

COUNCIL COMMUNICATION

	Number: 23-350	Meeting: July 17, 2023
	Agenda Item: 46	Roll Call: 23-1012
	Submitted by: Cody Christensen, Development Services Director	

AGENDA HEADING:

Receive and file “Status Report on Neighborhood Revitalization Efforts, 2018 – 2023”, for City of Des Moines prepared by czbLLC (czb).

SYNOPSIS:

Acceptance of final report titled “Status Report on Neighborhood Revitalization Efforts, 2018 – 2023” for City of Des Moines, submitted by czbLLC (Eric Ameigh, Director of Operations and Special Projects, 48 Front Street, Suite 201, Bath, ME 04530), with findings from an analysis of the City's neighborhood revitalization efforts including the City’s four (4) Special Investment Districts between 2018 – 2023, observations of success and challenges, analysis of current neighborhood conditions, and potential next steps. The findings from the analysis will assist the city in understanding neighborhood change and identifying potential next steps. Staff recommends acceptance of the czbLLC report.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- In 1990, the City of Des Moines and Polk County Board of Supervisors created the Neighborhood Revitalization Program (NRP) to help stabilize and improve Des Moines’ neighborhoods. The NRP was evaluated first in 2005 to address the City’s most distressed neighborhoods and then in 2017 to update its overall revitalization approach.
- On June 26, 2017, by Roll Call No. 17-1066, the City hired czb to assess the effectiveness of the NRP’s efforts from 2005-2017, analyze current neighborhood conditions, and in response, develop an updated framework for neighborhood planning and revitalization work.
- The findings from the 2018 czb analysis informed the creation of Invest DSM Inc., an independent 501c3 corporation, in 2019 and the creation of four pilot areas called Special Investment Districts (SIDs) in Drake, Franklin, Highland Park-Oak Park and Columbus Park to serve as pilot areas for the implementation of the middle neighborhood strategy.
- The City of Des Moines, Polk County, and Invest DSM Inc. work together to further the goals of the revitalization strategy through a Chapter 28E Agreement that lays down guidelines for the partnership including details on funding, operations, timelines and responsibilities. The current 28E Agreement is in place from August 1, 2022, to July 31, 2027.

- Since early 2020, Invest DSM has worked steadily in the four SIDs, developing programs that respond to market needs, in partnerships with a wide variety of neighborhood stakeholders. Invest DSM continues to further its mission of ‘providing holistic and innovative solutions that strengthen neighborhoods through strategic investments in real estate and partnerships to improve quality of life.’
- The City of Des Moines has continued city-wide efforts through various tools and programs to complement the ongoing SID work. These include strengthening its existing programs and exploring new tools for neighborhood improvement that include but are not limited to, Blighted Property Rehabilitation (BPR), Improving Our Neighborhoods (ION), city-wide block challenge grant, Blitz on Blight (BoB) and federal funding programs like HOME, CDBG, etc.
- The decision was made in 2022 to evaluate the progress of these city-wide and SID specific efforts and to identify any needed recalibration of strategies. On December 1, 2022, the City Manager accepted the proposal from czbLLC and approved the Agreement for Professional Services to evaluate neighborhood change, assess market conditions, provide a status report on changes, make determinations, if possible, on the efficacy of Invest DSM’s early work, and offer recommendations as appropriate.
- From December 2022 – March 2023, czb gathered and analyzed a variety of datasets on housing and neighborhood conditions for the four Special Investment Districts and the City of Des Moines. This included utilizing an updated on-the-ground field survey documenting the condition for all residential properties citywide. The consulting team also gathered qualitative information through focus group discussions with representatives from SIDs, neighborhood leaders, development community and City staff.
- The final report, titled Status Report on Neighborhood Revitalization Efforts, 2018 – 2023, contains findings and potential recommendations for moving forward. The analysis shows that:
 - Des Moines saw improvement between 2017 – 2022 in market conditions including positive growth in population, households, number of residents with four-year college degrees, housing values and household incomes but remained behind and in similar position relative to its regional neighbors.
 - There were important improvements in the City of Des Moines based on property conditions, average sale prices and assessments but the relative hierarchy of neighborhoods remains the same as in its 2018 analysis.
 - It is generally too early to judge InvestDSM, but early results suggest the efforts are having intended effects. Property conditions, average sale prices of single-family homes and assessment growth generally met or exceeded citywide increase. Investment activity and leverage ratios in Franklin and Drake SIDs reflect growing property owner excitement about making substantial investments.
 - The city has grown its neighborhood toolkit beyond Invest DSM, working across neighborhoods of different market strengths. These will continue to be important for building future market health citywide.
- Potential next steps identified by the report include:
 - 1) Stay the course in Columbus Park and Highland Park-Oak Park, but as Invest DSM gains more experience, use the lessons learned to shift its approach in order to maximize opportunities or limit efforts in areas that prove to be not especially effective.

- 2) Expand Drake SID for bigger impact to areas that resemble those to which the organization has become accustomed, and in which it has proved it can succeed.
- 3) Begin preparations for a gradual transition from Franklin SID which took the most advantage of Invest DSM offerings, as the organization brought homeowner capacity in to play from the sidelines and which may soon be able to sustain market success without Invest DSM help.
- 4) As Invest DSM gains capacity to add new areas, develop new SID ‘quick win’ approach based on learnings from Franklin and consider choices for new locations in which it can have similar quick wins with clear and transparent metrics to define success.
- 5) Continue implementation of 2018 strategy with focus on needs of each type of neighborhood – soft, middle, strong - that builds not only on middle neighborhoods but also emphasizes inclusionary work in the strongest neighborhoods and continued stabilization work in the softest neighborhoods.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Future actions on funding, policy work, and other implementation decisions.

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