



**City of Cedar Rapids
DEVELOPMENT COMMITTEE MINUTES
City Hall Training Room
Wednesday, January 21, 2015
4:00 p.m.**

The meeting was brought to order at 4:03 p.m.

Present: Council members Vernon (Chair), Shey and Weinacht. Staff members present: Jennifer Pratt, Community Development Director; Seth Gunnerson, Community Development Planner; Anne Russett, Community Development Planner; Kirsty Sanchez, Community Development Planner; Caleb Mason, Housing Redevelopment Analyst; Sara Buck, Housing Programs Manager; Paula Mitchell, Housing and Redevelopment Manager; and Anne Kroll, Community Development Administrative Assistant.

Council member Shey motioned to approve the minutes from November 19, 2014. Council member Weinacht seconded the motion. The motion passed unanimously.

Presentations:

1. Five Year Consolidated Plan Update

Paula Mitchell, Housing and Redevelopment Manager, stated that this is an overview of the upcoming consolidated planning process with an emphasis on public outreach to let Council and others know what is coming and let the public know how they can engage. The City receives the Community Development Block Grant (CDBG) from investment partnership funding every year by a formula to receive that funding based on our community demographics and the age of our housing stock. The purpose of the required plan is to receive CDBG and HOME Program funding; identify housing and community development needs, goals, and priorities for the community; and to stipulate how limited resources will be spent in accordance with identified needs. The plan is updated every 5 years.

Funding is a little bit more than a million dollars in CDBG funding every year and the current HOME allocation is estimated around \$331,000. There have been significant decreases in the past five years, but we are expecting leveled funding for the upcoming program year.

The required elements of the Consolidated Plan are citizen input, housing market analysis, demographic trends, analysis of special needs populations (seniors, homeless, etc.), and a 5 year strategic plan to address needs, goals, and priorities. Eligible CDBG activities include housing rehabilitation, homebuyer assistance, infrastructure improvements, public facility improvements, and public services to special needs populations. All activities must meet a HUD National Objective that is primarily a low/moderate income benefit, but also some funds can be used to eliminate slum/blight, or to fill an urgent need with no other funding source (ex. disaster). The HOME program is really specifically targeted to provide housing production or to help people to

acquire housing, so the eligible activities are really targeted toward production of housing opportunities.

Ms. Mitchell discussed the following about public outreach.

- Public Input Survey – distributed by email, online, and through public service partner agencies;
- Interviews with key stakeholders and partner agencies;
- Stakeholder Focus Group Meeting;
- Open House-style Public Meeting:
 - Short presentation.
 - Hands on activities will assist with prioritization.
- Public notices;
- Required public hearings (2)

The next steps are:

- January 22, 2015 – Stakeholder Focus Group Meeting, 9:00 – 10:30 a.m. at the African American Museum of Iowa
- January 22, 2015 – Public Open House, 4:00 – 7:00 p.m. at the City Services Center
- January 27, 2015 – Public Hearing
- March 2015 – Draft plan available for review
- April 2015 – 2nd Public Hearing (specific to draft plan)
- May 15, 2015 – Plan due to HUD

Recommendation Items:

1. Indian Creek

Caleb Mason, Redevelopment Analyst, stated that he will be discussing the Indian Creek Nature Center (ICNC) request. This item was brought to the Committee in October 2014 to acquire ownership of 78 acres of property that they are currently leasing from the City. This is in conjunction with their “Amazing Space” project. Time was taken to figure out the nature circumstances surrounding how the City acquired the land and what restrictions there might be. Nothing was found in that research that would prohibit the sale. The City has a long history with the nature center dating back to 1973 when they began leasing property that the City had acquired back in the late 60s. In 2001, the City renewed and renegotiated its lease and then amended it in 2009 to include a total of 162 acres. It is a 50 year lease which expires in 2051 and outlines very specific uses of the property. Indian Creek can make certain improvements provided that the City agrees. There are two provisions about the termination of the lease. One is that the lease can terminate for a specific cause if either party violates the terms. The second is for convenience, if the City had another public purpose for the property, ICNC would receive a four year notice to wind down their operations and vacate the site. The Committee requested information about how much ICNC invested in the property. The Nature Center indicates they have invested in upwards of \$1 million in capital improvements. This includes prairie restorations, tree plantings, and improvements to their barn facility, and other educational types of facilities.

