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Increasing Affordable Housing in Iowa City

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INTRODUCTION

In this policy paper, we are taking a fresh look at affordable housing in Iowa City. By affordable, we mean housing that costs 30% or less of an individual's or household's total income, regardless of whether the house is owned or rented. For certain demographic groups (such as students at the University of Iowa) this is usually a temporary situation, and not a barrier to their well-being. However, for adult individuals and households with children, paying more than 30% of their income in rent or mortgage payments means that they have less to spend on nutritious food, safe transportation, child care and health care. Unsustainable housing situations can lead to mental and physical health problems, impaired achievement in school and work, and even homelessness.¹ At the community level, building and operating affordable housing increases spending and employment in the surrounding economy, acts as an important source of revenue for local governments, helps local businesses attract and retain employees, and reduces the likelihood of foreclosure and its associated costs.² A shortage of affordable housing diminishes these benefits.

This policy paper is not a comprehensive study, but a concise exploration of the available data, and of one potential solution to the problems that the data reveal.

There are two prominent reasons why affordable housing in Iowa City is an increasingly salient issue. First, Iowa City residents are paying a higher percentage of their income to cover the rent or keep up with the mortgage. According to census data, a higher percentage of homeowners and especially renters were paying more than 30% of their income on housing costs in 2011 than in 2007. In Iowa City, a single mother with children faces a market in which the fair market rate for a two-bedroom apartment is \$853 a month. The income needed to afford this apartment without becoming cost-burdened is \$34,120, which translates into two full-time jobs at the minimum wage.³

In addition, subsidized housing in Iowa City is increasingly concentrated in specific areas, which threatens the health of the entire community. Existing zoning and other regulations as well as market dynamics make it difficult to develop affordable housing in Iowa City. To the extent that the lack of new affordable housing keeps poverty concentrated in existing parts of Iowa City, residents of those areas face a more difficult future, because concentrated poverty keeps people from making it out of poverty. A major study of the ability of American children from poor families to make it into the middle class found that, all else being equal, "upward mobility tended to be higher in the metropolitan areas where poor families were more dispersed among



1 Lubell, Morley, Ashe, Merola, and Levi, *Housing and Health: New Opportunities for Dialogue and Action*, National Center for Healthy Housing, 2012.

2 Wardrip, Williams and Hague, *The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of the Literature*, Center for Housing Policy, 2011.

3 [National Low-Income Housing Coalition, *Out of Reach 2013: Iowa*](#).

mixed-income neighborhoods.”⁴ Locally, the Iowa City Community School district is trying to address striking disparities among schools in the percentage of students receiving free and reduced-cost lunches. Affordable housing policy is an important piece of this puzzle.

If a lack of affordable housing and concentration of low-income housing are real and growing problems, what are feasible solutions? Given the current budget deficit and political gridlock in Washington, D.C., federal housing funds will stagnate or shrink in the short to medium term. In fact, funding from two of the largest federal sources for the construction and operation of affordable housing for low income population – the Community Development Block Grant (CDBG) and HOME Investment Partnership programs – has declined sharply in real terms over the last decade. For example, in FY 2001, Iowa City received \$970,000 from the CDBG program. In FY 2011, in spite of a much greater need for such funding in the wake of the housing market collapse and the Great Recession, it received only \$892,000 (or about \$694,871 in year 2000 dollars). State and local housing agencies as well as private developers of subsidized housing depend heavily on federal funds and therefore will not be in a position to support new programs. Charitable dollars may increase if the stock market continues to rise, but there is not enough philanthropic funding to substitute for federal dollars. Moreover, many local governments are highly leveraged and have little capacity to raise more money except through additional taxes. And new taxes, always a difficult proposition, are more so in the current political environment. Therefore, maintaining affordable housing programs that currently exist will be a significant challenge.

In this context, research suggests that the private sector can and should join the public and nonprofit sectors in maintaining and increasing the supply of affordable housing in Iowa City. As the economy continues to pick up steam, it may be useful to require private developers to set aside a percentage of each development as affordable housing, in return for clearly defined incentives. Five hundred localities in the United States have adopted this approach (generally known as inclusionary zoning) in some form, which has created approximately 150,000 affordable units over the last 40 years.⁵ This paper will explore inclusionary zoning in detail, in the context of complementary strategies to preserve existing affordable housing and create new affordable units.

