

# AFFORDABLE HOUSING IN IOWA CITY



CITY OF IOWA CITY  
UNESCO CITY OF LITERATURE

# WHAT IS AFFORDABLE HOUSING?

Generally defined as housing in which the occupant is paying no more than 30% of gross income for gross housing costs, including utility costs.

For most programs, owner-occupied beneficiaries must be under 80% of the area's median income and under 60% of the area median income for rental housing.

Household Size	60% Median Income (MI)	Hourly Rate FTE	80% Median Income (MI)	Hourly Rate FTE
	1	\$36,480	\$17.54	\$47,600
2	\$41,700	\$20.05	\$54,400	\$26.15
3	\$46,920	\$22.56	\$61,200	\$29.42
4	\$52,080	\$25.04	\$68,000	\$32.69

# OCCUPATIONAL EMPLOYMENT AND WAGES: IOWA CITY MSA (2015) BUREAU OF LABOR STATISTICS

<b>Occupational Group:</b>	<b>Mean Hourly Wage</b>
Food Preparation & Serving	\$9.91
Healthcare Support	\$15.15
Building & Grounds Cleaning/Maintenance	\$14.10
Personal Care and Service	\$12.17
Sales and Related	\$13.82
Office and Administrative Support	\$17.32
Production	\$17.75

# WHO NEEDS AFFORDABLE HOUSING?

Many elderly and people with disabilities

Cashiers, cooks, janitors, bakers, sales clerks, child care workers, home health aides

School bus drivers, hairdressers, preschool teachers, school associates, medical assistants and several others

**The Iowa City metro area needs people  
who need affordable housing!**

# 2015 AFFORDABLE HOUSING MARKET ANALYSIS UPDATE IOWA CITY METRO AREA

- 2,849 cost burdened renter households age 25 and older
- 4,997 cost burdened owner households

## Recent Trends

- Number of families in poverty in the urbanized area increased from 1,038 to 1,684 from 2000 to 2012
- Real median housing values increased between 2000 and 2012 by 15.6% while real median income decreased by nearly 7% during that same time
- 2010-2016 Johnson County grew by 8,481. 5,663 were international residents (US Census Bureau)

# IOWA CITY MSA

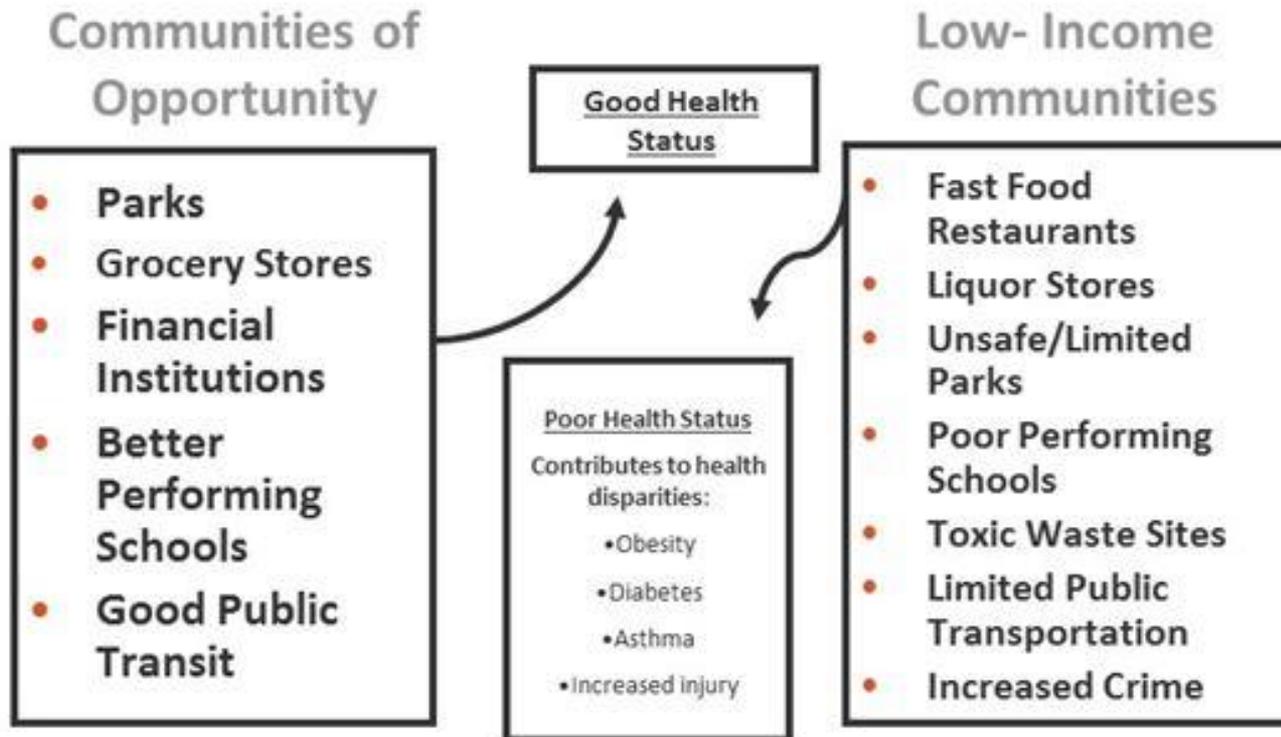
## Income Limits Effective June 15, 2017

