

Housing and Equity Presentation

School of Urban and Regional Planning



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Iowa Initiative for Sustainable Communities

Provost's Office of Outreach & Engagement

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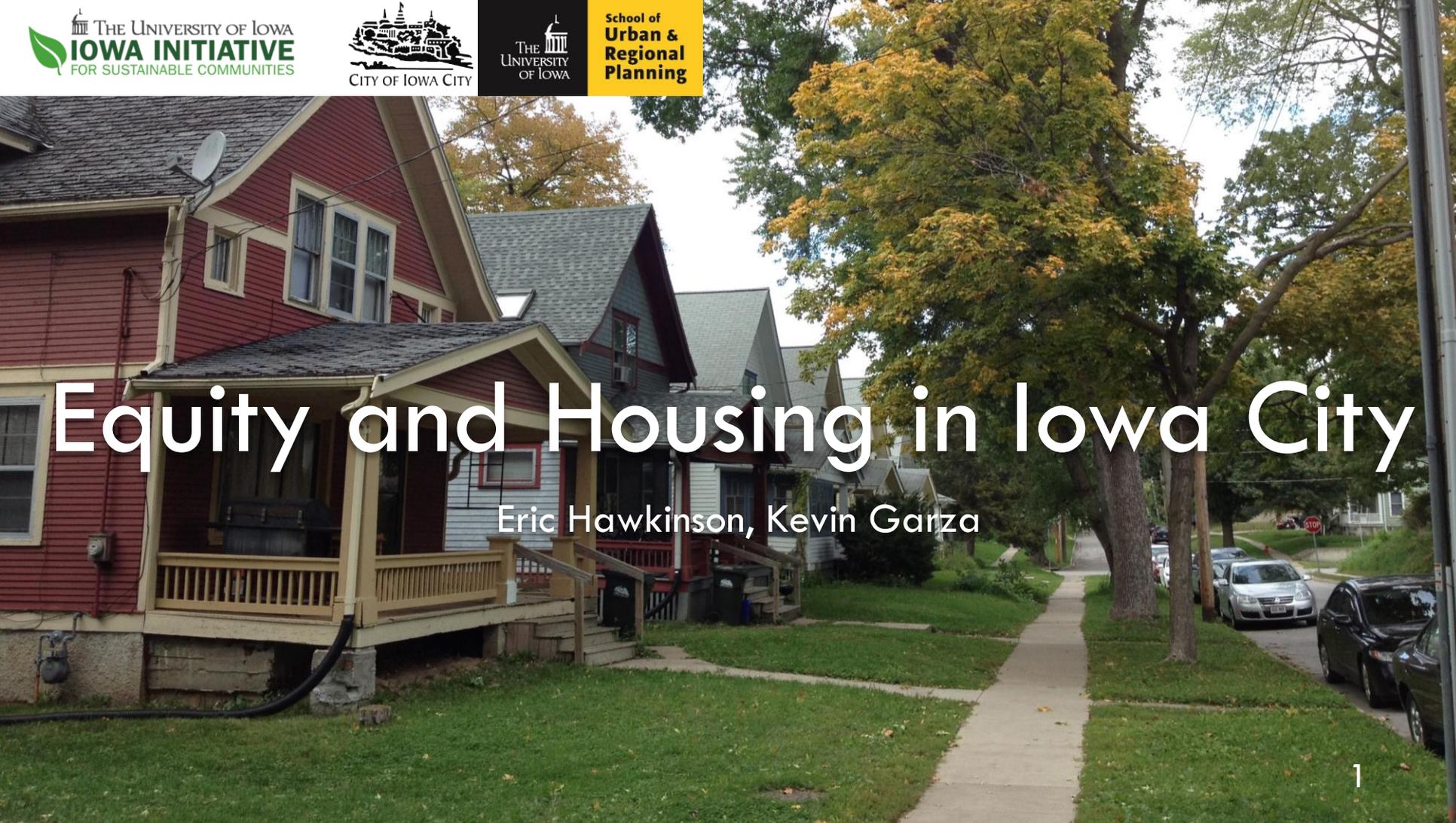
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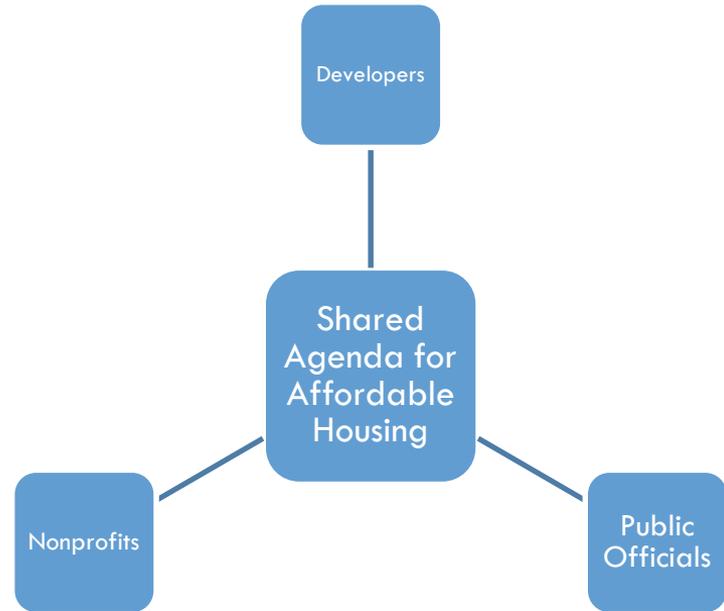