DATA TO CONSIDER

Throughout the United States, housing has become less affordable, as

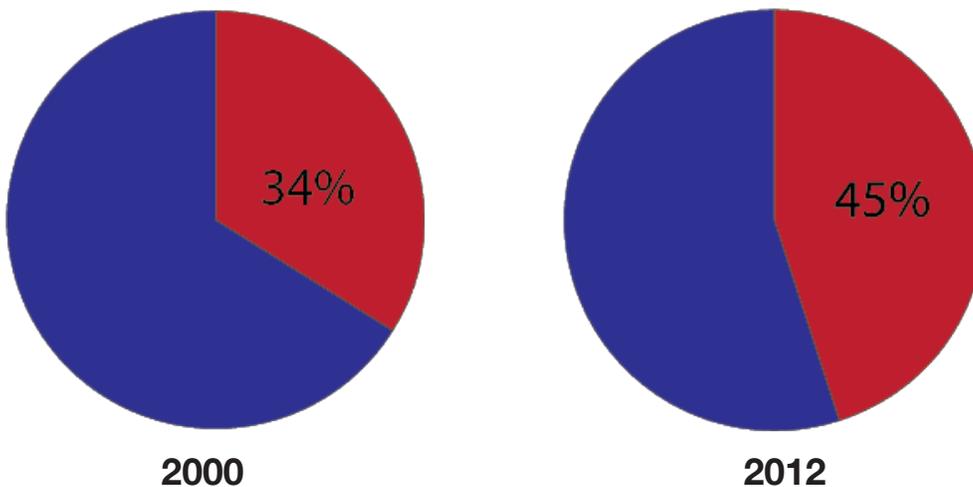
⁴ David Leonhardt, “In Climbing Income Ladder, Location Matters” *New York Times* web site, published July 22, 2013.

⁵ Mallach, Alan, and Nico Calavita, 2010. “United States: From radical innovation to mainstream housing policy.” In *Inclusionary Housing in International Perspective: Affordable Housing, Social Inclusion, and Land Value Recapture*, ed. Nico Calavita and Alan Mallach, 15-77. Cambridge, Mass.: Lincoln Institute of Land Policy.

average incomes have stagnated and the cost of housing has increased. For every 100 renter households considered extremely low-income (earning less than 30% of the area median income), there are 30 affordable and available housing units. As a result, many households live doubled-up with family and friends, or in the worst case suffer bouts of homelessness as they bounce from one untenable housing situation to another.⁶ This is not just a problem for extremely low-income households. Among working households, meaning those that have household members working at least 20 hours per week and earning up to 120% of area median income, more than one in four renter households spent more than half of their income on housing costs in 2011.⁷

In Iowa too, housing costs have increased more rapidly than household incomes. A 2012 study commissioned by the Iowa Finance Authority reports: “Relative to household incomes, the median cost of a home in Iowa grew by 23% over the decade...In 2000, the ratio of median home value to median income in Iowa was 2.09. By 2010, this ratio has increased to 2.57.” From 2000 to 2012, the percentage of renter households that were cost-burdened⁸ grew from 34% to 45%, while the percentage of homeowner households that were cost-burdened grew from 14% to 20%.⁹ In Iowa City, the lack of affordability is more pronounced than elsewhere in Iowa. From 2007 to 2010, the percentage of renters who are cost-burdened increased from 57.1% to 63.5%.¹⁰ From 2007 to 2011, average rents for a two-bedroom apartment increased 30%, from \$650 to \$848.¹¹ During that same period of time,

Percentage of Renter Households that were Cost-Burdened (2000-2012)



6 National Low Income Housing Coalition, *Out of Reach 2013*, p.3. Available at <http://nlihc.org/oor/2013>.

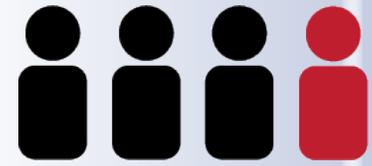
7 Viverios, Janet and Maya Brennan, *Housing Landscape 2013*, p.2. Center for Housing Policy, May 2013.

