Council Communication

Department: Community Development	Resolution No. _____	Public Hearing: 11-13-2023

Subject/Title

Approval authorizing the Mayor to execute an agreement with the Iowa West Foundation for Housing Development Program and authorize $2 million in American Rescue Plan Act funds Revenue Loss to support the required local match.

Background/Discussion

The need for housing in Council Bluffs continues to be a critical issue that the City and the Iowa West Foundation (IWF) have both been working to address. The City's 2022 Housing Needs Assessment found there has been a decline in affordable housing options including owner and rental units. Over 45% of renters are cost-burdened, meaning they pay more than 30% of their monthly income towards housing-related expenses (rent, utilities and insurance). It also found that households at or below 80% of the median family income (MFI) struggle to find affordable homes. In the 2022 Imagine Hour community conversations hosted by IWF, housing emerged as the single most reported need in Council Bluffs.

In 2023, IWF and City Staff began meeting to find new partnership opportunities to create new housing throughout the City. The Housing Development Program was formed with the goal to accelerate housing construction by incentivizing at least 1,300 new residential units over the next 10 years. The Program identifies funds being used towards acquisition, early architectural/engineering fees, infrastructure development and incentives for developers to create housing. It will be a city-wide program but with key areas of focus being Dodge Park, First Avenue, River's Edge and East Manawa. Staff has the goal of a $10 million fund to support this effort with the intent to recycle dollars through lot sales and TIF reimbursement where possible.

IWF has awarded the City $4 million to support the Program. To secure these funds, the City committed $2 million in match with the intent to utilize American Rescue Plan Act (ARPA) funds as the source. Additionally, Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME) and tax incentives will be used to further support the Program.

Additionally, key features of the program include an annual developer open house to draw new firms to Council Bluffs, updates to the City's website relating to housing and incentives and regular reporting of achievements and benchmarks.

Recommendation

Approval authorizing the Mayor to execute an agreement with the Iowa West Foundation for Housing Development Program Initiative and authorize $2 million in American Rescue Plan Act funds to support the required local match.