Purpose of Development Committee:
To enable the City Council to discuss and evaluate in greater detail these specific issues that directly impact the physical, social, and economic vibrancy of the City of Cedar Rapids.

City Council Committee Members:
Council member Ann Poe, Chair
Council member Pat Shey
Council member Scott Overland
- Mayor Ron Corbett is an ex-officio member of all Council Committees per City Charter Section 2.06.

Agenda:
- Approval of Minutes – August 17, 2016

Presentations:
1. Small Scale Real Estate Development Workshop Review Bill Micheel Community Development 10 Minutes

Recommendation Items:
1. CDBG Priorities Paula Mitchell Community Development 10 Minutes
2. Low Income Housing Tax Credits Paula Mitchell Community Development 10 Minutes

Updates
1. ReZone Cedar Rapids Anne Russett Community Development 10 Minutes
2. Update to Chapter 18 Historic Preservation Anne Russett/Jeff Hintz Community Development 10 Minutes
3. Mt. Vernon Road Open House/Focus Group Adam Lindenlaub Community Development 10 minutes
4. NW Neighborhood Action Plan Focus Group Kirsty Sanchez Community Development 10 minutes

Public Comment

Next Meeting: October 19, 2016

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a City program, service, or activity, should contact the Community Development Department at (319) 286-5041 or email communitydevelopment@cedar-rapids.org as soon as possible, but no later than 48 hours before the event.
The meeting was brought to order at 2:58 p.m.

Present: Council members Poe (Chair) and Overland. Staff members present: Jennifer Pratt, Community Development Director; Bill Micheel, Community Development Assistant Director; Erika Kubly, Redevelopment Analyst; Sara Buck, Housing Programs Manager; Seth Gunnerson, Community Development Planner; Adam Lindenlaub, Community Development Planner; and Anne Kroll, Community Development Administrative Assistant.

Council members Overland and Poe approved the minutes from July 20, 2016 with unanimous consent.

Presentation:

1. Neighborhood Housing Finance Strategies
Erika Kubly, Redevelopment Analyst, shared the background, and details of the Neighborhood Finance Corporation that provides forgivable and amortizing loans for home purchases and home improvements in targeted neighborhoods. Ms. Kubly also shared the two (2) phases in the scope of work, progress to date, and the next steps.

Council member Overland stated that he is excited about the potential of this organization being established in Cedar Rapids especially with the ROOTs Program ending this year. As you drive around the City you see all kinds of areas that could benefit from this program. As this program moves along there will be a lot of support for it.

Council member Poe asked if this program will dovetail with the Housing Market Analysis. Ms. Kubly stated that a lot of the questions for this program are some of the same questions that are looked at for the Housing Market Analysis. Council member Poe asked for an example of a neighborhood outside of the core that could use this program. Jennifer Pratt, Community Development Director, stated that Kenwood Neighborhood is a good example of a neighborhood that is stable now, but there are a lot of starter homes. The rehab grant that is part of their program was a huge help in modernizing some of those homes and making them more marketable. Council member Poe clarified that this program is not for $200,000 or more homes.

Council member Overland envisions identifying a neighborhood in each of the quadrants to start. The City of Des Moines spends $800,000 to $1 million dollars a year on this program, but they recoup the money with the increase in property values and preventing a decrease in property
values. There is a means to get the money back through those taxes. If Cedar Rapids does the same thing then over time the City will benefit from the stable or increase in tax revenue.

**Recommendation Items:**

1. Section 8 Housing Choice Voucher Program Public Housing Agency Administrative Plan Amendments
Sara Buck, Housing Programs Manager, shared the background of and who benefits from the Section 8 Housing Choice Voucher Program. Ms. Buck shared the Administrative Plan proposed changes and key dates to approve the changes.

Council member Overland stated that these changes will make it more user-friendly to fulfill its mission. It looks like this program has been successful with less than 1% of participation being terminated for violations. Ms. Buck stated that staff is constantly looking at those numbers as they do change from time to time.

Council member Poe stated that it is important to review who actually participates in Section 8. Too often times, there are a lot of miscommunications and judgements about the people who participate in the program. This program helps the elderly, disabled, and single moms.