Equity and Housing in Iowa City

Eric Hawkinson, Kevin Garza

Scope & Deliverables

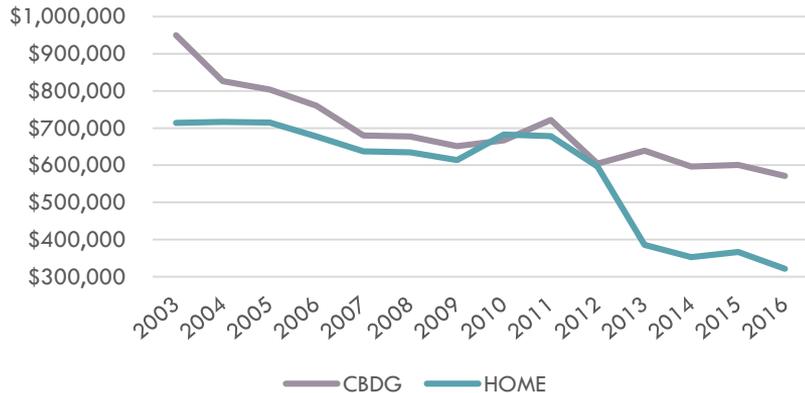
1. Historic Narrative
2. Developer Perspective
3. Comparable City Strategies



Examining the Problem

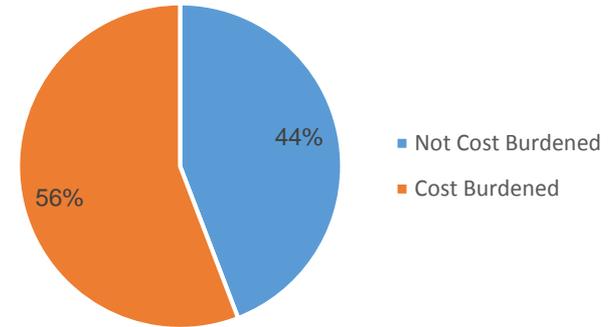
Declining Federal Funding

**CDBG and HOME Funding for Iowa City
2003-2016**



Increasing Cost Burden

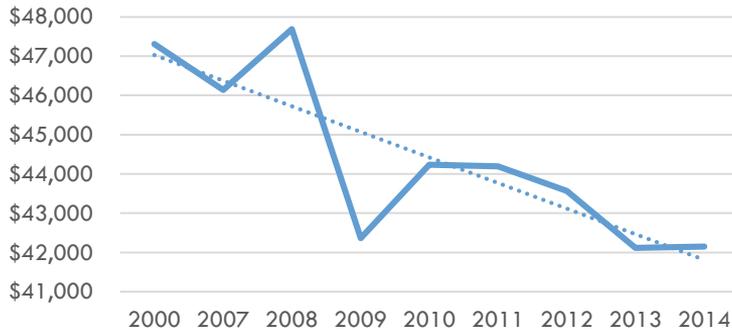
**Cost Burdened Renters in Iowa City
Excluding Households 24 and under**



