

City of Iowa City Affordable Housing - FY20 Year End Report (Revised 9/14/2020)

Total Funds Available for Affordable Housing in FY20:	\$12,460,316
Total Funds Spent in FY20:	\$12,006,773
Number of Affordable Rental Units/Households Created or Assisted*:	1,745
Number of Owner-Occupied Units Created or Assisted*:	35

*Reports units completed in FY20 with FY20 or prior year funds

Affordable Housing Goals:
1) Invest City and federal CDBG/HOME funds to create and/or preserve affordable homes, both rental and owner-occupied housing;
2) Support our most vulnerable residents, especially those experiencing homelessness or at risk of homelessness, maintain safe, affordable housing;
3) Ensure equitable growth for all Iowa City residents and minimize displacement; and
4) Support innovation in housing and streamline processes

1) Invest City and federal CDBG/HOME funds to create and/or preserve affordable homes, both rental and owner-occupied housing.

FY20 City of Iowa City Affordable Housing Fund (\$1,000,000). \$650,000 - \$1,000,000 allocated annually

Action Plan #5. City Council approved annual distribution formula, revised July 2019:

Project Name	City General Funds, Distribution Formula:	Project Type	Funds Allocated	Project Status	Funds Leveraged	Households/ Units Assisted	Income Level Assisted	FY20 Funds Spent	Notes/Status
Housing Trust Fund Annual Contribution	Affordable Housing Fund (50%)	Various	\$500,000	Multiple	\$12,675,777	61	Less than 60% AMI	\$500,000	Staff reports completed projects in FY20 that utilized FY20 or prior year funding. Del Ray and Nex Apartments, LIHTC projects (new construction) were completed in FY20. HTFJC allocated a total of \$1,575,000 to these two projects. Received FY17-20 General allocation & LIHTC set-aside funds. In FY20, the HTFJC spent \$182,046 in funds. Due to the inability of Nex Senior to proceed, the remaining FY20 funds are reallocated to the Shelter House CPP 2.0 project.
LIHTC Annual Allocation	Affordable Housing Fund (20%)	Affordable Rental	\$200,000	Deferred	\$0	0	NA	\$10,000	Nex Senior, LIHTC application, not funded by the Iowa Finance Authority (IFA) as of 8/2020. Funds carried over to next IFA funding round. HTFJC authorized 5% for administrative fees. HTFJC receives remaining funds when eligible project proceeds.
Opportunity Fund	Affordable Housing Fund (7.5%)	Various	\$75,000	Multiple	NA	72	Less than 80% AMI	\$41,500	Houses into Homes: \$15,000, Signed agreement 1/29/2020 Center for Worker Justice - COVID Relief. \$25,000, Signed agreement 7/28/2020. Beneficiaries to be reported in FY21. Shelter House Eviction Prevention \$50,000 (FY20 - \$35,000, FY21 - \$15,000) Signed agreement 6/8/2020. Beneficiaries to be reported in FY21. August 2020, approved a \$5,000 grant for Forest View to weatherize mobile homes for the winter.
Healthy Homes	Affordable Housing Fund (7.5%)	Housing Rehab	\$75,000	Obtained HTFJC Grant	\$0	0	Less than 80% AMI	\$0	To date, assisted 6 homes under the grant with HTFJC. HTFJC grant expires 10-2020. Two remaining homes to be completed with HTFJC funds before expiration date. Assessments were on hold due to COVID, resuming inspections/assessments. Beneficiaries to be reported in FY21.
Security Deposit Assistance	Affordable Housing Fund (7%)	Rental Assistance	\$70,000	Ongoing	NA	31	Under 50% AMI	\$27,855	Contract with CommUnity signed 2/2020. CommUnity estimates spending all FY20 funds by 12/20. Will then enter FY21 contract.
Landlord Risk Mitigation	Affordable Housing Fund (3%)	Rental Assistance	\$30,000	Ongoing	NA	NA	NA	\$0	Unspent funds not committed at the end of the fiscal year go into the Opportunity Fund. Staff continuing to work with Johnson County Local Homeless Coordinating Board in FY21 to establish.
Emergent Situations	Affordable Housing Fund (5%)	Various	\$50,000	Completed	NA	8	NA	\$2,135	Funds utilized for remaining Hawkeye Trailer Park relocation expenses. Total of \$17,557 spent in FY19/20. Balance goes into Opportunity Fund/Prior Land Banking Fund.
			\$1,000,000		\$12,675,777	172		\$581,490	

FY20 CDBG-CV Funds - One time allocation through the CARES Act for COVID relief

Project Name	Funding Source	Project Type	Funds Allocated	Project Status	Households/ Units Assisted	Income Level Assisted	Notes/Status
Eviction/Foreclosure Prevention Program - City	CARES Act Funding (COVID)	Emergency Housing Payments	\$246,000	Starts FY21	0	Under 80% MI	CommUnity Crisis Services awarded contract on 7/14/2020
Eviction/Foreclosure Prevention Program - IEDA	CARES Act Funding (COVID)	Emergency Housing Payments	\$370,000	Starts FY21	0	Under 80% MI	Allocated funds through State - \$686,610 60% allocated to eviction/foreclosure prevention. Program to start in FY21.

