



# CITY OF IOWA CITY COUNCIL ACTION REPORT

April 1, 2025

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Resolution authorizing the procurement of consulting services to develop an Affordable Housing Division and Pilot Project.

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Reviewed By:	Geoff Fruin, City Manager Eric Goers, City Attorney
Fiscal Impact:	Funds are available through the Pro Housing Grant, 23610217, Project D0847.

Staff Recommendation: Approval

Commission Recommendations: NA

Attachments: [Resolution](#)  
[Agreement](#)

## Executive Summary:

The City seeks the services of a consultant to increase internal capacity to develop and sustainably operate permanent, affordable housing. The consultant will provide two services. One service is technical assistance in establishing a development arm of the Housing Authority. Priority considerations will include legal and organizational structure, operational and financial capacity, including staffing models, and the ability to capitalize on outside funding streams to ensure long-term success. The second service is to assist the City through a pilot housing development project funded through various local and/or federal funding streams. Based on the development potential of the identified site, the City anticipates a development between 18 to 36 affordable rental units.

## Background / Analysis:

Iowa City has a population of over 75,000 residents. 20% of our population earns less than \$30,000 annually and 61% of our renters are cost burdened. There are 1,095 low-income households who meet the Iowa City Housing Authority's top preference criteria (elderly, disabled, or family with children under 18, living in our jurisdiction) who are waiting for a Housing Choice Voucher and 561 low-income households waiting for a public housing unit. The demand for subsidized, affordable rental housing is great; however few organizations construct new, affordable rental housing.

The selected consultant will provide the City with two different services. The first is to assist staff in establishing a development arm within the Housing Authority to sustainably operate permanent, affordable, rental housing. The cost for this service is \$115,000 and includes identifying organizational strategy and goals, and a transformation roadmap that considers staffing, legal structure, a financial plan, needed technology, and a resident communication plan.

The second is to serve as an advisor and development manager for a pilot affordable rental housing project of up to 36 units at a site identified by the City. The consultant will work with the City to build the necessary skills and capacity to plan, finance, and implement the pilot project. The consultant shall assist the City through the entitlement phase (legal process where a developer secures all necessary approvals to build on a property), design, construction and closeout. The cost for this service is 3% of the total development cost, minus site acquisition. The City expects the cost for both services not to exceed \$406,600.