

Agenda

Housing & Community Development Commission (HCDC)

Thursday, June 21, 2018
6:30 P.M.

Senior Center, Room 202
28 S. Linn Street, Iowa City
*Use the Washington Street entrance or
2nd floor skywalk via Tower Place parking garage*

1. Call meeting to order
2. Approval of the May 24, 2018 minutes*
3. Public comment of items not on the agenda
4. Review and consider recommendation by the Aid to Agencies Subcommittee*
5. Affordable Housing Location Model Subcommittee Update
6. Discuss Guidelines for Religious Organizations
7. Review and consider recommendation of letter to City Council regarding Johnson County SEATS and City Bus contracts*
8. Staff/commission comment
9. 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 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 14, 2018
To: Housing and Community Development Commission (HCDC)
From: Neighborhood Service Staff
Re: June 21, 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.

Item 4: Review and consider recommendations by the Aid to Agencies Subcommittee

An HCDC subcommittee has been reviewing the Aid to Agencies (A2A) allocation process. A2A provides a predictable and stable funding source for nonprofit agencies, while also providing an opportunity for new agencies to develop funding sources. The subcommittee has drafted recommendations to balance both functions of A2A funds after soliciting feedback from agencies. Please see the attached subcommittee meeting minutes, comments, and recommendation memo.

Item 5: Affordable Housing Location Model Subcommittee Update

An HCDC subcommittee has begun reviewing the Affordable Housing Location Model (AHLM) through the lens of potential racial equity impacts. This is an opportunity for the subcommittee to update HCDC on this month's discussions.

Item 6: Discuss Guidelines for Religious Organizations

HCDC showed interest in learning more about how grant funds can be used by religious organizations. This will provide a brief overview on federal regulations and requirements for allowable and nonallowable uses by religious organizations.

Item 7: Review and consider recommendation of letter to City Council regarding Johnson County SEATS and City Bus contracts

HCDC has been asked to review and consider recommending the attached letter for supporting late night and weekend bus service for upcoming Johnson County SEATS and Iowa City Bus contracts.

Item 8: Staff/Commission Comment

MINUTES

PRELIMINARY

**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
MAY 24, 2018 – 6:30 PM
EMMA HARVAT HALL, CITY HALL**

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

MEMBERS ABSENT:

STAFF PRESENT: Kirk Lehmann, Tracy Hightshoe, Erika Kubly

OTHERS PRESENT: Carla Phelps, Ashely Gillette, Roger Goedken, Ron Berg, Crissy Canganelli, Megan Alter

RECOMMENDATIONS TO CITY COUNCIL:

By a vote of 9-0 the Commission recommends approval of the FY18 Annual Action Plan Amendment #2.

By a vote of 9-0 the Commission recommends approval of the FY19 Annual Action Plan to City Council, subject to approving CDBG funding per the staff recommendation.

By a vote of 9-0 the Commission recommends approval of the FY19 Annual Action Plan to City Council, subject to approving HOME funding per the staff recommendation.

CALL MEETING TO ORDER:

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

Olmstead mentioned that Alter will be new to the Commission starting in July.

APPROVAL OF THE APRIL 19, 2018 MINUTES:

Eastham moved to approve the minutes of April 19, 2018. Harms seconded the motion. A vote was taken and the motion passed 7-0 (Conger and Lamkins not present for the vote).

PUBLIC COMMENT FOR TOPICS NOT ON THE AGENDA:

None

MONITORING REPORTS:

Habitat for Humanity (FY17 & FY18)

Lehmann shared a written report from Heath Brewer, the Executive Director, regarding the two projects they are working on for FY17 & FY18. The FY17 project building is underway at 928 North Governor

Street on a 1,400 square foot Cape Cod for a family of five. The walls are framed and the roof trusses should be going on soon. The structure's exterior should be complete in less than two weeks with total project completion in mid-July. The buyers for this property is a family under 50% of the area median income with both adults working for the Iowa City School District. All three children are school age and attend area schools.

The FY18 project is at 2618 Blazing Star Drive, and the construction of that home will not begin until fall 2018 or spring 2019. There are a couple of approved applicants in mind for that project, both with families of five.

Shelter House (FY17 FUSE)

Crissy Canganelli (Executive Director, Shelter House) distributed three handouts to the Commission regarding the project. The Cross Park Place project is a two story building with 24 one-bedroom apartments on Cross Park Avenue. There will be common space, offices and clinic space for behavioral and health clinicians. The documents showed floor plans, an image of an interior of one of the units and a close-up of the design, and a summary of the admission criteria to identify and prioritize individuals for these housing opportunities. The City of Iowa City committed \$25,000 in CDBG Funds in FY17 towards the land acquisition, and land was purchased in October 2016. Construction started in April 2018 with McComas Lacina as the contractor, the Housing Fellowship as the development consultant, and Neumann Munson Architects and HBK Engineering donating services as part of the development team. Canganelli reported the construction is moving along well and the elevator is in. December 28, 2018 is the expected completion date, which may be ambitious, with occupancy of the building in early January 2019. At this time, about 90% of the construction budget is funded, but the project came in over the original estimate by about \$500,000. Five out of the eleven entities that bid the project were all within \$20,000 to \$30,000 of one another. Therefore, Canganelli stated she has some work to do to secure the remaining funds for the construction and the furnishings not funded by the construction budget (they intend on having the apartments fully furnished). With regards to the operations and services for the project, they were awarded \$233,000 through the Iowa Balance of State Continuum of Care towards the operating budget which will help with the onsite supportive services. The building will be staffed 24/7 and there is a partnership with the Iowa City Housing Authority who created a special admissions process committing housing choice vouchers for the individuals in the project. They are also exploring funding for evaluation at both pre and post housing outcomes for individuals.

Eastham asked if the project is eligible for additional HOME funds. Canganelli noted that was a frustration as they were awarded HOME funds and then were told by the Iowa Finance Authority they did not want HOME funds in the project because of the award of the National Housing Trust Fund. Therefore, Canganelli said they declined the funds and now she believes the Iowa Finance Authority would not deny the use of HOME funds at this time. She feels since this was the first time National Housing Trust Fund dollars were being used the Iowa Finance Authority was taking a restrictive approach as to not complicate their use of funds, but it left Shelter House in a very difficult situation.

Eastham asked if they will have to do private fundraising to secure the remaining funds. Canganelli said her preference is not to do private fundraising, her intention is to go to The Housing Trust Fund of Johnson County who has an application cycle due in June, apply for those funds.

Olmstead asked how much additional funding does the project need. Canganelli said the gap is \$450,000 to \$550,000 for the construction.

Olmstead asked about the rules of the residents, if they would be same as Shelter House. Canganelli said they are using a Housing First approach, a deconstructionist approach to homelessness and getting people into housing and not requiring residents to be sober or following any compliance program, all participation in services is voluntary on the part of the tenant. Housing First programs have been initiated over the past 20 years, primarily on the east and west coasts, and this is the first for the State of Iowa and they are targeting this housing opportunity for those chronically homeless individuals who are also demonstrating frequent if not habitual utilization of local services (jail, emergency room, inpatient treatment, etc.). Canganelli explained the criteria for admission to Cross Park Place and the steering

committee who will identify and prioritize residents. Olmstead asked if they will be working with Inside Out. Canganelli said they are not part of the steering committee however they have shared information between the two organizations. They would take individuals from the Inside Out program if they meet criteria of chronically homeless and threshold for frequent services utilization.

Harms asked how long it is expected for a resident to live in the facility. Canganelli said it will be permanent supportive housing for as long as a resident wants to live there, some may live out the rest of their lives in the facility, and some will progress and be able to find other housing options in the community and will be helped with that transition. Canganelli also added housing choice vouchers would be made available for these residents with restrictions (other than federal mandated ones) lifted.

REVIEW AND CONSIDER RECOMMENDATION TO CITY COUNCIL ON APPROVAL OF FY18 ANNUAL ACTION PLAN AMENDMENT #2:

Lehmann stated this is regarding combining the Successful Living FY18 HOME allocation of \$36,000 and FY18 CDBG allocation of \$51,000 into a single project to allow a larger down payment for purchasing a property for affordable rental units. The result of this amendment would be a reduction in the number of units created since the funds will purchase one property rather than two. Additionally, Successful Living realized their North Johnson property had more significant issues than they originally thought, so the \$50,000 for rehabilitation is included in the amendment where they will just assist this one property more substantially than originally proposed. Therefore, instead of 27 rental units rehabilitated it will be 10 units and the rental units acquired will be reduced to 8. If the Commission recommends City Council approve this amendment, a 30-day comment period would begin so that City Council can act on this amendment on July 3.

Eastham moved to recommend approval of the FY18 Annual Action Plan Amendment #2 to City Council. Fixmer-Oraiz seconded.

Eastham thanked the staff for working with Successful Living on these proposed changes and scope of this project.

A vote was taken and the motion passed 9-0.

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

Hightshoe stated there was good news; for the first time in several years, the City received a 36% increase in HOME and a 16% increase in CDBG funds from HUD. Because that averages to more than a 20% change from the estimated allocations, the recommendation returns to the Commission for reconsideration. The City now has 60 days to get the Annual Action Plan submitted to HUD which expires on June 30. Therefore, City Council must approve the Plan at their May 29 meeting (as Council is not meeting in June). Hightshoe also noted that Builders of Hope had a repayment of \$70,000 so that added to the increase in the allocation. Overall, there is an additional \$67,000 to allocate in CDBG funds and around \$200,000 in HOME funds

Due to the quick turnaround, staff is providing a funding recommendation for HCDC to consider. For the increase in CDBG funds, staff recommends allocating funding for the following projects:

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

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

Olmstead noted he appreciates the staff recommendation but recalls there were several agencies that we could not fund as much as they requested and feels some of those should be reviewed as well. Olmstead listed the Crisis Center, the Domestic Violence Intervention Program, Free Lunch Program, Rape Victim Advocacy Program, and Shelter House.

Lehmann asked if Olmstead was requesting that all the CDBG funds be allocated to Aid to Agencies. This would not be allowed because there is a public service cap, so only \$16,000 can go to Aid to Agency funds. Olmstead feels the \$16,000 should be spread over all the agencies.

Vaughn noted that Shelter House received the allocation they requested so should not be allocated any further funds.

Eastham stated while he appreciates Olmstead's opinion, he feels allocating the \$16,000 to Prelude Behavioral Services does make sense and to split that money amongst several agencies would not make a significant impact on their overall budgets.

Harms agrees with Eastham and notes all the other agencies Olmstead mentioned did receive some funding.

Lehmann read a written request received from Ron Berg of Prelude for additional funds to be directed to Prelude to support their transitional housing services. "Prelude has enjoyed support from the City of Iowa City for many years, managing a total loss of funds from a long-term supporter is difficult. In addition, we are in the midst of an opioid epidemic and eliminating funds from the area community based addiction treatment facility seems ill-advised at this point. Finally, there was concern during the initial review of the funds that Prelude is a large agency and could absorb a funding cut, in response I would indicate we do not yet have a reserve built to the recommended level for not-for-profit corporations and given the financial stresses caused by Medicaid changes in Iowa and cannot reasonably accept any reductions in funding."

Ron Berg (Chief Executive Officer, Prelude) reiterated what he wrote in his statement and expanded that a lot of agencies are under a lot of stress from reductions in a variety of different sources, the one that is in the paper a lot lately is Medicaid and not only is it a declining funding source there are challenges in getting paid for what they do. Also, Berg noted the funds provided by the City will be used to support the transitional housing, they support 12 apartments and work closely with The Housing Authority on getting housing vouchers for the families, but have found while they go through the process of getting the families qualified for Section VIII that takes time so they have agreed to allow people to move into their apartments during that application time and footing the bill until the Section VIII is awarded.

Moving onto the Staff recommendation of \$51,000 to Arthur Street Healthy Life Center project, Hightshoe explained the staff made this recommendation because the Commission prior recommendation for a city tax abatement for this project is not likely feasible and also this is a project that concentrates on the physical and mental health of low income patients with a nurse practitioner model, which is a new model to Iowans. For mental health patients they would partner with The Abbe Center and staff felt this would be a good investment. If for some reason the purchase of the building does not happen, the City will retain the funds and can be reallocated elsewhere.

Eastham asked if the group still has a purchase offer in place for the property. Hightshoe stated as of last week the purchase offer was still active.

Olmstead asked if the Arthur Street Healthy Life Center project had other funding sources as well. Hightshoe said any other funds would be private funds because the whole acquisition of the building was through a private mortgage acquisition. With regards to operation costs they were hoping to get funding through Medicaid, the CDBG funds would be for renovation of the building.

Eastham commented that for property tax abatement there is no requirement of increase in property value since the property is already valued at around \$300,000. Hightshoe said the City Economic Coordinator doesn't feel tax abatement will be viable in this situation. Eastham stated the Coordinator may not be wild about the idea, but it could be viable.

Olmstead asked what would happen to those funds if the Commission does not make this recommendation. Hightshoe said Staff could make a recommendation, but their preference is for the Commission to make all recommendations.

Fixmer-Oraiz moved to recommend approval of the FY19 Annual Action Plan to City Council, subject to approving CDBG funding per the staff recommendation. Eastham seconded.

Eastham noted he realized the Arthur Street Healthy Life Center project has some risks associated with it and would like to assure Council is aware of that when making this recommendation.

A vote was taken and the motion passed 9-0.

Next the Commission discussed the HOME allocation.

Eastham stated he agrees with the Staff proposal to dedicate available funds to the “Other Housing Activities” and then initiate another round of applications and funding.

Eastham moved to recommend approval of the FY19 Annual Action Plan to City Council, subject to approving HOME funding per the staff recommendation. Conger seconded.

Eastham moved to amend the motion by recommending to Council to move the funds previously allocated to the City of Iowa City’s South District Partnership funds (\$100,000) to the second funding round until staff has completed the racial impact analysis.

Lamkins asked why this amendment is being attached to this motion. Eastham stated he has seen at least one letter (by Angie Jordan) in the Council packets questioning if the impact of the project would be beneficial to the Taylor/Davis Street area. Lamkins stated the Commission had this conversation previously and voted 7-1 to give the money to the City of Iowa City’s South District Partnership and doesn’t feel it would be right to come back now and put it on hold. Parsons agreed with Lamkins, this was already voted upon.

There was no second to this amendment and the motion failed.