FY20 Housing Rehabilitation Projects Completed

Action Plan #1. Continue to fund existing housing programs.

Project Name	Funding Source	Project Type	Funds Allocated	FY20 Funds Spent	# Units Rehabilitated	Notes/Status
GRIP	Local Funds	Owner-occupied Rehab	\$200,000	\$158,447	10	Must be under 110% AMI. Assessments stopped temporarily in FY20 due to COVID.
South District	Local Funds/HOME	Homeownership	\$140,000	\$120,000	2	First two program homeowners were under 50% AMI. (\$70,000 Rehab - General Fund, \$50,000 Downpayment -HOME). Two homes currently under renovations - to be reported when sold. (No FY20 HOME funds budgeted. \$94,000 in FY21 HOME funds for downpayment assistance to assist 4 households budgeted.)
UniverCity	Local Funds	Homeownership	\$60,000	\$60,357	-	520 N. Dodge available for sale, 322 Douglas Court currently under renovations. Beneficiaries reported when homes are sold. Funds spent include prior year funds allocated for 520 N. Dodge.
HOME Owner-occupied Rehab & Rental Rehab.	HOME	Owner-occupied/Rental Rehab	\$90,000	\$107,716	4	Rental rehab. of single family/duplex properties in targeted neighborhoods eligible; no applications received. 4 completed projects, 3 underway. Includes prior year funds for completed/ongoing projects spent in FY20.
CDBG Owner-occupied Rehab	CDBG	Owner-occupied Rehab	\$235,000	\$243,447	16	Administratively approved - includes unspent funds from FY19. 16 homes completed in FY20.
			\$725,000	\$689,967	32	

FY20 CDBG/HOME Housing Projects (Beneficiaries and funds leveraged reported when project is completed & closed in HUD's reporting system)

Project Name	Funding Source	Project Type	FY20 Funds Spent	Funds Leveraged	Households/ Units Assisted	Notes/Status
MYEP Acquisition - 1507 Spruce	HOME	Affordable Rental	\$0	\$140,605	3	Project closed in FY20.
Successful Living Acquisition - 500 2nd Ave.	HOME	Affordable Rental	\$0	\$126,330	5	Project closed in FY20.
Successful Living Acq. - 3234 Friendship	HOME	Affordable Rental	\$0	\$146,176	3	Project closed in FY20.
FY18 Housing Fellowship Rental Rehab	HOME	Affordable Rental	\$25,254	\$29,343	4	
FY18 Successful Living Rehab	HOME	Affordable Rental	\$5,799	\$21,120	5	
FY20 Shelter House Acquisition 15 Wakefield	HOME	Affordable Rental	\$94,000	\$163,884	5	
FY17 ICHA TBRA	HOME	Rental Subsidies	\$63,563	\$109,509	29	
FY20 The Housing Fellowship	HOME	CHDO Operating	\$48,000	NA	NA	
FY18 Habitat Acquisition -2629 Blazing Star	HOME	Homeownership	\$5,000	\$193,000	1	
FY19 Habitat - 2764/2774 Blazing Star	HOME	Homeownership	\$20,000	\$374,297	2	
Projects Underway - Not completed	HOME	Affordable Rental	\$383,731	NA	NA	Projects underway for the following: Successful Living and Mayor's Youth Empowerment Program
HOME Administration	HOME	Administration	\$86,610	NA	NA	
			\$731,957	\$1,304,264	57	

2) Support our most vulnerable residents, especially those experiencing homelessness or at risk of homelessness, maintain safe, affordable housing

ICHA Programs, Calendar Year 2019

The jurisdiction of the ICHA includes the following Counties: Johnson, Iowa and Washington (north of Hwy 92, but not within Washington City limits), unless noted.