8 Households paying more than 30% of their income on housing costs are deemed cost-burdened. Households paying more than 50% of their income on housing costs are considered *extremely cost-burdened*.

9 RDG Planning & Design and Gruen Gruen + Associates, 2012 *Iowa Housing Study: Executive Summary*. Report to Iowa Finance Authority, January 22, 2013.

10 ACS 2007 one-year estimate and US Census 2010.

11 American Community Survey 2011.



Among working households, more than **one in four** renter households spent more than half of their income on housing costs in 2011.

median sales price for homes in Iowa City grew from \$163,000 to \$167,000.¹² The percentage of homeowners who are cost-burdened rose from 24.6% in 2007¹³ to 28.3% in 2010.¹⁴ If these trends continue, it is highly likely that over two-thirds of Iowa City renters and close to one-third of Iowa City homeowners will be cost-burdened by 2020.

Zoning and regulatory structures governing the construction of affordable apartments for low-income families (multi-family housing) are contributing to the lack of affordable rental housing in Iowa City. Iowa City's FY14 Annual Action Plan (approved 5/14/2013) describes the federally funded activities of the CDBG and HOME programs. The Annual Action Plan advocates increasing the amount of land zoned for multi-family housing: "Most, if not all, of the land currently zoned for multi-family housing in Iowa City is either developed or not on the market. Affordable housing developers are unable to make projects work financially on the few parcels that may be available because (1) the land is too expensive, or (2) it is not zoned to an adequate density. Proactive, selective rezoning of land within Iowa City by elected officials to expand the location of zoning districts that permit multi-family housing by right will eliminate the opportunity for NIMBYists [Not In My Back Yard] to object to development proposals on a case-by-case basis."¹⁵ The Annual Action Plan makes a strong case for pro-active, city-wide measures to open up opportunities for affordable multi-family housing, as opposed to case-by-case negotiations that consumes the valuable time and resources of all parties involved.

In addition to the zoning restrictions, in 2011 Iowa City government passed a resolution adopting the Affordable Housing Location Model.¹⁶ The primary goals of the resolution were to avoid further concentrating poverty in neighborhoods and schools already dealing with poverty, and to have diverse neighborhoods with residents at a range of income levels. To those ends, a model with multiple weighted factors was developed to prevent new assisted rental housing from being built in a substantial swath of the city. While well intended, the practical impact of the Model has been to further limit development of new affordable multi-family housing in Iowa City. While the Model prevents the development of new assisted rental housing in areas of concentrated poverty, there is no accompanying legislation that provides incentives to build such housing in more affluent areas, which would be required to achieve the stated goal of having diverse neighborhoods with residents at a range of income levels.

CURRENT EFFORTS

The affordable housing that currently exists in Iowa City is financed primarily

¹² Ibid.

¹³ ACS 2007 one-year estimate.

¹⁴ US Census 2010.

¹⁵ City of Iowa City, *FY14 Annual Action Plan*, p.36.

¹⁶ [On the Iowa City government website.](#)

by federal dollars and charitable donations. The Iowa City Housing Authority owns and manages 81 low-density public housing units, and administers 1250 Housing Choice Voucher (HCV) and Veterans' Affairs Supportive Housing (VASH) vouchers. Vouchers allow low-income families, the elderly and persons with disabilities to lease affordable privately owned rental housing. As of February 8, 2013, there were 539 families on the waiting list for public housing, and 814 families on the waiting list for HCV vouchers.¹⁷ Through a mix of programs, federal and state governments provide incentives for private developers to build affordable rental housing. As of 2007, when the last Iowa City Affordable Housing Market Analysis was published, there were 1,021 privately assisted housing units in Iowa City.¹⁸

Federal and state dollars also flow through to local nonprofit organizations that provide affordable rental as well as homeownership housing. Private charitable dollars, raised from individuals and businesses, complement the public funding. The Housing Trust Fund of Johnson County receives funding from local, regional and state governments as well as private sources to support affordable home ownership, rental and transitional housing and emergency shelter needs. Direct providers of housing include:

- Shelter House (a 70-bed shelter for people dealing with homelessness, serving hundreds of people over the course of a year)
- MECCA Services (12 units of transitional housing for people suffering from substance abuse and behavioral health problems)
- Successful Living (37 single-room occupancy units in three houses)
- The Housing Fellowship (132 affordable scattered-site rental units)
- Iowa Valley Habitat for Humanity (34 homes constructed, three homes completely rehabbed, and 16 homes made fully accessible in Iowa City)

These current efforts to serve people in need of safe shelter, transitional housing, and permanent housing are addressing a critical need in the Iowa City community. Judging from the affordable housing demand, more needs to be done. In 2010, 2,495 owner households and 8,352 renter households (for a total of 10,847 households) in Iowa City were housing cost-burdened.¹⁹ Federal dollars for affordable housing is shrinking and unlikely to gain ground in the short to medium term. Private charitable dollars are critical to maintaining and strengthening nonprofit affordable housing production, but will not increase fast enough to make a dent in the number of cost-burdened households. Private developers cannot afford to build stand-alone housing for people earning less than 60% to 80% of area median income, because the cost of purchasing the land and building the homes is greater than a sales price that is affordable to people in that income brackets. In addition, when developers try to build stand-alone affordable housing projects, NIMBY attitudes from neighbors delay or scuttle them. Privately funded affordable



Iowa Valley Habitat for Humanity:

- 34** homes constructed
- 3** homes completely rehabbed
- 16** homes made fully accessible

¹⁷ This data is available in the [Iowa City Housing Authority Annual Report 2013](#).

¹⁸ Financing for these units is from federal sources such as the Low Income Housing Tax Credit Program (LIHTC); the U.S. Department of Agriculture's Section 515 Program; the U.S. Department of Housing and Urban Development (HUD) Section 202 program (elderly); HUD Section 811 program (disabled); and Section 236 and 221(d) programs (family). For a listing of privately assisted affordable housing in Iowa City, see Mullin & Lonergan Associates, *Iowa City Metro Area Affordable Housing Market Analysis*. December 2007, p. 40. [The report is available here](#).

¹⁹ US Census 2010.

housing can work if developers integrate a few affordable units within housing projects that have a large number of market-rate units.

INCLUSIONARY ZONING

Overview

In communities where residents find it increasingly difficult to afford housing, and existing public, private and nonprofit programs are unable to close the gap, inclusionary zoning is a useful way to engage new resources in the creation of affordable housing. It works best as one approach among several. Inclusionary zoning (IZ) helps a community complement state, federal and philanthropic support for affordable rental and homeownership housing with private sector resources. The basic mechanism of inclusionary zoning is that a local government requires or encourages private developers to set aside a specific percentage (usually between 10% and 20%) of units for low and moderate-income households within market-oriented ownership and rental housing developments.

Inclusionary zoning supports a primary goal of the Iowa City Affordable Housing Location Model: diverse neighborhoods with residents at a range of income levels. In the City Steps (2011-2015 Consolidated) Plan as well as the FY14 Annual Action Plan, Iowa City housing staff recommends adopting a mandatory inclusionary zoning ordinance. The explanation is straightforward: “The Iowa City area is fortunate to have several highly motivated non-profit and for-profit affordable housing developers. While these organizations are highly capable, they lack the resources required to put a major dent in the region’s unmet affordable housing need. Clearly, additional mechanisms are needed to expand the production of affordable housing. One way of expanding production is to capitalize on the region’s dynamic real estate market by using market-rate development to create the supply of affordable housing. Inclusionary zoning is a ‘carrot and stick’ approach to expanding affordable housing.”²⁰ The ‘stick’ occurs when the program is mandatory, usually for developments over a certain number of units. The ‘carrot’ is the package of incentives offered to developers for producing affordable housing under inclusionary zoning.

It is important to note that, unlike many federal regulations, inclusionary zoning (IZ) is a flexible policy tool that can be tailored to fit the needs and resources of a specific jurisdiction. IZ policy formation and execution respond to the local market conditions and existing regulations constraining the production of affordable housing in a community. IZ programs work best where housing demand is high, and housing prices are rising faster than incomes. In general, inclusionary zoning mandates or encourages setting aside a percentage of housing units (usually 10% to 20%) within a larger development as permanently affordable for specific income groups.