Harms asked how long a racial equity analysis would take to complete. Lehmann said Staff has already started the analysis but doesn’t know how far along they are, and unsure how long it will take to complete. Hightshoe said it will be done by July 1 when the FY19 Annual Action Plan funds become available for use. Eastham asked who on staff was conducting the analysis and specifically if Stefanie Bowers (Equity and Human Rights Director) was involved. Hightshoe stated Bowers is involved and has met with Kubly and Lehmann to discuss what data to gather.

Harms noted her appreciation for what Eastham is bring forward and it is an important topic for future conversations.

A vote was taken on the original motion and it passed 9-0.

REVIEW AND CONSIDER CHANGES TO THE AID TO AGENCIES ALLOCATION PROCESS:

Hightshoe noted there were concerns brought to the attention of the City Manager regarding the Aid to Agency Allocation Process, so the City Manager has asked if the Commission can discuss the process and some of the concerns agencies brought up. In the past, it was a stable funding source that nonprofit agencies could depend on for year-to-year operations. HCDC wanted the opportunity to fund new agencies. When new agencies are funded, it does mean that prior agencies are either not funded or the funding is less across the board. The request was for HCDC to look for a balance – how we can provide stable funding (agencies to plan for staffing, etc.), but also afford the opportunity for a new agency to apply and be awarded funds. Some of the concern from the agencies is the stability of funding, many use the funds to aid in staff salaries and have to be sure each year they will have the commitment.

Vaughn stated the Commission struggles with this balance with every funding allocation cycle and the resources are not increasing (most of the time) so it is hard to keep continued support and also add new agencies.

Padron is not comfortable saying they will give a set amount to an agency for two or three years unless the Commission receives a report on the condition of the agency and how they are performing, there would need to be a yearly evaluation.

Hightshoe asked agency guest Ron Berg if United Way or the County funded on a two-year cycle and if they had an evaluation process. Berg said the application process will start this fall, in September, and they will submit a joint application that will go to both the City of Iowa City, Johnson County and The United Way, it is a single application. In addition, they are required to submit quarterly reports throughout the year. The County funds in a two-year cycle and receives the quarterly reports during those two years. Berg added he would like to have the City also fund in two-year cycles.

Fixmer-Oraiz stated it wouldn't be giving the agencies two years of money upfront, just promising funding in the next cycle.

Lamkins asked what would happen if funding in the next cycle was drastically decreased. Hightshoe said it would be prorated to either the same percentage or dollar amount, whichever is less.

Eastham noted he was struck by the wording in the Staff memo stating "Council would like to see both functions of A2A funds continue..." Hightshoe noted that should have read "City Manager" not "Council". Eastham also stated he had a couple of reactions to considering this action. One is in the 25+ agencies in this category, in looking at their budgets, half of more have budgets approaching or well over \$1 million per year and he has a hard time convincing himself that an organization having a budget of several hundred thousand dollars per year is going to be relying upon a \$30,000 per year allocation from the City of Iowa City to maintain staff continuity. Eastham believes emergency shelter programs are vitally important in a community and is not suggesting reducing those. He also believes the start-up issue is important but he feels if they are going to make a change to how they are going to allocate Aid to Agencies funds they need to be clear about what they are doing and what agencies have to show the Commission in order to be eligible for those funds. They also need to show their services are in the center of priority activities that are in the Action Plan and justify in the application why the agency needs continuity. Eastham believes if the inclination is to pursue the suggestion Staff has outlined in their memo he feels there would need to be a subcommittee formed to formulate suggested changes.

Lamkins noted he acknowledges Eastham's comments about million dollar budgets and if \$15,000 would make an impact and that yes it will, every dollar counts in such budgets, they are very tight. With regards to justifying the continuity, he would need more clarity on what that would entail. Berg replied the justification is the continuity and knowing an organization is set on staff funding for at least a couple of years.

Fixmer-Oraiz feels part of the allocation process should be a work session or discussion with staff, now all Commissioners are reading applications and filling out their allocation sheets on their own and she would like to have more discussion with a group on each application.

Padron agreed, reading the application is one thing but to have the applicants come and explain their applications and answer questions is an important part of the process.

Hightshoe agreed and suggested forming a subcommittee to review the process. She feels reviewing public service applications is harder than reviewing housing projects or public facility projects because evaluation criteria is subjective. She suggested a subcommittee meet and make recommendations to the full Commission by July so the Joint Funding Application can include any proposed changes. Those applications usually go out in July. Lamkins suggested the agencies also have some input in the process.

Olmstead asked if Eastham would be willing to chair a subcommittee. Hightshoe said if two commissioners plus staff work together they could have recommendations for the June meeting. Padron

and Fixmer-Oraiz agreed to work with Staff.

Padron asked if the Commission could get feedback from the clients that are served by the agencies, she feels it would be helpful in decision making.

Canganelli replied that in the case of the Crisis Center it would breach confidentiality but several surveys are done and kept on file. Hightshoe said the subcommittee could look into options.

REVIEW AND CONSIDER RECOMMENDATION TO CITY COUNCIL REGARDING THE AFFORDABLE HOUSING LOCATION MODEL:

Hightshoe stated Eastham requested this item be on the agenda and in the packet. Staff included the original and 2016 memos summarizing the process by which the Affordable Housing Location Model was adopted. In April 2017 HCDC, recommended exempting the Riverfront Crossings District and decreasing proximity requirements for existing affordable units. Those recommendations were approved by Council.

Lehmann said at the end of the packet are a couple of items Eastham prepared which include the City Council Strategic Plan Objectives, the Affordable Housing Location Model map, a race map of Iowa City, a racial and ethnic population disproportionality chart, and Eastham's proposed recommendations.

Hightshoe suggested that if the Commission wishes to make recommendations, they should form a subcommittee to review the process and make sure any recommendation is in line with the City Council's three main goals (1) not further burden neighborhoods and elementary schools that already have issues related to a concentration of poverty; (2) have diverse neighborhoods in terms of a range of incomes and; (3) views of the school district on the affordable housing issue. Hightshoe acknowledged no model is perfect as the placement of affordable housing in neighborhoods is almost always difficult due to neighborhood opposition. If HCDC wishes to recommend replacing the existing model, it should be well thought out and meet the Council's guiding criteria. She suggested a subcommittee to review.

Eastham stated that in the review of the model in 2016 he doesn't believe the Commission reviewed the racial impact because the model does not contain any factors or parameters that relate to racial disproportionality in any area.

Olmstead said Hightshoe suggested a subcommittee and asked if there were any volunteers to serve on such a subcommittee. Lamkins asked for a timeline and Hightshoe said recommendations should be made before November because every year in November is when they update the model for the next year's applications. McKinstry volunteered, as did Conger, Fixmer-Oraiz and Eastham.

Lamkins stated that the first two proposals by Eastham are complete opposite proposals and the first one contradicts the City's goals for the housing location model. Eastham noted those goals have never considered racial equity. Lamkins also noted if proposal one was approved, it would add affordable housing to an already full area. Eastham said it would be allowing affordable housing were there was no racial disproportionality. Conger said that would just increase the racial disproportionality. Eastham said the area of southeast Iowa City has areas that could be excluded from receiving City assistance if racial proportionality was used. Lamkins acknowledged perhaps in pockets of that area, but it would also open up other pockets in that area where new affordable housing would be allowed, increasing the racial disproportionality of the area.

McKinstry noted that in the study where Iowa City was listed as the 14th most economically segregated area in the Country, stated that income and race segregation are so closely tied to one another that they cannot be parsed out. He feels they need to find a positive way to move forward, instead of focusing on concentration of low income households, the City encourages affordable housing in areas of the city that are less integrated or diverse and find ways to incentivize that.

Conger noted the only difference Eastham is introducing is the racial disproportionality, so a subcommittee is going to discuss whether to include race along the lines of affordable housing.

McKinstry noted affordable housing is driven by areas of the city where land costs are lower - areas of the southeast side have lower land costs than in other areas of the city. If a developer wants to build affordable housing elsewhere in the city, and receive city assistance, they have to pay more for the land. Developers do not like the location map model as it results in less affordable housing units being built.

Eastham stated his experience with The Housing Fellowship is that land prices are not the major factor in determining where to locate affordable housing but rather the availability of any land at the time of funding is more critical. He added there are many areas of southeast Iowa City where land prices are substantial and rising.

Olmstead added there are pockets in the City where there is just no land available and there will never be opportunities to add affordable housing in those areas.

McKinstry noted they could send comments to the subcommittee and they will see what ideas they can come up with.

Harms said the main objective is if the current model is working and Hightshoe replied that it is not decreasing concentrations of poverty. However, it is working as it is not adding additional poverty to already concentrated areas.

Padron suggested reaching out to individuals and finding out why they choose to live in the areas they do and perhaps changing the goals of the map.

Fixmer-Oraiz asked if the subcommittee could get some examples of other models used. Staff will research.

DISCUSSION OF THE SUMMER SCHEDULE:

Hightshoe noted the Commission will need to meet in June to discuss the Aid to Agencies Allocation Plan. Lehmann stated that would be June 21.

Lehmann noted two new members will be joining the Commission in July, Olmstead and Conger are stepping down and Megan Alter and Mitch Brouse will be joining the Commission. There will be a meeting in July for the new members and to elect officers.

STAFF/COMMISSION COMMENT:

Invest Health Symposium: June 22, 2018 from 9:30 am – 3:30 pm at the University of Iowa Campus Levitt Center for Advancement.

Fair Housing Training: we will likely hold off for an HCDC briefing until after new HCDC members join.

Transit Presentation: Transit will talk to us about their Route Study sometime this summer or early fall; they are still developing their timeline.

Olmstead requested HCDC discuss guidelines for churches in the future that have daycares.

ADJOURNMENT:

Eastham moved to adjourn. Fixmer-Oraiz seconded. Passed 9-0.

**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	
Conger, Syndy	7/1/18	X	X	X	O/E	X	X	X	X	X	X	
Eastham, Charlie	7/1/20	X	X	X	X	X	X	X	X	X	X	
Fixmer-Oraiz, Vanessa	7/1/20	X	X	X	X	X	X	O/E	X	O/E	X	
Harms, Christine	7/1/19	X	X	X	X	X	X	X	X	X	X	
Lamkins, Bob	7/1/19	X	O/E	X	O/E	X	X	O/E	X	O/E	X	
McKinstry, John	7/1/17	X	X	X	X	X	X	X	X	X	X	
Olmstead, Harry	7/1/18	X	X	O/E	X	X	X	X	X	X	X	
Padron, Maria	7/1/20	O/E	X	X	X	X	X	O/E	O/E	X	X	
Vaughan, Paula	7/1/19	X	X	X	O/E	X	X	X	X	X	X	

Key:

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



CITY OF IOWA CITY MEMORANDUM

Date: June 18, 2018
To: Housing and Community Development Commission
From: Kirk Lehmann, Community Development Planner
Re: Aid to Agencies Subcommittee 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 has provided a predictable funding source for nonprofit agencies. More recently, it has also provided new agencies in the development stage a flexible source of funding. The subcommittee sought to balance both functions of A2A funds, as well as improve the allocation process.

History/Background:

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

1. Legacy Agencies - In the past, “legacy” agencies (those 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 funding year-to-year. However, it made it difficult for new agencies to benefit from the funding.
2. Priority Needs - The prioritization of agencies into low, medium, and high based on 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.
3. Minimum Threshold - A minimum funding threshold has been set at \$15,000 to allow for funding of a quarter or half-time position at an agency. The amount of staff time required to administer each grant and level of community benefit were also a consideration in implementing a minimum threshold.

An HCDC subcommittee met on June 7 and June 15, 2018 to identify ways to improve the A2A allocation process after soliciting feedback from agencies. The subcommittee drafted recommended changes for review by the full committee. Subcommittee 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 were developed to improve the process:

- **Enhance objectivity:** Multiple agencies mentioned a desire to increase objectivity in allocating funds. They seemed 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 how exactly HCDC chose to allocate funds.
- **Equal opportunity to comment:** Some agencies didn't understand who got to present to HCDC. Others felt left out. Overall, better expectations need to be better set.
- **Minimum funding:** Some saw minimum funding amounts as arbitrary, though they make the review process more manageable for HCDC and provide 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 legacy agencies, but they also provide funds for new agencies. The following summarizes their recommendations:

“Legacy” Agency Funding. Most funding would be dedicated to “legacy” agencies, defined as nonprofits that received A2A funding in the last five years. This funding source is not guaranteed but would provide a minimum of \$15,000 each year for two years. The legacy agencies would use the United Way Joint Funding Process and application. To ensure accountability, HCDC would receive regular reports like other Joint Process Funders. If an agency does not perform to a minimum standard, funding could be revoked.

Objective ranking sheets would be used to make the funding process more transparent and to provide information to HCDC beyond an agency’s priority level. Staff would determine an agency’s central mission in advance, with approval from HCDC. Sample ranking criteria is based on past HCDC criteria. The attached sheet is provided as a possible template.

Legacy applications should speak for themselves, but agencies will be invited to attend meetings. They will only be expected to speak if invited to speak by HCDC. Full public comment would be reserved for City Council when the Annual Action Plan is adopted (May). Due to these changes, HCDC members may need more training on the purpose of the commission, their funding sources, and how the allocation process fits into the larger context of City funding. To provide adequate time to seriously review funding applications, the funding round timeline should be extended. Instead of one month, the review process would resemble 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.

Finally, reducing Iowa City’s portion of the Joint Funding application may make the process less burdensome for agencies while continuing to provide adequate information to HCDC. Potential changes include cutting the “Aid to Agencies Priorities” question because HCDC will determine the priority category of the agency and/or eliminating duplicative language. For example, changing Iowa City’s questions to “if different from Johnson County” to reduce repeat descriptions of services. If additional answers are desired, questions could instead be asked in meetings.

The subcommittee also discussed dedicating a percentage of funding to High, Medium, and Low priorities to spread funding throughout groups and reduce competition for high-priority designations. A minimum number of points would need to be achieved for consideration to ensure agencies were deserving of funds. If a ‘tier’ does not have appropriate points, the funds would be reallocated as decided by HCDC. However, the subcommittee decided that this topic should be discussed by the full commission.

“Emerging” Agency Funding. HCDC would dedicate a smaller portion of funds to “emerging” agencies, defined as any nonprofits not designated as legacy. These funds would have a smaller funding minimum (\$5,000) and would be allocated annually to help new organizations develop. This source should not be expected to become permanent. Applying would happen separately 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 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.

