other than the place of worship. If any religious activities are done at function, such as a prayer before a food bank meal, it has to be understood that participation is voluntary. Lehmann noted the City regularly funds Habitat for Humanity, technically a religious nonprofit, so they are very explicit in all their applications and materials in stating they do not discriminate against those who are not part of their religious sect, and that all religious activities are voluntary.

Eastham asked how the City monitors that. Lehmann said the typical monitoring is making sure the organization has the policies in place (checking application materials, etc.) and other than that they rely on a complaint basis.

Lehmann added in the HCDC packets examples of what is allowed and not allowed for funding to faith-based nonprofits.

### **REVIEW AND CONSIDER RECOMMENDATION OF LETTER TO CITY COUNCIL REGARDING JOHNSON COUNTY SEATS AND CITY BUS CONTRACTS:**

Olmstead stated he became aware that the cities of Iowa City and Coralville are entering into the contract negotiations for the SEATS service. He feels there is a need to extend the hours of service of the Iowa City Transit fixed-route system. If the city buses were to extend their hours of service or add Sunday services then according to the Urban Disabilities Act paratransit has to follow the same hours. Olmstead stated he is more concerned about the City buses, and in discussions with Fruin he noted there is a survey that will be done to establish what the need is. The City hopes to find a company to begin the survey in the fall and they anticipate it will take up to two years to complete. Olmstead is concerned about that timeline, he has been visiting other commissions to gather input. He met with the Human Rights Commission and they see this as social justice issue, he visited with the Senior Center this afternoon and they are considering this, and he has sent out letters to request support to about 40 different agencies that represent the elderly and senior citizens in our community. Olmstead is asking everyone, including HCDC, to send a letter of support of the concept of extending the hours of buses including adding Sunday service. In the 2015 survey that was conducted by the Community Transportation Committee people indicated they could not take second or third shift jobs due to lack of



transportation. Olmstead has heard that certain hotels in Iowa City and Coralville have their housekeepers spend the nights in the hotel on Saturday and Sunday evenings so they can be at work to clean rooms on Sunday and Monday mornings.

Fixmer-Oraiz said she met with Darian Nagle-Gamm, the Transportation Director for Iowa City Transit, to get a sense of where they are with services and what the potential for offering extended or additional services. Nagle-Gamm said they are going through a comprehensive review process over the next year, they have a RFQ out now, and will be selecting a firm soon. They will also include a process of public input. Fixmer-Oraiz thinks it is important for HCDC to discuss this topic as transportation is key to the effect on affordable housing. Nagle-Gamm also noted the City is currently contracting for commuter bikes for the City to be in place by the fall. It will start in the downtown area but the hope is for it to grow into other neighborhoods.

Padron voiced her concern after the meeting with Nagle-Gamm it appears it will take quite some time before the City adds night and weekend service and it is needed now.

Olmstead acknowledged the time issues, but added when they went through SEATS negotiations two or three years ago, SEATS asked the City to look at their services and a survey could have been done at that time, the problem has been an issue for some time and is not getting better, actually worse. He also noted the transportation director is going to be reviewing and looking at bus routes and seeing if any of those could be combined to better serve the community.

Olmstead also notes in his letter to Council that due to the bus schedules many people cannot attend the City's festivals, or even fireworks, as there is no service after 6:30pm and none on Sundays. Not only does it limit participation but revenue for the City at these festivals.

Padron noted the transportation director acknowledged the concerns but noted they have a limited budget so if they want to add services they will have to remove or reduce another service.

Fixmer-Oraiz stated given the City is doing this RFQ process and wanting to conduct this survey, she would suggest they create a subcommittee of folks with disabilities or the elderly designated to be part of the process.

Olmstead realizes this is a cost item, it will cost the City more money to increase their services, however he suggests some revenue sources could be bus advertising wraps (used in Davenport and Des Moines), his other idea is to charge persons with disabilities that now ride free at certain times be charged a minimal cost such as 50 cents. To use SEATS for a roundtrip is \$4.

Fixmer-Oraiz noted Nagle-Gamm stated the transportation system is highly subsidized so the ideas for generating revenue are real opportunities.

Lehmann said he has invited Nagle-Gamm to come speak to HCDC and she will come once they have the RFQ complete and a consultant chosen.

Olmstead noted the Johnson County Supervisors have discussed creating a regional bus system as well as transportation to Kirkwood Community College in Cedar Rapids and to the Eastern Iowa Airport.

Fixmer-Oraiz noted Nagle-Gamm is a progressive director, she is strategic and willing to think outside the box so feels reassured as this moves forward what comes in the end will be best for Iowa City.

**Eastham moved to send a letter to City Council regarding Johnson County SEATS and City Bus contracts at their July 16 meeting. Padron seconded. A vote was taken and the motion passed 6-0 (Olmstead abstained).**

**STAFF/COMMISSION COMMENT:**

Lehmann stated the Annual Action Plan has been submitted to HUD.

The Healthy Community symposium is June 22.

Olmstead shared information about houseiowa.org which Habitat for Humanity launched in an effort to create a universal portal for affordable housing in the State of Iowa.

Lehmann acknowledged this was Olmstead and Congers last meeting, he thanked them for their service to HCDC.

**ADJOURNMENT:**

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

**Housing and Community  
 Development Commission  
 Attendance Record**

Name	Terms Exp.	8/17	9/21	10/30	11/16	12/18	1/23	2/15	3/15	4/19	5/24	6/21
<b>Conger, Syndy</b>	7/1/18	X	X	X	O/E	X	X	X	X	X	X	X
<b>Eastham, Charlie</b>	7/1/20	X	X	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	X	X
<b>Harms, Christine</b>	7/1/19	X	X	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	X	O/E
<b>McKinstry, John</b>	7/1/17	X	X	X	X	X	X	X	X	X	X	O/E
<b>Olmstead, Harry</b>	7/1/18	X	X	O/E	X	X	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	X	X
<b>Vaughan, Paula</b>	7/1/19	X	X	X	O/E	X	X	X	X	X	X	X

- Resigned from Commission

Key:

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

# Tentative FY19 HCDC Calendar

*Meetings typically held on the 3rd Thursday of each month*

<b>Meeting Date</b>	<b>Agenda Items</b>
July 10, 2018 (rescheduled)	<ul style="list-style-type: none"> <li>• Welcome new members</li> <li>• Officer nomination</li> <li>• Overview of HCDC/Neighborhood Services</li> <li>• HOME additional funding round</li> <li>• Aid to Agency process recommendation</li> <li>• Affordable Housing Location Map memo</li> </ul>
August 16, 2018	<i>Meeting cancelled – Summer break</i>
September 20, 2018	<ul style="list-style-type: none"> <li>• Public meeting on CAPER</li> <li>• Approval of FY18 CAPER</li> <li>• Timeline review of 2016-2020 CITY STEPS</li> <li>• Receive “Legacy” Aid to Agency funding applications for review</li> <li>• Introduction to Analysis of Impediments to Fair Housing process</li> </ul>
October 18, 2018	<ul style="list-style-type: none"> <li>• Fair Housing presentation by Human Rights</li> <li>• Review CDBG projects without agreements</li> <li>• Consolidated Plan amendment (if needed)</li> <li>• Discuss commissioner ranking of Aid to Agency applications</li> </ul>
November 15, 2018	<ul style="list-style-type: none"> <li>• Update on projects that have not entered into a formal agreement</li> <li>• Approve FY20 CDBG/HOME application forms</li> <li>• Continue discussion on Aid to Agency applications</li> </ul>
December 20, 2018	<ul style="list-style-type: none"> <li>• Review Aid to Agency applications; Q &amp; A with invited agencies</li> </ul>
January 17, 2019	<ul style="list-style-type: none"> <li>• Pro forma basics</li> <li>• Aid to Agency budget recommendations to City Council</li> </ul>
February 21, 2019	<ul style="list-style-type: none"> <li>• Q &amp; A discussion with FY20 CDBG/HOME applicants</li> </ul>
March 21, 2019 (May reschedule due to Spring Break)	<ul style="list-style-type: none"> <li>• FY20 CDBG/HOME budget recommendation for housing and public facilities to City Council</li> <li>• Presentation on Analysis of Impediments to Fair Housing</li> </ul>
April 18, 2019	<ul style="list-style-type: none"> <li>• Review FY20 Annual Action Plan and recommendation to City Council</li> <li>• Discuss projects not conforming with Unsuccessful/Delayed projects policy</li> <li>• Adoption of Analysis of Impediments to Fair Housing</li> </ul>
May 16, 2019	<ul style="list-style-type: none"> <li>• Annual Action Plan (updates with funding)</li> <li>• Introduction to 2021-2025 CITY STEPS process</li> <li>• Discuss summer schedule (possible Summer Break in June)</li> </ul>
June 20, 2019	<i>TBD – Summer Break?</i>



# CITY OF IOWA CITY MEMORANDUM

---

Date: July 5, 2018  
To: Iowa City City Council  
From: Housing and Community Development Commission  
Re: Aid to Agencies Recommendations

## **Introduction:**

Following the May 24, 2018 Housing and Community Development Commission (HCDC) meeting, a subcommittee reviewed the Aid to Agencies (A2A) allocation process. Historically, A2A provided predictable funding for nonprofit agencies. More recently, it has also provided new and developing agencies flexible funding. The subcommittee developed the following recommendations which seek to balance both functions of A2A funds, as well as improve the allocation process. HCDC voted to send the recommendations to City Council for consideration.

## **History/Background:**

Several policies have been developed in the past to prioritize agencies for the funding allocation.

- **Legacy Agencies:** In the past, agencies who continually receive funding each year were prioritized in funding allocations. This process provided a consistent source of funding for these agencies, allowing them to retain staff and anticipate budget amounts year-to-year. However, it made it difficult for new agencies to benefit from the program.
- **Priority Needs:** The prioritization of agencies into low, medium, and high based on population served was developed to ensure funds had the greatest impact and is required by CITY STEPS. The current use of these categories in the allocation process tends to be ineffective because nearly all agencies attempt to meet the high priority category.
- **Minimum Threshold:** A minimum funding threshold of \$15,000 is set to allow for funding of a half-time or quarter position at an agency. The amount of staff time required to administer each grant and level of community benefit were also considered when the minimum threshold was implemented.

An HCDC subcommittee solicited feedback from agencies and met June 7 and June 15, 2018 to identify ways to improve the A2A allocation process. The subcommittee drafted recommendations, which were reviewed by the full committee on June 21 and July 10. All meeting minutes and comments received are attached.

## **Discussion of Solutions:**

The subcommittee received comments from multiple A2A recipients, many of which echoed previously mentioned feedback. The following themes to improve the process were developed:

- **Enhance objectivity:** Multiple agencies mentioned a desire to increase objectivity in allocating funds. They were supportive of objective criteria in evaluating applications.
- **Avoid duplication of work:** HCDC should be careful about how to fund agencies that are doing the same work because they don't want to duplicate services with limited funds.
- **More clarity in expectations.** Several agencies were confused about the process and exactly how HCDC chose to allocate funds. Understanding was also lacking on which agencies got to present to HCDC. Clearer expectations with agencies need to be set.
- **Minimum funding:** Some saw a minimum funding amount as arbitrary. However, it makes the review process more manageable for HCDC and provides greater certainty for staffing.

Based on this feedback, the subcommittee tried to balance stable funding with opportunities for new agencies. Recommendations primarily focus on sustainable funding for agencies, but they also provide funds for new agencies. The following summarizes general recommendations:

“Emerging” Agency Funding. HCDC will set aside \$15,000 to “emerging” agencies, defined as any nonprofits that have not received A2A funds in any of the last five years. These funds will have a \$5,000 funding minimum and will be allocated annually to help new organizations develop. This source should not be expected to become permanent. Applying will happen separately from the United Way Joint Funding Process, allowing a smaller, customized application. Applications will be due at the same time as the City’s HOME/CDBG funding round in December, allowing funds to be awarded closer to when the agency will receive funds.

“Legacy” Agency Funding. All remaining funding will be available to “legacy” agencies, defined as nonprofits that received A2A funding in any of the last five years. This funding is not guaranteed but will provide a minimum of \$15,000 each year over two years. Legacy agencies will use the United Way Joint Funding Process application and will submit regular reports to HCDC to ensure accountability. If an agency does not perform to a minimum standard, funding will be revoked.

Ranking criteria will be used to make the funding process more transparent and to provide information to HCDC beyond an agency’s priority level. The criteria will hopefully make the allocation of funds more objectively. The criteria can be seen on the attached sheet.

HCDC will dedicate \_\_\_ percent of funds to High priorities and \_\_\_ percent to Medium and Low priorities to spread funding throughout groups and reduce competition for high-priority designations. Staff will recommend an agency’s priority level in advance based on its central mission, and HCDC will approve. \_\_\_ points will be needed as a minimum for consideration to ensure agencies are deserving of funds. If a ‘tier’ does not have appropriate application in terms of minimum number of points, the funds will be reallocated as decided by HCDC.

Legacy applications should speak for themselves. However, agencies will be invited to attend meetings, though will only be expected to speak upon request by HCDC. Full public comment will be reserved for City Council when the Annual Action Plan is adopted. To provide adequate time to review applications, the funding timeline will be extended from one month to the following:

- **September:** Receive applications, which HCDC will review and score for the October meeting. Staff will compile individual commissioners’ results beforehand.
- **October:** At their meeting, HCDC will discuss the results and their individual thoughts. This will likely comprise most of the meeting.
- **November:** At their meeting, HCDC may discuss lingering issues about applications and will decide on applicants to invite for further clarification. Applicants will receive any questions in advance. This will likely take up a small portion of the meeting.
- **December:** At their meeting, HCDC will have a Q&A session with invited agencies. Only agencies invited to speak at the meeting will speak.
- **January:** At their meeting, HCDC will determine final allocations.

Finally, HCDC will reduce Iowa City’s portion of the Joint Funding application to reduce burden for agencies while continuing to provide adequate information to HCDC. Potential changes include cutting the “Aid to Agencies Priorities” question (HCDC will determine agencies’ priority categories) and eliminating repetition, such as changing Iowa City’s questions to “if different from Johnson County”. If additional answers are desired, questions will instead be asked in meetings.

**Financial Impact:**

These recommendations will have no fiscal impact on the City, but they will likely require increased staff time to implement these activities. This is especially true of extending the process over multiple months. For agencies, fiscal impacts will mostly be that funding is more evenly distributed around agencies with clearer expectations as to how the money is allocated.

**Recommendation:**

HCDC recommends that City Council consider and approve these changes to the Aid to Agency process. Once Council completes its review, staff will send a memo to applicants summarizing changes made to the A2A process and the rationale. The memo will help set expectations, including about who is invited to speak, when, and what responses may need to be prepared.

## INFORMAL MINUTES

### HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AID TO AGENCY SUBCOMMITTEE JUNE 7, 2018 – 12:00 PM

**MEMBERS PRESENT:** Vanessa Fixmer-Oraiz, Maria Padron

**STAFF PRESENT:** Tracy Hightshoe, Erika Kubly, Kirk Lehmann,

#### **REVIEW ISSUES/PURPOSE OF SUBCOMMITTEE:**

Originally administered by one staff person, and made final allocations with two committee members

- Difficult for new agencies to get funded
- Provided a stable source of funding

Staff and priorities changed over time

- Led to “legacy” nonprofits like elder services getting large cuts in their budget
- Complaints and an attempt by agencies to fit into the high priority categories

Over the past two years, new agencies began to be funded

- Minimum threshold of funding was increased to from \$5,000 to \$15,000
- Led to increased competition for “legacy” nonprofits which have continued to receive funding cuts

#### **DISCUSSION:**

**Question:** What is purpose of Aid to Agencies? How do we provide stable funding to historic agencies and allow opportunity for new agency?