²⁰ [City of Iowa City, FY14 Annual Action Plan, p.36.](#)

The policy has two objectives:

1. Improve the availability of a stable local workforce by reducing barriers to affordable housing for low-income households in moderate to high income communities.
2. Evenly distribute low-income populations within a jurisdiction and thereby avoid formation of concentrated pockets of relative poverty.

The specific elements of an IZ policy are critical to its community suitability and impact. The next section will discuss these elements, in the context of useful experience gained from other communities that have adopted inclusionary zoning.

Key Elements

In designing and implementing an IZ policy, community members must make a number of important decisions about specific elements of that policy. Usually the local government authorizes a commission or task force to tackle these decisions over a series of meetings. In the Go to 2040 Regional Comprehensive Plan, the Chicago Metropolitan Agency for Planning proposed that a successful IZ policy requires engaging with the following variables:

1. *Setaside percentage.* The percentage of units in a market-rate development that would be set aside as affordable units.
2. *Development size threshold.* The minimum number of units in a development required to trigger IZ regulations and incentives.
3. *Type of development.* This includes homeownership and/or rental projects, as well as new development and/or substantial renovation.
4. *Income target.* The income group(s) that an IZ policy intends to target. This can vary by the type of development; for example an IZ policy can target homeowners at 80% of AMI and below, and renters at 60% of AMI and below.
5. *Developer incentives.* Incentives, such as density bonuses and flexible zoning, that (depending on the locality) may or may not be necessary to encourage developers to move forward under inclusionary regulations.
6. *Alternatives to meeting the setaside requirement.* Allowing developers to build offsite units in a location away from the marketrate units, or pay an inlieu fee that would support affordable housing development elsewhere.
7. *Voluntary vs. Mandatory.* An IZ policy can be either voluntary or mandatory for developers. Voluntary policies are associated with lower rates of production of affordable housing.
8. *Affordability control period.*²¹ The length of time a unit is to remain affordable before returning to marketrate values.

²¹ Chicago Metropolitan Agency for Planning, *Go To 2040 Comprehensive Regional Plan*. Accessed August 6, 2013.



Next Steps for Iowa City

If the residents of Iowa City and their elected officials choose to pursue inclusionary zoning, the next step would be to establish an Inclusionary Zoning Task Force to design the actual ordinance. The Task Force should include people who have a broad range of housing expertise and experience. For example, in Chapel Hill, North Carolina, like Iowa City home to a major public university, the IZ Task Force included people with backgrounds in: residential land development; affordable housing development; development financing; residential real estate; home mortgage finance; home building/contracting; Chamber of Commerce; economist/urban planner; members of City Council; University of North Carolina Housing Staff; neighborhood representatives; and persons needing workforce housing. City staff and outside experts briefed members of the IZ Task Force on affordable housing and housing market data, and the group determined what outcomes an inclusionary zoning ordinance should achieve. The Task Force then worked through each of the elements above.

In considering the creation of incentives, cost offsets, and alternatives for developers, the goal is to incentivize affordable housing development by private developers in a predictable, effective way. Private developers value clarity and predictability in the development process. In Irvine, California, developers lobbied the City Council to convert its IZ program from voluntary to mandatory because of the confusion and uncertainty of the voluntary program.²²

Different types of cost offsets for developers include:

1. *Unit size reduction.* Allowance for developers to construct smaller or differently configured affordable units reducing the costs of construction.
2. *Density bonus.* Allows the developer to construct additional units without the need for additional land.
3. *Fee waivers or reductions.* Waive or reduce the permit fees that support infrastructure development and municipal services.
4. *Offsite Construction.* Permits developers to construct affordable units in a different location than on site with the market-rate units.
5. *Inlieu fee.* Enables developers to opt out of building affordable units by paying a set price per unit that would have been built if they had not opted out.