Financial Impact:

These recommendations should have no fiscal impact on the City. However, it will likely require increased staff time to implement these activities, especially extending the process over multiple months. Otherwise, fiscal impacts will mostly be that funding is more evenly spread around agencies with clearer expectations as to how the money is allocated.

Recommendation:

The Aid to Agency subcommittee recommends that the full commission discuss and consider recommending to City Council these changes to the Aid to Agency process. Once HCDC completes its review, staff will send out a memo to potential applicants reviewing changes made to the A2A process and reasons for those changes. The memo will also help set expectations about who is invited to speak, when, and that they will receive questions in advance so responses can be prepared, even if not all applicants will be invited to speak.

CDBG/HOME EVALUATION CRITERIA

Public Service Applications



CITY OF IOWA CITY

I. Need/Priority (max. 15 points)

Meets Identified Need in CITY STEPS?

Yes or No

If Yes:

- 1 What priority level in CITY STEPS? (High = 10, Medium = 6, Low = 3)
- 2 Did the applicant document the ability of the project to meet this need? (Yes = 5, No = 0)

II. Resources & Feasibility (max. 15 points)

Project Budget is Justified? Costs are documented/reasonable

Yes or No

Project will proceed and all funds expended by 6/30/19?

Yes or No

If Yes to Both Questions:

- 1 *Project leverages other financial resources?* (0 - 5 points)
0 - 25% Other Funds (1)
26 - 50% Other Funds (2)
51 to 75% Other Funds (3)
76 to 99% Other Funds (5)
- 2 Applicant has documented efforts to secure other funding? (Yes = 5, No = 0)
- 3 *Project will be sustained after CDBG funding ends?* (Yes = 3, No = 0)
- 4 Project leverages in-kind or volunteer resources? (Yes = 2, No = 0)

III Impact/Benefit (max. 20 points)

Does the project help persons gain self-sufficiency?

Yes or No

If Yes:

- 1 Primarily targets low-income persons? (0-30%=6, 31-50%=4, 51-80%=2)
- 2 Project utilizes community partnerships to further projects' goals? (Yes = 5, No = 0)
- 3 Project serves elderly/disabled households (Yes = 1, No = 0)
- 4 Project serves children under 12 (Yes = 1, No = 0)
- 5 Project predominantly serves minority households (Yes = 1, No = 0)
- 6 *Produces adequate benefits based on its per capita cost?* (Yes = 3, No = 0)
- 7 Demonstrates best practices or innovative solution to problem? (Yes = 3, No = 0)

IV Capacity/History (max. 10 points)

Applicant can maintain regulatory compliance?

Yes or No

If Yes:

- 1 Applicant has strong financial skills & board commitment? (Yes = 5, No = 0)
- 2 Applicant has the administrative capacity to complete this project? (Yes = 5, No = 0)

(Maximum Points: 60)

GRAND TOTAL:

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.

Kirk Lehmann

From: Brian Loring <brian-loring@ncjc.org>
Sent: Friday, June 08, 2018 3:10 PM
To: Kirk Lehmann
Subject: RE: Aid to Agencies Feedback

Kirk,

I met with Mayor Throgmorton on this matter back in March. After the allocations meeting I felt compelled to bring this issue to someone's attention. Below are a few of my observations:

1. The committee does not seem to have clear direction from the council regarding priorities. This seems to give each member some latitude in setting their own funding agenda. Questions seemed to reveal individual priorities that were not reflected in the application process.
2. Committee members did not have much information regarding agencies. We were told in advance that we would *not* be presenting information at the hearing, but rather we were encouraged to attend to answer questions. At the hearing we were summoned to present. It would have been good to know this in advance.
3. It was hard to figure out how they came to funding decisions. For instance, Prelude, was cut completely. Given the need for substance abuse treatment, I had a difficult time understanding that move. Fortunately some of that funding was reinstated.

Here are just a few additional thoughts and things to consider when establishing funding priorities:

A few years ago, Iowa City reduced its overall monetary commitment to human services. And Neighborhood Centers, along with other established agencies, saw our funding reduced substantially. Unfortunately, this coincided with other cuts in funding from state and federal sources. With all of these budget cuts, we would encourage the city to establish clear funding priorities and with some measure of predictability in funding of our programs and outcomes that are consistent with those priorities.

Last fall, I met with Tracy and others to discuss adding more early childhood program slots for working families in Iowa City. We support this concept, but we've lost \$63,000 in state funding for 4 early childhood classrooms in the last year. So, as an established provider of NAEYC-accredited child development programs, it was difficult to connect the desire to support child development for low-wage working families with the funding recommendation to cut yet another \$8,000 from NCJC. Particularly when we've lost so much in state funding in the past year.

Besides helping us to weather these types of cuts, local discretionary funding (city, county, United Way) covers other things that make us more competitive in leveraging grants into our neighborhoods. Block grant funding helps pay for supporting volunteers, keeping our buildings and playgrounds operational, maintaining and repairing vans, neighborhood and community events, and some administrative costs. It's safe to say NCJC might not exist, or at least not with the variety and quality of our programming, if it were not for United Way, County and Iowa City block grant funding.

Just to offer some perspective on overall return of investment, our current annual outlay for wages and benefits is \$2.3 million. We receive about \$235k local government and United Way block grant investment. Nearly all of the difference between the block grant investments and the total amount we spend

on wages - almost \$2 million - comes from funders outside the Johnson County community. Of course the wages and benefits do not include the roughly \$700,000 we spend on local goods and services.

I've run on a bit so I'll stop here. Please feel free to contact me if you have any questions or need clarification.

Thanks.

--Brian

From: Kirk Lehmann [mailto:Kirk-Lehmann@iowa-city.org]

Sent: Wednesday, May 30, 2018 2:18 PM

To: Susan Gray <susan@iowa4cs.com>; karendegroot@arcsei.org; sarahcarroll@bestbuddies.org; Thurness, Daleta K [CO PD] <daletac@iastate.edu>; Becci Reedus <becci.reedus@jccrisiscenter.org>; Kristie@dviowa.org; dinman@elderservicesinc.com; hbopp@fouroaks.org; icfreelunch@gmail.com; awinslow@goodwillheartland.org; jdrapeaux@hacap.org; director@handicareinc.com; Tracey Achenbach <tachenbach@htfjc.org>; info@iccompassion.org; insideoutreentry@gmail.com; bvinograde@freemedicalclinic.org; Laurie.Phelan@iowa.gov; john@growjohnsoncounty.org; mary.issah@namijc.org; Brian Loring <brian-loring@ncjc.org>; jkellbach@abbe.org; Ron Berg <rberg@preludeiowa.org>; adam-robinson@uiowa.edu; Crissy Canganelli <crissy@shelterhouseiowa.org>; Janet.Outlund@sui.org; mail@table2table.org; t2tfixhunger@gmail.com; Genevieve.Anglin@unitedactionforyouth.org; 'Stu Mullins' <stu.mullins@unitedactionforyouth.org>
Cc: Tracy Hightshoe <Tracy-Hightshoe@iowa-city.org>; Erika Kubly <Erika-Kubly@iowa-city.org>
Subject: Aid to Agencies Feedback

Aid to Agencies Applicants:

The Housing and Community Development Commission (HCDC) is soliciting feedback regarding the Aid to Agencies allocation process. Historically, Aid to Agencies provided stable funding to nonprofits which supported year-to-year operations. However, it also provides an opportunity for new agencies to develop. The City would like to see both functions of Aid to Agencies continue, but to do so in such a way that provides predictability for agencies to make longer-term staffing decisions. An HCDC subcommittee is meeting over the next few weeks to discuss possible changes to the process. HCDC will provide a recommendation to City Council at their meeting on June 21.

If you have any feedback regarding the current process and/or ideas about how to improve it, contact me at kirk-lehmann@iowa-city.org or 319-356-5247. Thank you for your input.

Regards,

Kirk Lehmann

Community Development Planner
City of Iowa City

Kirk-Lehmann@Iowa-City.org

Kirk Lehmann

From: Tracy Hightshoe
Sent: Friday, May 25, 2018 1:46 PM
To: Kirk Lehmann; Erika Kubly
Subject: FW: HCDC

Fyi.

From: Ron Berg [mailto:rberg@preludeiowa.org]
Sent: Friday, May 25, 2018 10:36 AM
To: Tracy Hightshoe <Tracy-Hightshoe@iowa-city.org>
Subject: HCDC

Tracy

I thought the discussion last night about the decision making process of the HCDC was encouraging. I'm confident the commission is sincerely interested in improving their process. If the subcommittee is interested in feedback from an agency perspective, I would volunteer to help.

In lieu of attending a meeting however, I thought I would share a couple comments in hopes they can be helpful.

Create criteria against which applications will be evaluated and share them widely. Provide training for commission members about the criteria to ensure common understanding.

Suggestions for criteria:

- What community needs do the commission want to fund
- How well does the application address the need
- How does the agency determine if their services are successful
 - The breadth of agencies seeking funds is so broad, I don't think a single evaluation could ever be developed that would meet everyone's needs. Rather than develop a single tool, expect that there is an evaluation and that results are shared with the commission
- Can the agency share the results of their evaluation process
- Can the agency demonstrate good governance: as a method of demonstrating sound management and confidence the agency can meet the grant requirements.
 - Does the agency have state licensing, is it current on health and safety inspections from local government, is the agency accredited by a national body
 - What percent of board members attend meetings
 - How often does the board meet
 - How often are financial reports given to the board
 - When was the last time salaries were compared to salary survey
- What are the demographics of the patients/clients served. Is there an explanation of why this may vary from Iowa City data (could the commission provide the data to compare to?)
- Many agencies (but possibly not all) are able to identify best practices that are routinely accepted among peers. What best practices are used.
- How does the program for which funding is requested fit with the agencies mission? Is the agency committed to the program given it's mission, or only seeing an opportunity for funding?

I hope this isn't intrusive but can be helpful. Please let me know if there is anything I can do to help.

Ron



430 Southgate Ave. | Iowa City, IA 52240
P 319.351.4357 | F 319.248.3826



rberg@preludeiowa.org
www.preludeiowa.org

P R E L U D E
BEHAVIORAL SERVICES

NOTICE: This e-mail, including attachments, is the property of Prelude Behavioral Services, is covered by the Electronic Communications Act, is confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that you are prohibited from retaining, disseminating, distributing, or storing this communication on any media. Please reply to the sender if you have received this message in error and immediately delete it. Thank you.

Kirk Lehmann

From: Ron Berg <rberg@preludeiowa.org>
Sent: Monday, June 11, 2018 2:25 PM
To: Kirk Lehmann
Subject: RE: Aid to Agencies Feedback

Actually, both. Of course I have a vested interest in not competing against the City, so my hope in raising the question is that a discussion can take place to either change or confirm this is the public policy the council wants to establish. Maybe this discussion has already happened and I'm just not aware which would be fine, I'm just curious if it happened.

Ron



From: Kirk Lehmann <Kirk-Lehmann@iowa-city.org>
Sent: Monday, June 11, 2018 1:02 PM
To: Ron Berg <rberg@preludeiowa.org>
Subject: RE: Aid to Agencies Feedback

Ron,

Are you referring to the City applying for money during the annual funding rounds or to the use of CDBG funds for other City projects? Or both?

Thanks,

Kirk

From: Ron Berg [<mailto:rberg@preludeiowa.org>]
Sent: Monday, June 11, 2018 11:13 AM
To: Kirk Lehmann <Kirk-Lehmann@iowa-city.org>
Subject: RE: Aid to Agencies Feedback

Kirk,

One question I have is the rationale behind the City of Iowa City competing for CDBG funding against area not for profits. The City is able to levy taxes to fund their projects whereas the agencies of course cannot. The result is we compete for similar services and projects, yet we have different funding options, one more limited than the other.

Has there ever been a discussion about the policy behind the City competing for these funds to determine if this in fact is the best use of CDBG and local tax strategies?

Thanks

Ron



From: Kirk Lehmann <Kirk-Lehmann@iowa-city.org>

Sent: Monday, June 11, 2018 9:17 AM

To: Susan Gray <susan@iowa4cs.com>; karendegroot@arcsei.org; sarahcarroll@bestbuddies.org; Thurness, Daleta K [CO PD] <daletac@iastate.edu>; Becci Reedus <becci.reedus@jccrisiscenter.org>; Kristie@dviopiowa.org; dinman@elderservicesinc.com; hbopp@fouroaks.org; icfreelunch@gmail.com; awinslow@goodwillheartland.org; jdrapeaux@hacap.org; director@handicareinc.com; Tracey Achenbach <tachenbach@htfjc.org>; info@iccompassion.org; insideoutreentry@gmail.com; bvinograde@freemedicalclinic.org; Laurie.Phelan@iowa.gov; john@growjohnsoncounty.org; mary.issah@namijc.org; Brian Loring <brian-loring@ncjc.org>; jkellbach@abbe.org; Ron Berg <rberg@preludeiowa.org>; adam-robinson@uiowa.edu; Crissy Canganelli <crissy@shelterhouseiowa.org>; Janet.Outlund@sui.org; mail@table2table.org; t2tfixhunger@gmail.com; Genevieve.Anglin@unitedactionforyouth.org; 'Stu Mullins' <stu.mullins@unitedactionforyouth.org>

Cc: Tracy Hightshoe <Tracy-Hightshoe@iowa-city.org>; Erika Kubly <Erika-Kubly@iowa-city.org>

Subject: RE: Aid to Agencies Feedback

Aid to Agencies Applicants:

The Housing and Community Development Commission (HCDC) is evaluating its Aid to Agencies process. The goal is to balance providing stability for established agencies with opportunities for new agencies to receive funding. If you have feedback regarding the process and/or ideas about how to improve it, please let me know by **June 13**.

You can reach me at kirk-lehmann@iowa-city.org or 319-356-5247. Thank you for those who have already reached out, and I look forward to hearing from other interested agencies.

Regards,

Kirk Lehmann

Community Development Planner

City of Iowa City

Kirk-Lehmann@iowa-city.org

319-356-5247

From: Kirk Lehmann

Sent: Wednesday, May 30, 2018 2:18 PM

To: 'Susan Gray' <susan@iowa4cs.com>; 'karendegroot@arcsei.org' <karendegroot@arcsei.org>;

Kirk Lehmann

From: Karen DeGroot <karendegroot@arcsei.org>
Sent: Monday, June 11, 2018 9:33 AM
To: Kirk Lehmann

My only concern is the make sure that we are all doing our best to avoid duplication of services and using collaboration whenever we are able. My desire would be that funding from the County and City follow that criteria.

