

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-250

SYNOPSIS —

AGENDA:

JUNE 15, 1998

SUBJECT:

REPORT FROM THE
TASK FORCE ON
DISTRESSED
NEIGHBORHOODS
AND
RECOMMENDATIONS

On March 24, 1997, the City Council directed staff to proceed with the selection of two stable/transitional positive neighborhoods and work with the NAB to form a task force that would address ways in which the Neighborhood Revitalization Program can be more effective in distressed/transitional negative neighborhoods. The Task Force developed numerous specific suggestions for improving the Program, but decided to concentrate on six overarching recommendations to improve the Neighborhood Revitalization Program. These recommendations address many large issues ranging from greater cooperation between City Departments to increasing the capacity of neighborhood organizations so they be more effective leaders in neighborhood revitalization efforts. The work of the Task Force on Distressed Neighborhoods is now complete and ready for City Council receive and refer to the City Manager' s Office for implementation.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

FISCAL IMPACT –

The approval of this report does not make a direct commitment of City funds. The implementation of several recommendations will have an impact on priorities for CIP and CDBG/HOME funds.

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

RECOMMENDATION –

Staff recommends that the City Council refer this report to the City Manager' s Office for review and recommendations for implementation that will be presented to the Council on July 13, 1998.

BACKGROUND –

The Task Force on Distressed Neighborhoods was created by the direction of the City Council on March 24, 1997 in response to staff concerns about the selection of new neighborhoods. Staff completed an evaluation of five neighborhoods in 1996 which showed that neighborhoods that had been classified as transitional positive were successful in moving through the Neighborhood Revitalization Program to charter status. Two of the original four neighborhoods recommended by Stockard and Engler, however, were still in the program and staff recommended that they be retained in the program for an additional period of time. These two neighborhoods were classified as distressed or transitional negative. Based on the data supplied by the Evaluation Report, it was clear that the Neighborhood Revitalization Program may need some modifications in order to achieve success in distressed/transitional negative neighborhoods so that they could be moved to charter status and make it possible to select additional distressed/transitional negative neighborhoods.

The Neighborhood Advisory Board took the lead in creating the Task Force by appointing four members of that Board and the Director of the Neighborhood Finance Corporation. A representative from the DMAB was later added to the Task Force. On June 16, 1997 by Roll Call 97-2135, the City Council approved a resolution authorizing the Task Force to continue as an ad hoc committee in order to continue their work during the reorganization of the two boards. The Task Force determined that hiring an outside consultant would be expensive and was unnecessary. They decided that Community Development Department staff could supply the technical expertise needed to support the Task Force in their efforts. It should be noted that while the issue of revitalizing neighborhoods is a key concern for every major city, no one has been able to create a quick or easy method for success.

The Task Force reviewed articles and case studies about the efforts undertaken in other cities to revitalize their communities. Task Force members met with representatives of the groups who are part of any revitalization effort ranging from neighborhood residents to downtown business groups. The final report is a summary of numerous issues and recommendations that received much more in-depth discussion by Task Force members. It is the product of a

tremendous amount of effort that was needed to begin to quantify all the factors that have contributed to the decline of many neighborhoods in Des Moines.

The Task Force began by looking at factors that have affected other neighborhoods across the country by reviewing articles and summaries on information available on the topic of neighborhood revitalization. They expanded on this base with discussions with local business leaders, developers, non-profit housing agencies, city staff, and people with direct experience with projects in distressed/transitional negative neighborhoods. Task Force members organized two focus groups with representatives of identified distressed/transitional negative neighborhoods to discuss issues and review the recommendations of the Task Force. The draft of this report was also presented to the Plan & Zoning Commission, the Des Moines Neighbors, the Enterprise Community Steering Committee, the Partnership for Affordable Housing, and the Neighborhood Revitalization Board.