A word of caution: experience has shown that cost offsets, if not carefully designed and monitored, can have negative consequences. For example, if an IZ policy generates large numbers of fee waivers for developers, a jurisdiction loses revenue that may or may not be compensated by the development that occurs. An offsite construction alternative that allows developers to build affordable units far from market-rate developments works against the

²² Brunick, Nicholas, *The Impact of Inclusionary Zoning on Development*. Chicago: Business and Professional People for the Public Interest, 2003, p.14.

creation of mixed-income communities, and can result in the continued concentration of poverty. Inlieu fees that are set low and therefore do not generate adequate funding can result in the diminished construction of affordable units. Similarly, voluntary IZ programs tend to produce smaller affordable housing outcomes. Studies demonstrate that mandatory programs produce a significantly higher number of affordable units than voluntary programs.²³

Case Studies

Case studies are perhaps the best way to understand how IZ policies come into being, and the impact of these policies. This report includes studies of three cities that, like Iowa City, are either in the Midwest or are home to a university or college.

Davidson, North Carolina

The town of Davidson, North Carolina is home to Davidson College.²⁴ The method Davidson used to develop an inclusionary zoning policy took time, but allowed the community to design a policy that fit the town's needs and resources. In 1995 city officials launched the Affordable Housing Committee. This allowed community members to identify and discuss common concerns regarding affordable housing. The committee was comprised of diverse local stakeholders who collected local housing data to better assess the demand for affordable housing. Once the data was analyzed, a nonprofit organization offering both rental and homeownership housing emerged called the Davidson Housing Coalition. A few years later, Davidson began to experience a significant rise in property values.²⁵ The Davidson Housing Coalition organized an inclusionary zoning ordinance that went into effect in 2001 the first IZ regulation enacted in North Carolina. Subsequent amendments to this ordinance have allowed it evolve with the community.

Under the Davidson IZ ordinance, new developments of eight or more units must set aside 12.5% of the units for low and moderate income households. If a development is seven units or smaller, the developer must set aside one unit to be affordable to moderate and low income households. In addition to this requirement, affordable units must be distributed to an array of different income groups. Davidson also developed creative cost offsets to ease developers' cost burdens. First, developers can make an inlieu payment that flows into a housing trust fund to generate more affordable housing. Second, Davidson allows density bonuses for development projects that have been preapproved by the town board. Davidson's plan includes other strategies to increase affordable housing, in addition to inclusionary zoning.

²³ Mintz-Roth, Jesse, *Long-Term Affordable Housing Strategies in Hot Housing Markets*. NeighborWorks America and the Joint Center for Housing Studies of Harvard University, May 2008, p.26.

²⁴ The population of Davidson is 11,188 and the student population of Davidson College is 1,755. "American FactFinder" US Census 2010.

²⁵ [The Town of Davidson North Carolina, Affordable Housing Fact Sheet.](#)

The City allocates HUD funds to create a down payment assistance program. The comprehensive affordable housing plan has, to date, created over 40 affordable units and a more mixed-income community.²⁶

Chapel Hill, North Carolina

Chapel Hill is the central campus of a major public university, the University of North Carolina. To address a shortage of affordable housing, Chapel Hill created a comprehensive strategy, of which inclusionary zoning is one part. In 2005, the Chapel Hill Town Council created a task force to develop an inclusionary zoning ordinance after conducting a work session analyzing affordable housing demand.²⁷ The Inclusionary Zoning Task Force included a wide array of community members and professionals who worked closely with City staff.²⁸

In late 2006, the IZ Task Force drafted an ordinance for the Town Council to review and edit. This process took time -- the draft ordinance became available to public review in 2009, and the town enacted a mandatory IZ ordinance in 2010. The ordinance requires developers to set aside 15% of units for projects of 5 or more units at prices affordable to low to moderate-income households.²⁹ The ordinance offers developers to opt out of the program by providing inlieu payments that flow into an affordable housing trust fund. Additionally, Chapel Hill provides developers of inclusionary housing with density bonuses and floor area bonuses.