Examining the Problem

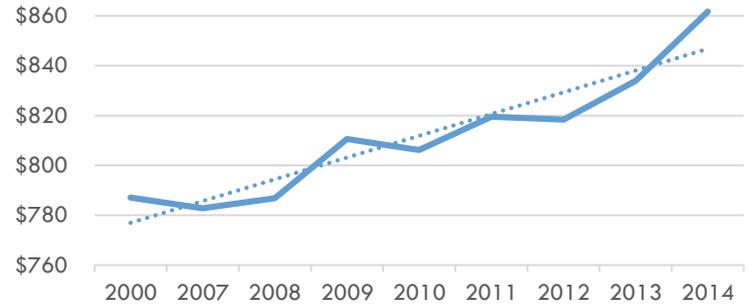
Declining Income

Iowa City Real Median Household
Income 2000-2014



Increasing Rent

Iowa City Real Median Gross Rent
2000-2014

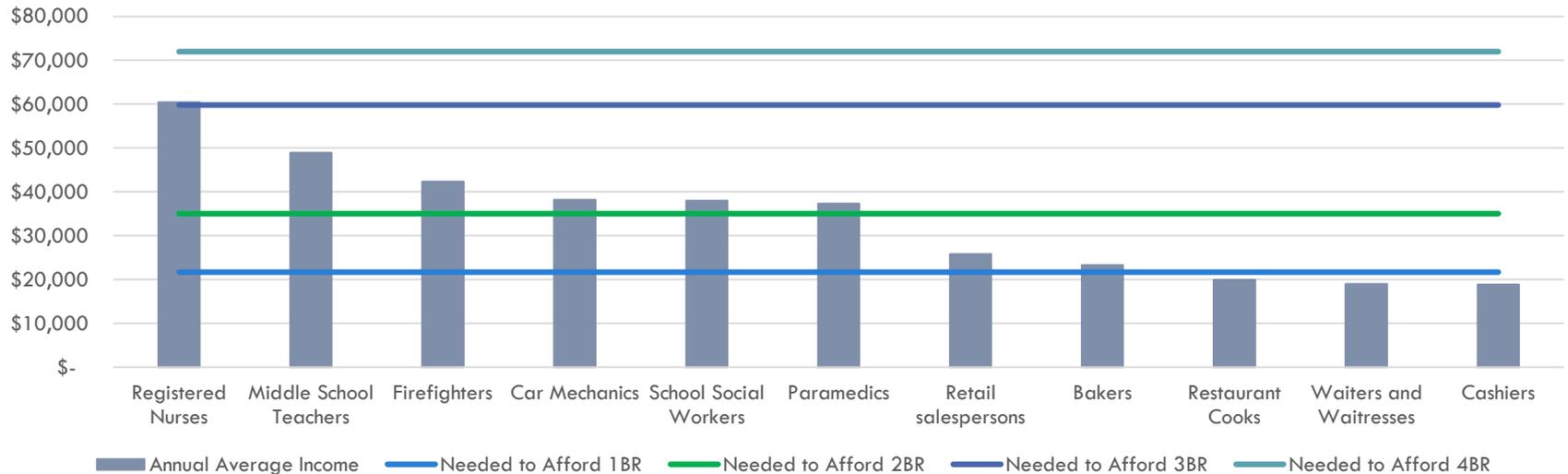


Examining the Problem

Low-Income Service Workers Are Most Cost Burdened

Iowa City Rental Housing Affordability for Select Occupations

Median Sample of 2016 Market Rents: 1BR \$650/mo, 2BR \$875/mo, 3BR \$1,495/mo, 4BR \$1,800/mo