Council members Overland and Poe approved the proposed amendments for the Administrative Plan to move forward to City Council with unanimous consent.

**Updates:**

1. Analysis of City Owned Property
Seth Gunnerson, Community Development Planner, shared considerations and planned projects for City owned property and a map of City owned parcels in special districts and business corridors. The following is a list of available sites:

<table>
<thead>
<tr>
<th>District</th>
<th>Sites</th>
<th>Acres</th>
<th>% In 100 year Flood Plain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston Village</td>
<td>37</td>
<td>12.6</td>
<td>58%</td>
</tr>
<tr>
<td>Downtown</td>
<td>0</td>
<td>0.0</td>
<td>N/A</td>
</tr>
<tr>
<td>Czech Village/New Bohemia</td>
<td>9</td>
<td>1.5</td>
<td>100%</td>
</tr>
<tr>
<td>Ellis Boulevard</td>
<td>62</td>
<td>17.8</td>
<td>80%</td>
</tr>
</tbody>
</table>

Ms. Pratt noted that part of the Northwest Action Plan is bringing in people from the development, lending, and business communities to find out some of the perceived barriers along Ellis, for example, that would make those areas more marketable sites. Staff will come back and report that out to Development Committee.

Council members Overland and Poe expressed their desire to see more development along Ellis and spoke about how much potential there is with the large amount of land available there.
Council member Poe noted all of the exciting things coming into that area such as gateway signage, the rec center, and the plaza.

2. Cedar Lake
Bill Micheel, Community Development Assistant Director, shared the events timeline and the next steps which includes Phase I Environmental Site Assessment (ESA), Phase II (ESA), a mitigation plan, and a purchase agreement. The mitigation plan will only be formulated if it is necessary after the Phase II (ESA) is complete.

Council member Overland asked if it makes sense to determine how often the lake would need to be dredged or removal of material from the lake as part of the assessment and how quickly the lake fills back in over time because you would have to build the cost into the maintenance estimate. Mr. Micheel stated that this goes into stormwater management planning. You cannot manage that without dredging unless you address what is going on upstream and that is a question that is attempting to be answered now and quantifying what that looks like.

Council member Poe shared concerns with the Cedar River seeping into Cedar Lake and asked if that would require additional mitigation. Ms. Pratt stated that there are a lot of moving parts that include stormwater issues and the Flood Control System. Mr. Micheel stated that there are a lot of other sources to be considered whether or not that will have a negative impact on the lake. That would come out in Phase I or II. The conversations that address this concern relates to conversations with the DNR and what it would take to create a high quality fishery here. There is a connection between the Cedar River and Cedar Lake focused on species of fish migrating back and forth. There is a slope that needs to be achieved to prevent some of this migration. DNR is focused on how you keep the undesirable fish species out of Cedar Lake.

Council member Overland asked if the railroads there are all in use or if some are abandoned. Mr. Micheel stated that the committee has just started research to determine ownership including trackage rights. There is a desire to improve and enhance the aesthetics.

3. ReZone CR
Mr. Gunnerson stated that at the open house staff showed a series of four (4) boards looking at residential options, commercial options, mixed use options, and streetscape and parking options and asked people to select the pictures they would like to see in the community and also the pictures that represent development that they do not want to see in the future. Mr. Gunnerson shared the results from that exercise. Comments from the open house will be posted online and City Council will be made aware when that is available for viewing.

Council member Poe stated that the reason she voted against a property development at the last Council meeting is because the parking was located in the front of the building instead of the back. The open house results show that the public agrees that the parking should be located in the rear.

4. Mt. Vernon Road Corridor Action Plan
Adam Lindenlaub, Community Development Planner, stated that the feedback from the visioning workshop and online questionnaire will be taken to the open house on September 12, 2016 from 4:30 to 7:30 pm at the All Saints Gymnasium. The open house will have different stations that have draft goals and action steps based on the feedback. There will be another open house in October as a last chance to get feedback.
Council member Overland stated that no decisions by the City have been made in regards to this area. We do not have any idea what is going to happen with this area and that is why we are doing this. This will take a long time to evolve because it is all on private property, but this gets the ball rolling so that property owners and others can think about what they would like to see. Ms. Pratt stated that it is hard to get that message across. That is why in the first public meeting staff did not put ideas out there as we are taking in what all the interests are because there are no predetermined plans. With the consultants staff help provide framework, so once the interests are heard staff researches the best practices for this area.