**Ideas:** Focus on sustainable funding but provide small amount for new agencies. To achieve this, we would break funding into two amounts:

1. **“Legacy” Agency Funding.** Most of the money would be dedicated to “legacy” nonprofits (i.e. nonprofits that received Aid to Agencies funding in the last five years). This funding source would not be guaranteed, but it would be a minimum of \$15,000 allocated for two years. The application would come through the United Way Joint Funding Process, and HCDC would receive the same regular report as other Joint Process Funders. If the agency does not perform to some minimum standard, funding could be revoked.
2. **“Emerging” Agency Funding.** A small portion of the funds (maybe \$15,000?) would be dedicated to “emerging” nonprofits (i.e. any other nonprofits not included in the “legacy” category). This funding source would allow a smaller funding minimum of \$5,000 allocated for one year to help new organizations develop. The application for this process would be separate from the United Way Joint Funding Process, allowing a smaller, customized application that would be due in tandem with the City’s HOME/CDBG funding round in December. This also allows the funding to

be awarded in closer proximity to when the agency will receive the funding. The expectation would be that this will not be a permanent source of funding.

**Question:** How can we change Process? How do we give HCDC enough time to seriously review funding applications?

**Ideas:** Instead of the typical one-month review process, staff would provide HCDC the applications as soon as they are available. Overall, the process would become something approximating the following:

- **September:** Receive applications, which commissioners would be expected to read and rank for the October meeting. Individual results would be sent to staff beforehand to compile.
- **October:** At the HCDC meeting, the commission would discuss the ranking results and allow an opportunity for commissioners to talk about their rankings in advance of allocating funds. This would be expected to take up most of the meeting.
- **November:** At the HCDC meeting, commissioners would have time for additional discussion on lingering issues with applications and would decide on which applicants should be called in for further question (a short list). This would be expected to take up a small portion of the meeting.
- **December:** At the HCDC meeting, commissioners would have a Q&A session with agencies. Only agencies invited to speak at the meeting would speak.
- **January:** At the HCDC meeting, final allocations would be determined.

Agencies would be invited to attend meetings starting in November, though would not be expected to speak unless invited to. Full public comment would be reserved for City Council when the Annual Action Plan is adopted (May). This intensive process would only be for legacy agencies.

#### **FOR NEXT MEETING:**

**Discuss Ranking Criteria:** Adding ranking sheets to the process would provide a greater understanding of the agency than their CITY STEPS priority as HCDC makes allocations, and it makes the process more transparent. Staff would determine an agency's central mission in advance, with approval from HCDC.

**Discuss Application:** The Joint Funding application is long, but adding a section on best practices (or to the Q&A with agencies) could be a good opportunity to understand the agencies. Ideally, HCDC could also pare down Iowa City's current application components to make it less burdensome for agencies.

#### **Discuss Any Further Comments**



## INFORMAL MINUTES

### HOUSING AND COMMUNITY DEVELOPMENT COMMISSION AID TO AGENCY SUBCOMMITTEE JUNE 14, 2018 – 12:00 PM

**MEMBERS PRESENT:** Vanessa Fixmer-Oraiz, Maria Padron

**STAFF PRESENT:** Erika Kubly, Kirk Lehmann

#### **REVIEW COMMENTS AND DISCUSSION:**

What the subcommittee noticed from the comments:

- **Avoid duplication of work:** HCDC should be careful about how to fund agencies that are doing the same work. Don't want to only duplicate services with limited funds.
- **Enhance objectivity:** Multiple agencies mentioned a desire to increase objectivity in allocating funds. This includes avoiding consideration of factors that may be personal considerations or factors unrelated to the CITYSTEPS priorities. They seemed like they would be supportive of ranking applications as discussed last week, and it ties well into many recommendations that the subcommittee is developing.
- **Minimum funding:** Some saw minimum funding amounts as arbitrary. However, it also made the review process more manageable for HCDC and provided greater certainty for agency staffing. This comment should be somewhat addressed through tiering funding with differing minimum funding requirements. Regardless, flexible funding is especially valuable for agencies.
- **More clarity in expectations.** Several agencies were confused about the process. When HCDC completes its review, staff should send out memo to review changes to the A2A process and reasons for those changes. For example, the memo should clarify that the \$15,000 minimum for "legacy" agencies was chosen as enough to fund a part-time salary, while the \$5,000 minimum for "emerging" applicants is to cover some project costs, like office supplies.
- **Equal opportunity to comment:** Some agencies didn't understand who got to present to HCDC when. Others felt left out. The memo should also set expectations about who is invited to speak and when. Applications are still expected to stand on their own. However, having the process over multiple meetings would also allow HCDC to send preset/custom questions to applicants so responses could be prepared, though not all applicants will be invited to speak.

In terms of best practices, it may also help to better train HCDC members on the general purpose of the commission, where their funding comes from, and how the allocation process works in the larger context of the City.

#### **OTHER DISCUSSIONS:**

Ranking criteria is being based on past processes that HCDC followed (see attached FY10 example); first should be checked to see how it would have affected last year's allocation:

- **Need/Priority category:**
  - To take out subjectivity, focus on clear yes or no point amounts (keep high, medium, low as what you give for different priority groups)
  - Maybe incorporate need vs. provided services to decide priority?
- **Resources and Feasibility**
  - Should leveraging financial resources stay as a ranking criterium?
  - Ask whole HCDC about Documented funding efforts
  - Ask about “volunteer/in-kind services” rather than “leveraging human resources.” May also be beneficial to measure it in number of volunteer hours/\$ of in-kind goods/service
- **Impact/Benefit**
  - Add points to targeting services to high-priority groups such as minority households, children under 12, or persons with disabilities
  - Include points regarding impact/benefit or scale of work (like people served per dollar)
  - Questions about will the project be sustained will be asked for Emerging Agencies, but may not be applicable for Legacy Agencies (also potentially structure Emerging Agency funding as for a specific project but Legacy Agency funding as flex funding once ‘proven’)
- **Capacity/History**
  - Make Application Workshop attendance mandatory and drop criterium 3
  - Increase criterium 2 to 5 points for yes

Changes to the joint funding application to reduce burden:

- **Cut FY19 Aid to Agencies Priorities section.** Staff will recommend and HCDC will determine the main focus of the agency; HCDC will assign a “priority” category accordingly.
- **Modify duplicative language.** Change Iowa City-specific questions to “if different from County, expound here.” For example, Question 4 on the application would read “If different from your answer for Johnson County, provide a description of services that will be provided with the Iowa City funding requested. Specific information is required, not a general agency description.”

Break out funding by dedicating a percentage of funding to High, Medium, and Low priorities:

- Would spread funding and reduce competition for “High” designation
- Maria suggested breaking out along High (60% of funding), Med (25%), and Low categories (15%)
- A minimum number of points would need to be achieved to be considered for funding; if a ‘tier’ does not have appropriate points, the funds would be reallocated as decided by HCDC

## **RECOMMENDATIONS:**

See staff memo.



program and no higher than 80% AMI upon purchase of the developed property. The home will be located near a park, school, trails, and public transportation. The home will be designed using Universal Design Standards with zero entry and handicapped accessible hallways, doors, bathrooms, etc.

## Section 1 – Need/Priority

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

Need addressed – NA-15 Disproportionately Greater Need: Housing Problems – 91.205

According to the data in the City Steps plan, there are two racial/ethnic groups in the area that experience severe housing problems at a disproportionate level that this opportunity can serve: Asian households earning 30-50% AMI and Hispanic households earning 30-50% AMI. Of the three problems HUD refers to for this category, overcrowding and cost-burdened, are the two our partners experience the most. This project will have a capacity to serve up to 8 people while eliminating any concern of overcrowding. The qualified applicant will also be guaranteed a home mortgage with payments (tax and insurance included) under 30% of gross income.

Need addressed – NA-30 Disproportionately Greater Need: Discussion – 91.205

Of the three categories: Housing needs, Severe housing needs, and Cost burden, this project will one of the identified categories with the exception of Black households earning 80-100% AMI and Hispanic households earning 80-100% AMI, which is due to their higher level of earning. Iowa Valley Habitat for Humanity serves income levels under 80% AMI.

Our program has a history of serving the Black and Hispanic population under 80% AMI and this project will serve a Black, Hispanic or Asian applicant under 80% AMI.

This new single-family home will be a zero-entry, universally designed home with added features for energy efficiency. The mortgage will be structured with Iowa Valley Habitat not receiving any interest payments on their mortgage. The qualified applicant will pay no more than 30% of their gross income on mortgage payments, taxes, and insurance. The home buyer will gain equity in the home allowing for the opportunity of wealth building opportunities. The project is located near schools, public transportation, shopping, and recreation.

## Section 2 – Leveraging Resources/Budget

### 10. Provide the requested loan terms and affordability period:

	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Loan Amortization (Years)</b>	<b>Affordability Period (Years)</b>	<b>Yearly Payment</b>
Terms Requested*	\$40,000	0%	NA	15 years recapture, 20 years affordability	0

\*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.

**11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.**

<b>Funding Source &amp; Type:</b>	<b>Amount</b>	<b>Int. rate</b>	<b>Amortization</b>	<b>Term</b>	<b>Committed?</b>
Iowa City HOME Funding (public)	\$40,000	0%	15 years recapture, silent, forgivable	15 years	<input type="radio"/> Yes <input checked="" 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)	\$60,000	4%		9 months	<input type="radio"/> Yes <input checked="" type="radio"/> No
Applicant Contribution of Equity (private)	\$55,000				<input checked="" 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)					
Donated goods and services	\$20,000				<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Total</b>	<b>\$175,000</b>				

**11b. Please provide the uses of funds for the project.**

Uses of Funds (if applicable)	Cost estimate received? y/n	Amount	Name of entity providing cost estimate
Acquisition:			
Building Acquisition		\$	
Land Acquisition		\$ 40,000	Skogman Realty
Site Improvements		\$ 2,000	MMS
Construction / Rehabilitation		\$ 111,000	IVHFH, bids
Professional Fees		\$	
Construction Finance		\$ 2,000	Hills Bank
Permanent Finance		\$	
Developer Fee / Overhead		\$	
Reserves		\$	
Other (please specify): Donated goods and services		\$ 20,000	Bea Day, Century Roofing, etc.
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$ 175,000</b>	

<b>Amount of Private Funds</b>	\$ 135,000	(a)
<b>Amount of Public Funds</b>	\$ 40,000	(b)
<b>Total Project Funding</b>	\$ 175,000	(c) a + b
Number of bedrooms or persons served	4 bedrooms	(d)
Total Cost Per bedroom or person served	\$ 43,750	(e) c ÷ d

**11c. What percentage of the proposed budget will be made up of private funds?** 77%

**12. Describe any community partnerships or volunteers that will contribute to the project.**

IVHFH will leverage partnerships with several area businesses and groups. The homebuyers will receive HUD certified financial counseling and homeowner preparation from Horizons Family Service Alliance. Hills Bank will provide a low interest Line of Credit for project costs. 80% of the vendors used on the project will donate a portion of their goods and services, most notably, Bea Day Plumbers will donate up to \$15,000 of labor and materials for the project.

**13. Describe 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.**

NONE

**14. Program regulations require a minimum 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.**

IVHFH will use \$55,000 cash up front. All legal fees and much of the site prep fees are donated by area businesses. The project will utilize \$20,000 in donated goods and services as well as over 3500 donated labor hours.

Local HOME funds requested: \$40,000

x .25 = \$10,000 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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 1, 2018	Beginning of City Fiscal Year
Jun 29, 2018	Application
Oct. 1, 2018	Approval of application
Nov. 30, 2018	Completion of SHPO, market analysis, title opinion, appraisal, etc.
March 2019	Foundation installation and construction start
July 2019	Project completion

**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 or public assistance; and describe how the project will provide for affordable housing or public assistance at rates or prices lower than those in the existing market.**

The project will have a forgivable/silent mortgage with a recapture agreement based on a 15-year forgiveness period. The mortgage will have a 0% interest component that makes our program much more affordable. Also, our ability to leverage grants and local partnerships make our home purchase price approximately 25% lower than market rate.

The deed for the property will also have a 20-year owner occupancy stipulation restriction.



**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

If funding is not obtained to purchase this lot, the purchase will be delayed until funds are raised to appropriately develop this property. A delay in funding could result in IVHFH missing an opportunity to purchase one of the most affordable lots remaining in the community. Funding, such as this, has been instrumental in our organization's efforts to build homeownership of affordable units in this community. Many times the purchase price of lots can make a project cost prohibitive.

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

**19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).**

	<b>Housing</b>
0 - 30% median income	_____ households <b>(a)</b>
31 – 50% median income	_____ households <b>(b)</b>
51 – 60% median income	___ 1 ___ households <b>(c)</b>
61 - 80% median income	_____ households <b>(d)</b>
Over 80% median income	_____ households <b>(e)</b>
<b>Total</b>	___ 1 ___ households <b>(f)</b>
<b>Percent LMI</b>	___ 1 ___ <b>(a+b+c+d) ÷ f</b>

## Section 5 – Capacity/History of the Applicant

- 20. 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.**

<b>Fiscal Year Funds Recv'd</b>	<b>Budgeted Amount</b>	<b>Amount Expended (as of December 31)</b>	<b>Date Project Completed</b>
July 1, 2014 to June 30, 2015	\$	\$	
July 1, 2015 to June 30, 2016	\$70,000	\$70,000	Oct/Nov. 2016
July 1, 2016 to June 30, 2017	\$	\$	
July 1, 2017 to June 30, 2018	\$80,000	\$80,000	1) July 2018 2) June 2019

*\*Six months remaining in FY18 at time of this application.*

- 21. 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.

- 22. Please describe the education and experience of the key staff who will be implementing the 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.**

The Executive Director has a management degree and over 10 years of project management experience. Our Business Manager has been with the organization for over 10 years and has great experience with CDBG/HOME funding. IVHFH has two construction managers with over 30 years construction experience. We partner with Hawkeye Title and Settlement and Hills Bank to structure and service our mortgages. We retain Clifton Larson Allen, a CPA firm, to complete an annual financial audit.

**23. Please describe your organization's structure, officers, and staff.**

We have many full-time staff that include: Executive Director, Business Manager, Development Director, Volunteer Coordinator, Construction Manager (2).

Our board consists of 20 local professionals; 4 bankers, 1 attorney, 2 City Staff, 4 realtors, 1 builder, 2 architects, 1 engineer, 1 retired finance professional, 1 retired teacher, and 3 business professionals.

President – Jesse Bulman, Architect, Neumann Monson

Vice President – Niki Prom, Commercial Lender, MidwestOne Bank

Secretary – Stefanie Bowers, City of Iowa City

Treasurer – Dan Cummins, Alcoa (retired)

**24. Please 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.**

We have financed and built over 110 homes in 25 years of operation. We have rehabilitated/remodeled 12 homes and built over 25 handicapped ramps. We currently operate a repair program that will serve over 20 homeowners in 2018 with repairs ranging from small to critical. We plan to build 6 homes in 2018, while performing major improvements to 4 more. All of our homeowners pay full property taxes upon purchase of home

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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.**

From 2000-2012 rent increased 4.4% pushing the percentage of cost burdened renters to 55% (pp. 22, para 2). Rental increases will not stop. As a homeownership program, we hope to combat the rising, variable rates of rentals.

Our organization sells affordable housing well below the area median cost of homes. The homes are purchased at appraised value; however, the homeowner only pays the actual cost to build the home. Any difference between cost and appraisal is written as a second silent/forgivable mortgage requiring the homeowner to occupy the home for no less than 7 years. From year 8-14 the value of that mortgage is forgiven at 1/7 of the value. At year 15, the 2<sup>nd</sup> mortgage goes away and the homeowner is left with valuable equity.