Historic Narrative

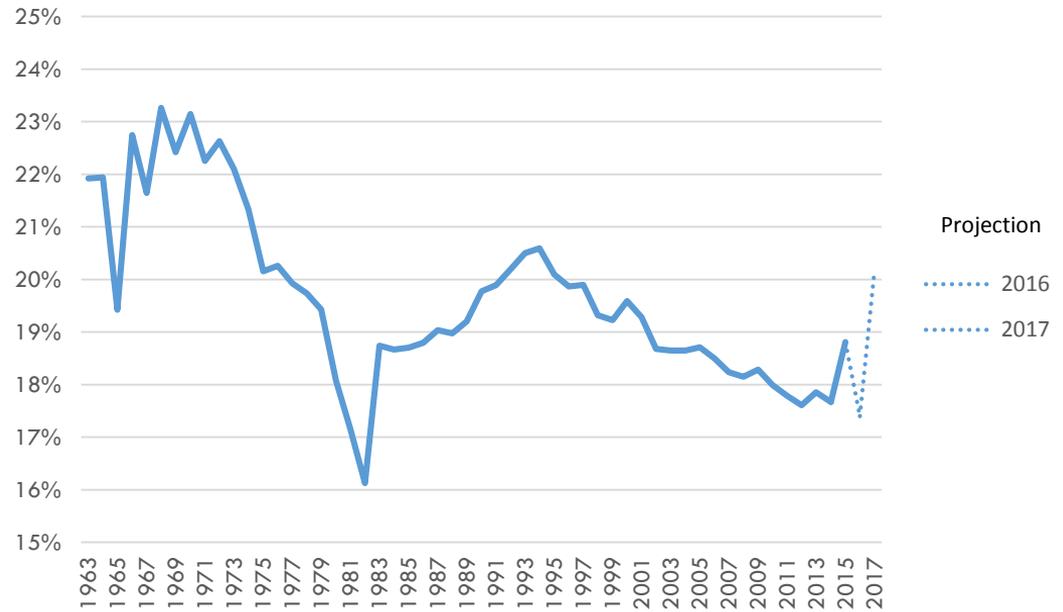


Key Findings

- University of Iowa more than doubled in size since the early 1960s
- A shift to renter occupied housing near the University Impact Area
- Overall population growth in the metropolitan area
- Increasing diversity and racial concentrations

Private market has dominated student housing supply

Ratio of University of Iowa Dorms to Students
1963-2015



Source: University of Iowa Archived Library

Interviews: Overlapping Viewpoints

Icons

-  Planners
-  Nonprofit Developers
-  For Profit Developers

Group	Perspectives
 	Design regulations need to be relaxed
	High design standards are in the public interest
  	Planned Developments can be costly
  	NIMBYism is a challenge in neighborhoods
 	Subdivision regulations can exclude nonprofits
  	Partnerships and incentives are needed

Opportunities

Local Government Can:

1. Allow more flexibility for housing types in existing neighborhoods
 - Creation of form based code
2. Educate the community about the benefits of a diverse neighborhood
 - Continued support of Johnson County Affordable Homes Coalition and other advocacy groups
3. Explore partnerships and incentives for developers and non-profits
 - Research successful strategies from other cities