Project/Program Name	Project Type	Vouchers Authorized	ICHA Owned & Managed Units	Households Assisted	CY19 Funds Spent	Income Limits	Notes
Housing Choice Vouchers	Affordable Rental	1,215	NA	1,253	\$9,023,593	Under 50% AMI	57% of all assisted households were elderly and/or disabled. 49% were working families. Less than 1% of assisted households report Family Investment Program (FIP) as their sole source of income. Note: head of household can earn income and have a disabled spouse - the household would be counted both as a working household & a disabled household. Totals include Cross Park Place Project Based Vouchers (PBV).
VASH Vouchers (reserved for veterans)	Affordable Rental	83	NA	82	\$330,016	Under 50% AMI	
HUD Mainstream Vouchers (chronically homeless with a disabling condition)	Affordable Rental	0	NA	0	\$0	Under 50% AMI	ICHA reports on a calendar year. 78 new vouchers authorized in CY20. Leasing started in March 2020. Beneficiaries & funds reported in CY20.

Public Housing	Affordable Rental	NA	81	75	\$649,750	Under 80% AMI	All units in Iowa City. Funds spent includes HUD rent subsidies and maintenance/repair of units. HUD counts Units Months Available (UMA), so due to turnover and/or standard repairs, this value is 75 units under lease per month over CY19. 3 units were offline for major repairs. Includes \$303,689 spent for maintenance, repair and rehab.
Other - Affordable Housing Under ICHA Management	Affordable Rental	NA	10	10	N/A	Under 80% AMI	All units in Iowa City.
		1,298	91	1,420	\$10,003,359		

3) Ensure equitable growth for all Iowa City residents and minimize displacement

FY20 TIF & RFC Affordable Housing Requirements under Compliance Period

Project Name	Policy	Project Type	Units Underway	Units under Compliance	Fee-in-Lieu Paid	AMI	Rent Limit	Compliance Period	Notes/Status
The Rise - 435 S. Linn	Local requirement	Affordable Rental	-	33	-	80%	HOME FMR	In perpetuity	
Orchard Court Lofts - 627 Orchard Ct	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
Dubuque St Apartments - 620 S. Dubuque	RFC - Zoning requirement	Affordable Rental	-	5	\$28,396	60%	HOME FMR	10 years	Fee for 4 units out of compliance for one year.
1301 Gilbert Street	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
The Edge - 314 S. Clinton St	TIF & RFC Zoning requirement	Affordable Rental	1	1	\$323,488	60%	HOME FMR	20 years	FIL for 4 units
Breckenridge - 707 S. Dubuque St	RFC - Zoning requirement	NA	-	-	\$404,360	-	-	-	FIL for 5 units
Del Ray Ridge - 628 S. Dubuque St	RFC - Zoning requirement	Affordable Rental	-	3	-	60%	HOME FMR	10 years	
1131 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
1121 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	5	-	60%	HOME FMR	10 years	
1141 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
1201 S. Gilbert	RFC - Zoning requirement	Affordable Rental	-	6	-	60%	HOME FMR	10 years	
225 E. Prentiss	RFC - Zoning requirement	Affordable Rental	5	-	-	60%	HOME FMR	10 years	
Riverview West - 629 S. Riverside Dr	TIF	Affordable Rental	-	12	-	120%	120% HOME FMR	10 years	
Augusta Place - 20 S. Gilbert	TIF	Affordable Rental	-	-	NA	80%	HOME FMR	In perpetuity	6 Units purchased in July 2020, ICHA will operate as affordable housing.
Augusta Place - 104 Westside Dr (offsite units)	TIF	Affordable Rental	-	12	NA	60%	Based on 40% AMI, Developer pays utilities	20 years	Compliance started 8/1/2019.
The Chauncey	TIF	Affordable Rental	-	-	NA	80%	30% of Income	In perpetuity	5 Units purchased 8/2020, will be added to Public Housing Program
				99	\$756,244				

FY20 Misc. Action Plan Initiatives

Project/Program Name	Council Approved:	Project Type	Units Created	Fee-in-Lieu Paid	AMI	Rent Limits	Notes:
Action Plan #7. Annexation Policy - 10% of units in residential developments affordable	7/17/2018	TBD	0	\$0	TBD	TBD	Community View annexed off American Legion Road in FY20. CZA signed. Affordable housing agreement not required until building permit issuance.
Action Plan #8. Consider TIF to support residential development. First agreement: Foster Road TIF Residential Development Agreement	7/17/2018	TBD	-	-	-	-	Estimated to generate over \$2-3 million for affordable housing over 10 years.
Action Plan #12. Create tax exemption/abatement policy to support affordable rental housing	10/1/2019	Affordable Rental - New Construction	0	\$0	Less than 40% AMI	AMI, minus tenant paid utilities	No applications received to date. Requires at least 15% of total units leased to eligible tenants to receive a 40% tax exemption on all units in a new residential development with 6 or more units for 10 years.
Action Plan #14. Minimize tenant displacement	10/3/2017	Major Site Plans	NA 0	NA	NA	NA	Requires Council approval when 12 or more households will be displaced and no rezoning needed. Requires a transition plan to better inform tenants and the public. Policy not triggered in FY20.