Thanks

Karen DeGroot
President/CEO
The Arc of Southeast Iowa
2620 Muscatine Avenue
Iowa City IA 52240
(319) 351-5017
(319) 351-6837 fax
www.arcsei.org

NOTICE: This electronic mail message and any attached files are confidential. The information is exclusively for the use of the individual or entity intended as the recipient. If you are not the intended recipient, any use, copying, printing, reviewing, retention, disclosure, distribution or forwarding of the message or any attached file is not authorized and is strictly prohibited. If you have received this electronic mail message in error, please advise the sender by reply electronic mail immediately and permanently delete the original transmission, any attachments and any copies of this message from your computer system. Thank you.

Kirk Lehmann

From: Sofia Mehaffey <smehaffey@elderservicesinc.org>
Sent: Tuesday, June 12, 2018 1:13 PM
To: Kirk Lehmann
Subject: RE: Aid to Agencies Feedback

Good afternoon,

Devon Inman is no longer with Elder Services.
I am standing in as Interim Executive Director.
This year was my first experience with the HCDC process.
I appreciated the opportunity to answer questions and make connections in real time.
I would have loved to have some questions in advance in order to better prepare, but all in all my experience was positive.

Thank you so much for reaching out to providers for input.

Have a wonderful day,

Sofia Mehaffey
Interim Executive Director



We're Here When You Need Us
319-338-0515

This e-mail, including attachments contain information from Elder Services, Inc., which may be confidential or privileged/ If you are not the intended recipient, you are hereby notified that any copying, distribution, disclosure, or use of the contents of this information is prohibited. If you received this e-mail in error, please notify Elder Services, either by telephone at (319) 338-0515 or by replying to the sender immediately, and then destroy the document.

From: Kirk Lehmann <Kirk-Lehmann@iowa-city.org>
Sent: Monday, June 11, 2018 9:17 AM
To: Susan Gray <susan@iowa4cs.com>; karendegroot@arcsei.org; sarahcarroll@bestbuddies.org; Thurness, Daleta K [CO PD] <daletac@iastate.edu>; Becci Reedus <becci.reedus@jccrisiscenter.org>; Kristie@dviopiowa.org; Devon Inman <dinman@elderservicesinc.org>; hbopp@fouroaks.org; icfreelunch@gmail.com; awinslow@goodwillheartland.org; jdrapeaux@hacap.org; director@handicareinc.com; Tracey Achenbach <tachenbach@htfjc.org>; info@iccompassion.org; insideoutreentry@gmail.com; bvinograde@freemedicalclinic.org; Laurie.Phelan@iowa.gov; john@growjohnsoncounty.org; mary.issah@namijc.org; Brian Loring <brian-loring@ncjc.org>; jkellbach@abbe.org; Ron Berg <rberg@preludeiowa.org>; adam-robinson@uiowa.edu; Crissy Canganelli <crissy@shelterhouseiowa.org>; Janet.Outlund@sui.org; mail@table2table.org; t2tfixhunger@gmail.com; Genevieve.Anglin@unitedactionforyouth.org; 'Stu Mullins' <stu.mullins@unitedactionforyouth.org>
Cc: Tracy Hightshoe <Tracy-Hightshoe@iowa-city.org>; Erika Kubly <Erika-Kubly@iowa-city.org>
Subject: [POSSIBLE SPAM] RE: Aid to Agencies Feedback

Kirk Lehmann

From: Stu Mullins <Stu.Mullins@unitedactionforyouth.org>
Sent: Wednesday, June 13, 2018 2:57 PM
To: Kirk Lehmann
Subject: Re: Aid to Agencies Feedback

Good afternoon Kirk. I attended the allocation meeting last year and Genevieve this year. We processed our experiences and have a couple of recommendations. To be clear UAY greatly appreciated the commitment of the City to our work in the community and could not survive without the support. The City is a critical part of the process of building healthier and happier fellow citizens through our counseling, housing, crisis, youth development, volunteer, and arts programming work with teens, young parents, homeless youth, and families.

1. We suggest making sure to factor in what funding agencies have received in the past from the Aid to Agencies. We certainly understand the need for a competitive process but a swing of a few thousand dollars is significant to any agency of any size. The funds allocated in the Aid to Agency funding is a critical line item for agencies regardless of their overall budget size. Flexible funding is increasingly scarce through grant sources who require that funds only be used for direct services yet also, rightly, demand the high agency professional standards that the missing funds make possible. To add to the complicated financial strain, grants require that agency match funding for project costs as well. This leaves the survival of many local human service agencies in the hands of Aid to Agency funds. The human service profession in particular is highly dynamic, competitive, and constantly changing. The ability to respond with professionalism and high-quality programming is critical. This requires consistency from administrative staff and quality operation standards. In short, agencies are asked to do more with grant sources with no financial support for the required administrative professionals to carry out that work. The same applies for paying for the necessary building space, upkeep, and related utilities. Direct staff from UAY and similar agencies are improving and often literally saving lives but cannot do so without adequate bedrock funding and support staff.
2. We suggest looking at other similar boards and how they minimize the effect of how meeting format effects fund allocation. We certainly are aware that no process is perfect. We also know from our own design of meetings that such elements as order of the items addressed, process for voicing opinions, and meeting fatigue make a difference and are continually updated.
3. We do not know the current system of educating board members on how aid to agency funding is used, but UAY would, as, I'm sure, would many other agencies, be happy to give a presentation on how these funds are used and why they are so important to agencies. In the last meeting notes I saw that the comment "I can't believe \$13,000 is that big of a deal to a million dollar agency." It was disheartening to see that there is a lack of understanding about how important these funds are to agencies of any size, and how they are different than other types of funding.

We greatly admire and appreciate your willingness to solicited feedback from funding recipients and appreciate the challenging task it is to allocate limited funds to so many useful programs. Thank you for your time.

Sincerely,

Stu Mullins-UAY Executive Director
Genevieve Anglin-UAY Business Director

Stu Mullins
Executive Director
United Action for Youth
319-338-7518 ext 109

Kirk Lehmann

From: Thurness, Daleta K [CO PD] <daletac@iastate.edu>
Sent: Thursday, June 14, 2018 10:02 AM
To: Kirk Lehmann
Subject: RE: Aid to Agencies Feedback

Hi Kirk,

Thanks for the opportunity to provide feedback.

In my limited experience (2017 and 2018) it hasn't always been clear what the expectations were in terms of how to present information or if we even could. The first year I attended the commission meeting, we weren't allowed to speak only if a question was raised, there was some commentary from board members I wished I would have had the opportunity to comment on. Then a representative from our office came this past year (I was unable to) and there was an expectation to present information but unless I missed something that wasn't made clear, so we may have been a bit unprepared.

Suggestions:

- 1) The expectations of the agencies for the commission meeting be clear
- 2) Each agency have **equal** opportunity to provide supplemental information either by a short 3-5 minute presentation, or structured packet of information
- 3) Opportunity to respond to questions or comments the commission members may have
- 4) Perhaps a certain % of allocated dollars could be "earmarked" for new agencies, but the majority of the dollars allocated to established agencies who have demonstrated proper stewardship and impact.

Regards,



Executive Director, Big Brothers Big Sisters of Johnson County
3109 Old Hwy 218 S.
Iowa City, Iowa 52246
(319) 337-2145
daleta@bbbsjc.org
www.bbbsjc.org

From: Kirk Lehmann <Kirk-Lehmann@iowa-city.org>
Sent: Monday, June 11, 2018 9:17 AM
To: Susan Gray <susan@iowa4cs.com>; karendegroot@arcsei.org; sarahcarroll@bestbuddies.org; Thurness, Daleta K [CO PD] <daletac@iastate.edu>; Becci Reedus <becci.reedus@jccrisiscenter.org>; Kristie@dviopiowa.org; dinman@elderservicesinc.com; hbopp@fouroaks.org; icfreelunch@gmail.com; awinslow@goodwillheartland.org; jdrapeaux@hacap.org; director@handicareinc.com; Tracey Achenbach <tachenbach@htfjc.org>; info@iccompassion.org; insideoutreentry@gmail.com; bvinograde@freemedicalclinic.org; Laurie.Phelan@iowa.gov; john@growjohnsoncounty.org; mary.issah@namijc.org; Brian Loring <brian-loring@ncjc.org>; jkellbach@abbe.org; Ron

Kirk Lehmann

From: Becci Reedus <becci.reedus@jccrisiscenter.org>
Sent: Wednesday, June 13, 2018 3:18 PM
To: Kirk Lehmann
Subject: Re: Aid to Agencies Feedback

Hi Kirk,

Thanks for giving me this opportunity to provide feedback to this area.

In the past ten years, we are at the same level of funding from Iowa City, give or take a bit. This is a huge concern to us with increasing levels of services we are providing to our community. At a minimum, 70% of our services in food bank and emergency assistance are provided to residents of Iowa City. I think the city needs to take a serious look at increasing the amount of funding for social needs in the community. Level or flat funding is not helping us keep up with the demand in services.

I dislike arbitrary rules for a minimum level of funding also, such as the \$15,000 level of funding. A few years ago, when that level was increased from \$5,000 to \$15,000, my memory says that approximately \$31,000 in increased funding went to four organizations, whereas The Crisis Center had been at the same level of funding for ten years and in that time, provided increasing services.

I realize there are new nonprofits that develop to address new issues. Information exists that would help guide the commission with effective grant making with new organizations. I think the funding allocated to new organizations should be a predetermined funding level.

I don't know if any of the above information is helpful and please feel free to contact me if you have additional questions.

Becci Reedus

Becci Reedus

Executive Director

The Crisis Center

your first call in Johnson County

Business line (319) 351-2726 ext. 109

Fax line (319) 351-4671

becci.reedus@jccrisiscenter.org

www.jccrisiscenter.org

Stressed? Depressed? Need to talk? Call our 24-hour Crisis Line at (319) 351-0140

or log on to Crisis Chat at crisischat.org

This email message is for the use of its intended recipient(s). This email and attachment(s) may be confidential, legally privileged, and/or exempt from disclosure under applicable law. If you are not an intended recipient, do not use, disclose, disseminate, forward or copy information contained in the email and/or attachment(s). Please notify The Crisis Center of Johnson County by reply email, and delete the original message and all attachments from your system.

On Wed, May 30, 2018 at 2:17 PM, Kirk Lehmann <Kirk-Lehmann@iowa-city.org> wrote:

Aid to Agencies Applicants:

The Housing and Community Development Commission (HCDC) is soliciting feedback regarding the Aid to Agencies allocation process. Historically, Aid to Agencies provided stable funding to nonprofits which supported year-to-year operations. However, it also provides an opportunity for new agencies to develop. The City would like to see both functions of Aid to Agencies continue, but to do so in such a way that provides predictability for agencies to make longer-term staffing decisions. An HCDC subcommittee is meeting over the next few weeks to discuss possible changes to the process. HCDC will provide a recommendation to City Council at their meeting on June 21.

If you have any feedback regarding the current process and/or ideas about how to improve it, contact me at kirk-lehmann@iowa-city.org or 319-356-5247. Thank you for your input.

Regards,



HUD.GOV

U.S. Department of Housing and Urban Development
Secretary Ben Carson

Frequently Asked Questions (FAQs) on Equal Treatment and the Faith-Based and Community Initiative

Many organizations seek guidance as to whether they can continue the religious component of their total service delivery if they receive HUD funding. This question generally falls under the heading of "Equal Treatment." HUD, along with other Federal Agencies, has put Equal Treatment Regulations in place to insure that faith-based and secular non-profit organizations are aware of their rights and are treated equally in the grants process. Below you will find some frequently asked questions on this topic, with general answers. If you have any doubt or need specific information after reading this FAQ and the regulations that follow it, please contact the Center.

1. What is Equal Treatment all about?

Equal Treatment is the set of regulations, here at HUD and in all agencies with Centers for Faith-Based and Neighborhood Partnerships, that seeks to ensure that

- Your organization is not discriminated against because it is, or is not, a faith-based organization;
- Your organization is not favored because it is, or is not, a faith-based organization; and
- Each non-profit organization, regardless of its size, competes on an equal footing with all organizations seeking HUD funding.

2. Does a faith-based organization need to mask its religious identity in order to receive HUD funds?

No. Faith-based organizations that receive federal assistance may keep their religious name; continue to carry out religious activities; keep and display religious signs and symbols inside and outside their facilities; continue to use religion as a basis to select their board members (including members of the clergy); and otherwise govern themselves on a religious basis.

3. Can we conduct religious activities for our HUD- funded program recipients?

Organizations that receive direct HUD funds may not engage in inherently religious activities, such as worship, religious instruction, or proselytizing, as a part of the program or services funded by HUD. Inherently religious activities must be offered separately, in time or location, from the programs, activities, or services supported by direct HUD funds.

Regulatory Reforms at HUD

[HUD Program](#)[Specific Rules](#)[White House](#)[Presentation on Equal Treatment](#)

Additionally, and this is **very important**, participation in religious activities must be **voluntary** for your HUD-funded service beneficiaries. They should have no feeling or sense that their participation in inherently religious activities that are separate in time and/or place from HUD-funded activities, or even participation in something like prayer before a meal, is somehow required for them in order to receive HUD-funded services.

Also, program beneficiaries must understand that they are free to participate or not, not only in your organization's religious activities, but in your organization's religious affiliation itself. That is, **your HUD-funded services must be open to all who are eligible for them**, whether they are members of your church, denomination, or religion; or not.

4. Can our organization hire along religious lines?

It depends. In most HUD programs, you may hire along religious lines. The CDBG and HOME Programs contain statutory provisions that impose certain nondiscrimination requirements on all grantees, which mean hiring on the basis of religion is prohibited in these programs. If your organization believes that it is substantially burdened by this prohibition, relief may be available under the Religious Freedom Restoration Act (RFRA, pronounced *RIF-ra*). Additional information on RFRA is available [here](#). For guidance specific to HUD programs, please contact the HUDCenter.