5. Northwest Neighbors Neighborhood Association Plan

Mr. Micheel stated that the first open house was in March 2016 which took residents through an exercise of identifying strengths and weaknesses of the neighborhood related to a set of issues such as streetscape, transportation, and other items. The second open house had an exercise that showed possible ways to address the weaknesses from the first open house and enhance the strengths identified. Those responses have been used to start drafting plan elements. Those will be presented at the third open house in October. Staff has decided to do more analysis through data sources that are available as to what people surrounding Ellis purchase and do residents purchase that outside of the area to give staff an idea as to what exists in terms of opportunities there. Staff will also organize a focus group with real estate professionals, developers, and residents to see what their perceptions are and barriers related to the commercial possibilities.

Council member Overland stated that what is seen so far in the redevelopment of downtown, NewBo, Czech Village, and Kingston is that they are not all the same and developed the same way. It is great to have that diversity that creates places that people want to go.

Public Comment:

Robin Kash likes the Neighborhood Finance Corporation idea and thinks it would be helpful. Another thing that could help that along would be the City embracing a public bank which would give finance and capabilities not presently available.

Rick Davis also believes that the Neighborhood Finance Corporation is a great idea. Mr. Davis stated that the land around Cedar Lake is 65%-70% owned by the railroad and they use that land as a hub. They always wanted a double track there so it will always be a hub. Mr. Davis also stated that he grew up in the Time Check area and the core to the issue is the berm and getting that safety. Mr. Davis commented that there is no bus service in the area that he lives and he sees many people walking in the rain. Staff will follow up with Mr. Davis on bus service.

The meeting adjourned at 4:07 p.m.

Respectfully submitted,

Anne Kroll, Administrative Assistant II
Community Development
To: City Council Development Committee  
From: Bill Micheel, Asst. Director Community Development  
Subject: Small Scale Real Estate Development Workshop  
Date: September 21, 2016  

Background:  
During analysis and public input for Neighborhood and Corridor Action Plans and conversations with nationally recognized consulting firms participating in the Rezone Cedar Rapids project, demand and opportunity for small scale real estate development has been highlighted in neighborhoods and commercial corridors in the City.  

In reaction to this, City staff invited development professionals from the Incremental Development Alliance; a national non-profit organization from the twin cities, to come to Cedar Rapids and provide small scale real estate development training and skills to a wide range of individuals to build the ranks of small scale developers investing in their neighborhoods. The Small Scale Real Estate Development Workshop took place at the National Czech & Slovak Museum and Library on September 13th and 14th.  

Presentation:  
Staff will present the major themes of the workshop, discuss the range of attendees, strategies to keep the momentum created during the workshop moving forward, and discuss impacts that the workshop principles and ideas may have on City projects, neighborhoods, and commercial corridors.
To: City Council Development Committee  
From: Paula Mitchell through Jennifer Pratt, Community Development and Planning Director  
Subject: Fiscal Year 2017 CDBG and HOME Priorities  
Date: September 21, 2016  

**Background:**

In an effort to better target the City’s declining Community Development Block Grant (CDBG) and HOME entitlement resources an annual prioritization process was established in September 2012 to target funds towards highest priority community needs. These needs were determined using City Council’s strategic goals and priorities, as well as the City’s 5-year Consolidated Plan and other City planning efforts. Additionally, there is a federal requirement to assist with funding of projects carried out by Community Housing Development Organizations (CHDOs).

Because specific grant funding amounts are typically not released by HUD until closer to the start of the City’s entitlement program year in July, the previous year’s allocation is used as the basis for budget projections and prioritization of funds.

