

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 21, 2011
	Agenda Item No.	22
	Roll Call No.	[_____]
	Communication No.	<u>11-702</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolution approving the selection of five Charter neighborhoods into the Neighborhood Revitalization Program's Charter Pilot Project: Beaverdale, Woodland Heights, Capitol East, Capitol Park, and River Bend.

SYNOPSIS:

Approving the NRB's recommendation to select the Beaverdale, Woodland Heights, Capitol East, Capitol Park, and River Bend neighborhoods into the Neighborhood Revitalization Program for a Pilot Project to update existing neighborhood plans. The pilot project will be conducted in partnership with graduate students in planning at Iowa State University during the fall semesters of 2012 (Beaverdale / Woodland Heights) and 2013 (Capitol East / Capitol Park). In addition, staff will support River Bend in a trial neighborhood-led planning effort in early 2012.

FISCAL IMPACT:

Amount: Approx. \$12,000

Funding Source: Community Development, Neighborhood Planning, GE001, CDD100100 Page 63

ADDITIONAL INFORMATION:

Over the past several months, City staff has been engaged in a process to select new neighborhoods for the Neighborhood Revitalization Program (NRP). For the first time, Charter neighborhoods with a plan more than 10 years old may apply for a pilot program to update their plan. The pilot program will be conducted in partnership with graduate students in planning at Iowa State University (ISU). On July 11, 2011, a letter was sent to all eligible Charter Neighborhoods inviting them to apply for the NRP. Interested neighborhoods were required to attend a pre-application workshop on either July 23rd or 25th to indicate their interest and find out about the application requirements. Seven neighborhoods submitted applications for consideration, including: Beaverdale, Capitol East, Capitol Park, Fairgrounds, Gray's Woods, River Bend and Woodland Heights.

A committee made up of Neighborhood Development staff, Neighborhood Revitalization Board (NRB) members, and staff from the Neighborhood Finance Corporation (NFC) and Neighborhood Development Corporation (NDC) undertook an extensive review process. In addition to the information provided in the application packages and neighborhood association presentations, Staff toured all seven applicant neighborhoods on September 20th and 23rd in order to get a sense of the conditions and issues identified.

Additionally, Staff compiled maps, demographic profiles, street infrastructure ratings, an inventory of land use classifications, and housing data to assist in the evaluation of each neighborhood. The committee considered all of this information along with comments from other City departments regarding available resources.

Staff Recommendation

The staff recommendation is based on several factors, including: suitability for a studio class project, level of need and match with available resources (including staff capacity), and the ability demonstrated by the neighborhood association to take on a leadership role and take ownership of the process. The strength and self-sufficiency of the neighborhood organization is particularly important during the first year of the pilot program. In addition, the policies that guide the NRP advise that the program include a mix of stable, transitional and distressed neighborhoods. This allows us to maximize limited resources by balancing the level of need and ensures that all neighborhoods receive proper assistance to be vibrant and desirable places to live. With implementation of the Drake Plan currently underway, the City has a limited ability to take on new neighborhoods with significant housing needs. In addition, staff must balance the needs of the Charter neighborhoods with the needs of the new Designated neighborhoods. Staff recommends selecting Beaverdale, Woodland Heights, Capitol East, and Capitol Park. In addition, staff proposes a trial neighborhood-led planning effort with River Bend. Please see the sections below for individual neighborhood recommendations.

Anticipated Timeline

The ISU studio class is offered in the fall semester of each year, from mid-August through early-December. Staff anticipates sending out a survey to all residents during May/June prior to the studio class to collect initial input. The planning process for Beaverdale and Woodland Heights will take place in the fall of 2012; Capitol East and Capitol Park will go through the planning process in fall of 2013. By delaying Capitol East and Capitol Park until 2013, staff can align those plans with the one that will be underway in the adjacent Martin Luther King Jr. Park neighborhood – an opportunity to have a bigger impact in a broader community with many similar characteristics.

If River Bend agrees to the proposal outlined below, staff anticipates beginning work with them in early 2012, with the planning process limited to 6-8 months or as otherwise agreed upon in a Memorandum of Understanding.

If the pilot project is successful, staff may open another round of selection for Charter neighborhoods in 2014.

SELECTED CHARTER NEIGHBORHOODS

Beaverdale

The Beaverdale neighborhood is located in the northwest area of the city. The neighborhood is bounded by Douglas Avenue to the north, Franklin Avenue to the south, approximately 48th Street to the west, and approximately 30th Street to the east. There are two areas at the southern end of the neighborhood that are shared between the Beaverdale Neighborhood Association (BNA) and the Drake and the Waveland Park neighborhoods. According to the 2010 Census, the neighborhood has 7,827 residents living in 3,966 households. The median household income of \$56,895 is above the city-wide average of \$47,096. The neighborhood's housing stock is classified as transitional positive, with 97.2% of the homes listed in

Normal, Above Normal, or Very Good condition. The average assessed value per square foot is \$106, as compared to the city-wide average of \$95 per square foot.