Mr. Mason showed a map of the City owned property, property that ICNC owns, the City’s corporate boundaries, all of the land that ICNC is leasing, and the land that ICNC wished to acquire.

Mr. Mason discussed the ICNC “Amazing Space” project:

- \$6.9 million investment (\$1 million for endowment)
- Seeking “Living Building Challenge” certification – net zero water & energy
- To-date \$6.3 million of the funds have been raised

Mr. Mason stated that staff from Community Development and the Parks Department recommends initiating the disposition process. State law requires that we hold an open competitive process; however, in this case the criteria for proposal would be more narrowly defined. The criteria would include: projects that enhance the land in its natural, scenic, and historic condition; provide environmental education components; and non-obtrusive recreation. Any transfer of the property would be subject to reversionary clauses, so this ensures that the uses that are out there now continue. If they do not continue then the uses would revert back to the City.

Council members Shey, Weinacht, and Vernon all think this is a great project and would like to see it move forward. Council member Weinacht made a motion for recommendation. Council Member Shey seconded the motion. The motion passed unanimously.

2. 214 1st Street SW

Mr. Mason stated that the City entered into a Development Agreement and transferred the title to 100 and 102 3rd Avenue SW to KHB Redevelopment Group. In April 2014, there was a request for disposition of 214 1st Street SW to the Development Committee. The Development Committee indicated that this is a high profile location in a key district and there was an interest in developing more density and not necessarily surface parking and ensuring that the City is getting the highest and best use of properties. Subsequent to that decision, staff continued the dialogue with KHB on various alternatives to ownership of the property. The City has used other models including short term lease arrangements allowing for the use of a property without transferring ownership. This would allow the short term use without losing the ability for a higher and better use in the event the City were approached by a developer with a project. A map was displayed of the property.

Mr. Mason stated that staff recommends a short term lease of the property based on similar models. It will be a 3 year lease term with optional extensions and the developer makes improvements at their expense. If the Committee is agreeable to that then staff would move forward with a Resolution authorizing negotiation of a short term lease.

Council member Vernon asked if there could be some sort of structure that goes along First Street that could go 2/3 of the way along the easterly border, such as lattice work or a brick wall or something that shows a little creativity that has a nice transition into a parking lot that is also low cost.

Council member Weinacht suggested having plantings, trees, or some type of landscaping.

Mr. Mason stated that there would be a requirement for some kind of landscaping buffer there at a minimum to shield headlights from 1st Street SW.

Council member Shey made a motion for recommendation. Council member Weinacht seconded the motion. The motion passed unanimously.

3. Smulekoff's RFP

Mr. Mason stated that the City took possession of Smulekoff's in December. Federal funding was used for the acquisition, requiring the City to follow two key conditions in the disposition. The first and most critical is that the current Fair Market Value of the property is returned to the program. Any developer would have to pay that amount or the City would have to come up with that amount and pay that back to the program. The second is in exchange for the redevelopment of properties in the 100 year floodplain, projects are required to be flood proofed to meet the City's floodplain ordinance. The City has received significant interest on this site. Mr. Mason showed a map of the property and the City's Flood Control System. Part of the redevelopment will be consideration of the City's Flood Control System and one of the things we want to make very clear to those that are proposing something is that there will be an impact on what the City needs to maintain flood protection, but also during the actual construction for those who live or work downtown, it can be very disruptive.

Mr. Mason stated that the RFP provides four development objectives: financially viable redevelopment based on current market conditions, retention of the building's historic character, preference for incorporation of market rate housing, and it acknowledges and allows for construction and ongoing maintenance of City's Flood Control System. Evaluation criteria will take these three things into consideration: developer capacity and project feasibility, community benefit, and economic impact.