More importantly, a homeowner with income between 30





program and no higher than 80% AMI upon purchase of the developed property. The home will be located near a park, school, trails, and public transportation. The home will be designed using Universal Design Standards with zero entry and handicapped accessible hallways, doors, bathrooms, etc.

## Section 1 – Need/Priority

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

Need addressed – NA-15 Disproportionately Greater Need: Housing Problems – 91.205

According to the data in the City Steps plan, there are two racial/ethnic groups in the area that experience severe housing problems at a disproportionate level that this opportunity can serve: Asian households earning 30-50% AMI and Hispanic households earning 30-50% AMI. Of the three problems HUD refers to for this category, overcrowding and cost-burdened, are the two our partners experience the most. This project will have a capacity to serve up to 8 people while eliminating any concern of overcrowding. The qualified applicant will also be guaranteed a home mortgage with payments (tax and insurance included) under 30% of gross income.

Need addressed – NA-30 Disproportionately Greater Need: Discussion – 91.205

Of the three categories: Housing needs, Severe housing needs, and Cost burden, this project will one of the identified categories with the exception of Black households earning 80-100% AMI and Hispanic households earning 80-100% AMI, which is due to their higher level of earning. Iowa Valley Habitat for Humanity serves income levels under 80% AMI.

Our program has a history of serving the Black and Hispanic population under 80% AMI and this project will serve a Black, Hispanic or Asian applicant under 80% AMI.

This new single-family home will be a zero-entry, universally designed home with added features for energy efficiency. The mortgage will be structured with Iowa Valley Habitat not receiving any interest payments on their mortgage. The qualified applicant will pay no more than 30% of their gross income on mortgage payments, taxes, and insurance. The home buyer will gain equity in the home allowing for the opportunity of wealth building opportunities. The project is located near schools, public transportation, shopping, and recreation.

## Section 2 – Leveraging Resources/Budget

### 10. Provide the requested loan terms and affordability period:

	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Loan Amortization (Years)</b>	<b>Affordability Period (Years)</b>	<b>Yearly Payment</b>
Terms Requested*	\$40,000	0%	NA	15 years recapture, 20 years affordability	0

\*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.

**11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.**

<b>Funding Source &amp; Type:</b>	<b>Amount</b>	<b>Int. rate</b>	<b>Amortization</b>	<b>Term</b>	<b>Committed?</b>
Iowa City HOME Funding (public)	\$40,000	0%	15 years recapture, silent, forgivable	15 years	<input type="radio"/> Yes <input checked="" 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)	\$60,000	4%		9 months	<input type="radio"/> Yes <input checked="" type="radio"/> No
Applicant Contribution of Equity (private)	\$55,000				<input checked="" 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)					
Donated goods and services	\$20,000				<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Total</b>	<b>\$175,000</b>				



**11b. Please provide the uses of funds for the project.**

Uses of Funds (if applicable)	Cost estimate received? y/n	Amount	Name of entity providing cost estimate
Acquisition:			
Building Acquisition		\$	
Land Acquisition		\$ 40,000	Skogman Realty
Site Improvements		\$ 2,000	MMS
Construction / Rehabilitation		\$ 111,000	IVHFH, bids
Professional Fees		\$	
Construction Finance		\$ 2,000	Hills Bank
Permanent Finance		\$	
Developer Fee / Overhead		\$	
Reserves		\$	
Other (please specify): Donated goods and services		\$ 20,000	Bea Day, Century Roofing, etc.
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$ 175,000</b>	

<b>Amount of Private Funds</b>	\$ 135,000	(a)
<b>Amount of Public Funds</b>	\$ 40,000	(b)
<b>Total Project Funding</b>	\$ 175,000	(c) a + b
Number of bedrooms or persons served	4 bedrooms	(d)
Total Cost Per bedroom or person served	\$ 43,750	(e) c ÷ d

**11c. What percentage of the proposed budget will be made up of private funds?** 77%

**12. Describe any community partnerships or volunteers that will contribute to the project.**

IVHFH will leverage partnerships with several area businesses and groups. The homebuyers will receive HUD certified financial counseling and homeowner preparation from Horizons Family Service Alliance. Hills Bank will provide a low interest Line of Credit for project costs. 80% of the vendors used on the project will donate a portion of their goods and services, most notably, Bea Day Plumbers will donate up to \$15,000 of labor and materials for the project.

**13. Describe 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.**

NONE

**14. Program regulations require a minimum 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.**

IVHFH will use \$55,000 cash up front. All legal fees and much of the site prep fees are donated by area businesses. The project will utilize \$20,000 in donated goods and services as well as over 3500 donated labor hours.

Local HOME funds requested: \$40,000

x .25 = \$10,000 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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 1, 2018	Beginning of City Fiscal Year
Jun 29, 2018	Application
Oct. 1, 2018	Approval of application
Nov. 30, 2018	Completion of SHPO, market analysis, title opinion, appraisal, etc.
March 2019	Foundation installation and construction start
July 2019	Project completion

**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 or public assistance; and describe how the project will provide for affordable housing or public assistance at rates or prices lower than those in the existing market.**

The project will have a forgivable/silent mortgage with a recapture agreement based on a 15-year forgiveness period. The mortgage will have a 0% interest component that makes our program much more affordable. Also, our ability to leverage grants and local partnerships make our home purchase price approximately 25% lower than market rate.

The deed for the property will also have a 20-year owner occupancy stipulation restriction.

**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

If funding is not obtained to purchase this lot, the purchase will be delayed until funds are raised to appropriately develop this property. A delay in funding could result in IVHFH missing an opportunity to purchase one of the most affordable lots remaining in the community. Funding, such as this, has been instrumental in our organization's efforts to build homeownership of affordable units in this community. Many times the purchase price of lots can make a project cost prohibitive.

## Section 4 – Impact/Benefit to the Community

**19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).**

	<b>Housing</b>
0 - 30% median income	_____ households <b>(a)</b>
31 – 50% median income	_____ households <b>(b)</b>
51 – 60% median income	___ 1 ___ households <b>(c)</b>
61 - 80% median income	_____ households <b>(d)</b>
Over 80% median income	_____ households <b>(e)</b>
<b>Total</b>	___ 1 ___ households <b>(f)</b>
<b>Percent LMI</b>	___ 1 ___ <b>(a+b+c+d) ÷ f</b>

## Section 5 – Capacity/History of the Applicant

- 20. 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.**

<b>Fiscal Year Funds Recv'd</b>	<b>Budgeted Amount</b>	<b>Amount Expended (as of December 31)</b>	<b>Date Project Completed</b>
July 1, 2014 to June 30, 2015	\$	\$	
July 1, 2015 to June 30, 2016	\$70,000	\$70,000	Oct/Nov. 2016
July 1, 2016 to June 30, 2017	\$	\$	
July 1, 2017 to June 30, 2018	\$80,000	\$80,000	1) July 2018 2) June 2019

*\*Six months remaining in FY18 at time of this application.*

- 21. 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.

- 22. Please describe the education and experience of the key staff who will be implementing the 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.**

The Executive Director has a management degree and over 10 years of project management experience. Our Business Manager has been with the organization for over 10 years and has great experience with CDBG/HOME funding. IVHFH has two construction managers with over 30 years construction experience. We partner with Hawkeye Title and Settlement and Hills Bank to structure and service our mortgages. We retain Clifton Larson Allen, a CPA firm, to complete an annual financial audit.

**23. Please describe your organization's structure, officers, and staff.**

We have many full-time staff that include: Executive Director, Business Manager, Development Director, Volunteer Coordinator, Construction Manager (2).

Our board consists of 20 local professionals; 4 bankers, 1 attorney, 2 City Staff, 4 realtors, 1 builder, 2 architects, 1 engineer, 1 retired finance professional, 1 retired teacher, and 3 business professionals.

President – Jesse Bulman, Architect, Neumann Monson

Vice President – Niki Prom, Commercial Lender, MidwestOne Bank

Secretary – Stefanie Bowers, City of Iowa City

Treasurer – Dan Cummins, Alcoa (retired)

**24. Please 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.**

We have financed and built over 110 homes in 25 years of operation. We have rehabilitated/remodeled 12 homes and built over 25 handicapped ramps. We currently operate a repair program that will serve over 20 homeowners in 2018 with repairs ranging from small to critical. We plan to build 6 homes in 2018, while performing major improvements to 4 more. All of our homeowners pay full property taxes upon purchase of home

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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.**

From 2000-2012 rent increased 4.4% pushing the percentage of cost burdened renters to 55% (pp. 22, para 2). Rental increases will not stop. As a homeownership program, we hope to combat the rising, variable rates of rentals.

Our organization sells affordable housing well below the area median cost of homes. The homes are purchased at appraised value; however, the homeowner only pays the actual cost to build the home. Any difference between cost and appraisal is written as a second silent/forgivable mortgage requiring the homeowner to occupy the home for no less than 7 years. From year 8-14 the value of that mortgage is forgiven at 1/7 of the value. At year 15, the 2<sup>nd</sup> mortgage goes away and the homeowner is left with valuable equity.

More importantly, a homeowner with income between 30





the purchase of the lot. We will begin building the house as soon as possible but no later than within twelve months of lot purchase. The home will then be rented to low-income clients with intellectual and physical disabilities through our Supported Community Living Program.

## Section 1 – Need/Priority

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

Expanding Affordable Rental and Owner Housing Opportunities For Low-Income and Persons With Disabilities.

The home purchased, with the help of these funds, will provide a decent housing opportunity for individuals with disabilities who do not have other reasonable options especially those in need of fully accessible housing.

## Section 2 – Leveraging Resources/Budget

**10. Provide the requested loan terms and affordability period:**

	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Loan Amortization (Years)</b>	<b>Affordability Period (Years)</b>	<b>Yearly Payment</b>
Terms Requested*	\$80,000	0%	20	5	\$0

\*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.



11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.

<b>Funding Source &amp; Type:</b>	<b>Amount</b>	<b>Int. rate</b>	<b>Amortization</b>	<b>Term</b>	<b>Committed?</b>
Iowa City HOME Funding (public)	\$80,000			20yrs	<input type="radio"/> Yes <input checked="" 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)	\$20,000				<input checked="" 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>\$100,000</b>				

**11b. Please provide the uses of funds for the project.**

<b>Uses of Funds (if applicable)</b>	<b>Cost estimate received? y/n</b>	<b>Amount</b>	<b>Name of entity providing cost estimate</b>
Acquisition:			
Building Acquisition		\$	
Land Acquisition		\$80,000	
Site Improvements		\$	
Construction / Rehabilitation		\$	
Professional Fees		\$	
Construction Finance		\$	
Permanent Finance		\$	
Developer Fee / Overhead		\$	
Reserves		\$	
Other (please specify):		\$	
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$80,000</b>	

<b>Amount of Private Funds</b>	\$ 20,000	(a)
<b>Amount of Public Funds</b>	\$ 80,000	(b)
<b>Total Project Funding</b>	\$ 100,000	(c) a + b
Number of bedrooms or persons served	3	(d)
Total Cost Per bedroom or person served	\$33,333	(e) c ÷ d

**11c. What percentage of the proposed budget will be made up of private funds?** 25%

**12. Describe any community partnerships or volunteers that will contribute to the project.**  
N/A

**13. Describe 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.**

N/A

**14. Program regulations require a minimum 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.**

We will meet this matching requirement with the land purchase. However, once the home is built on the land we will far exceed this requirement if the entire project is considered.

Local HOME funds requested: \$80,000 x .25 = \$20,000

**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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 1, 2019	Beginning of City Fiscal Year and Project Start Date
Sept. 1	Begin looking for lots with realtor

**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 or public assistance; and describe how the project will provide for affordable housing or public assistance at rates or prices lower than those in the existing market.**

With a fixed rate loan for the project we are able to minimize the need of regular rent increases which serves to minimize cost increases to the tenants over time. This home, once built, will operate within our Residential Supported Community Living Program where basic maintenance and upkeep is built into our annual budget. The first step is procurement of a lot to build on.

We typically charge \$410 per month, per tenant. This is \$1,230 per month for the whole unit. Comparable single family homes in Iowa City regularly rent for \$1,500+ and do not include the utilities, lawn care, snow removal, and internet we provide at our units.

**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

If we receive less than full funding we will still try to move forward. The amount we receive may impact the level we need to involve a bank. If we get close to the requested amount we would do our best to contribute that difference.

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

**19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).**

	<b>Housing</b>	
0 - 30% median income	__ 3 __	households (a)
31 – 50% median income	_____	households (b)
51 – 60% median income	_____	households (c)
61 - 80% median income	_____	households (d)
Over 80% median income	_____	households (e)
<b>Total</b>	__ 3 __	households (f)
<b>Percent LMI</b>	__ 100% __	<b>(a+b+c+d) ÷ f</b>

**Section 5 – Capacity/History of the Applicant**

**20. 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.**

<b>Fiscal Year Funds Recv'd</b>	<b>Budgeted Amount</b>	<b>Amount Expended (as of December 31)</b>	<b>Date Project Completed</b>
July 1, 2014 to June 30, 2015	\$	\$	
July 1, 2015 to June 30, 2016	\$60,000	\$60,000	12/03/2015
July 1, 2016 to June 30, 2017	\$50,000	\$50,000	06/06/2017
July 1, 2017 to June 30, 2018	\$50,000	\$0	Closing 2/1/18

*\*Six months remaining in FY18 at time of this application.*

**21. 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

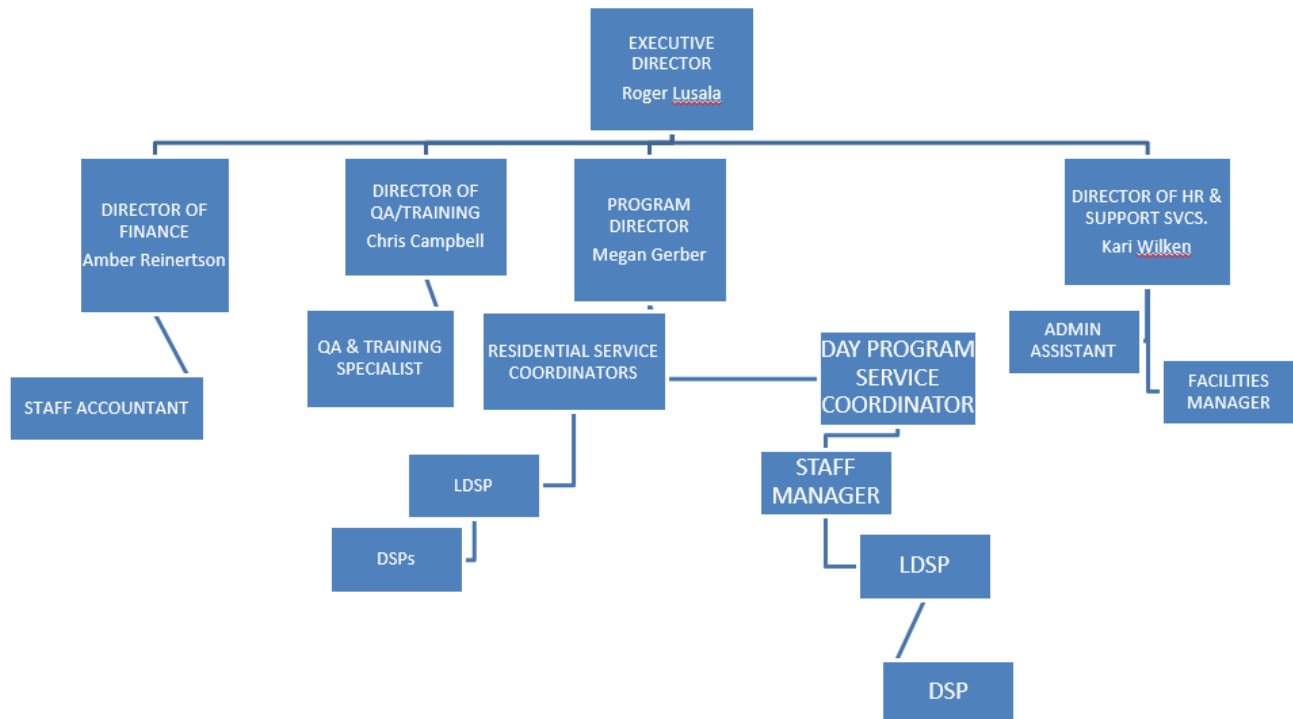
If "NO" or a matter is currently in litigation please provide the name of the case and explain the basis for the case.