Household Size	30% Median Income			
	Extremely Low Income	50% Median Income Very Low Income	60% Median Income	80% Median Income Low Income
1	\$18,250	\$30,400	\$36,480	\$47,600
2	\$20,850	\$34,750	\$41,700	\$54,400
3	\$23,450	\$39,100	\$46,920	\$61,200
4	\$26,050	\$43,400	\$52,080	\$68,000
5	\$28,150	\$46,900	\$56,280	\$73,450
6	\$30,250	\$50,350	\$60,420	\$78,900
7	\$32,350	\$53,850	\$64,620	\$84,350
8	\$34,400	\$57,300	\$68,760	\$89,800

## Rent Limits<sup>1</sup> Effective June 15, 2017

	SRO	Eff.	1 BR	2 BR	3 BR	4 BR	5 BR	6BR
Low HOME Rent	\$487	\$649	\$771	\$977	\$1,128	\$1,258	\$1,389	\$1,519
High HOME Rent	\$487	\$649	\$771	\$1,012	\$1,473	\$1,725	\$1,885	\$2,045
HOME Fair Market Rent	\$487	\$649	\$771	\$1,012	\$1,473	\$1,783	\$2,050	\$2,318

# ALL IOWA CITY RESIDENTS DESERVE SAFE, AFFORDABLE HOUSING IN NEIGHBORHOODS THAT POSITIVELY CONTRIBUTE TO THEIR PHYSICAL AND MENTAL HEALTH



# THE NEIGHBORHOOD SERVICES DIVISION IS RESPONSIBLE FOR PLANNING, ADMINISTERING AND COORDINATING A VARIETY OF AFFORDABLE HOUSING ACTIVITIES IN IOWA CITY

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- General Rehabilitation Improvement Program (GRIP)
- Owner-Occupied Housing Rehabilitation
- UniverCity Program
- Healthy Homes
- Housing Exterior Loan Program (HELP)
- Iowa City Housing Authority Program (Housing Choice Voucher & Public Housing)

# HOUSING CHOICE VOUCHERS (SECTION 8)

- 1,298 Vouchers administered by the Iowa City Housing Authority for Johnson County, Iowa County and parts of Washington County
- Used to subsidize rent paid to a private landlord
- Approximately 60% of the households using vouchers are elderly or persons with disabilities
- Less than 1% of assisted households report welfare as their only source of household income
- Tenants with a voucher may live anywhere

# HOUSING CHOICE VOUCHERS

## FEBRUARY 7, 2017

City	# of Active Vouchers	% of Active Vouchers	City Population	City % of Johnson Co. Incorporated Pop.
Iowa City	885	68%	67,862	50%
Coralville	213	16%	18,907	14%
North Liberty	128	10%	18,228	13%

*Remaining vouchers utilized outside the urbanized area*

# RECENT EXAMPLES OF CITY ASSISTED AFFORDABLE HOUSING

# THE HOUSING FELLOWSHIP AFFORDABLE RENTAL HOUSING (TAX CREDITS)



# THE PENINSULA NEIGHBORHOOD AFFORDABLE HOUSING



**Rental Housing**



**Owner-occupied Housing**

# RENTAL REHABILITATION FOR-PROFIT HOUSING PROVIDER



Before CDBG Assistance



After CDBG Assistance

# LEXINGTON PLACE

## AFFORDABLE ELDERLY HOUSING



# AFFORDABLE RENTAL HOUSING



The Housing Fellowship



Prelude Transitional Housing

# ANISTON VILLAGE

## AFFORDABLE RENTAL HOUSING (TAX CREDIT)



**SINGLE FAMILY  
NEW  
CONSTRUCTION  
PROGRAM -  
DOWNPAYMENT  
ASSISTANCE**

**(141 HOMES  
FOLLOWING THE  
FLOODS OF 2008)**



# ACTION PLAN FOR AFFORDABLE HOUSING – 15 STRATEGIES (CITY COUNCIL APPROVED JUNE 2016)

	Strategy	Status
☒	1. Continue to fund existing local programs including GRIP and UniverCity.	FY18 budget includes \$200,000 for GRIP & \$250,000 for the UniverCity program (up to five homes). To date, the City has purchased 65 homes for the UniverCity program. 58 have been rehabilitated and sold for homeownership. Council will consider the FY19 budget in January.
☒	2. Adopt an Inclusionary Zoning code amendment for the Riverfront Crossings District.	Completed 6/2016
☒	3. Adopt code amendments that enable the FUSE Housing First use in the community.	Completed 6/2016
☒	4. FY19 Budget Process: Provide a line item for affordable housing (goal of \$500,000 based on budget conditions).	FY18 budget includes \$650,000 for affordable housing. Council will consider the FY19 budget in January.