Beaverdale is an iconic Des Moines neighborhood. Well-known for its 'Beaverdale Brick' housing stock, and Beaver Avenue commercial corridor, the neighborhood symbolizes Des Moines. Beaverdale was one of the original neighborhood plans, approved in 1991. The neighborhood was Chartered in 1993.

Since that time, the neighborhood has seen significant changes. Current projects like the Beaver Avenue Streetscape, Joe's Square, and proposed Hy-Vee are changing the commercial fabric of the neighborhood. In addition, the charming housing stock, while still desired, is aging and requiring upkeep and maintenance. Young families are moving out of the neighborhood as they outgrow the smaller homes. Staff believes participation in the NFC could enhance the housing stock and allow some families to update their homes so they can remain in the neighborhood.

The enthusiasm and capacity of the neighborhood association was impressive as there are currently over 700 members, several of which demonstrated their support for the proposal at the NRB presentation. Staff believes that this neighborhood would be an ideal candidate for the ISU studio, as the association can provide significant assistance with organization and capacity, allowing the students to focus on identifying and proposing solutions for issues within the neighborhood. Staff recommends that Beaverdale be selected to the Charter Neighborhood Pilot Program for the first year, scheduled to begin in the fall of 2012.

Woodland Heights

Woodland Heights is located centrally within Des Moines, to the west of downtown. The neighborhood is bounded on the north by I-235, on the south by Ingersoll Avenue, on the east by MLK Parkway, and on the west by 31st Street. The Woodland and St. Ambrose Cemeteries are located in the northeast corner of the neighborhood. The housing stock is classified as Transitional Negative, with 8.9% of the housing stock classified as Below Normal, Poor, or Very Poor. The average assessed value per square foot is \$78, below the city-wide average of \$95 per square foot. The housing stock is also older than the city as a whole, with an average year built of 1922, compared to 1945.

Overall, staff was impressed with Woodland Heights Organization (WHO) and their application for the NRP Charter Neighborhood Pilot Program. The WHO has made significant strides in implementing its original plan, which was adopted in September 1991. Additionally, the neighborhood is well positioned for the continued revitalization of Des Moines, as momentum spreads from the downtown through Sherman Hill and to Woodland Heights. In addition, the neighborhood has benefited from the Restoration Ingersoll streetscape improvements, a partnership the neighborhood seeks to encourage and continue. Restoration Ingersoll has expressed interest in leading a corridor planning effort, which provides an opportunity to align that work with a plan update for Woodland Heights.

Overall, the Woodland Heights application, especially their presentation to the NRB, was well prepared and indicative of their ability to organize and motivate their neighborhood. This ability makes Woodland Heights an excellent candidate for the ISU pilot program. The ISU class will be able to help the WHO identify and prioritize issues in the neighborhood, to help set goals, and determine strategies for implementation. Staff recommends that Woodland Heights be selected to the Charter Neighborhood Pilot Program for the first year, scheduled to begin in the fall of 2012.

Capitol East

Capitol East is an urban core neighborhood located east of the downtown, immediately to the east of the State Capitol. It is bound by I-235 on the north, by E 14th Street to the east, and by the railroad tracks on the east and south. There are 2,605 residents living in Capitol East in 1,065 households. The median household income is \$20,803, well below the Des Moines average of \$47,096.

Capitol East's housing stock is classified as Distressed, with the condition of 23.2% of the housing classified as Below Normal, Poor, or Very Poor. The average assessed value per square foot is \$57, significantly lower than the city-wide value of \$95 per square foot. The neighborhood also has a higher rate of foreclosures than the city as a whole, with 11.2% of properties foreclosed, compared to 5.5% for Des Moines. The neighborhood is very diverse, with almost 40% of the population classified as non-white and over 32% of the population identified as Hispanic. Over 22% of the population speaks Spanish at home. The population is also relatively young, with 32.7% of the residents 18 or younger.

The application outlined three activities they would like to see occur in their neighborhood: youth outreach and the development of youth activities, redevelopment of foreclosed and abandoned properties, and sprucing up the E 15th Street Gateway. The neighborhood demonstrated a dedicated group of volunteers that are very committed to improving the neighborhood.

Because of the complexity of the issues outlined in the application, staff is concerned about launching the ISU pilot program with this neighborhood. In addition, staff is excited about the opportunity to leverage the resources of working with the Capitol East, Capitol Park, and MLK Jr. Park neighborhoods simultaneously to see if there are common solutions to the concerns of these three neighborhoods. Therefore staff recommends that Capitol East be selected to the Charter Neighborhood Program for the second year, starting in mid-2013. At this point it is anticipated the ISU Studio class would lead the planning process, depending on the success of the pilot program.

Capitol Park

Capitol Park is an urban core neighborhood located north-east of the downtown. It is bounded by Washington Avenue to the north, I-235 to the south, the Des Moines River to the west, and E. 14th Street to the east. According to the 2010 Census there are 3,187 residents in Capitol Park living in 1,150 households. Capitol Park's housing stock is classified as distressed, with the 23.2% of the housing classified as Below Normal, Poor, or Very Poor condition. The average assessed value per square foot is \$57, significantly lower than the city-wide value of \$95 per square foot. The neighborhood also has a higher rate of foreclosures than the city as a whole, with 11.2% of properties foreclosed, compared to 5.5% for Des Moines. The neighborhood is very diverse, with 45.9% of the population classified as non-white, with 41.5% of the population identified as Hispanic. The population is also relatively young, with 34% of the residents 18 or younger.