**22. Please describe the education and experience of the key staff who will be implementing the 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.**

We have successfully implemented several projects using CDBG funds. The Director of HR & Support Services, Kari Wilken, will work with our realtor to identify and purchase a suitable property. We currently operate two fully accessible sites that were built with the assistance of CDBG funding. We are well-versed in the planning of the project from beginning to end. Once the lot is purchased and eventually the home is built, it will be managed through our well-established Residential Program.

**23. Please describe your organization's structure, officers, and staff.**

### MYEP ORGANIZATIONAL CHART



**24. Please 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.**

The MYEP Residential Program currently operates 16 homes. We own 11 of these homes and rent 5 from area landlords.

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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.**

Our services are needed and desired as evidenced by the number of referrals we receive and the waiting list we keep. Our waiting list for accessible housing continues to grow. We receive referrals and service inquiries on a weekly basis on behalf of people seeking our Residential Services. Also, in order to live in a home that is operated by MYEP one must have an intellectual or developmental disability and be approved by the State of Iowa for funding of Supported Community Living Residential Services. Nearly all of our clients, due to their disability and the funding they receive, fall in the 0-30% of median income level.

<b>Proforma Spread Sheet</b>												
<b>Rental Housing Projects</b>												
<i>Please enter information into "grey" fields only if you are using excel.</i>												
Line	Description	Symbols	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
<u>Revenues</u>												
1	Gross Rental Income	+ G. Rent	\$ 14,400.00	\$ 14,688.00	\$ 14,981.76	\$ 15,281.40	\$ 15,587.02	\$ 15,898.76	\$ 16,216.74	\$ 16,541.07	\$ 16,871.90	\$ 17,209.33
2	Other Income	+ O. Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Tenant Contributions	+T. Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Gross Revenues	= G. Income	\$ 14,400.00	\$ 14,688.00	\$ 14,981.76	\$ 15,281.40	\$ 15,587.02	\$ 15,898.76	\$ 16,216.74	\$ 16,541.07	\$ 16,871.90	\$ 17,209.33
5	Vacancy Loss	- Vac	\$ 720.00	\$ 734.40	\$ 749.09	\$ 764.07	\$ 779.35	\$ 794.94	\$ 810.84	\$ 827.05	\$ 843.59	\$ 860.47
<small>(5% Vac. Rate x Gross Income)</small>												
6	<b>Effective Gross Income</b>	= EGI	\$ 13,680.00	\$ 13,953.60	\$ 14,232.67	\$ 14,517.33	\$ 14,807.67	\$ 15,103.83	\$ 15,405.90	\$ 15,714.02	\$ 16,028.30	\$ 16,348.87
<u>Operating Expenses</u>												
7	Insurance	The total of items #7-10 shall be no less than \$2,850/unit	\$ 700.00	\$ 721.00	\$ 742.63	\$ 764.91	\$ 787.86	\$ 811.49	\$ 835.84	\$ 860.91	\$ 886.74	\$ 913.34
8	Maintenance & Structural Repairs		\$ 750.00	\$ 772.50	\$ 795.68	\$ 819.55	\$ 844.13	\$ 869.46	\$ 895.54	\$ 922.41	\$ 950.08	\$ 978.58
9	Management Fees		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Misc. Operating Expenses		\$ 1,350.00	\$ 1,390.50	\$ 1,432.22	\$ 1,475.18	\$ 1,519.44	\$ 1,565.02	\$ 1,611.97	\$ 1,660.33	\$ 1,710.14	\$ 1,761.44
11	Property Tax		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Reserves <small>(Operating reserve no less than \$350/unit)</small>		\$ 787.50	\$ 811.13	\$ 835.46	\$ 860.52	\$ 886.34	\$ 912.93	\$ 940.32	\$ 968.53	\$ 997.58	\$ 1,027.51
13	Total Operating Expenses	- OPR. Expenses	\$ 3,587.50	\$ 3,695.13	\$ 3,805.98	\$ 3,920.16	\$ 4,037.76	\$ 4,158.90	\$ 4,283.66	\$ 4,412.17	\$ 4,544.54	\$ 4,680.87
14	<b>Net Operating Income</b>	=NOI	\$ 10,092.50	\$ 10,258.48	\$ 10,426.69	\$ 10,597.17	\$ 10,769.91	\$ 10,944.93	\$ 11,122.24	\$ 11,301.85	\$ 11,483.76	\$ 11,667.99
15	Debt Service First Mortgage		\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
16	Debt Service Subordinate Mortgage(s)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Total Debt Service	-DIS	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
18	<b>Cash Flow</b>	=CF	\$ 1,692.50	\$ 1,858.48	\$ 2,026.69	\$ 2,197.17	\$ 2,369.91	\$ 2,544.93	\$ 2,722.24	\$ 2,901.85	\$ 3,083.76	\$ 3,267.99
18(b)	Equity Investment In Project		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	<b>Cash -on- Cash ROI</b>	CF	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	<small>Cash Flow divided by Equity Investment in Project</small>	Equity Invest.										
	<small>Debt Coverage Ratio (after Year 3, shall be no less than 1.20 during compliance period. Encourage 1.20-1.50.)</small>	DCR	1.201488095	1.221247024	1.241273006	1.261567539	1.282132035	1.302967815	1.324076105	1.345458029	1.367114603	1.389046731

YR11	YR12	YR13	YR14	YR15	YR16	YR17	YR18	YR19	YR20	Line	Description
											<u>Revenues</u>
\$ 17,553.52	\$ 17,904.59	\$ 18,262.68	\$ 18,627.94	\$ 19,000.49	\$ 19,380.50	\$ 19,768.11	\$ 20,163.48	\$ 20,566.75	\$ 20,978.08	1	Gross Rental Income
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	Other Income
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	Tenant Contributions
\$ 17,553.52	\$ 17,904.59	\$ 18,262.68	\$ 18,627.94	\$ 19,000.49	\$ 19,380.50	\$ 19,768.11	\$ 20,163.48	\$ 20,566.75	\$ 20,978.08	4	Gross Revenues
\$ 877.68	\$ 895.23	\$ 913.13	\$ 931.40	\$ 950.02	\$ 969.03	\$ 988.41	\$ 1,008.17	\$ 1,028.34	\$ 1,048.90	5	Vacancy Loss
											(5% Vac. Rate x Gross Income)
\$ 16,675.84	\$ 17,009.36	\$ 17,349.55	\$ 17,696.54	\$ 18,050.47	\$ 18,411.48	\$ 18,779.71	\$ 19,155.30	\$ 19,538.41	\$ 19,929.18	6	<b>Effective Gross Income</b>
											<u>Operating Expenses</u>
\$ 940.74	\$ 968.96	\$ 998.03	\$ 1,027.97	\$ 1,058.81	\$ 1,090.58	\$ 1,123.29	\$ 1,156.99	\$ 1,191.70	\$ 1,227.45	7	Insurance
\$ 1,007.94	\$ 1,038.18	\$ 1,069.32	\$ 1,101.40	\$ 1,134.44	\$ 1,168.48	\$ 1,203.53	\$ 1,239.64	\$ 1,276.82	\$ 1,315.13	8	Maintenance & Structural Repairs
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9	Management Fees
\$ 1,814.29	\$ 1,868.72	\$ 1,924.78	\$ 1,982.52	\$ 2,042.00	\$ 2,103.26	\$ 2,166.35	\$ 2,231.34	\$ 2,298.28	\$ 2,367.23	10	Misc. Operating Expenses
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11	Property Taxes
\$ 1,058.33	\$ 1,090.08	\$ 1,122.79	\$ 1,156.47	\$ 1,191.16	\$ 1,226.90	\$ 1,263.71	\$ 1,301.62	\$ 1,340.67	\$ 1,380.89	12	Reserves
\$ 4,821.30	\$ 4,965.94	\$ 5,114.92	\$ 5,268.36	\$ 5,426.42	\$ 5,589.21	\$ 5,756.88	\$ 5,929.59	\$ 6,107.48	\$ 6,290.70	13	Total Operating Expenses
\$ 11,854.54	\$ 12,043.42	\$ 12,234.63	\$ 12,428.17	\$ 12,624.05	\$ 12,822.27	\$ 13,022.82	\$ 13,225.71	\$ 13,430.93	\$ 13,638.47	14	<b>Net Operating Income</b>
\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	15	Debt Service First Mortgage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	16	Debt Service Subordinate Mortgage(s)
\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00	17	Total Debt Service
\$ 3,454.54	\$ 3,643.42	\$ 3,834.63	\$ 4,028.17	\$ 4,224.05	\$ 4,422.27	\$ 4,622.82	\$ 4,825.71	\$ 5,030.93	\$ 5,238.47	18	<b>Cash Flow</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18(b)	Equity Investment In Project
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	19	<b>Cash -on- Cash ROI</b>
											<u>Cash Flow divided by Equity Investment in Project</u>
1.411255197	1.433740658	1.456503639	1.479544525	1.502863552	1.526460805	1.550336202	1.574489492	1.598920245	1.623627842		Debt Coverage Ratio







## General Information

**1. Project Name and Address: The Housing Fellowship CHDO Operating Grant**

- 2. Type of Project (check one):**     Homeownership     Rental\*     Tenant Based Rent Asst.  
    Rehabilitation\*     Other

*\*Rental and Rental Rehabilitation projects require the completion of rental housing pro forma*

- 2. Type of Project (check one):**     Homeownership     Rental\*     Tenant Based Rent Asst.  
    Rehabilitation\*     Other

*\*Rental and Rental Rehabilitation projects require the completion of rental housing pro forma*

**3. Lead Applicant Name: *The Housing Fellowship***

Applicant Address: 322 E. 2<sup>nd</sup> Street, Iowa City, IA 52240

Contact Person, Title: Maryann Dennis, Executive Director

Phone Number: 319-358-9212

Fax Number: 319-358-0053

E-mail Address: mdennis@housingfellowship.com

DUNS Number (must obtain if funded): 868030701

**4. Secondary Applicant (if applicable): N/A**

Applicant Address:

Contact Person, Title:

Phone Number:

Fax Number:

E-mail Address:

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

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

**6. Amount of HOME Funds Requested: \$ 8,000\_\_\_\_\_**

- 7. Did you attend an Applicant Workshop?**     No  
    Yes, attended on January 4, 2018

**8. Provide a brief, one paragraph description of the proposed project:**

The Housing Fellowship (THF) is requesting a CHDO operating grant in the amount of \$8,000 or 5% of the available City HOME Allocation; specifically to cover the salary of THF's CFO. HOME regulations allow a participating jurisdiction to grant 5% of their HOME allocation to certified Community Housing Development Organizations for operational expenses. THF, one of Iowa's premier CHDOs, continues to be the only Johnson County non-profit affordable housing developer providing *permanent* rental housing to low-income families. The mission of THF is to provide quality homes that are affordable to people with limited incomes.

Very few resources exist to fill the gap necessary to cover operating costs to plan housing projects, manage the Corporation's assets, and to comply with the myriad of regulations/reporting requirements of various public/private funding sources; including rent restrictions. THF receives operational funding as a partner agency of the United Way. Member congregations and individuals provide donations that are used for operations.

**Section 1 – Need/Priority**

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

Preserving Existing Affordable Rental and Homeowner Housing Units is a high priority in the STEPS Plan. A CHDO operating grant will help to preserve permanent affordable rental housing by reducing the possibility of the need to sell THF owned properties to cover operational expenses.

**Section 2 – Leveraging Resources/Budget**

**10. Provide the requested loan terms and affordability period:**

	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Loan Amortization (Years)</b>	<b>Affordability Period (Years)</b>	<b>Yearly Payment</b>
Terms Requested*	\$ N/A	N/A	N/A	N/A	N/A

\*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.

11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.

Funding Source & Type:	Amount	Int. rate	Amortization	Term	Committed?
Iowa City HOME Funding (public)	\$8,000	N/A	N/A		<input type="radio"/> Yes <input checked="" type="radio"/> No
State of Iowa HOME or CDBG (public)	\$10,000				<input checked="" 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)	\$392,052				<input checked="" type="radio"/> Yes <input type="radio"/> No
Other Public Resources (please list)					
FY 19 City HOME	\$21,000				<input checked="" type="radio"/> Yes <input type="radio"/> No
Other Private Resources (please list)					
United Way	\$20,350				<input checked="" type="radio"/> Yes <input type="radio"/> No
<b>Total (THF Personnel Expenses)</b>	<b>\$451,402</b>				

**11b. Please provide the uses of funds for the project.**

Uses of Funds (if applicable)	Cost estimate received? y/n	Amount	Name of entity providing cost estimate
Acquisition:			
Building Acquisition		\$	
Land Acquisition		\$	
Site Improvements		\$	
Construction / Rehabilitation		\$	
Professional Fees		\$	
Construction Finance		\$	
Permanent Finance		\$	
Developer Fee / Overhead	Y	\$ 451,402	
Reserves		\$	
Other (please specify):		\$	
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$ 451,402</b>	

<b>Amount of Private Funds</b>	\$ 412,402 _____	(a)
<b>Amount of Public Funds</b>	\$ 39,000 _____	(b)
<b>Total Project Funding</b>	\$ 451,402 _____	(c) a + b
Number of bedrooms or persons served	N/A* _____	(d)
Total Cost Per bedroom or person served	\$ N/A _____	(e) c ÷ d

\*In 2017 THF served 585 persons

**11c. What percentage of the proposed budget will be made up of private funds?**

\_\_\_91\_\_\_%

**12. Describe any community partnerships or volunteers that will contribute to the project.**

The Housing Fellowship has established many partnerships with funders, lenders, local businesses, contractor and other building trades. THF maintains a working partnership with IFA.

United Way of Johnson and Washington Counties; provides operational grant

Great Western Bank; provides private financing for housing development and an operating line of credit

Local Congregations/private donors; provide contributions

Hills Bank capitalizes the Security Deposit Loan Program

THF has banking relationships, in addition to Great Western Bank and Hills, U of I Community Credit Union and MidwestOne Bank.

Volunteers: 11 member Board of Directors

3 member Audit Committee

4 member Recruitment and Orientation Committee

7 member Finance Committee

5 member Succession Committee

6 member Housing Advisory Committee

**13. Describe 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.**

N/A

**14. Program regulations require a minimum 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.**

THF non-federal revenue.

Local HOME funds requested: \$ 8,000 x .25 = \$ 2,000 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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 1, 2018	Beginning of City Fiscal Year
August 2018	Execute Funding Agreement
Dec. 2018	Draw first half of funds
June 2019	Draw second half of funds
June 2019	Project Close-Out

**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 or public assistance; and describe how the project will provide for affordable housing or public assistance at rates or prices lower than those in the existing market.**

The policy of THF, as a CHDO, is to maintain rental homes as affordable for the life of the properties. THF's long term objective is; as debt is retired rents will be reduced to cover operating, repair and replacement costs. Rents at reduced levels lessen a household's need for rental assistance. This then allows more households to access affordable housing (increasing the availability of housing choice vouchers).

