Council Communication

Department: Community Development Case No.: URV-22-006 Submitted by: Housing & Economic Development	Ordinance No.:	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

Establishment of the 21st Avenue Urban Revitalization Area.

Location

Approximately 3.4 acres of land generally bounded by South Expressway to the east, 21st Avenue to the north, South 6th Street to the west and commercial properties along 23rd Avenue to the south

Background/Discussion

Background

Chapter 404 of the Iowa Code authorizes a City to designate an area as an urban revitalization area. Improvements to qualified real estate within designated areas may then be eligible to receive a total or partial exemption from property taxes for a specified number of years. The exemptions are intended to stimulate private investment by reducing the tax increase that would normally result from making improvements to real estate property.

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.

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 multifamily 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. Community Development wishes to create the Urban Revitalization Area consisting of the three parcels at this location.

Staff has prepared an Urban Revitalization Plan in accordance with Section 404.2 of the Iowa Code and has scheduled the matter for City Council consideration. The 21st Avenue Urban Revitalization Area will consist of approximately 3.4 acres.

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.

On March 28, 2022, City Council approved Resolution 22-84, which directed staff to initiate the process of creating the 21st Avenue Urban Revitalization Plan and Area. This resolution set May 9, 2022 as the date of the public hearing.

This matter was brought before the City Planning Commission at their April 12, 2022 meeting. The Commission found the following: 1) That the proposed 21st Avenue Urban Revitalization Plan furthers the goals of the City's *Bluffs Tomorrow: 2030 Plan*, which is the general plan for the development of the City of Council Bluffs; and 2) That the 21st Avenue Urban Revitalization Area is appropriate for urban revitalization as specified in Section 404.1.4 which discusses areas that are appropriate for economic development as defined by Section 403.17.

Property owners were notified and no written correspondence was received by the Community Development Department either in support or against the proposed plan. Concurrent with the adoption of an urban revitalization plan, an ordinance establishing the urban revitalization area can be considered. Upon adoption of the area and approval of an ordinance, the City is permitted to grant tax abatement to qualified projects.

Staff Recommendation

The Community Development Department recommends approval of the 21st Avenue Urban Revitalization Plan and Area and 1st consideration of the ordinance.

Planning Commission Public Hearing

Staff speakers for the request:

1. Christopher Gibbons, Planning & Code Compliance Manager, City of Council Bluffs

Speakers in favor: None
Speakers in opposition: None

Planning Commission Recommendation

The Planning Commission recommended approval of the 21st Avenue Urban Revitalization Plan and Area.

Vote: 10-0 (1 absent)
AYE – Bass, Danielsen, Halm, Hutcheson, Opperman, Rater, Rew, Scott, Stroebele and Van Houten
NAY – None
ABSTAIN – None
ABSENT – Haner
Motion: Carried

Attachments

A) Boundary Map
B) 21st Avenue Urban Revitalization Plan

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Approved by: Courtney Harter, Director, Community Development Department