Council Communication

Department: Community Development Case No.: URV-18-008 Applicant: Community Development Department	Resolution No.: 18- Ordinance No.:	Resolution of Intent: 10-8-18 Planning Commission: 11-13-18 Public Hearing & First Reading: 11-26-18 Second Reading: 12-17-18 Third Reading: 1-14-19 (est.)

Subject/Title

Establishment of the Arbor Creek Urban Revitalization Plan and Area

Location

Immediately north of the intersection of Railroad Avenue and College Road

Background/Discussion

Background

A development proposal has been submitted by Zimmerman Properties Development LLC for the construction of a 60 unit multi-family residential project. Valley Ridge Apartments will be a three-story building with a separate clubhouse and maintenance building. Parking spaces will be placed along the north and east perimeters of the main building. Anticipated amenities may include a gazebo, BBQ grills, playground, dog park and sports court. Thirty of the units will have two bedrooms and thirty of the units will have three bedrooms. All of the units will have two bathrooms. The developer will submit an application to the Iowa Finance Authority (IFA) in January of 2019 for Low Income Housing Tax Credits (LIHTC). If awarded tax credits, the units will be rented to households whose incomes are at or below 60% of the area median income. As an example, for a family of three, the 60% income limit is $44,100.

Discussion

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.

In order to establish an urban revitalization area one of the five conditions outlined in Section 404.1 must be met. For this area, staff believes a finding would be consistent under 404.1.5. Section 404.1.5 discusses an area which is appropriate for housing and residential development, including single or multifamily housing.

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.

Staff has prepared a resolution of intent to establish this 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 November 26, 2018 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.

Recommendation

The Community Development Department recommends City Council adopt a resolution of necessity and intent to establish the Arbor Creek Urban Revitalization Plan and Area.

Attachments

1) Draft of Arbor Creek Urban Revitalization Plan
2) Resolution
3) Public Hearing Notice

Submitted by: Brenda Carrico, Program Coordinator, Community Development Department
Approved by: Brandon Garrett, Director, Community Development Department