The application outlined several activities they would like to see occur in their neighborhood including neighborhood security and youth outreach, improved connection to the City trail network and implementation of the components of the bicycle master plan, among others. Capitol Park demonstrated a dedicated group of volunteers that are willing and able to lead a planning process to update their neighborhood plan. This is further evidenced by the fact that Capitol Park has had participants enrolled in the Neighborhood Resident Leadership Certificate courses during every semester since the courses started back in 2007.

Because of the complexity of the issues outlined in the application, staff is concerned about launching the ISU pilot program with this neighborhood. As previously stated, staff sees an opportunity to leverage the resources of working with the Capitol East, Capitol Park, and MLK Jr. Park Neighborhoods simultaneously to see if there are common solutions to the concerns of these three near East Side Neighborhoods. Therefore staff recommends Capitol Park be selected to the Charter Neighborhood Program for the second year, starting in mid-2013. At this point it is anticipated the ISU Studio class would lead the planning process, depending on the success of the pilot program.

SPECIAL PROJECT PROPOSAL: River Bend

River Bend is an urban core neighborhood located north of downtown Des Moines. The neighborhood is bounded by the Des Moines River to the north, University Avenue to the south, 2nd Avenue to the east, and approximately 9th Street on the west. The neighborhood has 3,877 residents 1,372 households. The neighborhood median household income is \$29,436, well below the city-wide average of \$47,096. The neighborhood's housing stock is classified as distressed, with 28.6% of the housing stock listed in Below Normal, Poor, or Very Poor condition. The average assessed value per square foot is \$46, compared to the city-wide average of \$95 per square foot.

The neighborhood is also one of the more diverse in Des Moines, with 56.8% of the population classified as non-white, including 24.3% black and 10.2% Asian. Over 30% of the population is identified as Hispanic. A large percentage of the population also speaks a language other than English at home, with 22.8% speaking Spanish and 7.1% speaking a language of Asian origin.

Staff proposes that River Bend move forward through a neighborhood-led process—a different type of process than the NRP typically follows. Staff is impressed with the enthusiasm and organizational skills of the River Bend, as illustrated in the quality of their application and efforts in revitalizing their neighborhood. In addition, several members of the Neighborhood Association have professional planning experience. Because of this, staff recommends that River Bend take the lead in the planning process, with the City acting as a stakeholder. Staff will work with the Neighborhood Association to lay out the planning process, clarify roles and responsibilities, and help troubleshoot along the way. If successful, this new neighborhood-led process could become a model for motivated and skilled neighborhood associations to update their plan goals independent of the City's process but in a manner that can be supported by the City.

ADDITIONAL CONSIDERATIONS

NFC Lending Policies

The Neighborhood Finance Corporation (NFC) is an important partner in the Neighborhood Revitalization Program. NFC lending is available in low/moderate income census tracts at all times. Access to NFC lending is granted to neighborhoods that do not have low or moderate income census tracts through the Designation process. Typically, these neighborhoods maintain that access until they are graduated to Charter status. Under the pilot program, Charter neighborhoods that are not currently eligible for NFC will be granted access to lending again, beginning at the start of the planning process and for a period not to exceed two years. In this round, the only neighborhood that applies to is Beavertdale. River Bend, Woodland Heights, Capitol East, and Capitol Park are already eligible neighborhoods.

An issue that the NFC must always be cognizant of is the amount of loans that are eligible for Community Reinvestment Act (CRA) credit. To receive CRA credit, the loan must be either made to a low or moderate income buyer or be in a low or moderate income Census tract. The eligibility for CRA credit is important because it is the motivation for banks to invest in the NFC. Without the banks' continued investment, NFC would not be able to make loans in support of the City's and County's revitalization agendas. The NFC needs to continually balance this issue with neighborhood revitalization goals.

The NFC may adjust its lending policy for each of the newly selected neighborhoods to ensure it is consistent with both its CRA needs and neighborhood revitalization agenda, as well as to those policies in existing neighborhoods in the NFC lending area. City and NFC staff will spend the next several months crafting these policies based on housing conditions, income levels and other pertinent factors.

Neighborhood Infrastructure Rehabilitation Program (NIRP)

Typically, NIRP is an integral part of the Neighborhood Revitalization Program (NRP) and an incentive to become a Designated neighborhood. Because this is the first time that Charter neighborhoods have been eligible to re-enter the NRP, it will be necessary for staff from Neighborhood Development and Public Works to establish guidelines for use of NIRP in selected Charter neighborhoods. Most have received NIRP improvements in the past, with the exception of Beaverdale whose original plan pre-dated the NIRP program offering.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S):

Board: Neighborhood Revitalization Board

Date: November 2, 2011

Resolution Number: N/A

Action: Approved staff's recommendation to select Beaverdale, Woodland Heights, Capitol East and Capitol Park for the Pilot Charter Neighborhood Program as well as River Bend for a trial neighborhood-led planning effort.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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