5. Distribution of Affordable Housing dollars:

- 50% to the Housing Trust Fund of Johnson County (HTF)
- 25% held in reserve for land banking
- 5% reserved for emergent situations (if unused, reserved for land banking)
- 20% directed through HCDC for LIHTC support or supplemental aid for housing applications

- \$325,000 issued to the HTF in August 2017.
- \$162,500 reserved for land banking. Council approved land banking guidelines August 1, 2017. Will seek land as funds increase.
- \$32,500 reserved for emergent situations. Any remaining balance, as of 6/30/2018, will be shifted to land banking.
- \$130,000 directed through HCDC for LIHTC support. Awarded \$330,000 (FY17 & 18 allocations) to Del Ray Ridge LP (the Housing Fellowship) to construct 28 units at 628 S. Dubuque St. Applications due to IFA November 2017.

<input type="checkbox"/>	<p>6. Hold the \$1,500,000* million in Housing Authority funds for an opportunity to leverage significant private investment and/or to develop/acquire low income replacement housing.</p> <p>*\$2.5 million was available, \$1.0 million committed to the Chauncey units, for a balance of \$1.5 million)</p>	<p>City Council approved an agreement for Augusta Place on 5/2/2017. The City will purchase six units for permanent affordable rental housing at \$1,080,000.</p> <p>City Council approved a developer's agreement for the Chauncey building on 6/18/2015. The City will purchase five units at \$1,000,000 for affordable rental housing. The building is scheduled for completion on 12/31/2018.</p> <p>There is approximately \$420,000 remaining to develop/acquire low income replacement housing.</p>
<input type="checkbox"/>	<p>7. Consider an annexation policy that provides for affordable housing contributions.</p>	<p>Policy to be considered this fall or winter.</p>
<input checked="" type="checkbox"/>	<p>8. Consider use of TIF on a case by case basis to support residential development and/or annexation through the provision of public infrastructure and capture the required LMI set-aside for use throughout the community (Ex: McCollister and Foster Road).</p>	<p>Staff evaluating multiple possibilities including Foster Road, Forest View Drive and McCollister.</p>

<input type="checkbox"/>	<p>9. Consider regulatory changes to City Code:</p> <ul style="list-style-type: none"> <li>• Waive parking requirements for affordable housing units.</li> <li>• Review possible changes to the multi-family design standards for all units in an effort to reduce cost and expedite approvals.</li> <li>• Eliminate minimum size requirements for PUDs.</li> <li>• Increase allowable bedrooms from 3 to 4 outside the University Impact Area (keep occupancy at 3 unrelated).</li> <li>• Permit more building types by right as opposed to requiring a PUD process (density, multiplex units, cottage clusters, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Parking waived in Riverfront Crossings for affordable housing, June 2016.</li> </ul> <p><i>Due primarily to the occupancy changes in the state law, NDS staff time has not been able to be dedicated to the remaining four issues. NDS staff will consider these proposed regulatory changes in early 2018.</i></p>
<input checked="" type="checkbox"/>	<p>10. Pursue a form-based code for the Alexander Elementary neighborhood and the Northside.</p>	<p>The consultant analysis of a form based code was completed in September 2017. NDS staff is currently developing a scope of services and cost estimate for code development.</p>

☒	11. Strategically seek LIHTC projects through an RFP process overseen by the HCDC (in conjunction with #5).	RFP scheduled annually. Awarded the Del Ray Ridge LP project \$330,000 (FY17 & 18 funds).
☐	12. Create a committee of staff, developers and other interested stakeholders to determine the viability and potential parameters of a tax abatement program that would support affordable housing.	Committee of six community members and City staff formed to review tax exemption possibilities. First meeting held 1/17/17. Committee meets monthly and anticipates a recommendation for Council in December.
☒	13. Exempt the Riverfront Crossings from the Affordable Housing Location model (AHLM) and consider modifications to reduce size of restricted areas and/or account for neighborhood densities (consider University Impacted and Downtown neighborhoods for exclusion as well).	Completed 4/2017
☒	14. Tenant Displacement <ul style="list-style-type: none"> <li>• Council approval of major site plans when 12 or more households will be displaced and there is no accompanying rezoning.</li> <li>• Such applications would require a transition plan to better inform residents and the public (requires a comprehensive plan and a site plan ordinance amendment).</li> </ul>	Completed 10/2017
☒	15. Rent abatement for emergency orders when vacation of property is not necessary ( <i>use simpler language for ease of understanding</i> ). <ul style="list-style-type: none"> <li>• Increase education about housing code violations and how to report</li> </ul>	Completed 10/2017

# SIMPLE STEPS TENANTS AND LANDLORDS CAN DO TO IMPROVE THE HEALTH AND SAFETY OF HOMES

## Housing Affects Health

- Young children spend about 70% of the time in their home
- Elderly people spend about 90% of their time indoors

# Housing affects health

## 7 easy steps to a healthy home



Source: <http://healthyhousingsolutions.com/>

Designed by students of the Iowa Institute of Public Health Research and Policy, College of Public Health, University of Iowa

# IOWA CITY NEIGHBORHOOD SERVICES

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*<https://www.icgov.org/actionplan>*

*<https://www.icgov.org/affordablehousingactionplan>*