4) Support innovation in housing and streamline processes

Action Step:	Program	Estimated TimeLine	Notes:
Action Plan #9. Consider regulatory changes. Review processes/fees, etc. to support affordable housing.	Policy Review (NDS, Public Works, Parks & Rec, Legal)	Fall 2020	Received HBA and JC Affordable Homes Coalition input. Reviewing changes. (Remaining task out of the original 15 Affordable Housing Action Goals)
Action Plan #9. Consider regulatory changes. Review zoning code to increase density/diversity in all single family/low density residential zones (support missing middle housing)	South District Form Based Code	Implement Fall 2020	Will pursue FBC in all outlying greenfield developments.
Action Plan #9. Consider regulatory changes. Review zoning code to increase density/diversity in all single family/low density residential zones (support	Comprehensive Plan Amendment	8-10 month process	Enable more dense and/or more diverse housing in all residential zones (particularly low density residential zones outside of historic districts)
Action Plan #15. Rent abatement for emergency orders when vacation is not necessary.	Rental permit units	Completed 10/3/2017	No emergency orders issued in FY20.
Acquire land for future affordable housing opportunities (Opportunity Fund - former Land Banking Fund)	Land Banking (now Opportunity Fund)	Ongoing	Purchased first property in FY20. Lot 10, Lindemann Subdivision, Part 8 for the future construction of 6 townhomes.
Incorporate Sustainability/Climate Action in our rehabilitation programs	All City housing rehabilitation programs	Completed, July 2019	See below for measures incorporated.
Support unique housing solutions for special populations through zoning and/or financial support.	FUSE Housing First Program	7/5/2016 Approved Long Term Housing Use Zoning, Approved voucher set-aside for FUSE 10/2/2018	ICHA allows up to 5% of ICHA vouchers to be used for permanent supportive housing for persons who are chronically homeless with a disabling condition. Project based vouchers issued to Cross Park Place. 8/2020 Shelter House awarded \$2.7 million from IFA for another FUSE Housing First property (similar to Cross Park Place). Project eligible for this voucher set-aside.

Changes approved after City Council review in July 2019:

1) Revised the Distribution Formula for City funds.
2) The Housing and Community Development Commission (HCDC) altered the preference criteria for CDBG/HOME housing projects to encourage applications serving lower income households.
3) Reduced the equity requirements for CDBG emergency rehabilitation projects, such as a broken furnace in the winter or a non-functioning water heater, to enable those that may not be able to proceed to be eligible for the program.
4) Due to the high cost of acquisition and new construction, HCDC altered the preference/evaluation criteria to support those CDBG/HOME rental applications that leverage significant dollars from non-City sources, such as Low-Income Housing Tax Credit projects. The acquisition or construction of SRO or group housing would remain supported due to the lower average public investment per assisted unit and to increase the supply of accessible homes in our community.
5) Removed the Housing Trust Fund of Johnson County (HTF) from the competitive Aid to Agency process and moved it to a contractual relationship where the HTF uses 5% of the funds allocated to them through the Affordable Housing Fund for administrative expenses. They will remain as a "Legacy Agency" in City Steps 2025 in case they do not get funded or funded at levels lower than their past funding awards in subsequent years through the Affordable Housing Fund.

Incorporated the following energy efficiency and health/safety measures into our housing programs:

1) All housing rehabilitation projects must complete a free home energy audit by Green Iowa AmeriCorps staff prior to funding approval. The audit measures the level of air coming into the home and provides basic weatherization, if necessary, to reduce air leaks. During the audit, participants receive LED light bulbs, low flow aerators in kitchen and bathrooms, pipe insulation for the water heater, taping of ducts in basement, and extra weatherization based on the results of the blower door test.
2) Expanded housing rehabilitation activities to include landscaping (tree planting) and grading for stormwater management, as needed, as part of a rehabilitation project.
3) The HOME owner-occupied housing rehabilitation program, with up to \$90,000 available annually, is now eligible to landlords of rental housing leasing to tenants with incomes at or below 60% of median income. Landlords are eligible for grants for radon testing and mitigation, if necessary, as part of their rehabilitation project.
4) The Neighborhood Improvements set-aside in the CDBG program was converted to a Neighborhood-Based Climate Action set-aside to encourage sustainable, energy efficiency initiatives in our neighborhoods with a higher number of lower income households.
5) Adopted our first radon ordinance, effective July 1, 2021, that requires radon testing, and mitigation, if necessary, to obtain or maintain a rental permit for single family detached or duplex homes.