**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

If less funding is awarded, THF will continue to operate. However it will be necessary to draw on a private line of credit for administrative expenses resulting in increased debt.

## Section 4 – Impact/Benefit to the Community

19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).

These numbers are to illustrate THF tenants household income.

	Housing	
0 - 30% median income	___ 91 ___	households (a)
31 – 50% median income	___ 65 ___	households (b)
51 – 60% median income	___ 16 ___	households (c)
61 - 80% median income	___ 5 ___	households (d)
Over 80% median income	___ 0 ___	households (e)
<b>Total</b>	<b>___ 177 ___</b>	<b>households (f)</b>
<b>Percent LMI</b>	<b>___ 100 ___</b>	<b>(a+b+c+d) ÷ f</b>

## Section 5 – Capacity/History of the Applicant

20. 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.

Fiscal Year Funds Recv'd	Budgeted Amount	Amount Expended (as of December 31)	Date Project Completed
July 1, 2014 to June 30, 2015	\$214,998	\$185,379	11-2015
July 1, 2015 to June 30, 2016	\$316,000	\$316,000	06-2018
July 1, 2016 to June 30, 2017	\$ 74,000	\$ 16,000	n/a
July 1, 2017 to June 30, 2018	\$204,000	\$40,387	n/a

\*Six months remaining in FY18 at time of this application.

21. 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.



**22. Please describe the education and experience of the key staff who will be implementing the 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.**

Maryann Dennis has been the Executive Director of the Housing Fellowship since January 1993. She has extensive experience in working with low-income families and the administration of federal and private funding sources. She currently oversees all operations in addition to The Housing Fellowship's HTFJC, CDBG, HOME, FHLB contracts and partnership agreements. Ms. Dennis is a certified Housing Development Finance Professional through the National Development Council. She holds a Master's Degree in Social Work Administration and Social Development from the University of Iowa. She is the Vice-Chair of the Affordable Housing Coalition. She serves as ex-officio of the Housing Trust Fund of Johnson County, was appointed to the Iowa City Ad hoc Inclusionary Housing Committee, Johnson County Housing Task Force and the Equity Advisory Committee of the ICCSD, and served on the Board of Directors of United Way of Johnson and Washington Counties. She is the 2016 Kay Anderson Iowa Friend of Housing award winner by the Iowa Finance Authority.

Ross Resetich joined The Housing Fellowship as Chief Financial Officer in February of this year. He is a CPA and has an MBA from St. Ambrose University. Mr. Resetich is responsible to oversee all fiscal duties according to THF's Financial Policies and Procedures; including budgeting, reconciling all accounts (35 separate bank accounts) and preparing all financial reports and balance sheets for the Board of Trustees. He prepares all audit checklists and field work for five separate independent annual audits. He oversees the separation of financial duties and directs AP and AR.

Tashundra Gathright, a University of Iowa Graduate in Social Work joined THF as Compliance Specialist in 2008. Ms. Gathright is the only certified tax credit compliance specialist in Johnson County. She completes all income qualifications for applicants and tenants and prepares all reports for funders.

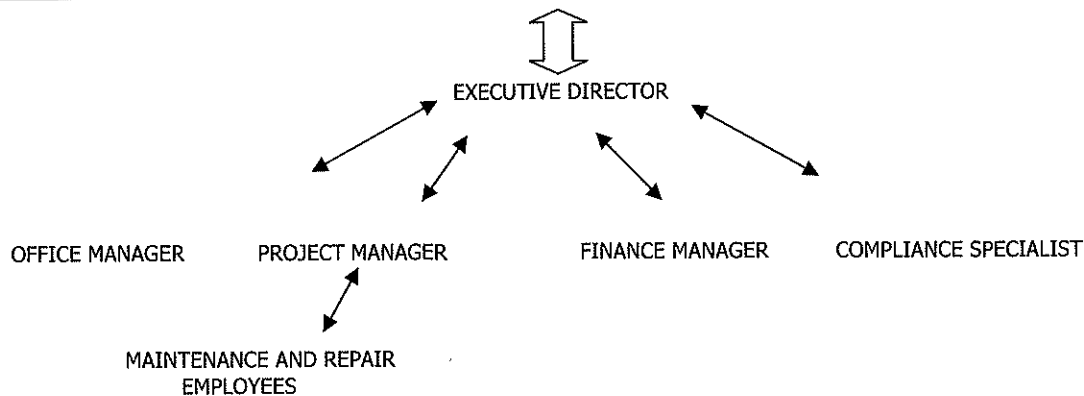
Tammy Vorheis, Project Manager has been employed at THF since 2004. She has an A.A. degree in marketing from Ellsworth Community College. Ms. Vorheis oversees all leases and the maintenance department.

THF's staff members have attended training to ensure funding compliance and recordkeeping offered by the National Development Council, IA Department of Economic Development, IA Finance Authority, Midwest Housing Equity Group, IC Dept. of Equity and Human Rights and Spectrum Companies

**23. Please describe your organization's structure, officers, and staff.**

**TABLE OF ORGANIZATION**

BOARD OF TRUSTEES	
<u>OFFICERS</u> President Vice President Secretary /Treasurer	<u>COMMITTEES (Trustees and Community Members)</u> Executive Finance Recruitment/Orientation Housing Advisory Audit Succession



THF has maintained CHDO certification by the City of Iowa City since 1996. The 11 member Board of Trustees serves as the policy making body. Trustees represent key areas of expertise pertinent to the business of the Corporation. The Housing Fellowship employs seven people.

**24. Please 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.**

THE HOUSING FELLOWSHIP	Rental Housing - Owned			
	2 bdrm	3 bdrm	4 bdrm	TOTAL
Single Family	9	25	3	37
Duplex	18	12		28
Condos	11			11
Townhomes	15	13		28
<b>TOTAL OWNED</b>	<b>53</b>	<b>50</b>	<b>3</b>	<b>106</b>

	Rental Housing - Managed			
	2 bdrm	3 bdrm	4 bdrm	
Single Family		18		<b>18</b>
Duplex	7	37		<b>44</b>
Townhomes	0	8		<b>8</b>
<b>TOTAL MANAGED</b>	<b>7</b>	<b>63</b>	<b>0</b>	<b>70</b>
<b>TOTAL RENTAL PORTFOLIO</b>	<b>60</b>	<b>113</b>	<b>3</b>	<b>176</b>

Of the 176 rental homes, THF has constructed 93. Additionally, THF constructed a 10 unit apartment building that was sold the City of Iowa City in 2005. THF has purchased and rehabilitated 78 of the 171. THF purchased and rehabilitated a 16 unit apartment complex that was destroyed in the 2008 flood and sold to the City of Coralville. THF has constructed 17 homes in Iowa City and nine in Lone Tree providing affordable home ownership opportunities.

Over the past ten years, THF has significantly rehabilitated 41 of THF owned rental homes. In 2014, THF acquired a duplex of two 2 bedroom units using only private financing. In 2017 THF purchased two rental homes and is under contract to purchase a townhome in July 2018.

THF income qualified the tenants in the workforce housing units at River West in the River Front Crossings and purchased three townhomes in the Sabin development as part of the required inclusion of affordable housing in Riverfront Crossing TIF developments.

In March 2018 The Housing Fellowship was awarded Low Income Housing Tax Credits to construct a 33 unit apartment building at 628 S. Dubuque Street in Iowa City. The building is scheduled to be finished in December of 2020.

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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. N/A**



HOME funds will be used to rehab four single family homes that have been affordable CHDO owned rental homes for 18-20 years. This request is for a conditional occupancy loan. The per property request is;

1202 Kirkwood Avenue - \$ 8,065

2510 Friendship Street - \$24,999

125 S. Lowell Street - \$24,999

58 Amber Lane - \$24,999

The request includes a developer fee of \$8,300

## Section 1 – Need/Priority

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

The preservation and energy improvements of affordable rental housing is a high priority in the STEPS Plan. This project will preserve four affordable rental homes; improving energy efficiencies.

The 2016-2020 CITY STEPS Plan states: "For projects that address a high priority, the City will base funding decisions on the capacity of the applicant, the type of project, the anticipated impact of the project, and the reasonableness of the proposed budget.

"The age and condition of housing stock are factors in both renter and owner rehabilitation needs, particularly among the lowest-income households. The greatest gap in meeting the housing, community development, and economic development needs in the City is the reduced capacity of many agencies, given funding limitations in recent years, to carry out their work to the extent that is needed in the community."

The Housing Fellowship has 28 years of experience rehabilitating properties and managing federal funds. The project properties recently satisfied the more than required HOME program term of affordability. FY19 HOME investment will improve the properties and be completed by a qualified CHDO.

Goal 3 of the STEPS plan is to improve quality of existing affordable rental housing by investing \$500,000 of HOME funds to rehab 18 housing units rehabilitated.

Significant rehab will preserve four affordable rental units, accomplishing 22% of the STEPS goal.

## Section 2 – Leveraging Resources/Budget

10. Provide the requested loan terms and affordability period:

	Principal Amount	Interest Rate	Loan Amortization (Years)	Affordability Period (Years)	Yearly Payment
Terms Requested*	\$91,362	0	15	15	N/A; Conditional Occupancy Loan

\*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.

11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.

Funding Source & Type:	Amount	Int. rate	Amortization	Term	Committed?
Iowa City HOME Funding (public)	\$91,362	0	15	15	<input type="radio"/> Yes <input checked="" 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)	\$ 6,374				<input checked="" 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) HTFJC	\$30,649	2%	10	10	<input checked="" type="radio"/> Yes <input type="radio"/> No
					<input type="radio"/> Yes <input type="radio"/> No
<b>Total</b>	<b>\$128,385</b>				

**11b. Please provide the uses of funds for the project.**

Uses of Funds (if applicable)	Cost estimate received? y/n	Amount	Name of entity providing cost estimate
Acquisition:			
Building Acquisition		\$	
Land Acquisition		\$	
Site Improvements		\$	
Construction / Rehabilitation	Y; attached	\$ 120,085	Creative Improvements, CCVS Construction
Professional Fees		\$	
Construction Finance		\$	
Permanent Finance		\$	
Developer Fee / Overhead		\$ 8,300	
Reserves		\$	
Other (please specify):		\$	
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$128,385</b>	

<b>Amount of Private Funds</b>	\$ 37,023 _____	(a)
<b>Amount of Public Funds</b>	\$ 91,362 _____	(b)
<b>Total Project Funding</b>	\$128,385 _____	(c) a + b
*Number of bedrooms or persons served	*16.5 _____	(d)
Total Cost Per bedroom or person served	\$ 7,781 _____	(e) c ÷ d

\*This number is based on the current occupancy at Amber Lane = 5, S. Lowell = 5, Kirkwood=2. Friendship is currently vacant until rehab can be complete; using HUD occupancy guidelines of 1.5 persons/bedroom, Friendship would serve 4.5 persons for a project total of 16.5 resulting in a per person served cost of \$7,781.

**11c. What percentage of the proposed budget will be made up of private funds?**

  29   %

**12. Describe any community partnerships or volunteers that will contribute to the project.**

HOME funds require that rehab be procured through a public bidding process; thus severely restricting the number of volunteers that can directly contribute to this project.

The 11 members of the Board of Trustees of The Housing Fellowship serve as volunteers.

THF has partnered with many private contractors in the past to complete rehab/new construction projects. Great Western Bank has provided the private financing for the purchase of the project

homes. The Housing Trust Fund of Johnson County has also partnered with The Housing Fellowship on this project.

In other endeavors, THF has established many partners locally and on the State level.

**13. Describe 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.**

The Housing Fellowship's Project Manager is related to the owner of CCVS Construction. As such, the Project Manager does not sign any contracts awarded to CCVS Construction.

**14. Program regulations require a minimum 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.**

Property tax exemption.

Local HOME funds requested: \$ 91,362 x .25 = \$ 22,841 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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 1, 2018	Beginning of City Fiscal Year
August 2018	Execute HOME Agreement
Sept 2018	Complete Project Work Lists
Oct 2018	Advertise for Bids
Nov 2018	Award Rehab Contracts
Jan – June 2019	Complete Rehab (Exterior work is weather dependent)
June 2019	Project Close-Out

**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 or public assistance; and describe how the project will provide for**

**affordable housing or public assistance at rates or prices lower than those in the existing market.**

As a CHDO, The Housing Fellowship plans to retain ownership of the homes throughout the life of the property; the homes will remain affordable long after the expiration of the term of affordability required by HOME program requirements. THF has managed affordable rental homes for 28 years.

**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

The most important components of rehab will be prioritized for each property. For example safety and energy efficiency items (electric updates to code, HVAC, new windows) will be completed and the project will forgo remodeling items.

As a property manager for 28 years, THF is qualified and experienced in prioritizing the needs of properties. THF develops an annual capital improvement budget for properties in order to plan for and prioritize needed improvements. THF maintains a repair/replacement reserve for emergent situations.

## Section 4 – Impact/Benefit to the Community

**19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).**

	Housing
0 - 30% median income	_____ households (a)
31 – 50% median income	___4___ households (b)
51 – 60% median income	_____ households (c)
61 - 80% median income	_____ households (d)
Over 80% median income	_____ households (e)
<b>Total</b>	___4___ households (f)
<b>Percent LMI</b>	___100___ (a+b+c+d) ÷ f



## Section 5 – Capacity/History of the Applicant

20. 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.

Fiscal Year Funds Recv'd	Budgeted Amount	Amount Expended (as of December 31)	Date Project Completed
July 1, 2014 to June 30, 2015	\$214,998	\$185,379	11-2015
July 1, 2015 to June 30, 2016	\$316,000	\$316,000	06-2018
July 1, 2016 to June 30, 2017	\$ 74,000	\$ 16,000	n/a
July 1, 2017 to June 30, 2018	\$204,000	\$40,387	n/a

\*Six months remaining in FY18 at time of this application.

21. 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.

22. Please describe the education and experience of the key staff who will be implementing the 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.

Maryann Dennis has been the Executive Director of the Housing Fellowship since January 1993. She has extensive experience in working with low-income families and the administration of federal and private funding sources. She currently oversees all operations in addition to The Housing Fellowship's HTFJC, CDBG, HOME, FHLB contracts and partnership agreements. Ms. Dennis is a certified Housing Development Finance Professional through the National Development Council. She holds a Master's Degree in Social Work Administration and Social Development from the University of Iowa. She is the Vice-Chair of the Affordable Housing Coalition. She serves as ex-officio of the Housing Trust Fund of Johnson County, was appointed to the Iowa City Ad hoc Inclusionary Housing Committee, Johnson County Housing Task Force and the Equity Advisory Committee of the ICCSD, and served on the Board of Directors of United Way of Johnson and Washington Counties. She is the 2016 Kay Anderson Iowa Friend of Housing award winner by the Iowa Finance Authority.

Ross Resetich joined The Housing Fellowship as Chief Financial Officer in February of this year. He is a CPA and has an MBA from St. Ambrose University. Mr. Resetich is responsible to oversee all fiscal duties according to THF's Financial Policies and Procedures; including budgeting, reconciling all accounts (35 separate bank accounts) and preparing all financial reports and balance sheets for the Board of Trustees. He prepares all audit checklists and field work for five separate independent annual audits. He oversees the separation of financial duties and directs AP and AR.

