



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 10/24/05
Agenda Item Type: Resolution

Communication No.: 05-601
Roll Call No.:

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Approval of the Forest Avenue Urban Renewal Plan

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 the Forest Avenue Corridor Strategy adopted by Roll Call 04-1786 on August 23, 2004. The purpose of the Urban Renewal Plan is to improve housing conditions within the area by removing or rehabilitating blighted structures and redeveloping underutilized property for low and medium density housing.

FISCAL IMPACT—

Total project cost is \$1.8 million dollars; \$600,000 for the Drake neighborhood on Forest Avenue between 22nd and 23rd streets and \$1.2 million for the King Irving and Mondamin Presidential Neighborhoods. These costs included acquisition, relocation, demolition and staff time for acquisition of property in the Drake Neighborhood and acquisition and/or rehabilitation of scattered site properties throughout the King Irving and Mondamin Presidential Neighborhoods.

\$450,000 of funds has also been allocated for acquisition and relocation along the Forest Avenue Corridor. In 2004, the City Council allocated \$300,000 in CDBG funds for acquisition of blighted property along the Forest Avenue Corridor. The Neighborhood Revitalization Board (NRB) has recommended an additional allocation of \$150,000 of 2006 CDBG funds for use along Forest Avenue.

\$976,117 in CDBG funding has been identified for the King Irving Neighborhood. \$813,682 has been allocated since 2003 for acquisition and subsidy for new construction or rehabilitation-

\$213,682 in 2003, \$400,000 in 2004, and \$200,000 in 2005. The NRB has recommended an additional allocation of \$162,435 of 2006 CDBG funds for use in the King Irving Neighborhood.

It is anticipated that the nonprofit housing providers will participate in the development of the properties so they remain affordable. In addition some properties will also be acquired through the tax certificate process. Properties will only be acquired as funding allows.

RECOMMENDATION—

Approval

BACKGROUND—

The Forest Avenue Urban Renewal Plan is intended to support the implementation of the following Council approved plans: Carpenter/Drake Park Action Plan adopted September 18, 1995; the King Irving Neighborhood Plan adopted December 22, 2003; and the Forest Avenue Corridor Strategy adopted August 23, 2004. The purpose of the Forest Avenue Urban Renewal Plan is only for land acquisition and assemblage, not for special Tax Increment Financing (TIF) or other financing mechanisms.

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 Presidential, Carpenter, and Drake Neighborhoods. One strategy is the development and adoption of an Urban Renewal Plan. 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 a dilapidated condition to be rehabilitated or redeveloped as housing. The Forest Avenue Corridor Strategy also included the approach of an Urban Renewal Plan to acquire blighted properties and underutilized land for redevelopment of housing or mixed-use development.

In order to best utilize staff time and avoid duplication, staff believes that a single Urban Renewal Plan is the most efficient way to satisfy the strategies identified in both planning efforts. Therefore, the plan includes two individual project areas, West of Martin Luther King Parkway/Forest Avenue Corridor Strategy and the area East of Martin Luther King Parkway/King Irving Neighborhood Plan. Both aim to remove blight and improve affordable housing stock through new construction and renovation of existing housing

. Property owners whose property may be acquired will be treated with respect and fairness under the strict guidance of the Uniform Relocation Act.

Planning Process

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. Letters of support have been received from the Drake and Carpenter Neighborhood Associations, as well as Drake University.

City staff held a neighborhood meeting on September 19, 2005 at the Central Senior Center on Forest Avenue to discuss the Urban Renewal Plan and gather neighborhood input. Nearly 100 neighborhood residents turned out for this meeting and were given the opportunity to voice their

opinions and ask questions. This gave staff the opportunity to modify the Urban Renewal Plan according to neighborhood input.

At its September 20, 2005 meeting the Urban Design Review Board recommended approval of the Forest Avenue Urban Renewal Plan. The Plan and Zoning Commission determined the Forest Avenue Urban Renewal Plan to be in conformance with the City of Des Moines' *2020 Community Character Plan* at its meeting on October 6, 2005.

West of Martin Luther King Parkway/Forest Avenue Corridor Strategy

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. This site was selected by the neighborhood for redevelopment out of the Forest Avenue Corridor Strategy due to its high visibility and detrimental impact on the neighborhood.

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 estimate for the acquisition of the 1.7-acre site in the 2200 block of Forest Avenue 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 \$150,000 of CDBG funds for 2006 has been recommended by the Neighborhood Revitalization Board (NRB) and is currently pending Council approval.

East of Martin Luther King Parkway/King Irving Neighborhood Plan

City staff has prioritized four primary areas for acquisition in the King Irving Neighborhood. These areas were prioritized based on several factors including the blighted condition of the properties, proximity to existing or committed residential construction projects, and highly visible areas along Forest Avenue and 13th Street. First priority is those properties between 16th and 18th Street on the south side of Forest Avenue, across from King School. Second are the properties located in the area of 13th and Harrison. Third are those properties in the area of 13th and Clark. Last are the properties located in the 1600 block on the north side of Forest Avenue. Throughout this portion of the Urban Renewal Area, there are scattered vacant lots that will be acquired as necessary for infill housing.

In lieu of acquisition, the City may enter into a rehabilitation agreement with property owners in order to improve existing blighted structures in accordance with the goals and objectives of the Urban Renewal Plan. In these cases, the identified structures will be evaluated to determine if they can be rehabilitated or if they need to be demolished. If rehabilitation of the structure were determined to be feasible, the City would provide assistance to qualified property owners in order to make improvements to the home and bring it up to current standards.

Funds have been allocated for acquisition and relocation in the King Irving Neighborhood and along Forest Avenue. Since 2003, \$813,600 of CDBG funds have been 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 \$162,435 for 2006 has been recommended by the NRB and is currently pending Council approval. 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 approach to acquiring vacant lots for infill housing.

New construction is already making a positive impact in portions of the King Irving Neighborhood. Nonprofit and for-profit housing groups have worked with the City's infill housing program to develop over two-dozen single-family houses within King Irving. In addition, over \$1.2 million dollars has been invested in infrastructure improvements through the Neighborhood Infrastructure Rehabilitation Program (NIRP).

The King Irving Neighborhood continues to receive positive press coverage regarding the on-going neighborhood improvement efforts. An article in the October 6, 2005 edition of the *Des Moines Register* titled "King Irving Park Area On Rise" chronicles the welcome changes that are happening in the neighborhood. The article quotes neighborhood residents saying, "Property tax values are going up, homeownership is increasing and the neighborhood self-esteem is rising."