5. If we are a faith-based organization, will we be subject to greater government scrutiny than secular recipients?

No. Just as faith-based organizations are neither favored nor hindered when making application for HUD funds, they are held to exactly the same standard as non-faith-based organizations, neither higher nor lower, in oversight and monitoring.

If you believe that this not the case, and that your organization is being held to a different standard, contact the Center and ask for assistance.

If your organization is under scrutiny, there can be several reasons why-including that HUD is carrying out its responsibility to do to routine monitoring. It is essential to keep careful financial and other records in order to be able to show clearly and concisely that HUD funding was expended on HUD-funded activities only; that no HUD dollars were utilized in advancing your organization's religious message; and that program participants clearly understand the voluntary character of their participation in your organization's religious service offering.

HUD's monitoring and oversight activities are meant to be helpful, not punitive. It wants to offer guidance that is corrective, not punitive, and will allow, where appropriate, you time to comply. If you doubt that this is the case, please contact the Center and ask for assistance.

6. Why does this Initiative exist in the first place?

The Initiative exists to place faith-based and community organizations (FBCOs), especially grassroots ones, on a level playing field with all other grant applicants, and to look for innovative ways to expand or enhance existing service delivery, in order that all persons eligible for HUD assistance may receive that assistance from the organizations most qualified to help in their particular circumstances.

FBCOs include religious and non-religious non-profit groups that provide social services; vary greatly in size and resources operate in the widest range of communities, from the most urban to the most rural; and identify themselves with both community initiatives and objectives and religious or non-religious traditions or philosophies. Experience has shown that they provide unique access to underprivileged communities, high-need individuals, and community leaders; close cultural connections to local communities; dedicated volunteers; deep personal commitment to the individuals being served; individualized and supportive services; and services that effectively complement federal programs.

Yet?small, grassroots FBCOs often did not participate in funding streams open to them by assumptions that they could not partner with government because of religious identity. And so government either excluded faith-based groups, but not secular ones, from certain programs, or it conditioned its assistance on an FBCO's willingness to mask religious identity and suspend certain activities, although the law did not require the masking and suspension.

Additionally, grant-making processes were designed in ways that benefited prior grantees, effectively limiting innovative approaches, and limited outreach to non-traditional partners. Small or novice FBCOs often lacked knowledge, information, or experience with the federal grant-making process.

The result was that certain segments of intended HUD-assisted service recipients went unserved, because those most qualified to help could not easily receive the funding that would allow the service. The Initiative exists to identify these barriers and level the playing field so that the most qualified applicants, regardless of faith affiliation, receive funding to address the needs of their communities.

7. But what about Separation of Church and State?

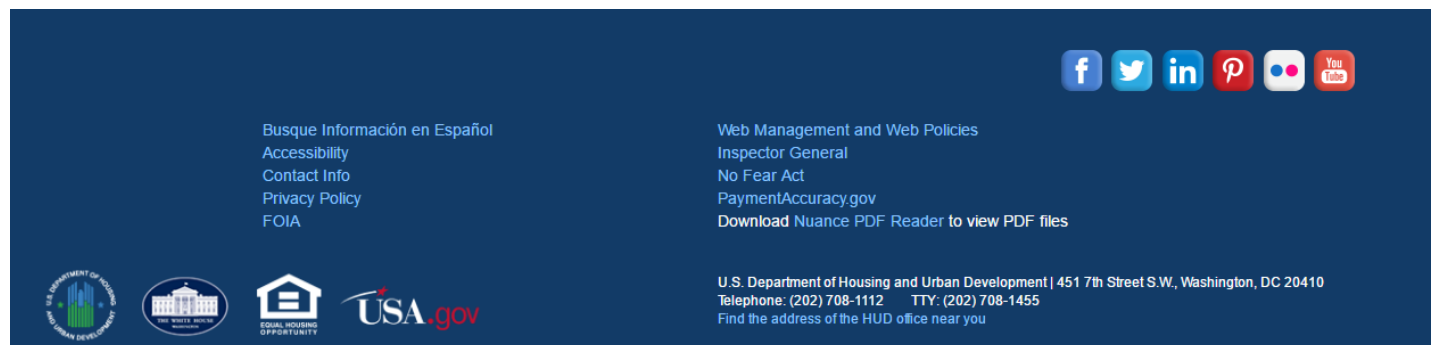
The Supreme Court has "consistently rejected...the argument that 'any program which in some manner aids an institution with a religious affiliation' automatically violates the Establishment Clause" (*Mueller v. Allen*, 1983). HUD's program requirements were carefully crafted to ensure compliance with the First Amendment. As long as your organization is using HUD funds in accordance with these program requirements—including not using HUD dollars to advance your organization's religious mission or the religious component of your entire service delivery, and can account clearly that HUD dollars are being spent only on eligible activities--HUD believes there is no violation of the Separation Clause.

In federal programs utilizing vouchers which allow the service beneficiary to choose a qualified service deliverer, intermingling of secular and religious messages is permissible, as long as the options for service provider include valid secular options; but there are no voucher programs at HUD in which this is the case.

Thus, as long as your organization follows program rules, including the separation in time/place requirement, and program beneficiaries understand the completely voluntary nature of their participation in your organization's religious service offering - and your organization possesses the capacity to deliver the services for which HUD funds you -- HUD welcomes you to its competitive process.

8. How can our organization receive more specific guidance?

HUD offers assistance in a number of ways. The Center participates in regional White House conferences and state-sponsored conferences which contain presentations on this material. You can also contact your regional or local faith-based liaison, and you can find contact information on our website. You can contact the Center and someone here will be glad to assist you.



The footer banner features a dark blue background. On the right side, there are six social media icons: Facebook, Twitter, LinkedIn, Pinterest, Messenger, and YouTube. Below these icons, there are two columns of text links. The left column includes: [Busque Información en Español](#), [Accessibility](#), [Contact Info](#), [Privacy Policy](#), and [FOIA](#). The right column includes: [Web Management and Web Policies](#), [Inspector General](#), [No Fear Act](#), [PaymentAccuracy.gov](#), and [Download Nuance PDF Reader to view PDF files](#). At the bottom left, there are four logos: the U.S. Department of Housing and Urban Development seal, the 1961 White House logo, the Equal Housing Opportunity logo, and the USA.gov logo. At the bottom right, there is contact information: [U.S. Department of Housing and Urban Development | 451 7th Street S.W., Washington, DC 20410](#), [Telephone: \(202\) 708-1112](#), [TTY: \(202\) 708-1455](#), and [Find the address of the HUD office near you](#).

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Special Attention of:

All CPD Office Directors
All CPD Field Office Directors
All CPD Formula Grantees
All HOPWA, Supportive Housing, Shelter Plus Care,
and Youthbuild Grantees

NOTICE: CPD 04-10

Issued: September 29, 2004

Expires: September 29, 2005

SUBJECT: Guidelines for Ensuring Equal Treatment of Faith-based Organizations participating in the HOME, CDBG, HOPE 3, HOPWA, Emergency Shelter Grants, Shelter Plus Care, Supportive Housing, and Youthbuild Programs

Table of Contents:

- I. Purpose
- II. Background
- III. General Guidance
- IV. Applicability
- V. Effective Date for Grant Agreements
- VI. Cost Allocation
- VII. Disposition of Property
- VIII. Monitoring Faith-based Organizations Activities

I. Purpose:

The purpose of this Notice is to provide guidance to HOME, CDBG, HOPE 3, HOPWA, Emergency Shelter Grants, Supportive Housing, Shelter Plus Care, and Youthbuild grantees covered by the September 30, 2003, final rule on ensuring equal treatment of faith-based organizations in CPD programs. This Notice will provide guidance to CPD field staff and grantees on their responsibilities, answer some questions raised, and provide direction on how HUD will administer its responsibilities under this regulation.

Distribution: W-3-1

form **HUD-21-B**

II. Background:

On December 12, 2002, Executive Order 13279 was issued, requiring federal departments to treat all organizations fairly and without regard to religion in federal programs. It is HUD policy that, within the framework of constitutional church-state guidelines, faith-based organizations should be able to compete on an equal footing with other organizations for federal funding. Accordingly, organizations that are faith-based are eligible, on the same basis as any other organization, to participate in HUD's programs and activities. Neither the federal government nor a state or local government receiving funds under a HUD program or activity shall discriminate against an organization on the basis of the organization's religious character or affiliation. HUD supports the participation of faith-based organizations in its programs.

III. General Guidance:

The new rule revises HUD regulations to remove barriers to the participation of faith-based organizations in the programs listed above. In doing so, the preamble to the rule stresses that all program participants should compete on equal footing and be subject to the same requirements. In implementing this rule, HUD and grantees in the formula programs—HOME, CDBG, ESG, and HOPWA, should be conscious that requirements for documentation, reporting, monitoring, and use should be applied to all entities across the board. If a formula grant recipient has procedures in place, these procedures should be applied to all subrecipients without regard to their religious or secular status. Equality of treatment should be the guiding principle in implementing the regulations.

As with any regulatory change, the new rule requires clarification on several fronts in order to ensure a uniform and accurate implementation in the affected programs. The purpose of this notice is to provide guidance on certain aspects of the September 30, 2003, final rule. The guidance contained in this notice applies to all eight of the CPD programs covered by the September 30, 2003, final rule. HUD may issue additional guidance, as it determines necessary, and as it receives questions and requests for clarification on the new regulatory requirements.

IV. Applicability:

On September 30, 2003 (68 FR 56396), HUD issued a final rule requiring equal treatment of faith-based organizations for eight HUD programs administered by its Office of Community Planning and Development (CPD). In addition, HUD published a final rule on July 9, 2004 (69 FR 41712) requiring, among other things, that states under the CDBG program provide equal treatment of faith-based organizations. Copies of the rules are attached as Appendix A or can be accessed online at <http://www.hud.gov/initiatives/fbc/finalrule.pdf> and <http://www.hud.gov/offices/fbc/finalfr070904.pdf>. These programs are:

1. HOME Investment Partnerships (24 CFR part 92);
2. Community Development Block Grants (CDBG) for Entitlements, States and HUD-Administered Small Cities and Insular Areas (24 CFR part 570). Including Economic Development Initiative (EDI), Brownfields (BEDI), and Section 108 Loan Guarantees
3. Hope for Homeownership of Single Family Homes (HOPE 3) (24 CFR part 572)
4. Housing Opportunities for Persons With AIDS (HOPWA) (24 CFR part 574);
5. Emergency Shelter Grants (ESG) (24 CFR part 576);
6. Shelter Plus Care (24 CFR part 582);
7. Supportive Housing (24 CFR part 583); and
8. Youthbuild (24 CFR part 585).

The amendments made by the September 30, 2003, final rule provide policy on the following:

- *Faith-based organizations are eligible for HUD funding on an equal footing with any other organization.*

Organizations competing for HUD funding, including faith-based organizations, should be assessed on their merits and how well they perform eligible activities, not on their religious or secular character.

- *Faith-based organizations retain their independence.*

The rule provides that a faith-based organization that receives HUD funds will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HUD funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, a religious organization retains its authority over internal governance, may constitute its board on a religious basis, may display religious symbols and icons, and retains its Title VII exemption, which permits it to hire only employees that share its religious beliefs without incurring liability under the Civil Rights Act.

A faith-based organization's exemption from the federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1(a)), is not forfeited when the organization receives HUD funding. However, a faith-based organization, like any other entity participating in a HUD funded program, must comply with all the statutory requirements of that program. Both the CDBG and HOME programs contain statutory provisions imposing nondiscrimination requirements on all grantees and their recipients, subrecipients, subgrantees, and contractors. Section 109 of the Housing and Community Development Act of 1974 as implemented at 24 CFR part 6 and 24 CFR 570.602 and Section 282 of the HOME Investment Partnership Act as implemented at 24 CFR 92.350 provide that "no person in the

United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.” In light of prior court decisions regarding similarly broad language, one interpretation of this provision is that it means that any entity being assisted with CDBG or HOME funds may not treat employees or job applicants differently on a religious basis. Religious organizations that believe that this substantially burdens their religious freedom may be entitled to additional protection under the Religious Freedom Restoration Act (42 U.S.C. 4000bb-3, 4000bb-2(1)), which applies to all federal law and its implementation. Grantees should also be aware that the provisions of Section 109 and Section 282 may pose questions of conformance with Title VII of the Civil Rights Act of 1964 and future court rulings could define more specifically the application of these laws to faith-based organizations.

Since the provisions of Section 109 or Section 282 apply to activities funded through CDBG or HOME programs, faith-based organizations administering CDBG or HOME funded activities should be aware that the nondiscrimination provisions normally apply to employees administering the activities but clearly not to employees not involved in the activity. To the extent that a faith-based organization uses an indirect cost method to allocate CDBG or HOME expenses across the organization, they should be aware that doing so may trigger nondiscrimination provisions of Section 109 or Section 282 for the whole organization. The statutory and regulatory coverage is the “program or activity (funded in whole or in part)” (see 24 CFR 6.3).

- *Organizations may not use direct HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization.*

In the context of the regulation, “direct HUD funds” means that the state or local government, grantee, or an intermediate organization with similar duties as a governmental entity under a particular HUD program selects an organization and purchases needed services straight from the organization (e.g., via a contract or cooperative agreement). “Direct funds,” then, applies as a term both to HUD funds received by an organization as a competitive grant award and to HUD funds received through a governmental entity such as an entitlement community, participating jurisdiction, etc. In contrast, “indirect funding” means that the choice of service provider is determined by a beneficiary, who pays for the cost of that service through a voucher, certificate, or other similar means of payment.

An organization that is awarded direct HUD funds may still engage in inherently religious activities providing they are voluntary for participants in HUD-funded activities and occur separately in time or location from the HUD-funded activities. For example, a Bible study that is conducted by a faith-based organization operating a HUD-funded “soup kitchen” must be separate in time or location from the meal service and must be voluntary for any recipients of the

meal service. Prayers offered before meals are acceptable so long as they are voluntary and understood to be voluntary by those receiving meal services.

When a grantee's or subgrantee's HUD funded program provides a voucher, certificate or similar means of payment to a program beneficiary and permits the beneficiary to choose from among a range of service providers, such a program is typically a form of "indirect" aid. If the beneficiary then chooses a faith-based provider, the faith-based service provider is exempt from the prohibition against incorporating inherently religious activities into their provision of HUD funded services.

