



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/12/05

Communication No.: 05-508

Agenda Item Type: Set date of public hearing

Roll Call No.:

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Set date of public hearing for Forest Avenue Urban Renewal Plan and refer to Urban Design Review Board and Plan and Zoning Commission

SYNOPSIS—

The Forest Avenue Urban Renewal Plan is an implementation step of the King Irving Neighborhood Plan adopted by Roll Call 03-2900 on December 22, 2003 and Forest Avenue Corridor Strategy adopted by Roll Call 04-1786 on August 23, 2004. The purpose of the Urban Renewal Plan is to purchase blighted structures or underused property for construction or rehabilitation of low and medium density housing.

FISCAL IMPACT—

The cost includes acquisition, relocation, demolition and staff time for acquisition of property in the Drake Neighborhood on Forest between 22nd and 23rd Streets for \$600,000 and acquisition of scattered site properties throughout the King Irving and Mondamin Neighborhoods for \$1.2 million. The Urban Renewal Plan will be implemented using Community Development Block Grant (CDBG) dollars that have been allocated in 2003, 2004, and 2005 and a request for CDBG funds for 2006. It is anticipated that the nonprofit housing providers will participate in acquisition of lots and houses to keep costs lower and some properties can be acquired through the tax certificate process.

RECOMMENDATION—

Refer to the Urban Design Review Board and Plan and Zoning Commission and set date of public hearing for October 24, 2005.

BACKGROUND—

Over the past three years a variety of residents and organizations have been working with Council members and City staff on strategies to improve housing conditions and increase neighborhood services within the King Irving, Mondamin, Carpenter, and Drake Neighborhoods. One strategy is the development and adoption of an Urban Renewal Plan for the purpose of acquiring land for redevelopment. The King Irving Neighborhood Action Plan, adopted by Council in December 2003, included a goal of an Urban Renewal Plan for the purpose of acquiring vacant land and houses in poor condition to be redeveloped as housing. The Forest Avenue Corridor Strategy also included the strategy of an Urban Renewal Plan to acquire blighted properties and underused land for redevelopment of housing or mixed-use development.

An abandoned radiator shop at 2201 Forest Avenue has been a source of blight and problems for the Drake and Carpenter Neighborhoods for a number of years. A market analysis of the Forest Avenue Corridor recommended that this site be assembled for low-medium density housing. The Forest Avenue Urban Renewal Plan will allow acquisition of the radiator shop and assemblage of land around the parcel for redevelopment of multi-family housing.

The King Irving neighborhood has a large number of vacant lots scattered throughout the area bisected by Forest Avenue. The Urban Renewal Plan allows acquisition of these lots for redevelopment of low-density housing. In addition, there are a few houses in very poor condition in the King Irving Neighborhood that are negatively impacting existing homes in good condition and new construction single-family housing that has already begun. These houses are also slated for acquisition.

The purpose of the plan is only for land acquisition and assemblage, not for special Tax Increment Financing (TIF) or other financing mechanisms. Because King Irving, Drake, and Carpenter Neighborhoods are contiguous and Forest Avenue runs through each neighborhood, staff believes that a single Urban Renewal Plan would be the most efficient way to satisfy the strategy identified in both planning efforts.

There have been allocations of CDBG dollars for acquisition of property identified in the Urban Renewal Plan. The estimate for the acquisition of the 1.7-acre site, between 22nd and 23rd Streets, is \$750,000, however, staff does not believe the full amount will be required to attract a developer. In 2004, the City Council allocated \$300,000 for acquisition of blighted property along the Forest Avenue Corridor. An additional request of \$300,000 of CDBG/HOME has been made for 2006.

Some funds have also been allocated for beginning acquisition in the King Irving Neighborhood. Since 2003, \$813,600 of CDBG funds were allocated that can be used for acquisition and subsidy for new construction or rehabilitation within the King Irving Neighborhood. A request for an additional allocation of \$428,454 has been submitted for 2006. In addition, staff has been aggressive about identifying and requesting vacant ground in the urban renewal area that can be acquired through the tax certificate process. If successful, this should be a less expensive. New construction is already transforming portions of the King Irving Neighborhood. Nonprofit and for profit housing groups have worked with the City's Infill housing program to construct or begin construction on over two dozen single family houses within King Irving.

City staff and Council member Tom Vlassis met with neighborhood leaders of King Irving, Drake and Carpenter neighborhoods, as well as Drake University, concerning the boundaries, goals, and proposed acquisitions included in the Forest Avenue Urban Renewal Plan. Each neighborhood leader was

supportive of the plan and recommended that staff proceed with the process for adoption and schedule a public meeting for all residents of the effected area. City staff has scheduled the meeting for all neighborhood residents for September 19 at the Central Senior Center on Forest Avenue.