**Recommendations:**

Recommended dollar amounts are based off of FY2016 funding levels of $986,254 for CDBG and $269,220 for HOME. Recommendations are shown on the table following this memo. In general, the recommendations focus on activities that improve housing stock and promote neighborhood quality of life through provision of services in core neighborhoods.

Consistent with the previous year’s recommendation, it is further recommended that up to $50,000 be prioritized for qualifying activities carried out by certified neighborhoods participating in the City’s Neighborhood Certification Program. Any funds not applied for or utilized by such neighborhoods can be de-obligated and made available for other qualifying activities.

It is also recommended that $75,000 of the budgeted $270,425 for HOME program funds be prioritized for CHDO applicants.

**Preliminary timeline and Next Steps:**

1. October 11, 2016 – City Council consideration of proposed priorities for the FY2017 CDBG and HOME program year.  
2. October 26, 2016 – Pre-application workshop for CDBG and HOME applicants and distribution of funding applications.  
3. December 5, 2016 – Applications for funding are due to the City.

<table>
<thead>
<tr>
<th>Proposed FY17 CDBG Priority Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Council Goal</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Create Current and Future Financial Strength</td>
</tr>
<tr>
<td>Bold moves in Economic Development</td>
</tr>
<tr>
<td>Strategic/Intentional Community Planning</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

* Allocations in this category limited by federal statute.
** Up to $50,000 to be set aside for eligible activities to be carried out by CDBG-eligible Certified Neighborhood Associations, to be allocated between Public Services as Other Eligible Activities as determined eligible by staff review.
To: City Council Development Committee  
From: Paula Mitchell through Jennifer Pratt, Director of Community Development & Planning  
Subject: Requests for City Support – Low Income Housing Tax Credit (LIHTC) Project  
Date: September 21, 2016

Background:
The City has received one request for financial assistance, from TWG Development and Landover Corporation, requesting a resolution of support and City financial participation for a family housing project located at 7th Avenue and 3rd Street SW, in the Kingston Village area. This is a slightly modified version of a project the developer submitted last year, which the City supported. However, the project did not receive an award of tax credits from IFA in that application cycle and this will be a renewed attempt to secure funding.

The developer has acquired site control for several privately-owned lots and is requesting City-owned parcels located at 617, 623, 625, and 709 3rd Street SW and 217 7th Avenue SW. Previously the City had entered into an Option to Purchase Agreement with the developer for the disposition of these lots, and the developer requests the renewal of that option for an additional year in order to pursue a tax credit award. In addition, the City initiated the process for vacating adjacent alley and 7th Avenue SW street right of way and should the project receive tax credits, the developer is requesting that the City hold the second and third readings to complete the vacation process.

The project currently proposes new construction of 56 units, providing 1, 2 and 3-bedroom units with rents ranging from $706-970. This includes 6 market rate units and 50 units restricted to households at or below 60% of the Area Median Income, which is currently $32,820 for a household of one, or $46,860 for a household of four. The project is proposed to be family housing, as opposed to senior housing as proposed in the previous application cycle, which reflects a change in IFA’s priorities and scoring criteria.

Recommendation:
Staff recommends renewal of the Option to Purchase Agreement for an additional year to allow the developer to pursue a tax credit award in the current year’s application cycle. Additionally, staff recommends a 10 year, 100% tax exemption through Urban Revitalization Tax Exemption, which would provide a mechanism for the City’s support. Because Local Government Contribution is required to score competitively, the project qualifies as affordable housing for the City’s Economic Development - Local Match program.

Timeline and Next Steps:

- September 21, 2016 – Requests reviewed at Development Committee.
- October 11, 2016 – City Council consideration of financial requests.
- November 17, 2016 – Applications due to Iowa Finance Authority.
To: City Council Development Committee
From: Anne Russett through Jennifer Pratt, Director of Community Development & Planning
Subject: Update to Chapter 18 – Historic Preservation of the Municipal Code
Date: September 21, 2016

Introduction
The City Council adopted the City’s first Historic Preservation Plan in September 2015. The Plan is a component of EnvisionCR, the City’s comprehensive plan, and outlines goals, policies, and initiatives related to historic preservation. With the adoption of the Plan, Community Development staff is moving forward with Plan implementation, which includes updating Chapter 18 – Historic Preservation of the municipal code.

