



# CITY OF IOWA CITY COUNCIL ACTION REPORT

June 16, 2026

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Resolution approving the purchase agreement for 1002-1006 N. Summit Street.

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Reviewed By: Geoff Fruin, City Manager  
Sara Greenwood, Assistant City Attorney

Fiscal Impact: City will use \$750,000 as a grant to ICAH for the land acquisition cost payable back to the City at closing. There will be no impact on the general fund for ongoing operational expenses.

Staff Recommendation: Approval

Commission Recommendations: NA

Attachments: [Resolution Agreement](#)

## Executive Summary:

This is a resolution authorizing the conveyance of 1002–1006 N. Summit Street to Iowa City Affordable Housing Inc. (ICAH) for fair market value, subject to the terms and conditions of the Loan Agreement between the City of Iowa City and the Housing Trust Fund of Johnson County, which constitutes an encumbrance on the property. ICAH proposes to construct a 36-unit multifamily affordable housing development on the property for households earning at or below 50% of the area median income.

The proposed conveyance advances a partnership between the City and ICAH, a newly established nonprofit organization created exclusively to support and carry out the charitable purposes and functions of the Iowa City Housing Authority. Utilizing the non-profit as developer enables the project to pursue various federal and state incentives the City would be not be eligible for, such as Iowa Workforce Housing Tax Credits.

## Background / Analysis:

In 2024, the City acquired the property using American Rescue Plan Act (ARPA) funds for the purpose of developing affordable multifamily rental housing. The City now desires to convey the property to ICAH for development and operation. Upon approval of the purchase agreement, the City will enter into a grant agreement with ICAH for the value of the land, estimated at \$750,000. The agreement will provide a forgivable loan at 0% interest in the amount of \$750,000, secured by a mortgage on the property, with a 30-year affordability compliance period. The loan will be forgiven provided ICAH maintains compliance with the agreement.

Following execution of the grant agreement, the City will proceed with closing and conveyance of the property to ICAH. ICAH will pay the City \$750,000 at closing for the value of the land. The City will assign all obligations and requirements under the agreement with the Housing Trust Fund of Johnson County to ICAH, which will be responsible for the development and long-term management of the project consistent with its terms.