- *Faith-based organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion.*

An organization receiving HUD funds may not restrict HUD-funded services or housing to people of a particular religion or religious denomination. For example, a church-run community center improved with HUD funds may not restrict use of the center to members of the church. Likewise, organizations may not require a particular religious belief or activity as a condition of receiving benefits or participating in activities provided with HUD funds. Both the CDBG and the HOME program statutes and regulations prohibit any person from being denied the benefits of, or being subjected to discrimination, on the basis of religion under any activity funded in whole or in part with CDBG or HOME funds. This prohibition would also prevent, for example, an organization from marketing or advertising housing, facilities or services exclusively to members of a particular faith. In addition, participating jurisdictions (PJs) should note that the affirmative marketing requirements of 24 CFR 92.351 apply to HOME-assisted housing containing five or more assisted units, including the requirement for outreach to persons in the market area that are "least likely to apply."

- *Faith-based organizations, like other organizations, may receive HUD funds to acquire, construct, or rehabilitate buildings and other real property as long as the funds only pay the costs attributable to HUD activities.*

Faith-based organizations are no longer required to form a separate, secular organization to receive HUD funds for real property as they were under HUD's former regulations. However, an organization that engages in inherently religious activities must allocate its costs so that HUD funds are used only for eligible HUD activities. (Further guidance on cost allocation is provided below.) Additionally, HUD funds may not be used to acquire or improve sanctuaries, chapels, or any other room that faith-based entities receiving HUD funds use as their principal places of worship.

- *The statutory provisions defining eligible program applicants remain the same and are not affected by this rule change.*

Grantees are reminded that statutory and regulatory provisions that define eligible applicants still apply. For example, to be certified as a community housing development organization (CHDO) by a participating jurisdiction (PJ), faith-based organizations must meet the same requirements as any other entity as described in 24 CFR 92.2. This includes the requirement that the faith-based organization be a Section 501(c)(3) or 501(c)(4) organization. A faith-based organization that is not organized as a 501(c)(3) or 501(c)(4) organization would not qualify as a CHDO. However, it may create a separate 501(c)(3) or 501(c)(4) organization that would be eligible to qualify as a CHDO. Similarly, in the CDBG Entitlement program, community based development organizations (CBDOs) must meet certain qualification requirements described in 24 CFR 570.204(c). The regulation states that a CBDO must be organized under state or local law to engage in community development activities, or under Section 301(d) of the Small Business Investment Act of 1958, or under Sections 501, 502, or 503 of the Small Business Investment Act of 1958.

- *The final rule applies to state or local funds if a state or local government chooses to commingle its own funds with the HUD funds covered by the rule.*

V. Effective Date for Grant Agreements:

The new rule is applicable to all future grant agreements, and grant agreements executed with organizations following the effective date of the final rule (October 30, 2003) must be consistent with the new regulatory provisions. Organizations with previously executed grant agreements may request that the grantor agency amend those agreements to reflect the new regulatory provisions, in accordance with the same procedures applicable to amendments.

For formula grantees, including states under the CDBG, HOME, ESG and HOPWA programs, the final rule applies to all funds committed, including amendments, after the effective date of the final rule, October 30, 2003. Grantees under the CDBG, HOME, ESG and HOPWA programs should review their guidance, procedures, contracts, agreements, and documents for recipients, subrecipients, subgrantees, and contractors to be sure that all documents and agreements are in compliance with the new regulations. In order to ensure equal treatment, grantees should revise guidance where necessary to remove barriers to the participation of faith-based organizations.

For grantees of competitively awarded programs, the final rule applies to any subgrants or contracts advertised, competed, or awarded after October 30, 2003, including any continuing transactions or amendments with subgrantees or contractors.

VI. Cost Allocation:

Each grantee, particularly the formula program grantees, should establish a policy for determining cost allocation between eligible and ineligible activities for all capital improvement projects that is consistent with the applicable program rules. The policy should be applied to all recipients and subrecipients in an equal, impartial manner. The policy should include record-keeping requirements, fair market value, reporting requirements, and any procedures for terminating participation in the program.

- The new rule introduced a significant change to the use of HUD funds for the acquisition and improvement of physical property by eliminating the requirement that faith-based grantees and subrecipients establish a separate, secular nonprofit organization to receive funding for the acquisition, construction, reconstruction, or rehabilitation of buildings. Faith-based organizations may now receive HUD funding for structures in which both eligible activities and inherently religious activities occur so long as the costs are allocated according to the extent of the eligible activities.
- Funds awarded for social services activities may be allocated according to space or time. Allocating funds by space is relevant in circumstances in which individual rooms or other discreet areas within a larger structure are used solely for ineligible activities (i.e., inherently religious activities). Allocating funds by time is relevant when individual rooms or structures are used for both eligible and ineligible activities.
- When allocating funds according to time, the proportion of total cost borne by HUD funding shall be no greater than the proportion of time the space is used for eligible activities. For example, the total cost to rehabilitate two rooms is \$10,000 and the rooms are used for eligible activities 50% of the time (total hours used per week is 40, and 20 hours each week is for eligible activities). In this example, no more than \$5,000 of HUD funds may be used for the proposed rehabilitation.
- When allocating funds according to space, whether for acquisition, rehabilitation, or social service activities, important measures such as square footage and numbers of rooms should be used in the calculation. The cost of space used for eligible activities should be subtracted from the total cost. Improvements that benefit the entire building, such as a boiler or roof repairs, should be allocated accordingly.

Special Considerations:

The CDBG program represents a special case on the topic of allocating funds on any basis other than religious use. The CDBG Entitlement regulation at 24 CFR 570.200(b) is the only HUD regulation that speaks to allocating costs of eligible public facilities, and it limits cost allocation to considerations of space, but not time. For this reason, HUD will consider waivers to permit cost allocation by time with CDBG Entitlement funds.

HOME program funds may only be used to assist affordable housing. The HOME program does not fund social services or space used by social service programs. Therefore, a cost allocation method based on time is not applicable to the HOME program. The HOME regulations at 24 CFR 92.205(d) address the issue of cost allocation in multi-unit housing projects with both eligible and ineligible units or space. Additional guidance is provided in Notice CPD 98-02 “Allocating Costs and Identifying HOME-Assisted Units in Multi-Unit Projects” (March 18, 1998). HOME-assisted common space must be reserved for the general use of the residents on a non-discriminatory basis. The HOME rule does not define how residents may use this space. If residents wish to use the common space for activities of a religious nature, this is permissible as long as this is not the only use of the common space, preference is not provided for religious uses, participation is voluntary, and participation is limited to residents and their guests. In addition, just as equipment and artifacts used for any activity organized in common spaces must be removed after the activity has terminated, any religious, artifacts, or equipment placed in the common area for religious activity must be removed at the conclusion of the activity.

- The new rule clarifies that religious congregations may not receive HUD funds for improvements to sanctuaries, chapels, or any other room that the congregation uses as its principal place of worship, even if the room is used for eligible activities during non-worship times. Organizations that lease space to a religious congregation to use as its principal place of worship, however, may receive HUD funds for improvements to the structure, provided (1) the space is leased at fair market rent, and (2) the funds are allocated by time according to the eligible activities for which the space is used.
- The following provide examples of the application of the new rules regarding capital expenditures:

Example 1 (ineligibility of a room used as a principal place of worship). A one-room church applies for CDBG funds to make several necessary repairs. On Sunday morning, the church serves as a place for congregational worship. During weekdays, the church is used to operate a “soup kitchen” for homeless individuals. Accordingly, except for the few hours on Sunday morning when the church holds worship services, the one-room church is used for the purpose of providing meals to homeless individuals—a purpose that is eligible for HUD assistance. However, the one-room church is ineligible for CDBG-funded improvements because it is the congregation’s principal place of worship.

Example 2 (eligibility of rooms located within a building that includes the principal place of worship). A synagogue with several rooms applies for CDBG funds to do necessary rehabilitation only to its “soup kitchen,” which is operated from two rooms located within the synagogue basement. The congregation does not use these rooms as its principal place of worship; they are used exclusively for the “soup kitchen.” Accordingly, the rehabilitation of the two rooms is eligible for CDBG assistance.

Example 3 (eligibility of structure formerly used as a principal place of worship). A mosque purchases an abandoned church and applies for HUD funding to renovate it and use it as an elderly daycare center. The planned renovation will retain the existing exterior facade of the former church, including the stained-glass windows. The mosque will not conduct inherently religious activities within the new daycare center. Although the proposed rehabilitation involves a building formerly used as a church, the entire renovation is eligible for HUD funding because the building will be used solely for eligible HUD activities.

Example 4 (cost allocation based on space). A church applies for HUD funding to construct a homeless shelter, which will contain several rooms for use as a shelter as well as a one-room chapel to be used for weekly religious services and nightly prayer meetings. With the exception of the chapel, the homeless shelter will be used exclusively for eligible HUD-funded activities; no inherently religious activities, such as worship or religious instruction, will be conducted outside of the chapel. Homeless individuals staying at the shelter will be offered the opportunity to participate in the religious services, but attendance will be voluntary. HUD may assist the construction on an allocated basis by excluding the costs of the chapel.

Example 5 (cost allocation based on time). A church applies for CDBG funding to make repairs to a gymnasium within a larger building complex that also contains its sanctuary and offices. The gymnasium is in use 40 hours a week. For four hours each weekday (20 hours per week), the gymnasium is used to operate a nonreligious recreation center for at-risk youth, a program that is otherwise eligible for HUD assistance. For the remainder of time during which the gymnasium is in use (20 hours per week), the congregation uses the gymnasium for a variety of activities, including religious programs that are ineligible for HUD assistance. While the gym is a discrete space in the complex, because it is used for both eligible and ineligible activities, the costs must be allocated based on time, should the church secure a waiver to the CDBG space cost allocation requirements (see example 4 above).

VII. Disposition of Property:

Under the new rule disposition by a faith-based organization of real property after the term of the grant, or any change in the use of the real property during the term of the grant, is subject to the government-wide regulations governing real property disposition. These general regulations are found at 24 CFR part 84 (for institutions of higher education, hospitals, and other nonprofit organizations) and 24 CFR part 85 (for state, local, and federally recognized Indian tribal governments). Pursuant to § 84.37, real property, equipment, intangible property, and debt instruments that are acquired or improved with federal funds must be held in trust by the faith-based organization as trustees for the beneficiaries of the project or program under which the property was acquired or improved. The faith-based organization will record liens or other appropriate

notices of record to indicate that personal or real property has been acquired or improved with federal funds and that use and disposition conditions apply to the property.

With regards to the acquisition and disposition of real property, parts 84 and 85 generally require that, except as otherwise provided in federal statute, the faith-based organization must use the real property for the originally authorized purpose as long as needed for that purpose. The faith-based organization may not dispose of, or encumber, its title or other interest in the property. When the real property is no longer needed for the originally authorized purpose, the faith-based organization must request disposition instructions from HUD or the grantee. HUD or the grantee may authorize the faith-based organization to sell or retain title to the real property, but only after compensating HUD for the federal assistance. Alternatively, HUD or the grantee may require the faith-based organization to transfer title to HUD, the grantee, or an eligible third-party, and compensate the faith-based organization for its attributable percentage of the current fair market value of the property. Faith-based organizations should refer to 24 CFR parts 84 and 85 for more specific requirements regarding the disposition of property (see § 84.32 and § 85.31).

Special Considerations:

The regulatory requirement subjecting property disposition to parts 84 and 85 applies when some part of the assisted property has been used by the recipient for inherently religious activities (such as worship or religious instruction) or when the owner of the property is a religious or faith-based organization.

While many of the covered CPD programs have statutory or regulatory provisions governing change of use and disposition of assisted properties, these provisions are not necessarily sufficient to satisfy constitutional safeguards required by the Supreme Court when a faith based organization receives HUD assistance. Therefore, the September 30, 2003, regulations make the provisions of parts 84 and 85 governing property disposition and change of use applicable to these programs along with the program-specific provisions. Note that while § 84.32 only relates to disposition of property, § 84.37 permits HUD to apply use and disposition requirements to properties acquired or improved with federal funds. In practice, this means that at the time of a change in use or disposition of HUD-improved property, HUD will apply the analysis of § 84.32 in permitting the disposition or change of use of the improved property. Conveyance of homeownership units to private families does not pose a risk of violation of the separation of church and state, so there are no additional requirements imposed for conveyance homeownership properties by faith-based organizations to eligible homebuyers.

ESG: While section 415(c) of the McKinney Vento Homeless Assistance Act requires the grantee to certify that the assisted property will be used for at least 10 years in the case of major rehabilitation assistance or 3 years for other rehabilitation assistance, when a faith-based organization holds title to property acquired or improved with ESG funds, § 84.32 applies as well.

SHP: Section 423(b) of the McKinney Vento Homeless Assistance Act requires that property acquired, constructed, or rehabilitated with grant funds will be used for supportive housing for at least 20 years (unless HUD permits the conversion of the property to another use benefiting low-income persons). If the property is used for less than 20 years, the statute requires repayment of up to 100 percent of the original assistance provided. When a faith-based organization holds title to property acquired or improved with SHP funds, the amount to be repaid to the program account will be the greater of either the statutorily-derived amount or the amount determined under § 84.32.

Youthbuild: Section 84.32 governs the change of use or disposition of properties acquired or improved with Youthbuild funds.

HOPWA: Section 858(b) of the AIDS Housing Opportunity Act requires that certain HOPWA-assisted property will be used for AIDS short-term supportive housing for at least 10 years if acquired or substantially rehabilitated with HOPWA funds or at least three years if leased, renovated, converted, or repaired with HOPWA funds (unless HUD permits the conversion of the property to another use benefiting low-income persons). When a faith-based organization holds title to property acquired or improved with HOPWA funds, disposition and change of use is governed by § 84.32.

HOME: The affordability period for rental housing required by section 215(a)(1)(E) and implemented at 24 CFR 92.252 is not necessarily sufficient to satisfy the constitutional safeguards required by the Supreme Court. Therefore, when a faith-based organization holds title to property acquired or improved with HOME funds, it is subject to the requirements of § 84.32 after the affordability period.

CDBG: Properties owned by faith-based organizations are subject to the requirements of § 84.32, not the general CDBG subrecipient property disposition requirements of 24 CFR 570.503(b)(7) or 570.489(j).