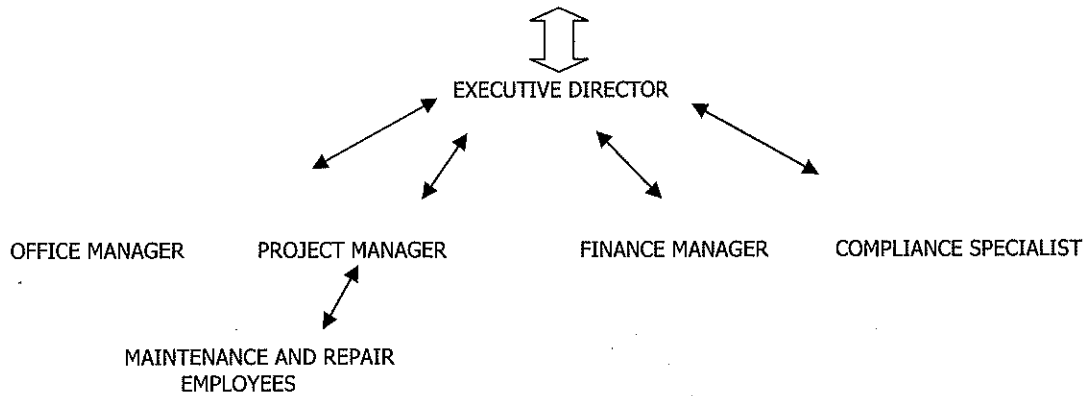
Tashundra Gathright, a University of Iowa Graduate in Social Work joined THF as Compliance Specialist in 2008. Ms. Gathright is the only certified tax credit compliance specialist in Johnson County. She completes all income qualifications for applicants and tenants and prepares all reports for funders.

Tammy Spies, Project Manager has been employed at THF since 2004. She has an A.A. degree in marketing from Ellsworth Community College. Ms. Spies oversees all leases and the maintenance department.

THF's staff members have attended training to ensure funding compliance and recordkeeping offered by the National Development Council, IA Department of Economic Development, IA Finance Authority, Midwest Housing Equity Group, IC Dept. of Equity and Human Rights and Spectrum Companies.

**23. Please describe your organization's structure, officers, and staff.**

<b>TABLE OF ORGANIZATION</b>	
<u>OFFICERS</u>	<u>BOARD OF TRUSTEES</u>
President	<u>COMMITTEES (Trustees and Community Members)</u>
Vice President	Executive
Secretary /Treasurer	Finance
	Recruitment/Orientation
	Housing Advisory
	Audit
	Succession



THF has maintained CHDO certification by the City of Iowa City since 1996. The 11 member Board of Trustees serves as the policy making body. Trustees represent key areas of expertise pertinent to the business of the Corporation. The Housing Fellowship employs seven people.

**24. Please 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.**

<b>THE HOUSING FELLOWSHIP</b>	<b>Rental Housing - Owned</b>			
	2 bdrm	3 bdrm	4 bdrm	TOTAL
Single Family	9	25	3	37
Duplex	18	12		28
Condos	11			11
Townhomes	15	13		28
<b>TOTAL OWNED</b>	<b>53</b>	<b>50</b>	<b>3</b>	<b>106</b>

	<b>Rental Housing - Managed</b>			
	2 bdrm	3 bdrm	4 bdrm	
Single Family		18		<b>18</b>
Duplex	7	37		<b>44</b>
Townhomes	0	8		<b>8</b>
<b>TOTAL MANAGED</b>	<b>7</b>	<b>63</b>	<b>0</b>	<b>70</b>
<b>TOTAL RENTAL PORTFOLIO</b>	<b>60</b>	<b>113</b>	<b>3</b>	<b>176</b>

Of the 176 rental homes, THF has constructed 93. Additionally, THF constructed a 10 unit apartment building that was sold the City of Iowa City in 2005. THF has purchased and rehabilitated 78 of the 171. THF purchased and rehabilitated a 16 unit apartment complex that was destroyed in the 2008 flood and sold to the City of Coralville. THF has constructed 17 homes in Iowa City and nine in Lone Tree providing affordable home ownership opportunities.

Over the past ten years, THF has significantly rehabilitated 41 of THF owned rental homes. In 2014, THF acquired a duplex of two 2 bedroom units using only private financing. In 2017 THF purchased two rental homes and is under contract to purchase a townhome in July 2018.

THF income qualified the tenants in the workforce housing units at River West in the River Front Crossings and purchased three townhomes in the Sabin development as part of the required inclusion of affordable housing in Riverfront Crossing TIF developments.

In March 2018 The Housing Fellowship was awarded Low Income Housing Tax Credits to construct a 33 unit apartment building at 628 S. Dubuque Street in Iowa City. The building is scheduled to be finished in December of 2020.

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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.**

Number of units for rent: Iowa City – 14,024

Between 2000 and 2012, all jurisdictions added to their housing stock. However, the majority of this growth has been in single-family housing. Housing vacancy rates are helpful indicators of occupancy turnover and housing mobility. The housing industry generally regards a 5 percent vacancy rate as optimal. At this rate, there is neither a surplus nor deficit of available units, which helps regulate housing costs and mitigate cost burden. (Housing Market Analysis, 2012).

Many multi-family units are being constructed in Iowa City. Even with the inclusionary housing ordinance in River Front Crossings, the rent levels for units coming into service are expected to be out of reach for low-income residents.

RENTAL PRICES: The 2017 Multi-Family Housing Survey by Cook Appraisal found average rents for two bedroom apartments to be \$935; an 18% increase since the 2015 study. The average three bedroom rent was \$1,107 for three bedrooms; a 6% increase.

The 2018 HUD median rents for our MSA;  
2 bedroom \$1,102                      3 bedroom                      \$1,604

RENTAL VACANCY: The study found vacancy rates in multi-family rental properties to be 4% for two bedroom units and 6% for threes. The overall vacancy for THF properties as of July 2018 is 1.7%

CONDITION OF PROJECT PROPERTIES

<u>Address</u>	<u>Year Built</u>	<u>Date acquired by THF</u>
1202 Kirkwood Ave	1939	08/21/1998

2510 Friendship St. 1961 09/03/1998  
 125 S. Lowell St. 1962 08/16/2000  
 58 Amber Lane 1971 03/15/2000

All of the properties have rental permits, but are still in need of improvements as a result of several years of occupancy.

Planned Rehab Needs/Estimates

**1202 Kirkwood Ave.**

Kitchen Re-model Tear Out(including built-in table) /Disposal	575.00
Install Countertop; Oasis Cultured Marbled	970.00
Install Sink; Moen Stainless Double Bowl with Moen Kingston Faucet with Sprayer	675.00
New Refrigerator, Electric Range and self venting Microwave	1,225.00
Install New Cabinets	1,885.00
Install Vinyl Flooring; Armstrong Mannington	950.00
Patch Drywall and Paint	560.00
Electric to Code (CDFIs)	1,225.00

**PROPERTY TOTAL 8,065.00**

**Bid includes tear-out/disposal**

**2510 Friendship**

Replace roof underlayment; plywood. Re-shingle; Architectural Fiberglass Shingles	9,350.00
Install roof edges; pre-finished aluminum: exterior fascia; aluminum system: gutters & downspouts; prefinished baked enamel aluminum, seamless: soffits; fully vented prefinished aluminum	565.00
Install new HVAC	7,100.00
Install New 40 Gallon Gas Water Heater	1,200.00
Re-model Kitchen (cabinets, counters, flooring, appliances); re-configure to fit standard electric range	13,740.00
Re-Model Full Bath; toilet, vanity, sink, tub and surround, fixtures	3,750.00
Install Carpet living room, hallways, bedrooms; Mohawk Commanding Polyester (*may install vinyl planking if feasible)	1,530.00
Paint interior throughout	1,480.00
Power Wash Exterior	300.00

**PROPERTY TOTAL 39,015.00**

<b>Bid includes tear-out/disposal</b>	<b>125 S. Lowell St.</b>	<b>Bid includes tear-out/disposal</b>
Install new HVAC	7,100.00	
Replace roof underlayment; plywood. Re-shingle; Architectural Fiberglass Shingles	9,350.00	
Install roof edges; pre-finished aluminum: exterior fascia; aluminum system: gutters & downspouts; prefinished baked enamel aluminum, seamless: soffits; fully vented prefinished aluminum	780.00	
Replace Windows; Windows by Lindsey	6,525.00	
Re-model Bath; flooring, vanity and top, faucet, mirror, lights, exhaust fan wired to turn on with light, toilet, tub and surround	3,750.00	

**PROPERTY TOTAL 27,505.00**

<b>Bid includes tear-out/disposal</b>	<b>58 Amber Lane</b>
Replace roof underlayment; plywood. Re-shingle; Architectural Fiberglass Shingles	9,350.00
Install roof edges; pre-finished aluminum: exterior fascia; aluminum system: gutters & downspouts; prefinished baked enamel aluminum, seamless: soffits; fully vented prefinished aluminum	565.00
Install new HVAC	7,100.00
Replace Windows; Windows by Lindsey	5,450.00
Install Insulated Overhead Garage Door	619.00
Install New Entry Door with Storm Door	418.00
Install New Vinyl Sliding Patio Door	298.00
Re-model Kitchen (cabinets, counters, flooring, appliances)	12,225.00
Re-model upper level Full Bath - Replace sub-floor; flooring, vanity and top, faucet, mirror, lights, exhaust fan wired to turn on with light, toilet, tub and surround	4,715.00
Re-model lower level half bath; flooring, vanity, top, toilet	980.00
Install Carpet living room, hallways, bedrooms, stairs; Mohawk Commanding Polyester (*may install vinyl planking if feasible)	1,980.00
Paint interior throughout	1,800.00

**PROPERTY TOTAL 45,500.00**

# Proforma Spread Sheet

## Rental Housing Projects

Please enter information into "gray" fields only if you are using excel.

Line	Description	Symbols	YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10
<b>Revenues</b>												
1	Gross Rental Income	+ G. Rent	\$ 41,100.00	\$ 41,922.00	\$ 42,750.44	\$ 43,615.65	\$ 44,487.96	\$ 45,377.72	\$ 46,285.28	\$ 47,210.99	\$ 48,155.20	\$ 49,118.30
2	Other Income	+ O. Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Tenant Contributions	+T. Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Gross Revenues	= G. Income	\$ 41,100.00	\$ 41,922.00	\$ 42,750.44	\$ 43,615.65	\$ 44,487.96	\$ 45,377.72	\$ 46,285.28	\$ 47,210.99	\$ 48,155.20	\$ 49,118.30
5	Vacancy Loss	- Vac	\$ 2,055.00	\$ 2,096.10	\$ 2,138.02	\$ 2,180.79	\$ 2,224.40	\$ 2,268.89	\$ 2,314.26	\$ 2,360.55	\$ 2,407.76	\$ 2,455.92
6	<b>Effective Gross Income</b>	= EGI	\$ 39,045.00	\$ 39,825.90	\$ 40,622.42	\$ 41,434.87	\$ 42,263.56	\$ 43,108.83	\$ 43,971.01	\$ 44,850.43	\$ 45,747.44	\$ 46,662.39
<b>Operating Expenses</b>												
7	Insurance		\$ 6,000.00	\$ 6,180.00	\$ 6,365.40	\$ 6,556.36	\$ 6,753.05	\$ 6,955.64	\$ 7,164.31	\$ 7,379.24	\$ 7,600.62	\$ 7,828.64
8	Maintenance & Structural Repairs	The total of items #7-10 shall be no less than \$2,850/unit	\$ 3,000.00	\$ 3,090.00	\$ 3,182.70	\$ 3,278.18	\$ 3,376.53	\$ 3,477.82	\$ 3,582.16	\$ 3,689.62	\$ 3,800.31	\$ 3,914.32
9	Management Fees		\$ 3,298.00	\$ 3,386.64	\$ 3,488.24	\$ 3,592.89	\$ 3,700.67	\$ 3,811.69	\$ 3,926.04	\$ 4,043.83	\$ 4,165.14	\$ 4,290.09
10	Misc. Operating Expenses		\$ 9,600.00	\$ 9,888.00	\$ 10,184.64	\$ 10,490.18	\$ 10,804.88	\$ 11,128.03	\$ 11,462.90	\$ 11,806.79	\$ 12,160.99	\$ 12,525.82
11	Property Tax		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Reserves (Operating reserve no less than \$550/unit)		\$ 1,800.00	\$ 1,854.00	\$ 1,909.62	\$ 1,966.91	\$ 2,025.92	\$ 2,086.69	\$ 2,149.29	\$ 2,213.77	\$ 2,280.19	\$ 2,348.59
13	Total Operating Expenses	- OPR Expenses	\$ 23,698.00	\$ 24,398.64	\$ 25,130.60	\$ 25,884.52	\$ 26,661.05	\$ 27,460.88	\$ 28,284.71	\$ 29,133.25	\$ 30,007.25	\$ 30,907.47
14	<b>Net Operating Income</b>	=NOI	\$ 15,357.00	\$ 15,427.26	\$ 15,491.82	\$ 15,550.35	\$ 15,602.51	\$ 15,647.95	\$ 15,686.30	\$ 15,717.18	\$ 15,740.19	\$ 15,754.92
15	Debt Service First Mortgage		\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00	\$ 10,362.00
16	Debt Service Subordinate Mortgage(s)		\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00	\$ 3,412.00
17	Total Debt Service	-DS	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00	\$ 13,774.00
18	<b>Cash Flow</b>	=CF	\$ 1,583.00	\$ 1,653.26	\$ 1,717.82	\$ 1,776.35	\$ 1,828.51	\$ 1,873.95	\$ 1,912.30	\$ 1,943.18	\$ 1,966.19	\$ 1,980.92
18(b)	Equity Investment In Project		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	<b>Cash on- Cash ROI</b>	CF	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Cash Flow divided by Equity Investment in Project	Equity Invest.										
	Debt Coverage Ratio (Year 1, shall be no less than 1.20)	DCR	1.114926873	1.120027598	1.124714893	1.128963931	1.132750907	1.136049854	1.138834098	1.141075923	1.14274654	1.143815042
during compliance period Encourage 1.20-1.50)												











## General Information

1. **Project Name and Address:** Fairweather Lodge Permanent Supportive Housing  
*Address yet to be determined*

2. **Type of Project (check one):**     Homeownership     Rental\*     Tenant Based Rent Asst.  
    Rehabilitation\*     Other

*\*Rental and Rental Rehabilitation projects require the completion of rental housing pro forma*

3. **Lead Applicant Name:** Shelter House

Applicant Address: 429 Southgate Avenue, Iowa City, IA 52240

Contact Person, Title: Crissy Canganelli, Executive Director

Phone Number: 319-338-5416 ext 200

Fax Number: 319-358-7132

E-mail Address: crissy@shelterhouseiowa.org

DUNS Number (must obtain if funded): 827151770

4. **Secondary Applicant (if applicable):**

Applicant Address:

Contact Person, Title:

Phone Number:

Fax Number:

E-mail Address:

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

Community Housing Development Organization     Private non-profit organization

Private for-profit, individual or partnership applicant     Public Organization

6. **Amount of HOME Funds Requested:** \$185,000

7. **Did you attend an Applicant Workshop?**     No  
    Yes, attended on January 4, 2018

8. **Provide a brief, one paragraph description of the proposed project:**

Shelter House is requesting funds to purchase a fourth home to be utilized as Permanent Supportive Housing (PSH) employing the Fairweather Lodge model. All three of the existing Lodge homes are at full occupancy and the program wait list for eligible individuals has persisted at an average of 12 adults. The Fairweather Lodge is an evidence based PSH Program. The

Shelter House Fairweather Lodge began in 2011 and continues today as a demonstration program for the state of Iowa. It is a recovery focused, peer driven PSH program for adults experiencing homelessness diagnosed with a serious persistent mental illness, many of whom have a co-occurring disorder (COD). The model combines embedded health and mental health services, and daily living and peer support with supported employment in a cooperative living environment and is predicated on the belief that people who live and work together, and have significant control over their lives, can overcome homelessness and recover from their mental illnesses. Research and experience have shown that many people fail in individual housing placements because of social isolation and lack of consistent service support in addition to affordability problems. In contrast, the Lodge experience has shown that a self-governing group living with built-in peer support provides functional control of mental illness symptoms and combats homelessness by creating housing conditions that tenants trust. At the same time, the cooperative living model ensures housing affordability (rent is controlled at no more than 30% of income) and a model that is easily integrated into existing neighborhoods. The Fairweather Lodge Program produces benefits for both the individual Lodge members and our community at-large. Program outcomes include reduced hospitalization, increased housing stability, increased employment, increased financial independence, increased social network and community involvement and reduced criminal justice system involvement. Locally, Lodge participants have demonstrated a 79% decrease in hospitalizations, 90% decrease in emergency room visits and psychiatric and inpatient treatment stays, and a 99.9% decrease in nights incarcerated.