Riverfront Crossings

Finding the Connections

Iowa City Goals

Inclusion

Ensure a mix
of housing for
all types and
income levels

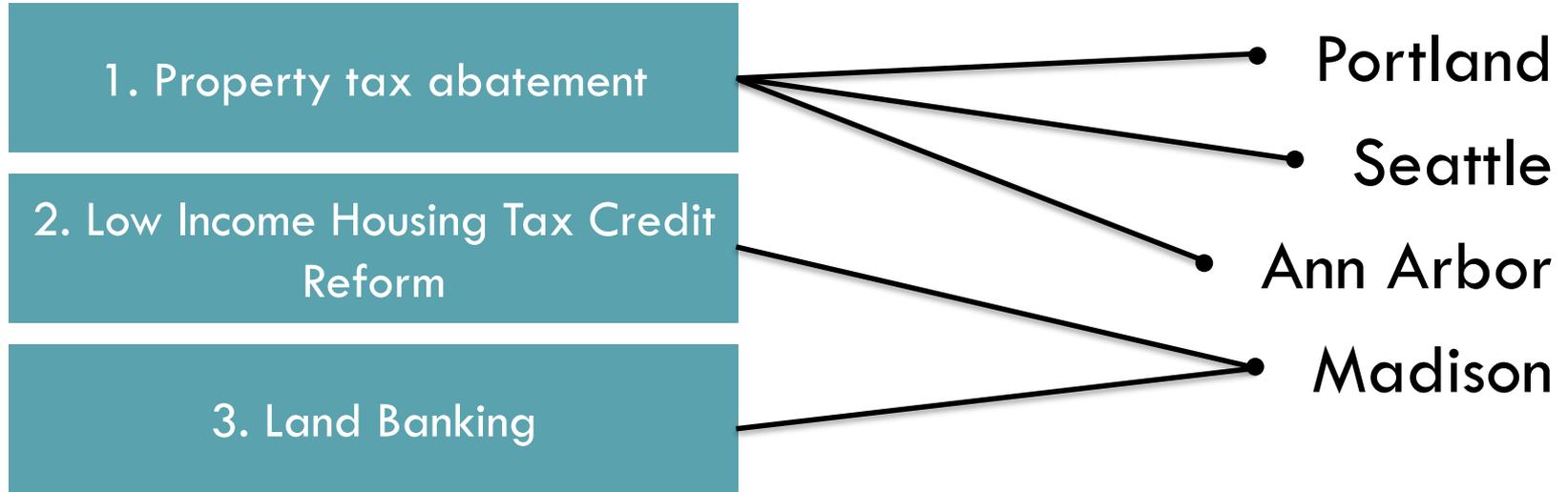
Interview Perspectives

High costs for land and
materials
Incentives are needed
Not enough land
available
Partnerships are
needed

Strategies Elsewhere

Madison, WI
Lawrence, KS
Manhattan, KS
Ann Arbor, MI
Champaign, IL
Portland, OR
Seattle, WA

Affordable Housing Strategies Applicable to Iowa City



Tax Abatement for Affordable Housing



Live look-in...

In **Seattle**, multifamily tax abatement has created **1,981 active affordable units** for residents earning between 65 and 85 percent AML.

In Iowa City...

- Authorized by Iowa Urban Revitalization Act
- Must define public purpose for affordable housing
 - Inadequate supply of affordable housing
 - Importance to providing housing to various income levels of the population, which may not be adequately served

Low Income Housing Tax Credit Reform



Live look-in...

After improving its approach two years ago, the **City of Madison** has **added three LIHTC projects each year**. That is an increase from its previous average of one project every other year.

In Iowa City...

- City funding can be re-aligned with the tax credit schedule
- Most projects have been for senior housing
- The challenge is finding available land and density needed for a LIHTC project

Land Banking



Live look-in...

The **City of Madison** is working to create a **land banking fund** to finance land banking and pre-development costs to **prepare sites and reduce barriers to rental housing development.**

In Iowa City...

- Land banking has not been used
- The program would use general obligation bonds and housing trust funding
- Land banking could be used to support affordable housing as the City grows

Recommendations

- Research feasibility of a tax abatement program for affordable housing
- Realign City funding mechanisms with tax credit schedules
- Develop a land banking program to coordinate with other strategies
- Build upon our communicative approach of reaching a shared agenda