VIII. Monitoring Faith-Based Organizations' Activities:

- Like any recipient of HUD funds, faith-based organizations are responsible for complying with HUD regulations. Therefore, they must carefully account for the use of those funds and ensure that funds are used only for eligible activities. They should be monitored with no more or no less scrutiny than any other HUD-funded organization to ensure compliance with program requirements.
- HUD funded grantees should make faith-based organizations aware of the conditions pertaining to the use of HUD funds through the same common and regular procedures used to advise all recipients, subrecipients, subgrantees and contractors of funding availability and program requirements.

June 14, 2018

City of Iowa City Council
410 E. Washington Street
Iowa City, IA 52240



CITY OF IOWA CITY

410 East Washington Street
Iowa City, Iowa 52240-1826
(319) 356-5000
(319) 356-5009 FAX
www.icgov.org

RE: Johnson County SEATS and Iowa City Transit Contracts

Dear City of Iowa City Council Members and Mayor:

The Housing and Community Development Commission (HCDC) voted to recommend that transit service in Iowa City be extended at our meeting of June 21, 2018. Supported extensions of transit service include the following:

- 1) **Late Nights Service:** Extending night service would better accommodate our city's workforce, especially for second- and third-shift workers. Some workers have indicated they have even turned down shifts because of a lack of affordable transportation; and
- 2) **Sunday Service:** Our community has developed and invested in wonderful festivals, such as the Iowa City Jazz Festival, Iowa Arts Festival, Fourth of July fireworks, Iowa City Book Festival, Iowa Soul Festival, and many more. However, many people cannot stay late at the festivals or attend on Sundays due to the lack of transit service at 6:30 pm on Fridays and Saturdays.

We must serve all members of our community and encourage their desire for gainful employment and enjoyable family centered entertainment.

We support similar expansion in forthcoming negotiations with Johnson County for SEATS paratransit service, in addition to regular fixed-route transit service.

Sincerely,

Harry Olmstead, Chair
Housing and Community Development Commission



CITY OF IOWA CITY MEMORANDUM

Date: May 24, 2018
To: Mayor and Council
From: Geoff Fruin, City Manager
Re: Transit Study Consultant Selection

The FY19 budget contains funds to conduct a comprehensive analysis of the Iowa City transit system routes, hours of operation and pass/transfer policies. As previously discussed, staff reached out to the University of Iowa and nearby communities to gauge their interest in partnering on the study. Both the University of Iowa and the City of Coralville have expressed interest in further exploring how they might participate in such a study.

In our discussions, there was great enthusiasm about the potential benefits of a study to each individual agency, and more importantly to the public. However, at this time it is very difficult to define a scope of service with enough specificity that firm proposals could be solicited as is typical with a Request for Proposal (RFP) process. In order to keep the project moving forward, I am recommending a slightly modified process for the development of a scope and selection of a consultant.

I am recommending that staff begins to develop a Request for Qualifications (RFQ) document that can be used to solicit interest from industry consultants. The RFQ would generally describe the goals of the study and request information related to the firm's experience with similar studies, ideas for approach to our particular project, and a general framework for their cost structure. My hope is that a team of staff from all three participating entities can identify the most qualified and well-suited consultant through this process and utilize their expertise to craft a detailed scope of service that will meet our individual and collective needs. Subsequently, staff would negotiate a price and cost-share agreement for the study.

With City Council concurrence, staff will begin drafting the RFQ document. Prior to issuance, we will share the document with the University of Iowa and Coralville and request their feedback. I also hope that we can schedule a work session in July so that you can provide your goals for the study and your ambitions for our transit system in general. This discussion will help staff as we work to select the consultant and develop a scope.

Please let me know if you have any hesitations with this process or if you would like to schedule a discussion before staff spends the time working on the RFQ process.

2015

Community Transportation Survey

Jeremy Endsley, Laura Jackson

Community Transportation Committee

11/15/2015

Introduction

Transportation to work is essential for finding and maintaining employment. For those who depend exclusively on public transit services to get to work, limited services can narrow available employment options, creating a major roadblock to securing a viable livelihood. Personal reports suggest there are limited public transportation options in Iowa City, Coralville, and North Liberty for workers, including those accessing public services such as emergency shelters, food pantries, and neighborhood centers. The Community Transportation Committee conducted a survey at several of these locations in order to investigate whether transportation problems are a widespread phenomenon. Improving transportation options for workers has many benefits both for individuals and for the economic prosperity of the region.

This report explores the results of research on barriers to employment related to public transit in Iowa City, Coralville, and North Liberty for individuals accessing public services. The purpose of our research was to provide a clearer picture of whether there are gaps in transportation services for workers and, if gaps exist, to determine which transportation services are most needed. This report also provides examples of transportation programs in other communities and suggests how they might be used as models for future transportation initiatives in Johnson County.

Public transportation provides personal mobility and freedom for people from every walk of life. – American Public Transportation Association

Linkage between Transportation and Employment

Providing inclusive transportation options benefits workers by increasing job opportunities, promoting self-sufficiency, and extending pathways for career advancement. According to the National Coalition for the Homeless Employment Report, 30% of survey respondents reported that transportation was a barrier to employment (Acuña and Erlenbusch, 2009).

Providing more transportation options also benefits the local economy by providing an adequate workforce and enhancing investment. According to the American Public Transportation Association, every \$1 invested in public transportation generates approximately \$4 in economic returns, every \$10 million in capital investment in public transportation yields \$30 million in increased business sales, and every \$1 billion invested in public transportation supports and creates more than 50,000 jobs.

Home values performed 42 percent better on average if they were located near public transportation with high-frequency service (American Public Transportation Association, 2016).

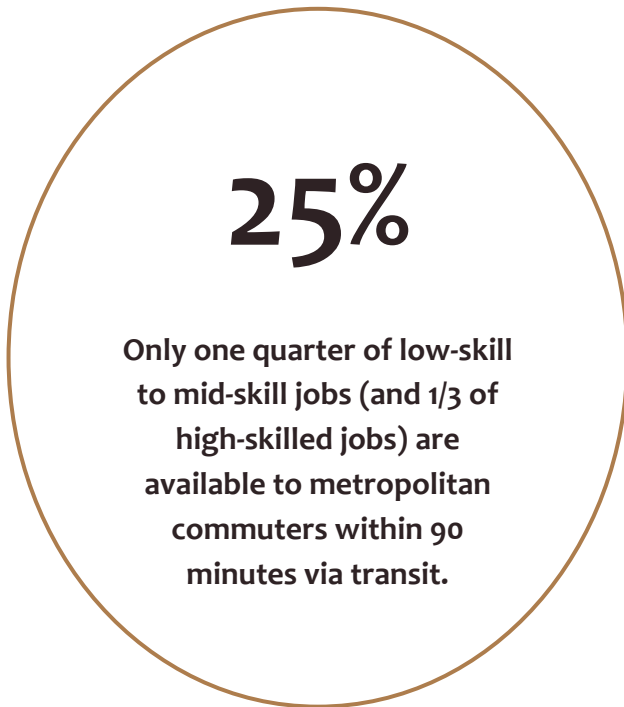


Figure 1– Tomer, Kneebone, Puentes, & Berube, 2011

Another benefit of improved public transportation is the "agglomeration economy effect" to which it can lead. The agglomeration economy effect refers to increased population density and access, which can increase businesses' potential employees and customers, as well as facilitate collaboration and innovation through increased sharing of information (Weisbrod & Reno, 2009).

Current Public Transportation Options

Current public transportation services in Iowa City, Coralville, and North Liberty consist of fixed bus routes and on-demand services, including a free fixed route bus service for students of the University of Iowa. Iowa City and Coralville both have daytime and night time bus service; however Coralville buses run an hour earlier and later than Iowa City buses. Bus service to North Liberty is provided by Coralville transit and currently runs twice daily.

To enhance access to public transportation services, the City of Iowa City provides 1,220 free bus passes monthly to low-income individuals through social service agencies. Iowa City Transit also has discounts for people who receive Medicaid and people over 60 years of age (\$0.50 per ticket versus \$1.00), and people who have disabilities receive free services during off-peak hours. Coralville Transit provides service to Coralville and North Liberty with discounted fares for people who are 65 or over, or have a disability, at \$0.50 per ticket, versus \$1.00. Neither city currently provides free bus tickets to service agencies.

Transportation Service	Service Type	Hours of operation	Population Served
Iowa City Transit	Fixed Route	6:30 am to 11:00 pm M-F 6:30 am to 7:30 pm Sat	General Public
Iowa City Transit Low-Income and Disabled Discounts	Fixed Route	6:30 am to 11:00 pm M-F 6:30 am to 7:30 pm Sat	Low-income and people with disabilities
Coralville Transit	Fixed Route	6:00 am to 11:45 pm M-F 7:15 am to 7:30 pm Sat	General Public
North Liberty Service (Through Coralville Transit)	Fixed Route	6:30 am to 7:30 am M-F 5:00 pm to 6:00 pm M-F	General Public
Cambus (University of Iowa)	Fixed Route	6:00 am to 12:40 am M-Sun	Free to public
Bionic Bus (University of Iowa)	On- Demand Paratransit	6:30 am to 12:30 am M-F 12:00 pm-12:30 am Sat-Sun	Faculty, students, and staff with permanent or temporary disabilities.
Safe Ride Service (University of Iowa)	On- Demand	Friday and Saturday nights from 12:10 am to 2:10 am during the academic year (end of August to mid-May)	Free to general public
Johnson County Seats (Iowa City)	On- Demand Paratransit	6:00 am to 11:45 pm M-F 7:15 am to 7:30 pm Sat	Open to the general public
Johnson County Seats (Coralville)	On- Demand Paratransit	6:00 am to 11:45 pm M-F 7:15 am to 7:30 pm Sat	Open to the general public
Johnson County Seats (North Liberty)	On-Demand Paratransit	7:00 am, 11:00 am, & 4:30 pm M-F	Open to the general public
Johnson County Seats (Morse, Solon, Shueyville, Sutliff, Swisher)	On- Demand Paratransit	Monday, Tuesday & Thursday from 8:30 a.m. to 4:30 p.m.	Open to the general public
Johnson County Seats (Oxford, Tiffin, Cosgrove)	On- Demand Paratransit	Tuesday and Thursday from 8:30 a.m. to 4:30 p.m.	Open to the general public
Johnson County Seats (Lone Tree, Sharon Center, Hills, Frytown)	On- Demand Paratransit	Monday, Wednesday, and Friday from 8:30 a.m. to 4:30 p.m.	Open to the general public
Elder Services Medical Transportation	On-Demand	As scheduled	People who are 60 years of age or older

Figure 2 Transportation Services in Iowa City, Coralville, and North Liberty

Assessing Gaps in Transportation Services: Community Transportation Survey

Purpose

The purpose of the Community Transportation survey was to assess whether transportation was a barrier to employment for workers in Iowa City, Coralville, and North Liberty. And, if transportation was a barrier to employment, to determine what gaps in transportation services were the most common.

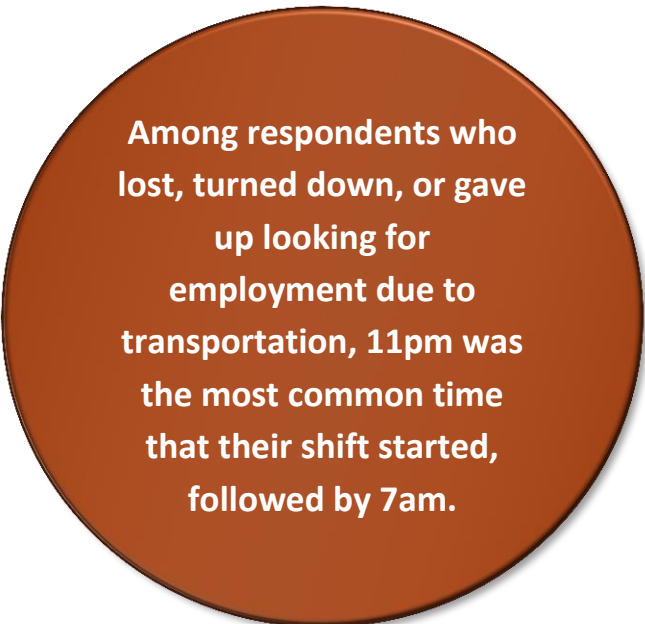
Methodology

Community Transportation Surveys were collected during the first two weeks of November in 2015. A total of 157 surveys were collected from six locations including the North Liberty Community Pantry, Coralville Ecumenical Pantry, The Crisis Center of Johnson County, Shelter House, the Center for Worker Justice, and at the Homeless Stand Down event held at the Robert A Lee Recreation Center. Surveys were conducted in the lobby or waiting area of each location. As individuals were seated in the waiting area, each was offered a survey. Surveys were distributed in English and Spanish.

Results

Residence

The largest group of respondents consisted of residents of Iowa City, followed by Coralville. A smaller number of surveys were collected in North Liberty than Iowa City or Coralville because fewer individuals visited the North Liberty Pantry compared to the other survey locations.



Among respondents who lost, turned down, or gave up looking for employment due to transportation, 11pm was the most common time that their shift started, followed by 7am.

Barriers to employment

Respondents were asked whether, in the past year, they had lost a job, turned down a job, or given up looking for a job they wanted due to poor transportation options. **Forty percent** of respondents reported turning down a job because of poor transportation. **Thirty-five percent** reported that they had lost a job and **thirty percent** reported that they gave up looking for a job they wanted (n=140). Among respondents who had lost, turned down, or gave up

looking for employment due to transportation, 11pm was the most common time that their shift started, followed by 7am (n=77).

Gaps in Transportation Services

The main challenges accessing public transit to get to work or a job interview reported by respondents were that the bus did not run when they needed it and did not run as frequently as needed (n=142). The most difficult days to get to work or a job interview using public transit in order of difficulty were Sunday, Saturday, and Friday, as reported by respondents. The most difficult times to get to work were late night (9pm to Midnight), early morning (Midnight to 7am), and evening (6pm to 9pm), which fall outside regular hours of operation for Iowa City Transit and Coralville Transit.

Demographics

Sixty percent of the survey respondents reported their race as White, thirty percent Black, four percent Latino, two percent American Indian, one percent Asian, and two percent multi-racial. Seventeen percent of respondents reported they were of Hispanic origin. Twenty percent of respondents had a disability that made it difficult to use a car, bus, or required a wheelchair lift. Fifty-six percent of respondents earned less than ten thousand dollars per year.

Thirty-five percent of respondents reported that they had lost a job due to limited transportation choices.

