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Iowa City Metro Area HOUSING NEEDS ASSESSMENT

Client

The client for this project was the City of Iowa City. The study area includes Iowa City, Tiffin, North Liberty, University Heights and Coralville.

Project Description

This assignment involved the preparation of an affordable housing needs assessment and workforce housing analysis that served as the basis for a local zoning amendment to create inclusionary housing provisions.

Challenges

Iowa City is a vibrant community that is home to the University of Iowa. Housing costs in the area have been impacted by the demand for student housing and by economic growth in the region. Students are willing to pay a premium for apartments and condos in the core area of the community. As the cost of housing continues to rise, lower wage employees of the University and its medical center are forced to live further and further away from campus where public transportation is limited. The remaining tracts of developable land are controlled by a handful of developers, who bring the land to market strategically in order to maximize return. The high cost of land makes it extremely difficult for local non-profit organizations to develop affordable housing.

Solution

M&L documented the existing unmet need for affordable housing. We also prepared projections of future affordable housing needs. We met with developers to establish a public/private dialogue on the need for affordable housing. The City intends to use this information as the basis for a zoning amendment that requires developers to provide a certain percentage of units that are affordable to households below 120% of the area's median income.

Benefits

Since it is economically infeasible for the non-profit sector to develop affordable housing through traditional means, the responsibility for expanding the supply of affordable housing is being shifted to for-profit housing developers. As part of our assignment, we analyzed a hypothetical 40-unit mixed-use development project on a tract of land controlled by the City. Certain units will involve tax credit/HOME financing while other units will be market rate rental units. We explored the feasibility of developing this project as a 4% tax credit deal. The City is moving forward with this important project.

Planning and Development Consultants