## Section 1 – Need/Priority

**9. Please specify the one or two most applicable priority need(s) this application addresses, as shown in the 2016-2020 CITY STEPS Plan, and explain how this project will meet this/those need(s).**

The project proposal directly responds to the following two *High* Priority Needs as indicated in the 2016 – 2020 CITY STEPS Priority Needs Summary Chart on pages 96 and 97:

1. Expanding Affordable Rental and Owner Housing Opportunities
2. Housing and Related Services for the Homeless and Those at Risk of Homelessness

The Fairweather Lodge combines and links permanent, affordable housing (tenants have the legal right to remain in the unit as long as they wish, as defined by the terms of a renewable lease agreement and pay no more than 30% of income for housing) with flexible, voluntary support services designed to help tenants stay housed and address health issues while building the necessary skills to live as independently as possible. It is a Permanent Supportive Housing (PSH) intervention. PSH is an evidence-based housing intervention prioritized for individuals with complex health and behavioral health issues and has been proven to significantly reduce returns to jail and homelessness, reliance on emergency health services, and improves overall quality of life. The cooperative living model works well to contain overall housing costs.

Johnson County (a) sits astride the intersection of two major interstate highway systems (a gravitational pull for the homeless), and (b) contains three major hospitals, each with a psychiatric inpatient unit (a disproportionate number of mentally ill persons settle here). The proposed housing intervention provides a non-traditional housing option in a housing market that resists high-density, multi-family, affordable dwellings for the low-income population. It lends itself well to a scattered-site approach, blending well into existing residential neighborhoods.

Fairweather Lodge housing opportunities are targeted for individuals experiencing homelessness with a diagnosed serious mental illness (diagnoses of schizophrenia, bipolar disorder, serious depression, etc...). Overwhelmingly, individuals within this cohort of the homeless population are or have been criminal justice system involved, have poor credit and rental histories (if they exist at all), and limited income (as SSI/SSDI are often the only income sources). These challenges combined make it virtually impossible to access existing housing and services in our community and

necessitates a different approach—Permanent Supportive Housing. For many years Shelter House staff could do nothing more than witness a heartbreaking cycle experienced by many of these individuals who are among our most vulnerable clients. When we were successful in helping them get back on their medications, back to work and move from shelter to their own housing, over time living independently would turn into isolation. Many would begin to decompensate, failing to take their medications, would stop showing up for work, and eventually losing their housing only to return to homelessness. The Fairweather Lodge Program provides the tools, resources, and supports necessary for these same individuals to entirely turn this trajectory around. This has been evidenced in our community and across the nation as thousands of individuals with serious mental illness have reclaimed their lives as happy and healthy members of their communities.

The Lodge model is holistic. The different program components work in combination to develop and nurture the dimensions of our individual lives essential to achieving and maintaining health. The Shelter House Lodge program provides:

- Permanent Supportive Housing via three single-family houses located in Iowa City and Coralville. Each house has six private bedrooms and a shared kitchen, living room, bathroom, and outdoor space. Lodge Members pay rent, determine their own group house rules, and share in the daily house chores and costs of food and basic living supplies. Lodge Members are able to maintain this housing permanently.
- Supported Employment is available to all Lodge participants via Fresh Starts janitorial services—a Shelter House owned and operated business. Each Lodge participant begins employment the first day in the program and earns a competitive wage. Lodge staff provides supervision and mental health support on each jobsite.
- Daily Medication Support is provided by the Lodge Coordinator who assists with ordering and reconciling medications for Lodge participants. The Lodge program further regularizes medication management incorporating med group as a part of daily life. Participants lead, record and verify medications taken as a group with the support of their peers. Some Lodge members take over 15 medications per day. The structured peer-driven approach works to regularize and streamline med management and prevents gaps in prescription coverage which otherwise frequently occur.
- Access to Psychiatric Care and Counseling Support provided by specialized community volunteers and Lodge staff. Shelter House has contracted with the University of Iowa Hospitals and Clinics and Iowa City VA Health Care System for an on-call psychiatrist who is the primary psychiatrist for all Lodge members. The Lodge psychiatrist is embedded, maintains regularly scheduled hours, assists with medication adjustments and responds to crisis calls as needed. Additionally, Lodge staff work closely with a faculty member from the University of Iowa Counseling Psychology program who supervises several PhD students working with Lodge members. These specialized students provide one-on-one and group support each week and on-going counseling to Lodge Members.
- Supported Community Living (SCL) person-centered services designed to support and encourage individuals with mental illness, brain injuries, and developmental disabilities to live as independently as possible in their own homes. Staff is available to provide individualized services at times that are convenient to the person served with the goal of maintain independent living and health while increasing involvement in the community.
- Peer Support and Accountability is one of the more unique components of the Lodge and essential to the success of the program overall. Lodge clients work extensively on communication skills that foster a supportive environment necessary to living in a cooperative setting. Staff involvement is limited and used only when necessary; Lodge Members are supported as they make decisions and choices that affect their lives and the program. Lodge Members provide support to one another through daily medication groups, pool income to make purchases, develop and uphold house rules, provide emotional support and advice, and address conflict in a constructive manner.

## Section 2 – Leveraging Resources/Budget

### 10. Provide the requested loan terms and affordability period:

	Principal Amount	Interest Rate	Loan Amortization (Years)	Affordability Period (Years)	Yearly Payment
Terms Requested*	\$185,000	0%	20	35	\$9250

\*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.

### 11a. 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 a loan, leave loan terms blank. If not committed, please indicate when the applicant will apply for funds in Question 15.

Funding Source & Type:	Amount	Int. rate	Amortization	Term	Committed?
Iowa City HOME Funding (public)	\$185,000	0%	20 yrs	Loan	<input type="radio"/> Yes <input checked="" type="radio"/> No
State of Iowa HOME or CDBG (public)	\$				<input type="radio"/> Yes <input type="radio"/> No
IFA – Low Income Housing Tax Credits	\$				<input type="radio"/> Yes <input type="radio"/> No
Bank Loan (private)	\$				<input type="radio"/> Yes <input type="radio"/> No
Other Private Resources					
Private Fundraising	\$72,850				<input type="radio"/> Yes <input checked="" type="radio"/> No
<b>Total</b>	<b>\$257,850</b>				

### 11b. Please provide the uses of funds for the project.

Uses of Funds (if applicable)	Cost estimate received?	Amount	Name of entity providing cost estimate
Acquisition:			
Building Acquisition	y	\$255,000	Urban Acres
Land Acquisition		\$	
Site Improvements		\$	
Construction / Rehabilitation		\$	
Professional Fees		\$2,850	
Construction Finance		\$	
Permanent Finance		\$	

Uses of Funds (if applicable)	Cost estimate received?	Amount	Name of entity providing cost estimate
Developer Fee / Overhead		\$	
Reserves		\$	
Other (please specify):		\$	
		\$	
<b>Total (Must equal total in 11a)</b>		<b>\$257,850</b>	

<b>Amount of Private Funds</b>	\$ 72,850	(a)
<b>Amount of Public Funds</b>	\$185,000	(b)
<b>Total Project Funding</b>	\$257,850	(c) a + b
Number of bedrooms or persons served	6	(d)
Total Cost Per bedroom or person served	\$ 42,975	(e) c ÷ d

**11c. What percentage of the proposed budget will be made up of private funds?** 28.25%

**12. Describe any community partnerships or volunteers that will contribute to the project.**

Fairweather Lodge programming requires substantial community involvement and volunteer support. Community volunteers lead weekly groups ranging in subject matter from art to gardening. Specialized volunteers from the University of Iowa's PhD program in Counseling Psychology and the College of Nursing share in both daily and weekly counseling, workshops and clinics (facilitated group discussions range from Self-Empowerment and Stress Management to Illness Management and Recovery). Psychiatric services are embedded in the Lodge in partnership with both the University of Iowa Hospitals and Clinics and the VA Health Care System and are an in-kind contribution to Shelter House. The Supported Employment component of the program brings forth yet another partnership dimension in so much as area not-for-profits and the City of Iowa City contract for janitorial services with Fresh Starts and in-so-doing ensure supported employment for Lodge members.

**13. Describe 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.**

Not Applicable

**14. Program regulations require a minimum 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.**

Shelter House intends to raise private funds to meet the project goal through grant writing and fundraising activities.

Local HOME funds requested: \$185,000

x .25 = \$46,250 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. If funded, this schedule will be used for any project agreement for the use of HOME funding.**

Date:	Description of Activity:
July 2018	HOME funding committed
Aug-Dec 2018	Fundraising for balance of project
February 2019	Property Acquired and closing
March 2019	Move-in of Lodge Tenants
June 2019	Full Occupancy

**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 or public assistance; and describe how the project will provide for affordable housing or public assistance at rates or prices lower than those in the existing market.**

The Fairweather Lodge is a recovery focused, peer driven Permanent Supportive Housing Program for adults experiencing homelessness diagnosed with a serious persistent mental illness, many of whom have a co-occurring disorder (COD). Permanent Supportive Housing (PSH) combines and links permanent, affordable housing (tenants have the legal right to remain in the unit as long as they wish, as defined by the terms of a renewable lease agreement and pay no more than 30% of their income on housing) with flexible, voluntary support services designed to help tenants stay housed and address health issues while building the necessary skills to live as independently as possible.

PSH is an evidence-based housing intervention prioritized for individuals with complex health and behavioral health issues and has been proven to significantly reduce returns to jail and homelessness, reliance on emergency health services, and improves overall quality of life. In so doing, cost savings are realized across multiple systems and in both the public (local, state, and federal) and private sectors. Shelter House is committed to maintaining and expanding Permanent Supportive Housing opportunities for this vulnerable population and gives full assurance that rents will remain affordable through the requisite affordability period and forward through the life of the Lodge home.

**18. In what manner or form will the project proceed if it is awarded less than full funding? If there are several components, how will they be prioritized?**

If awarded less than full funding, Shelter House will increase the fundraising goal and strive to raise the balance of funds necessary to acquire a fourth Lodge home. As a result, the time frame to raise the balance of funds may ultimately be extended.



## Section 4 – Impact/Benefit to the Community

**19. Please indicate the number of persons that will be served by the proposed project by income category. (The information in this table will be used as income targeting for the CDBG/HOME Agreement).**

<b>Housing</b>	
0 - 30% median income	_____ <u>6</u> _____ households <b>(a)</b>
31 – 50% median income	_____ households <b>(b)</b>
51 – 60% median income	_____ households <b>(c)</b>
61 - 80% median income	_____ households <b>(d)</b>
Over 80% median income	_____ households <b>(e)</b>
<b>Total</b>	<b>_____ <u>6</u> _____ households <b>(f)</b></b>
<b>Percent LMI</b>	<b>_____ <u>100%</u> _____ <math>(a+b+c+d) \div f</math></b>

## Section 5 – Capacity/History of the Applicant

**20. 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.**

Fiscal Year Funds Recv'd	Budgeted Amount	Amount Expended (as of December 31)	Date Project Completed
July 1, 2014 to June 30, 2015	\$	\$	
July 1, 2015 to June 30, 2016	\$	\$	
July 1, 2016 to June 30, 2017	\$25,000	\$25,000	Land acquired October, 2016
July 1, 2017 to June 30, 2018	\$	\$	

*\*Six months remaining in FY18 at time of this application.*

**21. 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.

**22. Please describe the education and experience of the key staff who will be implementing the 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.**

Crissy Canganelli has served as the Executive Director of Shelter House since 1998 and is the project lead. Crissy has a Bachelor's in Economics and Masters in Urban and Regional Planning both from the University of Iowa. She is Chair of the Local Homeless Coordinating Board, a founding and current board member of the Housing Trust Fund of Johnson County, and serves on the Johnson County Affordable Housing Coalition and Executive Committee of the Johnson County System of Care. She also serves on the Governor appointed Iowa Council on Homelessness as the Chair of the Policy and Planning Committee. With the support of the Shelter House Board of Directors, Crissy lead Shelter House through the campaign to build the shelter facility located at 429 Southgate (a six-year project that was litigated all the way to the Iowa Supreme Court). She has further lead the organization through both the growth and change necessary to develop and sustain a continuum of services intended to help men, women, and their families obtain and maintain employment, housing, and health benefits for which they qualify all with the intention of moving beyond homelessness. In her role as both the Executive Director of Shelter House and Chair of the LHCB she has worked to build partnerships and collaborations across both the public and private sectors throughout our community.

Mark Sertterh, Shelter House Associate Executive Director, has been with the organization since the spring of 2011. Mark has a Bachelor of Arts degree from the University of Iowa and has worked in the mental health and housing fields for over 20 years. Mark provides oversight and direction for all Shelter House programming and has led the work to reorient all aspects of the agency to conform to a Rapid Rehousing and Housing First approach. Mark is the lead tasked with development and implementation of Coordinated Entry for Johnson and Washington Counties and serves on the Mayors Youth and HACAP Board of Directors, the Local Homeless Coordinating Board of Johnson County and Coordinated Entry and Policy and Planning Committees of the Iowa Council on Homelessness.

Erin Sullivan has been with Shelter House since the fall of 2010. She has a Bachelor of Arts degree from the University of Iowa with a major in Psychology. As the Shelter House Mental Health Recovery Manager, Erin has worked to create and implement the Lodge Program including recruitment of specialized volunteers, and building relationships with other community agencies and stakeholders. She works closely with the University of Iowa Counseling Psychology program, College of Nursing and the Iowa City VA to secure needed services related to mental health, counseling, and medications. She has also been the liaison between the Lodge Program and the University of Iowa Hospitals and Clinics to secure and maintain psychiatric care for all Lodge participants. Erin supervises the Lodge staff, Fresh Starts staff, SCL staff, and Peer Support Specialist(s). She manages the program budgets and is working in conjunction with others on the Shelter House team to increase Lodge income through stable janitorial contracts and Medicaid billable services. She continues to focus on building stronger Lodge households in terms of peer support and various aspects of recovery such as community engagement and medication management.

**23. Please describe your organization's structure, officers, and staff.**

Shelter House is governed by a 15 member Board of Directors. The Board meets monthly and reviews financial and program reports on a monthly basis. The Executive Director reports directly to the Board. Internally, Shelter House is structured according to the following service areas: 1) Emergency Shelter and Drop-In Services, 2) Food Services, 3) Housing and Employment Stabilization Services (Rapid Rehousing), 3) Mental Health Recovery (Fairweather Lodge Permanent Supportive Housing, Supported Community Living, and Fresh Starts Janitorial Services Supported Employment), 4) Housing First Permanent Supportive Housing (Cross Park Place). Each area is led by a respective manager who in turn supervises a team of direct service providers (shelter coordinators, case managers, and Supported Community Living providers). The

management team reports to the Associate Executive Director. The Associate Executive Director, Development Director and Finance Director report to the Executive Director.