As the Task Force gathered more information, it became apparent that the problems facing these neighborhoods are extremely complex and it is impossible to identify one quick fix. While all the neighborhoods share similar problems, each one presents unique situations and problems that cannot be solved by a single action. The Task Force began to think of solutions as a variety of tools that could be used in a variety of ways to meet different needs. While the Task Force had numerous suggestions for specific improvements to the Program, they decided that there were some large, overarching changes that needed to be made before more specific actions could be implemented. In the final report, the Task Force chose to focus its efforts on six general recommendations that would set the stage for more specific, strategic actions that would implement positive change in these neighborhoods.

Listed below are six general recommendations that are crucial to the Neighborhood Revitalization Program:

- 1) A neighborhood revitalization strategy for distressed/transitional negative neighborhoods requires an aggressive commitment by all city departments to work together with neighborhood associations, local non-profit organizations and for profit entities to implement the common

goals.

2) Revitalization projects in distressed/transitional negative neighborhoods need significant amounts of subsidy and start-up money to generate a desirable market.

3) Promote an aggressive, proactive approach to commercial and residential development.

4) Recommend that the Community Development Department and the Des Moines Police Department work with Neighborhood Associations and residents to determine an effective, comprehensive approach to community policing in distressed/transitional negative neighborhoods.

5) Increase capacity of neighborhood organizations to lead the implementation of their plans and the necessary technical support to prepare them for that task.

6) Encourage Polk County and the City of Des Moines to work together to develop a metropolitan housing strategy and partner in resource development and policies regarding vacant and abandoned properties.

Implementing these recommendations will also benefit all neighborhoods in the Revitalization Program. Neighborhoods may have unique qualities, but they all have certain basic needs and concerns such as housing, commercial development, crime, and capacity building. The reason that it is crucial to focus on improving the process for revitalizing distressed/transitional negative neighborhoods is that they have a greater concentration of all of these problems and fewer resources to address them. Information about NFC lending activity shows that the program is highly successful in transitional positive neighborhoods with three transitional positive neighborhoods accounting for 55% of the total amount loaned. The amount of lending activity in transitional negative neighborhoods was low for NFC programs and, because NFC accounted for the greatest amount of market share, was very low for other financial entities as well. The low activity in distressed/transitional negative neighborhoods indicates that these neighborhoods do not have the type of market base that responds to traditional lending and revitalization programs.

The current Neighborhood Revitalization Program works to

stimulate the marketability of specific areas in order to create a self-sustaining neighborhood. The tools that have made this happen for several transitional positive neighborhoods are insufficient for distressed/transitional negative neighborhoods. NFC financing has been a valuable tool in transitional positive neighborhoods, but it has not been able to create the same effect in neighborhoods where there is not an active market for housing.

At the same time, the negative impression created by deteriorated neighborhoods is not limited to specific, defined areas. Many neighborhoods in Des Moines suffer from the stigma of perceptions of crime and low market values even when they are not distressed areas. Stories of gang activity in Des Moines reflect negatively on all of us and we cannot pretend that we are not all affected by the condition of our downtown and businesses or the quality of all of our neighborhoods.

The recommendations seem to be simple and logical. Many of them repeat the recommendations that Stockard and Engler made in 1990. The fact that there is a need to repeat those recommendations is the best indication that we still need to approach the overarching policy concerns before expanding into specific actions. There is no point in discussing specific actions if there is no structure in place to make them possible. This report identifies areas of concern, but the success of its recommendations relies on the hard work and commitment that is needed to implement them.

On May 20, 1998, the Neighborhood Revitalization Board approved this report and is now forwarding the document to the City Council for their approval. The Neighborhood Revitalization Board also recommended that the Neighborhood Revitalization Resource Committee, a subcommittee of the NRB, be charged with the task of implementing the recommendations and developing a strategic plan that will focus on specific activities. This task, however, is very difficult and there should be additional support for developing a plan of action.

The City Manager's Office recognizes the importance and significance of the hard work of the Task Force. Staff recommends that this report and recommendations be referred to the City Manager for review and the development of recommendations for a specific plan of action for

implementation. The recommendations will be presented to the City Council at the meeting on July 13, 1998.

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