Housing and Equity Presentation
School of Urban and Regional Planning

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This project was supported by the Iowa Initiative for Sustainable Communities (IISC), a program of the Provost’s Office of Outreach and Engagement at the University of Iowa that partners with rural and urban communities across the state to develop projects that university students and faculty complete through research and coursework. Through supporting these projects, the IISC pursues a dual mission of enhancing quality of life in Iowa while transforming teaching and learning at the University of Iowa.

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[Student names], led by [Professor’s name]. [Year]. [Title of report]. Research report produced through the Iowa Initiative for Sustainable Communities at the University of Iowa.

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Equity and Housing in Iowa City

Eric Hawkinson, Kevin Garza
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

Sources: ACS (2014 5-year estimates), HUD
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

Source: Bureau of Labor Statistics, Zillow, Center for Housing Policy
**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

- **P**: Planners
- **N**: Nonprofit Developers
- **D**: For Profit Developers

<table>
<thead>
<tr>
<th>Group</th>
<th>Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N D</strong></td>
<td>Design regulations need to be relaxed</td>
</tr>
<tr>
<td><strong>P</strong></td>
<td>High design standards are in the public interest</td>
</tr>
<tr>
<td><strong>P N D</strong></td>
<td>Planned Developments can be costly</td>
</tr>
<tr>
<td><strong>P N D</strong></td>
<td>NIMBYism is a challenge in neighborhoods</td>
</tr>
<tr>
<td><strong>P N</strong></td>
<td>Subdivision regulations can exclude nonprofits</td>
</tr>
<tr>
<td><strong>P N D</strong></td>
<td>Partnerships and incentives are needed</td>
</tr>
</tbody>
</table>
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

1. Property tax abatement
2. Low Income Housing Tax Credit Reform
3. Land Banking

Portland
Seattle
Ann Arbor
Madison
Tax Abatement for Affordable Housing

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

Live look-in...
In Seattle, multifamily tax abatement has created 1,981 active affordable units for residents earning between 65 and 85 percent AMI.
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

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…

- 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

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.
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
Housing Permits Growing for Single Family and Multifamily Units

Housing Permits in Iowa City Area 2006-2014

- Single Family Units
- Duplex Units (or SF attached)
- Multi-Family Units
## Income Guidelines

<table>
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<tr>
<th>Household Size</th>
<th>30% Median Income (Poverty Level)</th>
<th>50% Median Income</th>
<th>60% Median Income</th>
<th>80% Median Income (low income)</th>
<th>Median Income</th>
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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.”