Discussion

Gaps in Transportation Services

Early morning and late night services were the most requested transit features according to our survey. Specifically, 7:00am and 11pm were the most frequently requested times. Frequency of service was also an issue.

Though the sample size of respondents living in North Liberty was small, many respondents who were not residents of North Liberty requested better bus service to the city.

Consistent with the 2009 findings of the National Coalition for the Homeless, 30% of respondents we surveyed reported that they had lost, quit, or gave up looking for a job due to lack of transportation (Acuña and Erlenbusch, 2009).

Financial Barriers to Transportation and Employment

One challenge faced by workers accessing public services is that bus passes are often out of reach for financial reasons. Agencies such as Shelter House and the Crisis Center give out bus passes, but this service is a

burdensome expenditure for small non-profits and the demand for passes far exceeds the supply. Another financial difficulty is the paycheck gap. Even when employment is found, without an immediate source of funding available, workers still may not be able to afford to ride the bus until they receive their first paycheck. This narrows employment options to those that are within walking distance, limiting both type of jobs people can apply for and the pay rate they can achieve.

Recommendations

Extend Current Iowa City Bus Services

Currently, Iowa City morning bus service begins at 6:30 am and night service ends at 11:00 pm, while Coralville morning service begins at 6:00 am and night service ends at 11:45 pm. In order to increase the ease of commuting for workers between the three cities, Iowa City could extend bus hours on some routes one hour earlier and one hour later, allowing time for passengers to get to and from work on time. This change would positively impact many industries such as restaurants, janitorial, manufacturing, grocery stores, retail, security, and many others.

Consider New Forms of Transit

New programs such as vanpools, subsidized taxis, and low cost transportation programs could provide many new options for workers to reach employers. These

programs should start small and scale to demand. Once demand can be assessed, more decisions can be made. City, County, State, and foundation funding sources could support more transportation options. Ideally, State special project transportation funding would be used to initiate programs and City and County funding would provide subsidies. User fees could be charged, except on low-barrier services.

Vanpool Services

A vanpool service would be beneficial if there are groups of people going to the same or closely located places to work. Vanpools can be operated by one or more organizations in order to serve workers who have limited options to obtain transportation to work, such as people who start or end work shifts outside of the operating hours of public transit, people who work at locations not located near a bus route, or people experiencing homelessness.

Typically, vanpools employ a driver who works at a particular employer to drive a van of other employees to work. The driver is allowed to take the vehicle home and is allotted a certain amount of extra miles.

A vanpool program would be beneficial to the city to complement an expansion of bus service hours, so that the two approaches could target community needs in a cost-effective way.

Subsidized taxis

A subsidized taxi service would be particularly helpful in cutting down transit time for people working and balancing other responsibilities at home, such as raising children. Transportation can take a long time if individuals do not live close to where they work or if they have to take one or more transfers to get to work, which can present challenges to working people. It would also be very helpful for people who work second or third shift, when buses are not running. The service would also benefit taxi companies, because they would get more business from it; the compensation would simply come from the subsidy instead of the client.

Low-barrier Transportation to Work Programs

A low-barrier transportation to work program can take various forms. It could be a free vanpool for those who qualify, a program which dispenses free bus passes to those who qualify, free taxi vouchers for those who qualify, or any other program which provides free transportation to individuals who do not otherwise have access (due to homelessness, loss of employment, etc.). The idea of low-barrier transportation to work programs is to provide initial transportation so individuals can apply for, obtain, and maintain employment. Once these individuals are self-sufficient, they would no longer qualify for the program and their spot would be taken by another qualified individual.

The idea of low-cost transportation to work programs is to provide initial transportation so individuals can apply for, obtain, and maintain employment.

Case Studies

Subsidized taxis

Olathe, Kansas Subsidized Taxi Program



The city of Olathe, Kansas also has a successful subsidized taxi program which was started in 1974. Olathe has a slightly larger population than Iowa City at around 130,000. The taxi program has roughly 500 participants and provides approximately 40,000 rides per year. The city of Olathe puts out a request for proposal every 5 years, and taxi companies apply for the contract.

In Olathe's program, there are three types of coupons for subsidized rides: personal coupon- must be 60 or older or disabled to qualify (21 rides per month allowed), medical coupon- must be 60 or older or disabled to qualify (21 rides per month allowed), and employment coupon- must be at 150% poverty level to qualify currently under Job Access and Reverse Commute (JARC) program funding standards; when JARC no longer funds the program, must be at 80% of HUD to qualify under community block grant standards. The work program is the most utilized with around 20,000 one way trips provided per year.

In order to participate in the program, clients must fill out an application and become accepted; riders then call dispatch to set up a ride. Once riders have established a relationship with a taxi

driver, many call that driver directly to set up rides. The price to riders is \$3.50 per book, with 10 rides per book (35% of normal fare). The riders purchase coupon books from the city transit authority and give coupons to the drivers, and then the taxi company submits bills for rides to the city and is reimbursed by the city. The city also provides two ADA accessible vans to the taxi company for the program.

The annual cost of the program is approximately \$550,000. The program receives \$198,000 from city funds, \$198,000 from federal grant funds, \$140,000 in sales, \$15,000-\$40,000 in additional county block grant funds.

Olathe calculated the economic benefits of this program to the community. In 2015, Olathe had approximately 155 participants in the work program. For sake of simplicity, they assumed each of those individuals worked 20 hours a week and made minimum wage at \$7.25 per hour which would be \$145.00 weekly wages or \$7,540.00 yearly. $\$7,540.00 \times 155$ participants is \$1,168,700.00 per year in wages that wouldn't be in the community otherwise. Program administrators used these conservative numbers due to some of the participants who go to work preparation locations or workshops where they are paid a piecemeal rate that doesn't amount to much. (A. Hollister, personal communication, January 7, 2016)

Nobles County Heartland Express/Worthington Taxi Prairieland Transit System



Another example of a successful subsidized taxi program is the Nobles County Heartland Express/Worthington Taxi Prairieland Transit System. Part of the fare for taxi rides is paid by the transit organization, and rides in the city are provided by Worthington Taxi. Express buses are available for people who need ADA accessible transportation. The program is funded by Minnesota DOT Public Transit funding, and the partnership and shared dispatch system between the public and private agencies allowed the subsidy to be applied to users of both the express buses and taxis. (Minnesota Council on Transportation Access, 2011)

Low cost Employment Transportation Programs

HIRTA Public Transit



The Goodwill career connection center in Newton, Iowa was awarded a \$2,000 grant from Theisen's, which will be used to partner with the local Salvation Army and HIRTA to provide rides to eligible clients who need to go on job interviews and also for transportation to and from their new job for the first two weeks of employment. This is one of four projects that was awarded out of 330 applicants. (HIRTA, 2015)

Opportunity Center for the Homeless



Opportunity Center for the Homeless is an organization located in El Paso, TX consisting of two homeless shelters. The organization helps people who are homeless with a range of issues, including employment. To assist clients with their transportation needs, the Opportunity Center operates two 15-passenger vans, one dispatcher, and three drivers. Transportation services run five days a week starting at 5:45 am and continuing until 5:30 pm. This service averages 100 passengers a day.

Clients from all 29 El Paso Coalition for the Homeless agencies are able to call to schedule daily rides. The transportation office keeps an updated advance appointment book, and the dispatcher will make a reminder call the day before the client's appointment. The transportation program has been in operation since 1999, and the vans log well over 100,000 miles a year. (Opportunity Center for the Homeless, 2011)

Wheels to Work



Wheels to work, a program in Sacramento CA, is a collaboration between Paratransit Inc., Women’s Empowerment, the Sacramento Housing Alliance, Sacramento Steps Forward, the Department of Human Assistance, the California Department of Rehabilitation and other homeless and housing service providers. Two 14-passenger vans operated by Paratransit Community Outreach Ambassadors constructed a program that provide homeless people in Sacramento, California, with transportation, employment, search services, health resources and training about how to use public transit. The vans are used to transport homeless people to job interviews, training programs, access a mobile computer lab, and reach several key service sites. The program also employs formerly homeless women who utilize the program in an apprentice-style fashion, teaching them skills to work for the program. The program started in 2009, when a local casino donated 2 vans to Sacramento Steps Forward. In the case of Wheels to Work, Paratransit used JARC funds (as a sub recipient of the Department of Human Assistance) to register, insure, repair and retrofit the two vans, adding them to its vehicle fleet. (Hamameh, 2015)

Community Vanpools

Olympia, Washington Intercity Transit



Olympia, Washington Intercity Transit is a mid-sized system serving Olympia (population approx. 48,000) and its neighboring communities. Intercity's vanpool program began in 1982 with a grant from the state. Fare box recovery funds support all direct operating costs associated with the vanpool program. Additional support from the state department of transportation in the form of a 25 percent match pays for the cost of each van within five years. If needed, new vanpools are also supported with a 3/2/1 seat subsidy provided by Intercity. During the first month of operation, up to three empty seats of an eight-passenger van are subsidized. Two empty seats are subsidized during the second month and one during the third month of operation.

In addition to traditional vanpool service, the agency supports two other programs, Connectivity Vans and Village Vans. These programs provide access to employment and community services to populations that may otherwise lack affordable transportation options. Community Vans provides retired vans to human service organizations and government agencies located in the transit service area for use to transport workers, volunteers and customers. Village Vans assists low-income citizens with transportation to jobs or job search locations. Since 2006, vanpool ridership has increased by nearly 80 percent. In 2009, Intercity was named the best transit system in the nation in its size category by the American Public Transportation Association. (Transportation to Work, 2009)

JobJet in Carroll, Iowa



A more local vanpool example is JobJet in Carroll, Iowa. JobJet is a regional vanpool program serving six rural Iowa counties: Audubon, Carroll, Crawford, Greene, Guthrie and Sac. The program grew from a concept suggested by two local employers, Tyson's Food and Farmland Foods, and is marketed as one that supports local economic development in conjunction with providing transportation access to work. The program is organized and managed by the Region XII Council of Governments (COG). Region XII operates the local public transit system and strongly promotes regional economic and workforce development.

JobJet, modeled on similar vanpool programs in Des Moines and other municipalities in the state, is the first vanpool program to serve rural residents. The program coordinates work schedules and locations to arrange workers into groups of 4 to 10 people for each of the six vanpools. Vanpool members live in close proximity to one another, work in the same general location and have similar work hours. Riders meet at a central location and travel to and from work together, or set a route and time schedule. The driver is responsible for collecting fares and seeing that the vanpool runs smoothly. JobJet owns and maintains the vans.

Region XII staff trains drivers from among the participants in each group. Drivers ride free of charge and keep the vans at their home before collecting riders. They are allowed 100 miles of personal vehicle use each month, most likely for side trips in conjunction with their trip to work. If they exceed that limit, they are charged for additional miles on a per-mile basis. Program funding support includes an initial amount of \$146,000 from Iowa's Congestion Management and Air Quality Improvement Program funds and the Iowa Department of Transportation special project funding. (Transportation to Work, 2009)

Conclusion

Our research investigated transportation gaps in Iowa City, Coralville, and North Liberty IA in 2015. A survey was conducted at several locations to examine the most prevalent transportation needs in the community. The results of the study indicated that 7:00am and 11:00pm were the most frequently requested bus service times, and consistent with the 2009 findings of the National Coalition for the Homeless, 30% of respondents we surveyed reported that they had lost, quit, or gave up looking for a job due to lack of transportation (Acuña and Erlenbusch, 2009).

Based on these findings, we recommended that current bus services be extended at least one hour earlier or one hour later and that supplementary transportation programs such as vanpools, subsidized taxis, and low-cost transportation programs be piloted on a small-scale basis. These two recommendations are intended to help people obtain access to transportation to work, especially in the case of first or third shifts or to locations which do not fall near a bus route.

The last section of the report summarizes examples of successful supplementary transportation programs. Examples for subsidized taxi programs included Olathe, Kansas and Prairieland Transit's partnership with Worthington Taxi; low-barrier transportation programs included Opportunity Center for the Homeless and Wheels to Work; and community vanpools included Olympia, Washington Intercity Transit and JobJet in Carroll, Iowa. These programs were chosen as models of how similar programs could be implemented in Iowa City, Coralville, and North Liberty.

Transportation is a seldom considered, but highly important component of a productive adult life. Getting to a job requires a reliable, affordable mode of transportation, yet many do not have access to such a mode. Improving public transportation options ensures not only that more people will be able to find and maintain employment, but also that businesses will have a greater pool of employees and customers. Therefore, a healthy public transportation system is vital to the economy of any given place.

Resources

- Acuña, J., & Erlenbusch, B. (2009). Homeless employment report: Findings and recommendations. Retrieved from: <http://www.nationalhomeless.org/publications/homelessemploymentreport/>.
- American Public Transportation Association. (2016). Public transportation benefits. Retrieved from: <http://www.apta.com/mediacenter/ptbenefits/Pages/default.aspx>.
- Hamameh, S. (2015). "Wheels to work": A unique transportation/employment program drives to end homelessness in Sacramento. *Legal Services of Northern California*. Retrieved from: <http://equity.lsnc.net/%E2%80%9Cwheels-to-work%E2%80%9D-a-unique-transportationemployment-program-drives-to-end-homelessness-in-sacramento/>.
- HIRTA. (2015). Retrieved from: <https://www.facebook.com/HIRTA-Public-Transit-177376545742434/?fref=ts>.
- Minnesota Council on Transportation Access. (2011). Successful local transportation coordination case studies. Retrieved from: (http://www.coordinatemntransit.org/MCOTA/documents/LocalCoordCaseStudies_MCOTA_Jun2011.pdf).
- Opportunity Center for the Homeless. (2011). Retrieved from: <http://www.homelessoportunitycenter.org/programs/programs.aspx?id=12>.
- Small Sums at Home Group. (2014). Retrieved from: <http://smallsums.org/>.
- Tomer, A., Kneebone, E., Puentes, R., & Berube, A. (2011). Missed opportunity: Transit and jobs in metropolitan America. *The Brookings Institution*. Retrieved from: <http://www.brookings.edu/research/reports/2011/05/12-jobs-and-transit>.
- Transportation to Work. (2009). Profiles of innovative rural vanpool programs. Retrieved from: http://web1.ctaa.org/webmodules/webarticles/articlefiles/Profiles_of_Innovative_Rural_Vanpool_Programs.pdf.