Highland Park, Illinois

Highland Park, a town of 32,000 residents along Lake Michigan north of Chicago, adopted an Affordable Housing Plan that incorporates mandatory inclusionary zoning as one of four core strategies. The institutional home for this effort was the Highland Park Housing Commission, created in the 1970s to undertake Section 8 projects. This work enabled the commission to develop a track record and influence within the community. At the end of the 1990s, developers were demolishing affordable homes in the downtown area to build higher-priced units that middle-income residents could not afford. In response the Housing Commission created the Affordable Housing Plan, which mandated inclusionary zoning in 2002. The plan identified three additional strategies to address the affordable housing crisis in their community:

- An Affordable Housing Trust Fund, which originally received a \$10,000 “demolition tax” payment from each demolition of a residential structure;
- An affordable housing developer, Community Partners for Affordable Housing, supported by the Trust Fund;
- An employer-assisted housing program, to assist City employees.

²⁶ Town of Davidson North Carolina, *Ibid.*

²⁷ [Town of Chapel Hill, North Carolina, Report from Council Committee on Inclusionary Zoning establishing an Inclusionary Zoning Task Force, June 27, 2005.](#)

²⁸ The Chapel Hill Inclusionary Zoning Task Force consists of Affordable Housing Development (3); Neighborhood Representatives (5); Real Estate Developer; University of North Carolina Academic; NonProfit Housing Development; Real Estate Commercial; Residential Land Development; Real Estate Broker; Economist/Urban Planning (Academic Background); Residential Real Estate; Chamber of Commerce Members (2); Homebuilding. Retrieved 20130726. [Available here.](#)

²⁹ [Town of Chapel Hill, North Carolina, Inclusionary Zoning Ordinance, June 21, 2010.](#)

Highland Park designed this approach to bring the public, nonprofit and private sectors together to address the shortage of affordable housing. The Housing Commission shepherded the development of IZ regulations, which require developers of projects with five or more units to provide 20% of the total units for sale or rent at an affordable price to income-qualified households. Developers receive a density bonus to help offset costs. To date, there have been 4 affordable inclusionary housing units built. Large-scale development stopped in Highland Park with the recession, and has not yet restarted. In addition, Community Partners for the Affordable Housing has rehabilitated or built 44 units with support from the Affordable Housing Trust Fund.³⁰

The Benefits of Inclusionary Zoning and Complementary Policies for Iowa City

If the residents of Iowa City want stronger schools and neighborhoods, inclusionary zoning is an important strategy to consider, in conjunction with programs that currently address affordable housing needs: well-managed public housing, housing choice vouchers, and privately-developed subsidized housing; nonprofit provision of shelter, transitional housing, and affordable rental and homeownership. Existing communities where new development (and therefore the construction of inclusionary housing units) is unlikely to occur can benefit from engaging residents in the stabilization and revitalization of their neighborhoods. A comprehensive approach to strengthening communities in Iowa City could build on existing efforts and add inclusionary zoning to the mix. Potential outcomes of an integrated approach include:

- Increasing the quality and availability of a diversified and dependable work force to strengthen the local economy;
- Enhancing racial and economic integration, and result in improved schools, decreased crime, and reduced poverty;
- Reducing transportation expenses and pollution caused by development far from the urban core;
- Harnessing the power of the marketplace to produce affordable housing and apartments without significant outlays of increasingly scarce public subsidies or new local taxes;
- Improving the quality of affordable rental housing;
- Offering predictability and a level playing field to developers, because every developer is subject to the same policy and procedures.³¹

The data indicate that the Iowa City housing market is gaining value and losing affordability, as more renters and homeowners are cost-burdened. Inclusionary zoning alone will not solve this problem, but it could be a part

³⁰ Electronic Mail Interview of Mary Cele Smith, Town of Highland Park Housing Planner, July 2013.

³¹ Adapted from Brunick, *Ibid*, pp.2-3.

of the solution.

ADDITIONAL INFORMATION

Iowa City Data and Housing Organizations

Iowa City Government

<http://www.icgov.org>

The City of Iowa City website provides excellent access to housing data and programs. Under the “A-Z Index” one can find useful information in Community Development, Home Ownership, Housing Authority and other links.

Housing Fellowship

<http://www.housingfellowship.com>

The Housing Fellowship develops and manages affordable rental homes for people with limited incomes. They currently have 132 scattered-site rental units in Johnson County.

