



City of Cedar Rapids
DEVELOPMENT COMMITTEE MINUTES
City Hall Training Room
Wednesday, September 21, 2016
3:00 p.m.

The meeting was brought to order at 2:59 p.m.

Present: Council members Poe (Chair), Shey, and Overland. Staff members present: Jennifer Pratt, Community Development Director; Bill Micheel, Community Development Assistant Director; Paula Mitchell, Housing and Redevelopment Manager; Anne Russett, Community Development Planner; Adam Lindenlaub, Community Development Planner; Kirsty Sanchez, Community Development Planner; and Anne Kroll, Community Development Administrative Assistant.

Council member Shey made a motion to approve the minutes from August 17, 2016. Council member Overland seconded the motion. The motion passed unanimously.

Presentation:

1. Small Scale Real Estate Development Workshop Review

Bill Micheel, Community Development Assistant Director, stated that the Small Scale Real Estate Development Workshop took place on September 14, 2016 and was an introductory training on how to create one (1) to three (3) story buildings that build wealth while also being good neighbors. Mr. Micheel discussed who attended the workshop, the development overview, targeted outcomes, the self-assessment, and the Pro Forma structure. Mr. Micheel stated that staff would like to use the Pro Forma structure to do a stress test for the new Zoning Code.

Council member Poe and Mr. Micheel discussed what potential sites in Cedar Rapids could be used for the stress test and if similar sites in the City would be compared to one another. Mr. Micheel stated that it is less about comparing areas of the City to one another and more about whether the zoning districts yield the types of development that is wanted. There are people who live and work in certain neighborhoods that have knowledge of what the issues are and how they can overcome those issues. Those people want to stay and invest in their neighborhood instead of going elsewhere. Mr. Micheel stated that you want to avoid having a building that people do not like and the response being that the zoning code made that building. Jennifer Pratt, Community Development Director, stated that a phase in the stress test is to make sure barriers are not being created in the new Zoning Code.

Recommendation Items:

1. CDBG Priorities

Paula Mitchell, Housing and Redevelopment Manager, stated that in September 2012 an annual process was adopted to establish priorities for CDBG & HOME funds. CDBG has decreased by nearly 30% and HOME by 48% since 2010. Ms. Mitchell shared a chart of CDBG percentage recommendations and the following additional recommendations:

- \$75,000 from the HOME Program set aside for activities carried out by Community Housing Development Organizations (CHDOs).
- Up to \$50,000 Neighborhood Certification Program set-aside from “public service” and/or “other community needs” category for activities carried out by CDBG-eligible certified neighborhoods.
- Activities must be CDBG-eligible and consistent with neighborhood work plan.
- This will be the second year of this practice and is part of the ongoing effort to create a more streamlined process.

Council member Overland asked what the administration and planning funds for CDBG percentage recommendations pays for. Ms. Mitchell stated that the administration and planning funds pay for rent, utilities, office supplies, staff costs, monitoring of the agencies that receive funding and required HUD plans that have to be submitted. Council member Overland asked about changes in the amount of funding, and whether the level of administrative requirements remains the same as the funding decreases. Ms. Mitchell confirmed that the administrative requirements remain the same, and stated that if the pool of funding decreases much more than the rate it has been declining staff would have to take a hard look at programs.

Council member Overland made a motion to approve the CDBG Priorities to move forward to City Council. Council member Shey seconded the motion. The motion passed unanimously.

2. Low Income Housing Tax Credits (LIHTC)

Ms. Mitchell stated that the City received one (1) request for support for LIHTC projects and it is a workforce housing proposal. If funded, the proposal would create 56 new units. Options for Local Government Contribution include land, Urban Revitalization Tax Exemption, and Tax Increment Financing. The project is from TWG Development/Landover Corporation and the location is 7th Avenue and 3rd Street SW. Ms. Mitchell shared a map of the location along with renderings of the building. Ms. Mitchell shared the following recommendations:

- Renew Option to Purchase Agreement for City-owned parcels.
- Provide City matching contribution in the form of 10-year, 100% tax exemption through Urban Revitalization Tax Exemption.
- Estimated value of tax exemption is approximately \$591,250 over ten years.

Council member Overland asked what the income bracket is for workforce housing. Ms. Mitchell stated that there are typically a few market rate units and there are approximately five (5) to six (6) in this building and then it is generally 60% of the area median income and below.

Council member Shey made a motion to approve staff recommendations of City participation to move forward to City Council. Council member Overland seconded the motion. The motion passed unanimously.

Ms. Pratt noted that another proposal has come in after the deadline. Normally, staff would not rush it through, but it is a proposal that we have had before. They have applied multiple times and staff has asked that they get all of their information in by Friday and if they meet the

deadline staff will work with them and prepare that for the Development Committee meeting in October.

Updates:

1. ReZone CR

Anne Russett, Community Development Planner, stated that the consultant team and City staff are working on drafting the administrative procedures as part of the code update. Staff is starting to look at the zone districts and having preliminary conversations with the consultant team on potential modifications to some of the zone districts. In October, the consultant team will be in Cedar Rapids with an update.