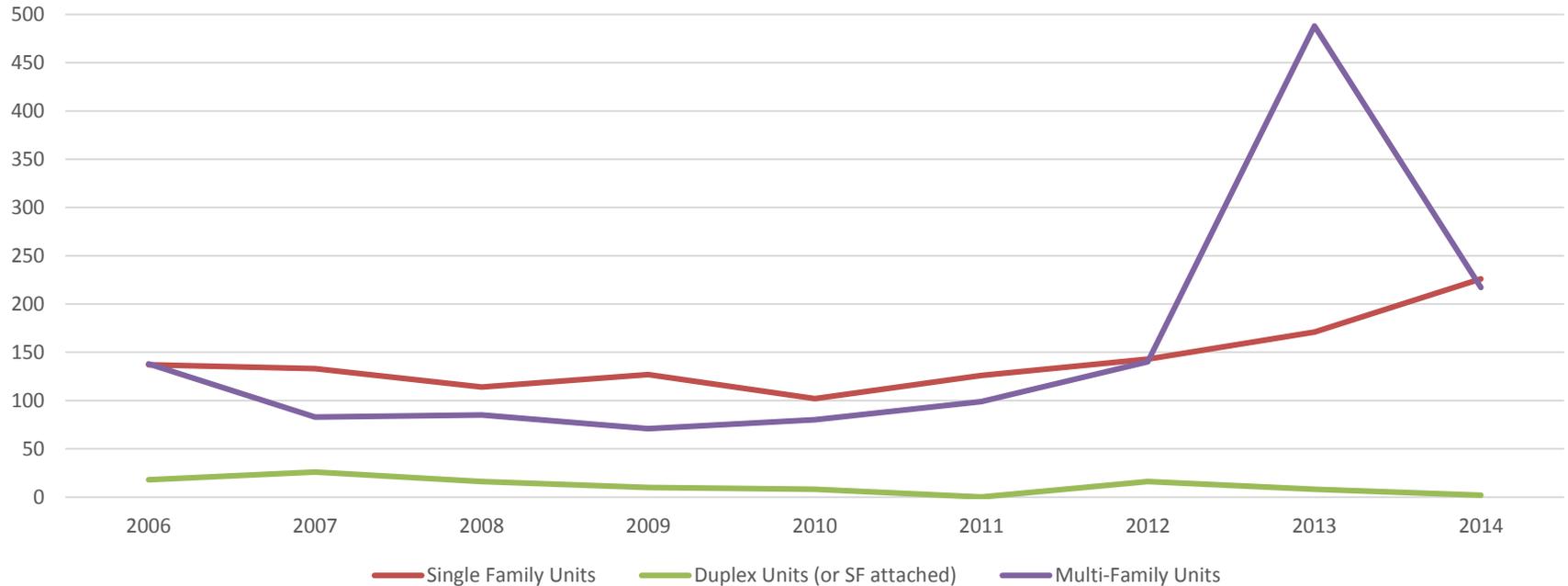


Questions



Housing Permits Growing for Single Family and Multifamily Units

Housing Permits in Iowa City Area 2006-2014



Income Guidelines

Household Size	30% Median Income (Poverty Level)	50% Median Income	60% Median Income	80% Median Income (low income)	Median Income
1	\$17,300	\$28,850	\$34,620	\$46,100	\$57,700
2	\$19,800	\$32,950	\$39,540	\$52,650	\$65,900
3	\$22,250	\$37,050	\$44,460	\$59,250	\$74,100
4	\$24,700	\$41,150	\$49,380	\$65,800	\$82,300
5	\$26,700	\$44,450	\$53,340	\$71,100	\$88,900
6	\$28,700	\$47,750	\$57,300	\$76,350	\$95,500
7	\$30,650	\$51,050	\$61,260	\$81,600	\$102,100
8	\$32,650	\$54,350	\$65,220	\$86,900	\$108,700

Nonprofit and For Profit Partnerships

- Non-profits bring public subsidy to the project which helps the development score points for tax credit applications
- Attach Section 8 or public housing subsidy to a small number of units in the development to cover rents
- Offload time consuming real estate development work to for-profit entities that specialize in this work
- Utilize high quality architecture and property management to integrate into neighborhoods

Iowa Code 403.17

- Section 403.17 provides the following definition for housing and residential development:

*“Single or multifamily dwellings to be constructed in an area with respect to which the local governing body of the municipality determines that there is an **inadequate supply of affordable**, decent, safe, and sanitary **housing** and that providing such housing is **important to** meeting any or all of the following objectives: retaining existing industrial or commercial enterprises; attracting and encouraging the location of new industrial or commercial enterprises; meeting the needs of special elements of the population, such as the elderly or persons with disabilities; and **providing housing for various income levels of the population** which may not be adequately served.”*