Iowa Valley Habitat for Humanity

<http://iowavalleyhabitat.org/pages/receive-help.php>

Iowa Valley Habitat for Humanity provides affordable homeownership to qualifying families, who participate in the home’s construction and pay a mortgage. Community volunteers donate labor and materials to support each home’s construction.

Housing Trust Fund of Johnson County

<http://www.htfjc.org>

The goal of the Housing Trust Fund is to alleviate the shortage of affordable housing in Johnson County by providing a flexible source of financing to organizations that address the housing needs of households with incomes at or below 80% of area median.

MECCA Services

<http://www.meccaservices.com>

MECCA provides multiple substance abuse and behavioral health services, including transitional housing, which allows recovering families to lived in apartments with their children while participating in on-going substance abuse treatment.

Shelter House

<http://www.shelterhouseiowa.org>

Johnson County’s only general use homeless shelter, Shelter House provides transitional shelter to men, women and children, including the disabled and the elderly. The Iowa City facility has 70 beds and serves hundreds of people over the course of a year.

UniverCity Neighborhood Partnership

<http://www.icgov.org/?id=1995>

The University of Iowa and the City of Iowa City created the UniverCity

Neighborhood Partnership to provide owner-occupied workforce housing as well as greater stability in neighborhoods north of downtown by rehabilitating older homes.

Case Studies

Chapel Hill Inclusionary Housing website

<http://townofchapelhill.org/index.aspx?page=1298>

The website for the town of Chapel Hill, North Carolina provides a detailed description of how residents pushed for and successfully enacted inclusionary zoning within an affordable housing strategy. The site includes links to several reports that outline a thoughtful step-by-step process undertaken by local government.

Davidson, North Carolina

<http://www.ci.davidson.nc.us/DocumentCenter/Home/View/1702>

The town of Davidson, home to Davidson College, created a slide presentation which describes the process of developing an inclusionary zoning ordinance, details of the program, benefits that IZ provides, and visual examples of IZ developments.

‘GO TO 2040’ Plan for Chicagoland Counties

<http://www.cmap.illinois.gov/documents/20583/3e105082-4a78-48a7-b81b-ee5f0eae9ce>

The ‘GO TO 2040’ plan covers Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will counties in Illinois. The plan addresses the region’s resources, pinpoint its drawbacks, and recommend ways to enhance and sustain economic prosperity. The plan specifically discusses inclusionary zoning as a tool to build sustainable growth.

Highland Park Affordable Housing

<http://www.uic.edu/cuppa/voorheesctr/Publications/Highland%20Park%20Plan%202001.pdf>

The University of Illinois at Chicago (UIC) developed this affordable housing plan that Highland Park adopted on January 22, 2001. The plan outlines the need for affordable housing in Highland Park and steps the community can undertake to address the issue.

Policy Reports

American Planning Association

http://www.inclusionaryhousing.ca/wp-content/uploads/2010/01/ResourceUS_APA_IZ-PracticesSep04.pdf

This report focuses on the effectiveness of mandatory inclusionary zoning programs as opposed to voluntary IZ programs.

Impact of Inclusionary Housing on Development

http://www.bpichicago.org/documents/impact_iz_development.pdf

Business and Professional People for the Public Interest (BPI), an organization based in Chicago, produced this report, which is national in scope. The document addresses the impacts inclusionary zoning has on local development.

Policy Link Report

<http://www.policylink.org/site/c.lkIXLbMNJrE/b.5137027/>



Policy Link provides an in-depth history of inclusionary zoning as well as common questions people ask about the effectiveness of inclusionary zoning.

Rand Corporation Report

http://www.rand.org/pubs/technical_reports/TR1231.html

This report by the RAND Corporation examines 11 IZ programs across the United States to determine the extent to which the policies serve lower-income families, particularly by promoting the academic achievement of their children. It also considers ways in which IZ policies vary, and how different design features might best promote affordable housing and social inclusion for IZ recipients.

Smart Growth and Smart Energy

http://www.mass.gov/envir/smart_growth_toolkit/pages/mod-iz.html

The Commonwealth of Massachusetts created this interactive toolkit, which discusses how to design and implement inclusionary zoning in a community.