**24. Please 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.**

Shelter House has provided emergency shelter and therefore managed a shelter facility since 1983. From 1983 to 2010 we operated out of a single family home on the Northside of Iowa City (331 North Gilbert Street). In November of 2010 we moved to a new shelter facility on Southgate Avenue. The Southgate Avenue facility is a two-story building with more than 14,000 square feet, owned and managed by Shelter House through which we provide emergency shelter and services for hundreds of men, women, and children each year. In 2011 Shelter House moved into the arena of Permanent Supportive Housing. We now own and manage three homes (two in Iowa City and one in Coralville) through which we provide Permanent Supportive Housing using the Fairweather Lodge model for up to 18 adults (six adults per home) each with a diagnosis of a serious mental illness (schizophrenia, bipolar disorder, serious depression, etc..). As of April of this year, construction is underway on a new Permanent Supportive Housing project (Cross Park Place) that will utilize a Housing First approach. Cross Park Place will be a two-story building with over 14,000 square feet comprised of 24 one-bedroom apartments, onsite offices, clinic and congregate areas. The housing opportunities will be targeted for chronically homeless individuals who demonstrate high cross-system service utilization. Shelter House has been responsible for multiple rehab projects on the rental properties that we own and before that the original shelter facility and only two new construction projects (the Southgate Avenue facility in 2010 and Cross Park Place in 2018).

**25. Please identify the relevant market factors that will assist the City in verifying the demand for the proposed housing 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). 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.**

If funded, this proposal would allow for the development of six additional units of Permanent Supportive Housing using the Fairweather Lodge model. Housing opportunities are targeted for adults experiencing homelessness diagnosed with a serious persistent mental illness, many of whom have a co-occurring disorder (COD). The Fairweather Lodge is recovery focused, peer driven program in which men and women live and work in community. While each Lodge member has their own private bedroom all other areas of the home are shared living spaces. Data is not available on vacancy rates for SRO type units and even so this is not strictly SRO as voluntary services are embedded within the home and work environments (therein permanent supportive housing).

Average rental costs on the open market are persistently high and well out of reach for low income individuals and families let alone those with very low income (at or below 30%AMI). Whereas this alone demonstrates the need for additional affordable housing to be developed it is the nature of the intended service population that must also be taken into consideration. Shelter House has over thirty years of experience in working with men, women, and children experiencing homelessness in our community. We are able to help the majority of those within the general homeless population to transition to housing within the existing market each year—although they are more often than not severely cost burdened. In contrast, the housing model proposed in this submission is intended for the vulnerable and harder-to-house within the overall homeless population—those with serious persistent mental illness who almost without exception have criminal records, bad credit histories, poor rental histories (if they exist at all), and limited income (as SSI/SSDI are often the only income sources). These challenges combined make it virtually

impossible to access existing housing and services in our community and requires us to develop and intentional opportunities.

All three of the existing Lodge homes are at full occupancy. Shelter House maintains a waiting list for eligible individuals and this waiting list has persisted at an average of 12 adults. This is a specialized model for individuals who are committed to their mental health recovery and have identified that living and working in community are integral to their maintenance of recovery. For these reasons, Cross Park Place would not be an optimal housing placement.

<b>Proforma Spread Sheet</b>												
<b>Rental Housing Projects</b>												
<i>Please enter information into "grey" fields only if you are using excel.</i>												
<b>Line</b>	<b>Description</b>	<b>Symbols</b>	<b>YR1</b>	<b>YR2</b>	<b>YR3</b>	<b>YR4</b>	<b>YR5</b>	<b>YR6</b>	<b>YR7</b>	<b>YR8</b>	<b>YR9</b>	<b>YR10</b>
	<u>Revenues</u>											
1	Gross Rental Income	+ G. Rent	\$ 29,808.00	\$ 30,404.16	\$ 31,012.24	\$ 31,632.49	\$ 32,265.14	\$ 32,910.44	\$ 33,568.65	\$ 34,240.02	\$ 34,924.82	\$ 35,623.32
2	Other Income	+ O. Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Tenant Contributions	+T. Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Gross Revenues	= G. Income	\$ 29,808.00	\$ 30,404.16	\$ 31,012.24	\$ 31,632.49	\$ 32,265.14	\$ 32,910.44	\$ 33,568.65	\$ 34,240.02	\$ 34,924.82	\$ 35,623.32
5	Vacancy Loss	- Vac	\$ 1,490.40	\$ 1,520.21	\$ 1,550.61	\$ 1,581.62	\$ 1,613.26	\$ 1,645.52	\$ 1,678.43	\$ 1,712.00	\$ 1,746.24	\$ 1,781.17
	(5% Vac. Rate x Gross Income)											
6	<b>Effective Gross Income</b>	= EGI	\$ 28,317.60	\$ 28,883.95	\$ 29,461.63	\$ 30,050.86	\$ 30,651.88	\$ 31,264.92	\$ 31,890.22	\$ 32,528.02	\$ 33,178.58	\$ 33,842.15
	<u>Operating Expenses</u>											
7	Insurance	The total of items #7-10 shall be no less than \$2,850/unit	\$ 2,950.00	\$ 3,038.50	\$ 3,129.66	\$ 3,223.54	\$ 3,320.25	\$ 3,419.86	\$ 3,522.45	\$ 3,628.13	\$ 3,736.97	\$ 3,849.08
8	Maintenance & Structural Repairs		\$ 3,250.00	\$ 3,347.50	\$ 3,447.93	\$ 3,551.36	\$ 3,657.90	\$ 3,767.64	\$ 3,880.67	\$ 3,997.09	\$ 4,117.00	\$ 4,240.51
9	Management Fees		\$ 2,085.00	\$ 2,147.55	\$ 2,211.98	\$ 2,278.34	\$ 2,346.69	\$ 2,417.09	\$ 2,489.60	\$ 2,564.29	\$ 2,641.22	\$ 2,720.45
10	Misc. Operating Expenses		\$ 3,950.00	\$ 4,068.50	\$ 4,190.56	\$ 4,316.27	\$ 4,445.76	\$ 4,579.13	\$ 4,716.51	\$ 4,858.00	\$ 5,003.74	\$ 5,153.85
11	Property Tax		\$ 3,380.00	\$ 1,690.00		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Reserves (Operating reserve no less than \$350/unit)		\$ 2,100.00	\$ 2,163.00	\$ 2,227.89	\$ 2,294.73	\$ 2,363.57	\$ 2,434.48	\$ 2,507.51	\$ 2,582.74	\$ 2,660.22	\$ 2,740.02
13	Total Operating Expenses	- OPR. Expenses	\$ 17,715.00	\$ 16,455.05	\$ 15,208.00	\$ 15,664.24	\$ 16,134.17	\$ 16,618.19	\$ 17,116.74	\$ 17,630.24	\$ 18,159.15	\$ 18,703.92
14	<b>Net Operating Income</b>	=NOI	\$ 10,602.60	\$ 12,428.90	\$ 14,253.63	\$ 14,386.62	\$ 14,517.71	\$ 14,646.72	\$ 14,773.48	\$ 14,897.78	\$ 15,019.43	\$ 15,138.23
15	Debt Service First Mortgage		\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00
16	Debt Service Subordinate Mortgage(s)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Total Debt Service	-DIS	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00
18	<b>Cash Flow</b>	=CF	\$ 1,352.60	\$ 3,178.90	\$ 5,003.63	\$ 5,136.62	\$ 5,267.71	\$ 5,396.72	\$ 5,523.48	\$ 5,647.78	\$ 5,769.43	\$ 5,888.23
18(b)	Equity Investment In Project		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	<b>Cash -on- Cash ROI</b>	CF	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Cash Flow divided by Equity Investment in Project	Equity Invest.										
	Debt Coverage Ratio (after Year 3, shall be no less than 1.20 during compliance period. Encourage 1.20-1.50.)	DCR	1.146227027	1.343665081	1.540932923	1.555310499	1.569482394	1.583429697	1.597132676	1.610570746	1.62372244	1.636565376



YR11	YR12	YR13	YR14	YR15	YR16	YR17	YR18	YR19	YR20	Line	Description
											<u>Revenues</u>
\$ 36,335.79	\$ 37,062.50	\$ 37,803.75	\$ 38,559.83	\$ 39,331.02	\$ 40,117.64	\$ 40,920.00	\$ 41,738.40	\$ 42,573.16	\$ 43,424.63	1	Gross Rental Income
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2	Other Income
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3	Tenant Contributions
\$ 36,335.79	\$ 37,062.50	\$ 37,803.75	\$ 38,559.83	\$ 39,331.02	\$ 40,117.64	\$ 40,920.00	\$ 41,738.40	\$ 42,573.16	\$ 43,424.63	4	Gross Revenues
\$ 1,816.79	\$ 1,853.13	\$ 1,890.19	\$ 1,927.99	\$ 1,966.55	\$ 2,005.88	\$ 2,046.00	\$ 2,086.92	\$ 2,128.66	\$ 2,171.23	5	Vacancy Loss
											(5% Vac. Rate x Gross Income)
\$ 34,519.00	\$ 35,209.38	\$ 35,913.56	\$ 36,631.84	\$ 37,364.47	\$ 38,111.76	\$ 38,874.00	\$ 39,651.48	\$ 40,444.51	\$ 41,253.40	6	<b>Effective Gross Income</b>
											<u>Operating Expenses</u>
\$ 3,964.55	\$ 4,083.49	\$ 4,205.99	\$ 4,332.17	\$ 4,462.14	\$ 4,596.00	\$ 4,733.88	\$ 4,875.90	\$ 5,022.18	\$ 5,172.84	7	Insurance
\$ 4,367.73	\$ 4,498.76	\$ 4,633.72	\$ 4,772.73	\$ 4,915.92	\$ 5,063.39	\$ 5,215.30	\$ 5,371.75	\$ 5,532.91	\$ 5,698.89	8	Maintenance & Structural Repairs
\$ 2,802.07	\$ 2,886.13	\$ 2,972.71	\$ 3,061.89	\$ 3,153.75	\$ 3,248.36	\$ 3,345.81	\$ 3,446.19	\$ 3,549.57	\$ 3,656.06	9	Management Fees
\$ 5,308.47	\$ 5,467.72	\$ 5,631.76	\$ 5,800.71	\$ 5,974.73	\$ 6,153.97	\$ 6,338.59	\$ 6,528.75	\$ 6,724.61	\$ 6,926.35	10	Misc. Operating Expenses
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11	Property Taxes
\$ 2,822.22	\$ 2,906.89	\$ 2,994.10	\$ 3,083.92	\$ 3,176.44	\$ 3,271.73	\$ 3,369.88	\$ 3,470.98	\$ 3,575.11	\$ 3,682.36	12	Reserves
\$ 19,265.04	\$ 19,842.99	\$ 20,438.28	\$ 21,051.43	\$ 21,682.97	\$ 22,333.46	\$ 23,003.47	\$ 23,693.57	\$ 24,404.38	\$ 25,136.51	13	Total Operating Expenses
\$ 15,253.96	\$ 15,366.38	\$ 15,475.28	\$ 15,580.40	\$ 15,681.50	\$ 15,778.30	\$ 15,870.53	\$ 15,957.91	\$ 16,040.13	\$ 16,116.89	14	<b>Net Operating Income</b>
\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	15	Debt Service First Mortgage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	16	Debt Service Subordinate Mortgage(s)
\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	\$ 9,250.00	17	Total Debt Service
\$ 6,003.96	\$ 6,116.38	\$ 6,225.28	\$ 6,330.40	\$ 6,431.50	\$ 6,528.30	\$ 6,620.53	\$ 6,707.91	\$ 6,790.13	\$ 6,866.89	18	<b>Cash Flow</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	18(b)	Equity Investment In Project
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	19	<b>Cash -on- Cash ROI</b>
											Cash Flow divided by Equity Investment in Project
1.649076226	1.661230679	1.673003409	1.684368036	1.695297094	1.705761983	1.715732938	1.725178984	1.734067893	1.742366139		Debt Coverage Ratio





Resolution No. \_\_\_\_\_

**A resolution amending the Comprehensive plan, Annexation Policy, to add a section pertaining to affordable housing.**

Whereas, the Comprehensive Plan contains policies regarding annexation of land into the city; and

Whereas, the Comprehensive Plan contains a goal of providing a mix of housing types within each neighborhood, to provide options for households of all types (singles, families, retirees, etc.) and people of all incomes, and

Whereas, the Affordable Housing Action Plan includes a recommendation that consideration be given to an annexation policy that provides for affordable housing contributions, and

Whereas, the Planning and Zoning Commission has reviewed an amendment to the Comprehensive Plan pertaining to affordable housing and has recommended approval.

Now, therefore, be it resolved by the City Council of the City of Iowa City, Iowa, that:

IC2030: Comprehensive Plan Update, Annexation Policy, is hereby amended to include the following:

If the annexation is for residential development that will result in the creation of ten (10) or more new housing units, the development will support the City's goal of creating and maintaining the supply of affordable housing. Such support shall be based on providing affordable units equal to 10% of the total units in the annexed area with an assurance of long term affordability, preferably for a term of not less than 20 years. Income targets shall be consistent with the City's existing program requirements. How the development provides such support will vary depending on the particular circumstances of the annexation, and may include, but is not limited to, transfer of lots/units to the City or an affordable housing provider; fee-in-lieu paid to the City's affordable housing fund; and/or participation in a state or federal housing program. In determining the most desirable option consideration shall be given to the interest of both the City and the Iowa City Community School District in not exacerbating the burdens on neighborhoods and elementary schools experiencing challenges related to concentrations of poverty. An agreement committing the Owner/Developer to the affordable housing obligation, shall be required prior to annexation, and shall be further memorialized, if necessary, in a conditional zoning agreement.

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Mayor:

Approved by:

Attest: \_\_\_\_\_  
Kellie Fruehling, City Clerk

\_\_\_\_\_  
City Attorney's Office

## Kirk Lehmann

---

**From:** Jim Throgmorton  
**Sent:** Thursday, July 05, 2018 11:29 AM  
**To:** Tracy Hightshoe  
**Cc:** Geoff Fruin; Kirk Lehmann  
**Subject:** RE: Annexation Policy

Hi Tracy.

I suggested the following sentence:

In determining the most desirable option, preference shall be weighted toward options that help achieve better socio-economic balance among Iowa City neighborhoods and among schools in the Iowa City Community School District.

Mayor Jim Throgmorton  
Iowa City City Council, At-Large

---

From: Tracy Hightshoe  
Sent: Thursday, July 5, 2018 10:35 AM  
To: Jim Throgmorton  
Cc: Geoff Fruin; Kirk Lehmann  
Subject: Annexation Policy

Hello,

We were hoping to send the sentence that you suggested at the last Council meeting to HCDC for review in regards to the annexation policy and affordable housing goals. I didn't get all the sentence written down at the meeting. Can you email me what you suggested? We will include this and have HCDC review it at their July 10 meeting.

Thanks!

[cid:image001.png@01D3DBAC.A91A0930]  
RAGBRAI Iowa City

Tracy Hightshoe

NDS Director | City of Iowa City  
319-356-5244

410 E Washington St | Iowa City, IA

[www.icgov.org](http://www.icgov.org)<<http://www.icgov.org/>>

[cid:image002.png@01D3DBAC.A91A0930]<<https://www.facebook.com/IowaCityRAGBRAI/>>[cid:image003.png@01D3DBAC.A91A0930]<[https://twitter.com/RAGBRAI\\_IC](https://twitter.com/RAGBRAI_IC)>[cid:image004.png@01D3DBAC.A91A0930]<[https://www.instagram.com/ragbrai\\_ic/](https://www.instagram.com/ragbrai_ic/)>