



**City of Cedar Rapids  
DEVELOPMENT COMMITTEE MINUTES  
City Hall Council Chambers  
Wednesday, August 28, 2013  
3:00 p.m.**

The meeting was brought to order at 3:01 p.m.

Present: Council members Vernon (Chair), Shey and Olson. Staff members present: Joe O’Hern, Community Development Interim Director; LaSheila Yates, Housing Programs Manager; Pam Ammeter, Leased Housing Specialist; Vern Zakostelecky, Development Services Planner; Caleb Mason, Housing Rehabilitation Specialist; Seth Gunnerson, Community Development Planner; Kevin Ciabatti, Building Services Director; Alex Sharpe, Community Development Planner; and Alicia Abernathey, Community Development Administrative Assistant.

Council member Vernon stated the Development Committee meets monthly and the purpose of the committee is to review development and economic issues that involve the community. Items are brought forward to the agenda from City staff, Council members and sometimes citizens.

Council member Vernon called for a motion to approve the minutes from July 24, 2013. Council member Olson made a motion to approve the minutes from July 24, 2013. Council member Shey seconded the motion. The motion passed unanimously with none opposed.

**Informational Items and Updates**

Comprehensive Plan:

Joe O’Hern, Community Development Interim Director, stated the contract with the consultant will be brought forward to City Council in September. The Steering Committee kick-off will take place in late September followed by public engagement in October.

Parking Ordinance:

Mr. O’Hern stated a recommendation will be brought forward in September for Development Committee consideration. The recommendation will include expansion in the core, taking into account the street typology.

Council member Vernon requested staff look into options for incorporating requirements for different types of materials if parking reaches a certain level.

Alcohol and Tobacco:

Mr. O’Hern stated a recommendation will be brought forward in September for consideration.

Sign Code Progress:

Mr. O’Hern stated stakeholder meetings were held and updates will be provided in September.

## **1. Section 8 Financial Update**

LaSheila Yates, Housing Programs Manager, stated in May 2013 the U.S. Department of Housing and Urban Development (HUD) projected a budgetary shortfall of approximately \$498,000 that would result in approximately 211 families losing rent assistance. On May 24<sup>th</sup> staff submitted a set-aside application to HUD seeking funds to cover the shortfall. On July 29<sup>th</sup> staff received notification from HUD the Section 8 Housing Choice Voucher (HCV) program received approximately \$411,000 in set-aside funding to cover the budgetary shortfall, with a possibility of surplus to add to the reserves. This is the highest amount the program has received in set-aside funding since the HCV program was established.

Ms. Yates stated due to the program receiving additional funding, staff will place the actions presented at the July Development Committee meeting on hold. Staff is recommending submission of an across the board payment reduction from 95% to 90% during the regular timeframe. As a result, the reduction will take place over two years instead of immediately.

Council member Olson asked if all jurisdictions were going to the 90% level. Ms. Yates stated based on the current Fair Market Rent it was determined 90% would be a fair rate as other jurisdictions offered payments between 80% and 110%. Also, if the Fair Market Rent increases or HUD reduces the housing assistance payment, the City will still be able to lease to families.

## **2. Continuous Foundation**

Vern Zakostecky, Development Services Planner, stated continuous foundation requirements were discussed at the Development Committee meeting in April 2011 and again in November 2012. Staff was directed to research how other communities are handling requests to build without continuous foundations. Mr. Zakostecky identified the current language in Chapter 32 pertaining to continuous foundations and identified a requested amendment to allow homes be constructed on foundations consisting of pilings/pilasters/post footings. Staff surveyed several communities and did not find any new information that would suggest a best practice of using pilings/pilasters/post footings. Staff recommends the code language remain as is.

Council member Vernon asked if any of the communities researched have language in their code that allows post footings. Mr. Zakostecky stated some of the communities allow post footings but most do not receive applications for post footings to be used.