2. Update to Chapter 18 Historic Preservation

Ms. Russett stated that at a previous meeting, Council member Overland requested more information on property values in the Local Historic Districts. Staff analyzed property valuation data from the City Assessor in the following three (3) geographic areas: Local Historic Districts, B Avenue NE National Register of Historic Places (NRHP)-Listed District, and an area eligible as a historic district. Ms. Russett shared a chart of the change in median appraised value of single-family homes and duplexes between 2006 and 2016 in the three (3) different areas. There is a decline between 2010 and 2013 due to the Great Recession and in conversations with the City Assessor's Office this is common throughout the City. Between 2015 and 2016 there is an increase in property valuation in the Local Historic Districts, but a decline in the B Avenue NE NRHP-Listed District. Ms. Russett stated that although we cannot attribute the property valuation increase in the Local Historic Districts to its historic district designation, Community Development can use this data as a baseline for tracking moving forward. Ms. Russett reviewed the next steps for the changes for Chapter 18. After review and recommendation from the HPC the Development Committee will review at the October 19, 2016 meeting.

Council member Overland stated the property valuations need to be tracked for the next five (5) to ten (10) years. Some of those values are going up in areas where there have been a lot of activities so any time we get new investment in a neighborhood you will probably see the values go up. It will be interesting to see where that goes.

Council member Poe asked if the B Avenue District was impacted by the flash flooding. Ms. Russett stated that it was and the decline could be related to that. Council member Poe noted that it is time to push forward and get Chapter 18 finished.

3. Mt. Vernon Road Corridor Action Plan

Adam Lindenlaub, Community Development Planner, gave a review of the open house on September 12, 2016 and described the summarized public input, the goals from that input, and the action items to meet those goals for land use, character, and circulation. The attendees at the open house voted on which action items are most important to them and based on those results staff rearranged the action items starting with the items that received the most votes. Mr. Lindenlaub also reviewed proposed concepts for future land use, gateway and intersection markers, potential Mt. Vernon Road cross sections, and potential intersection improvements. Staff is looking at October for the third open house and then the Plan will go to City Council in November 2016.

Council member Shey asked how staff plans to manage expectations because the City can control zoning, streetscape, road design, and intersections to make it more desirable but it is going to take private investment and people that are interested in the area to improve it. Ms. Pratt

stated that it is important to have quick turnaround and immediate action items that are visible so that the City can maintain that momentum. The City is benefiting from the Paving for Progress program because it is giving funding that we would not have to do some of the safety improvements. Another positive is the proposed bike signage that will lead people to trails near Mt. Vernon Road. Mr. Lindenlaub stated that when this plan is done it is important to share it, so that developers know what the interests are.

Council member Overland asked if staff has talked to any of the large commercial property owners on Mt. Vernon Road because that could get the ball rolling on investment if someone has a lot of property in that area. Mr. Lindenlaub stated that staff has not, but there is an owner that is on the focus group. Council member Overland asked if the people that came to the second open house were the same people that came to the first one. Mr. Lindenlaub stated that there were a hundred (100) people at the second open house and they were about 50% new and 50% that came to the first open house.

Council member Poe asked if the City always buries the lines for redevelopment. Mr. Lindenlaub stated that he does not know for sure, but there are projects that do bury the lines. Council member Poe asked staff to follow up.

Council member Poe left the meeting at 4:58 p.m.

4. Northwest Neighbors Neighborhood Association Plan

Kirsty Sanchez, Community Development Planner, stated that a focus group met September 15, 2016 to discuss their experience with small scale development and to identify redevelopment challenges in the area. Feedback from the focus group includes: Ellis – 6th Street connection is key, promote the river and park, be sensitive to the neighborhood's character, keep single-family homes west of Ellis, and higher levels of intensity along and east of Ellis. The focus group identified the following challenges: lack of flooding protection, floodplain challenges, abandoned and poorly maintained properties, lacks population to support small businesses/restaurants, and confusion over what properties can be redeveloped. The focus group suggested continuing clean-up efforts, promoting different tools to help finance projects, and small improvements in the Greenway. Ms. Sanchez discussed the next steps.

Council member Shey asked if the City owns lots on Ellis. Ms. Sanchez stated that the City does. Council member Shey asked if it is known how much of the hesitancy is due to lack of flood protection. Ms. Sanchez stated that the feedback is that people are not sure what they can and cannot do and what is available. Ms. Pratt stated that some of the hesitancy is because of the complication of being in the floodplain, so an idea is to do a series of lunch and learns about how developing in the floodplain successfully. Mr. Micheel noted that he has heard from developers at both the Mt. Vernon Road and the Northwest Neighborhood open houses that the plan itself will create some confidence amongst developers. There are several people who are looking at projects that were really unsure prior to this planning process, but now that they know what the plan will be they are ready to make a move.

Public Comment:

There was no public comment.

Council members Overland and Shey adjourned the meeting at 4:09 p.m. with unanimous consent.

Respectfully submitted,

Anne Kroll, Administrative Assistant II
Community Development