At the Development Committee’s February and March 2016 meetings, staff provided the Committee with an overview of Chapter 18 and the current processes, outlined some changes being considered, and summarized the stakeholder outreach process. On September 21, 2016 staff will provide another update on this project. Specifically, staff would like to follow-up to the Committee’s questions regarding property valuation in the historic districts and discuss next steps.

Property Valuation
At the Development Committee’s February meeting, Council member Overland asked if any analysis had been done to measure the success of the local historic designation. Specifically, he was interested in the impact on property values. Therefore, staff reached out to the Cedar Rapids City Assessor and obtained data on the appraised valuation of single-family homes and duplexes [Attachment 1]. Staff reviewed data for the City’s two local historic districts [Attachment 2a & 2b], a National Register of Historic Places (NRHP)-Listed District [Attachment 3] and an area of the city that is not designated, but is eligible as a historic district [Attachment 4].

Chart 1 shows the change in the median appraised value of single-family residences and duplexes within the City’s local historic districts, the B Avenue NRHP-Listed District, and the area of the city eligible as a historic district. The chart shows a decrease in the appraised valuation between 2012 and 2014, which can be attributed to the Great Recession. This dip is most notable in the local historic districts and the area eligible as a historic district. Staff often hears anecdotally that property values are declining in the local historic districts. However, between 2015 and 2016 the median appraised value increased by $4,350 in the local historic districts. Although we cannot specifically attribute this increase to the local historic designation, it appears that the property values in the local districts are increasing.
Next Steps
Since November 2015, staff has been working with a variety of stakeholder groups [Attachment 5] to obtain input to help inform the update to Chapter 18. Staff also facilitated multiple discussions with the Historic Preservation Commission (HPC) Chapter 18 Update Sub-Committee [Attachment 6]. On August 8, the sub-committee recommended moving forward with a draft ordinance. The next steps are as follows:

- September 22: HPC review and recommendation of draft ordinance
- September/October: State Historic Preservation Office review
- October 19: Development Committee review and recommendation of draft ordinance
- November 1: Set City Council public hearing
- November 15: Hold City Council public hearing

Recommended Actions: None

Attachments:
1. Median Appraised Value of Single-Family Homes & Duplex, Cedar Rapids City Assessor Data
2. a. 2nd & 3rd Avenue Local Historic District
   b. Redmond Park – Grande Avenue Local Historic District
3. B Avenue NE National Register of Historic Places-Listed District
4. Area Eligible as a Historic District
5. Summary of Stakeholder Outreach
6. Summary of Issues Discussed with the HPC Chapter 18 Sub-Committee
## Median Appraised Value of Single-Family Homes & Duplexes

<table>
<thead>
<tr>
<th>Year</th>
<th>Local Historic Districts</th>
<th>B Avenue NRHP-Listed District</th>
<th>Area Eligible as Historic District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median Appraised Value</td>
<td>Change in Valuation</td>
<td>% Change in Valuation</td>
</tr>
<tr>
<td>2006</td>
<td>$78,745</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2007</td>
<td>$89,268</td>
<td>$10,524</td>
<td>13%</td>
</tr>
<tr>
<td>2008</td>
<td>$89,679</td>
<td>$411</td>
<td>0%</td>
</tr>
<tr>
<td>2009</td>
<td>$89,774</td>
<td>$95</td>
<td>0%</td>
</tr>
<tr>
<td>2010</td>
<td>$88,560</td>
<td>-$1,214</td>
<td>-1%</td>
</tr>
<tr>
<td>2011</td>
<td>$88,847</td>
<td>$287</td>
<td>0%</td>
</tr>
<tr>
<td>2012</td>
<td>$88,847</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>2013</td>
<td>$82,222</td>
<td>-$6,025</td>
<td>-7%</td>
</tr>
<tr>
<td>2014</td>
<td>$78,233</td>
<td>-$4,590</td>
<td>-6%</td>
</tr>
<tr>
<td>2015</td>
<td>$78,650</td>
<td>$418</td>
<td>1%</td>
</tr>
<tr>
<td>2016</td>
<td>$83,000</td>
<td>$4,350</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Cedar Rapids City Assessor
2nd and 3rd Avenue Historic District
Cedar Rapids, IA
B Avenue NE National Register of Historic Places-Listed District
Update to Chapter 18 – Historic Preservation
Summary of Stakeholder Outreach