## **3. Housing Market Analysis Update**

Caleb Mason, Housing Rehabilitation Specialist, stated as part of the budget planning for housing replacement programs, a housing market analyst, Maxfield Research, Inc. was hired in 2009. The purposes of hiring a housing market analyst are to:

- Identify needs and opportunities for replacement housing programs,
- Inform policy discussion,
- Ensure replacement housing programs (ROOTs/MFNC) are meeting identified needs, and
- Ensure programs are not negatively impacting the housing market.

Mr. Mason stated the City has a shortage of affordable housing that existed pre-flood and the flood exacerbated the shortage. To date, approximately 1,100 residential structures have been demolished and areas have been deemed unavailable for redevelopment based on Federal, State or City policies. Therefore, there is a significant need for affordable housing in Cedar Rapids.

Mr. Mason provided a progress update for owner occupied housing and rental housing. The 2013 market analysis findings include:

- Rental market vacancy rate below 3% (market equilibrium is ~5%)
- Home sales prices continue to rise
- Time on the market for existing homes is around 90 days (consistent over last 3 years)
- Demand for new housing remains strong – particularly in core neighborhoods
- Demand for market rate housing downtown
- Identified need for senior housing

Council member Vernon asked if it would be acceptable to rehabilitate buildings downtown for condo use. Council member Olson stated there are some buildings that could use the boost in funding if the State would allow that type of development. Mr. Mason stated staff will be talking to the State to determine a way to make it work. Council member Olson stated the buildings available for conversion have already been identified and it would not be very complicated to locate 100 units in the downtown. Mr. O’Hern stated there may not be a lot of relief from the State on the purchase price and they have to meet an 80% Area Median Income (AMI).

Council member Shey stated there are some individuals that feel the Single Family New Construction Program is devastating the housing market. Mr. Mason stated the findings show the housing market is very strong and continuing to grow. Council member Olson suggested staff look at the completed owner occupied homes and compare current property taxes to what they were pre-flood. Mr. O’Hern stated approximately 59 properties were researched and the total pre-flood property taxes were approximately \$4,000,000 and after redevelopment there is approximately \$7,000,000 in property taxes. Council member Olson asked if the property taxes for the other completed owner occupied homes could be determined as well.

#### **4. Kingston Village Overlay District Update**

Seth Gunnerson, Community Development Planner, stated a meeting was held with stakeholders of the Kingston Village area on July 29<sup>th</sup> to review ordinance options for the overlay district. From the meeting, there was broad support for adopting an ordinance similar to the ordinance for the Czech Bohemia Overlay District. Feedback received suggested language describing the Kingston Village district include aspects specific to the district including emphasis on historic preservation. Mr. Gunnerson explained aspects of DRTAC review. Staff would like to streamline code language where possible and clarify what cases require DRTAC review.

Council member Olson suggested the code language be the same for all districts with subsections of elements that are specific to each district. Council members made suggestions for other overlay districts to consider in the future.

#### **5. Annexation Agreement with Marion**

Alex Sharpe, Community Development Planner, stated staff is currently working on an annexation agreement with Marion as the previous agreement expired in July 2008. The annexation agreement will create a boundary line between Cedar Rapids and Marion, and each community may annex on their side of the line. The agreement allows for both communities to plan for future services and land use. Mr. Sharpe presented a map explaining the different areas and which city can annex in that area. Mr. Sharpe identified State requirements and next steps.

Council member Vernon asked how this agreement is different from the agreement that expired in 2008. Mr. Gunnerson stated this agreement modified the separation line between the two cities to accommodate an anticipated storm water management system in Marion and extended the line further north to White Road.

Council member Olson asked if Cedar Rapids had an agreement with Robins. Mr. Gunnerson identified on a map the separation line for annexations between Cedar Rapids and Robins.

Council member Vernon called for a motion to adjourn the meeting. Council member Olson made a motion to adjourn the meeting. Council member Shey seconded the motion. The motion passed unanimously with none opposed.

Meeting adjourned at 4:13 p.m.

Respectfully submitted,

Alicia Abernathey, Administrative Assistant II  
Community Development