Council member Weinacht expressed concern with keeping young professionals in the area and what Market Rate Housing would mean for them. Mr. Mason stated that there have been programs like the Multi-family New Construction Program and low income housing tax credit projects. There are restrictions that those developers have with who they rent to with their income and also with rent rates. There have not been many projects that are unrestricted where they can rent to anyone at a rate they determine. Market analyst indicates that we have a need for these non-income restricted units specifically in the downtown area. That is the basis for our recommendation.

Council member Vernon asked who is responsible for the flood protection for this. Jennifer Pratt, Community Development Director, stated that the City would pay for the flood protection since it is not integrated into that building. In this case, the City would retain through some sort of easement or agreement in that area, to not only build the flood protection but then also to maintain it.

Council member Shey made a motion to move forward and invite bids and proposals. Council member Weinacht seconded the motion. The motion passed unanimously.

4. Opening of Waiting List

Sara Buck, Housing Programs Manager, provided background of the Section 8 Housing Choice Voucher. In November 2011, the waiting list closed. There were 4,000 applications with an average 3-5 year wait. Currently, there are 0 applicants on the waiting list and 100 families are in process. PHA policy allows for the waiting list to be closed after 2 years of applicants. The proposed opening of the waiting list is planned to be held at the Veterans Memorial Building in the Armory. Applications will be taken the first day from 8 a.m. to 4 p.m. The date and time are still tentative waiting Council approval. Since the waiting list has not been opened for so many years, it is expected that the required number of applications will be received in one day. Other

service agencies will be present to provide additional resources and services available. Applications will be sorted by preference, and then by time/date within the preference and will be pulled from the waiting list as funding becomes available. Staff recommends the opening of the Section 8 waiting list, and closing it once the required number of applications is received. This will go to Council on January 27, 2015.

Council Member Shey asked how many applications would be 2 years' worth of applications. Ms. Buck stated that they are working with HUD on the exact number, but by a quick calculation it will be around 1200 applications.

Council member Vernon asked about the people who cannot make it for that one day and the people who work and cannot make the time period. Ms. Buck stated that it will be available for the one day, but it will be accessible online and you can request an application by phone. Reasonable accommodations can be made for someone who is disabled or in the hospital the day of the opening. They can call and request an application even if it is after that day.

Ms. Buck stated that they will be handing out flyers and getting this information out on the website and in public places. Ms. Vernon stated that after the flood, the best place to advertise is convenience stores. Ms. Buck also stated a public notice will go in the Gazette as well as other newspapers in the area.

Council member Shey made a motion for recommendation. Council member Weinacht seconded the motion. The motion passed unanimously.

5. National Register Nominations

Anne Russett, Community Development Planner, stated that she will provide an update of three National Register Nominations that the City is currently pursuing. One is for a downtown district and the other two are individual nominations. These nominations are related to two MOAs among the City, FEMA, SHPO, and IHSEMD, which identify specific mitigation measures related to these nominations. The City agreed to implement these mitigation measures in order to address impacts to historic properties from the 2008 flood.

Ms. Russett stated that the Downtown National Historic District boundaries generally run from 1st Avenue SE to 4th Avenue SE and in between 1st and 2nd Street SE to 5th Street SE. This boundary was developed in coordination with the consulting firm that the City is working with, the State Historic Preservation Office, and members of the Historic Preservation Commission (HPC). Notification was received from the State that this is a viable district. City staff held a public open house last October to provide information to the public and stakeholders on the proposed district. Letters were sent to all property owners within the proposed boundary that informed them of the event and outlined some information on frequently asked questions and provided background information. The feedback was positive and property owners expressed interest in the district because of the benefits. The next nomination is for a religious building, St. James Methodist Church, located at 1430 Ellis Boulevard NW and built in 1954. This church was recommended by the HPC for a few reasons. The church expressed interest in the nomination, it is a great example of post-World War II church architecture and 20th Century Gothic Revival architecture, it received flood damage in 2008, and the State Historic Preservation Office has already preliminarily made a determination of this structure's eligibility on the National Register. The third nomination is an industrial building, the Harper & McIntire Building also known as Smulekoff's warehouse, located at 409 6th Avenue SE. This was

constructed in 1922. This is being pursued mainly because the property owner expressed interest and the HPC is very supportive of this nomination.