<table>
<thead>
<tr>
<th>Date</th>
<th>Outreach Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>- Held focus group meetings on historic review and demolition review processes</td>
</tr>
<tr>
<td>February</td>
<td>- Surveyed to property owners in the local historic districts</td>
</tr>
<tr>
<td>February - April</td>
<td>Attended meetings of key groups:</td>
</tr>
<tr>
<td></td>
<td>- Developer’s Council</td>
</tr>
<tr>
<td></td>
<td>- Economic Alliance</td>
</tr>
<tr>
<td>March</td>
<td>- Facilitated public workshop</td>
</tr>
<tr>
<td>September</td>
<td>- Office hours and meeting with key stakeholders groups regarding key issues and</td>
</tr>
<tr>
<td></td>
<td>changes proposed in the draft ordinance</td>
</tr>
<tr>
<td></td>
<td>- Ongoing meetings with HPC Sub-committee</td>
</tr>
<tr>
<td></td>
<td>- Ongoing coordination with various City departments and staff</td>
</tr>
</tbody>
</table>

**Main Takeaways for Focus Group and Key Stakeholder Meetings:**
- Many stakeholders expressed a need for clear and concise rules and consistency in the process
- Most groups supportive of allowing administrative review of demolitions; however, some concerns expressed, as well
- Generally okay with adding a process to review accessory structures and partial demolitions, as long as criteria are narrow and not overly burdensome
- Some concerns with requiring historic review for any modifications, but understand rationale behind expansion
Overview of Survey Results:
In early February, staff mailed a survey to all property owners in the City’s Local Historic Districts. Here is a summary of the survey results:

- Received 55 surveys back for a response rate of 15.7%

- 50.9% of respondents have gone through the historic review process. Some concerns expressed regarding this process include the time involved in the review, unfamiliarity with the process, and the need for consistency in the process. Some positives expressed about the process include that although it was time consuming, it was not difficult due to staff’s helpfulness throughout the process.

- 74.6% of respondents do not support a change that requires historic review (i.e. COA / CNME processes) for any exterior modifications (i.e. modifications that do not require a building permit)
  - Survey respondents expressed concerns regarding additional requirements and regulations
  - Cost of potential historic modifications were also identified as a concern

Overview of Public Workshop:
In March staff facilitated a public workshop to provide an opportunity for members of the public to provide input on the update process. Approximately 30 individuals attended. Staff introduced the topic by providing a brief presentation and then broke the participants into groups to discuss issues related to historic presentation, specifically the current historic review (i.e. COA / CNME processes) and demolition review processes.

Overview of Office Hours:
In September, City staff mailed postcards to property owners in the Local Historic Districts and the National Register of Historic Places-Listed Districts and Properties notifying them of City staff office hours. The office hours provided property owners with an opportunity to drop by at their convenience and learn more about the project and ask questions on the draft ordinance.
Summary of Issues Discussed with the HPC Chapter 18 Sub-Committee

- **September 28, 2015:**
  - COAs – Issuance when a Building Permit is not Required

- **October 26, 2015:**
  - COAs – Findings for Determining Appropriateness
  - Review of Guidelines for Historic Districts

- **November 23, 2015:**
  - Demolitions – Accessory Structures
  - Partial Demolitions

- **January 4, 2016:**
  - Demolition by Neglect
  - Demolition Review Process

- **January 25, 2016:**
  - Demolition Review Process – Criteria for Historic Significance

- **February 22, 2016:**
  - Overview of stakeholder feedback

- **April 18, 2016:**
  - Overview of previous discussion topics and policy issues

- **May 16, 2016:**
  - Partial Demolitions

- **August 8, 2016:**
  - Discussion on preliminary draft ordinance
  - Sub-committee recommended moving forward with draft