Council Communication

Department: Community Development Case No.: URV-22-006 Submitted by: Housing & Economic Development	Resolution No.: 22-	Resolution of Intent: 3/28/2022 Planning Commission: 4/12/2022 Public Hearing & First Reading: 5/9/2022 Second Reading: 5/23/2022 Third Reading: Request to Waive

Subject/Title

Resolution of necessity and intent establishing the 21st Avenue Urban Revitalization Area.

Location

Generally located on approximately 3.4 acres of land south of 21st Avenue between S 6th Street and Highway 192 (South Expressway.)

Background/Discussion

Background

A proposal has been submitted to Community Development for the construction of a new multi-family development to be built on seven vacant, City-owned parcels in the proposed 21st Avenue Urban Revitalization Area. These lots were acquired by the City using Community Development Block Grant (CDBG) and Neighborhood Stabilization funds more than 10 years ago. Blighted buildings were demolished, and the lots have remained vacant since that time.

Because CDBG funds were used, the City must meet the Housing and Urban Development (HUD) performance measure of creation of affordable housing on the property. This means at least 51% of all units constructed on the site must be rented/sold to persons at or below 80% of the median family income.

The proposal submitted by Arch Icon is for a two-phase project called Spin Lofts with a total of 80 multi-family rental units to be built over a period of up to four years. This project was approved by City Council on February 28, 2022 (Resolution 22-61.) The estimated project cost is $18.1 million. Staff believes the Arch Icon proposal fully complies with the HUD affordability requirements.

An occupied single-family home is also located in the proposed area at 522 22nd Avenue. Urban revitalization tax abatement incentives can apply to residential, commercial and industrial development. Both new construction on vacant or unimproved land and rehabilitation of existing structures are eligible for tax abatement.

Discussion

Iowa Code permits the City to establish urban revitalization areas which satisfy one of the five conditions outlined in Section 404.1. Staff believes this project meets the criteria under 404.1.4. Section 404.1.4 discusses an area, which is appropriate as an economic development area as defined in section 403.17. Section 403.17 states an economic development area means an area of a municipality designated by the local governing body as appropriate for commercial and industrial enterprises.

Staff has prepared a resolution of intent to establish this project area as an urban revitalization area. The resolution directs staff to develop an urban revitalization plan as required by the Iowa

Code, notify property owners and occupants and set May 9, 2022 as a public hearing date. Concurrent with the adoption of an urban revitalization plan, an ordinance establishing the urban revitalization area can be considered. Upon adoption of the area, the City is permitted to grant tax abatement to qualified projects.

If approved, the proposed development could be eligible for a full exemption from taxation for four years on the actual value added by the improvements.

Recommendation

The Community Development Department recommends City Council adopt a resolution of necessity and intent establishing the 21st Avenue Urban Revitalization Area.

Attachments

Attachment A - Boundary Map
Attachment B - Draft of the 21st Avenue Urban Revitalization Plan

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