Ms. Russett stated that the properties within a National Historic District are not subject to any additional local review by the HPC. National Districts are more of an honorary distinction and provide multiple benefits such as tax credits, federal and state historic tax credits as well as exemptions. The next deadline is April 1, 2015 which is SHPO's final draft nomination deadline. June 12, 2015 is the State Nomination Committee Meeting and July is the anticipated submission to the National Park Service. City staff recommends that the Development Committee support these nominations and recommend support by the full City Council.

Council member Weinacht asked why a parking ramp along with some other structures would be considered historical. Ms. Pratt stated that you have to look at the district as a whole instead of each structure individually.

Ms. Pratt wanted to make it clear that this is part of the overall flood recovery and that the City is using federal funds for this project as part of the MOAs.

Council member Vernon stated that this could cause property owners to take the next steps to repair the historical structures with the grants and tax exemptions they will be eligible for.

Council member Weinacht made a motion for recommendation. Council member Shey seconded the motion. The motion passed unanimously.

Informational Items

1. MedQuarter Overlay

Seth Gunnerson, Community Development Planner, stated that he wanted to give an update on working with the MedQuarter SSMID Board. In September, staff made a presentation about interest from the Medical Quarter District to develop an overlay district. They will create design standards and zoning standards for the district. Draft recommendations were presented to the MedQ SSMID Board in December and in early January they voted to recommend those going forward. They are now doing public outreach on the standards with the residents and property owners within the district. A formal recommendation will be made to the Development Committee in the spring.

Council Member Vernon stated that both hospitals need to be shown on any map that is displayed of the MedQuarter District.

Mr. Gunnerson stated that like the other overlay districts that have been established, the basis for the request is the idea of uniform design standards and a higher quality design than is currently required by the zoning ordinance. Council member Shey stated that these design standards are nice to see and gratifying to see how property owners have embraced them.

2. MedQuarter Operations

Kirsty Sanchez, Community Development Planner, stated that she was providing an update on the work that is being done by the Operations Committee. In October, 108 banner signs were installed throughout the District to help create brand identity for the MedQuarter. In early January, a request for proposals was issued for gateway entry monument sign design services and those are due on January 29, 2015. The purchasing division of finance has been informed to

go ahead and work on a request for bids. On January 12, the MedQuarter received a variance for a 22 foot wide welcoming sign that will go up in the next few weeks along with a Grant Wood Artwork sign. The two committees are working on a new banner design that has not been finalized yet. An update can be provided on what it looks like once it has been selected. The new signs will be rotated throughout the district to keep the marketing fresh. City Staff is working with the DOT and committees on the street sign design. Ms. Sanchez displayed some mockups of the designs. The next steps are that staff will continue to work with the committees and MedQuarter with the sign designs and once progress has been made, the Memorandum of Understanding will be updated. Those amendments will come before Development Committee before going to Council.

Council member Vernon asked who pays for the signage and banners. Ms. Sanchez stated that this would be a shared cost between the City and the MedQuarter. It is believed that with other districts in the past, if there was damage to a sign, the City would pay the amount that they would pay if there was damage to another sign in the City and then the District would pay the cost that would be above and beyond that.

Council member Weinacht appreciates the vision and continuity of the signage. This is definitely a great approach to branding. Council member Vernon agrees with Council member Weinacht and believes that other districts will do the same.

Public Comment

A question was raised about the Section 8 waitlist and whether someone will be there late in day and also about the special accommodations. Ms. Buck stated that it depends on the amount of applications that are received and the amount set by HUD. If the required amount of applications is not fulfilled in the one day then it will be open until it is filled. Federal regulations allow for the reasonable accommodations, so if someone is in the hospital or has a disability and are unable to come that day then those applications have to be taken regardless of how many applications have come in.

Council member Shey motioned to adjourn the meeting. Council member Weinacht seconded the motion. The meeting adjourned at 5:14 p.m.

Respectfully submitted,

Anne Kroll, Administrative Assistant II
Community Development