



TO: Michael C. Van Milligen, City Manager

FROM: Alexis Steger, Housing and Community Development Director

DATE: March 31, 2022

RE: Set Public Hearing for Radford Road Amended Urban Revitalization Area Plan

Introduction

This memorandum presents information necessary for the April 18, 2022 public hearing regarding the proposed Radford Road Urban Revitalization Area designation.

Background

A Petition for Radford Road Amended Urban Revitalization Area Designation was received by the City on March 31, 2022 to support a new development of low-income housing being proposed by Horizon Development Inc. The attached proposed plan will amend an existing Urban Revitalization District and provide for a ten-year residential exemption on the value of improvements, including new construction, for the proposed affordable housing development.

The development plan received provides for the construction of a 60-unit planned affordable residential housing development. Horizon Development Group, Inc. is proposing a \$12.9-million-dollar project utilizing private financing, Tax Credit Equity, and Tax Exemption incentives to finance the project. The Urban Revitalization tax exemption will show local support for the project, which will strengthen Horizon Development Group, Inc.'s Low Income Housing Tax Credit application to the Iowa Finance Authority.

City staff has been informed that there will be a second petition for an amendment to the Radford Road Urban Revitalization Area Designation, but it has not been received to date. The potential development is within the proposed district area being presented, and therefore will not need another amendment to the area if received.

Urban Revitalization Chapter 404 of the Iowa Code (Urban Revitalization Act) authorizes cities to designate areas as urban revitalization areas. Improvements to qualified real estate within these designated areas may receive a total or partial exemption from property taxes for a specified number of years. The exemptions are intended to stimulate private investment by reducing tax increases that usually accompany property improvements. This additional private investment provides a long-term increase or stabilization in the area's tax base, enhances the visibility of

revitalization areas and/or supports important city objectives such as historic preservation, economic development and affordable housing development.

In order to implement the provisions of Chapter 404, the City must determine the area is eligible for exemption, prepare a revitalization plan for each designated area, and hold at least one public hearing after proper notice. The law mandates specific criteria and procedures must be followed.

Discussion

Chapter 404 provides for a public comment period prior to amending an urban revitalization plan. Based upon these requirements, the Council would hold a public hearing on April 18, 2022 that provided a comment period on the proposed plan.

Consistency with City Council Goals & Priorities

The City of Dubuque reviews applications for city support to ensure the request is consistent with the City Council Goals & Priorities. The Amended Radford Road Urban Revitalization Area Designation furthers City Council goals of having “Livable Neighborhoods and Housing: Great Place to Live” and “Partnership for a Better Dubuque: Building our Community that is Viable, Livable, and Equitable”.

This project also furthers the “Management in Progress” efforts to support Low Income Housing Tax Credits Program/Projects.

Consistency with the Consolidation Plan

The U.S. Department of Housing and Urban Development (HUD) requires communities who receive Community Development Block Grant (CDBG) funds to complete a five-year Consolidated Plan that identifies general areas of need in the community and how to address them, particularly in the areas of housing, economic opportunity, and community development.

The City of Dubuque reviews applications for city support to ensure the request is consistent with the needs identified in the current Consolidated Plan.

The Amended Radford Road Urban Revitalization Area meets the objectives identified in the Consolidated Plan Needs Assessment to “Provide opportunities to maintain, improve, obtain and develop affordable housing”, and “Provide for implementation of fair housing opportunities”.

Source of Income Committee

In December 2014, the City Council approved formation of a Source of Income Committee to conduct a two-year study examining the HCV program and its relationship to fair housing, with a goal of identifying ways to enhance fair housing in Dubuque (see Attachment C).

In February 2017, the Source of Income Committee ultimately recommended a collective impact approach to adopt and implement a mix of educational, outreach, and

financial programs to increase housing provider participation in the HCV program. These recommendations are found in the Comprehensive Plan:

- Adopt and implement a mix of educational / outreach programs to increase participation in HCV program.
- Adopt and implement a mix of financial incentives / policies for creation of HCV units throughout community.

Based on the Source of Income Committee recommendations, ***the City now requires housing developers to accept HCV participants*** in conjunction with approval of an affordable housing development agreement related to an urban revitalization plan.

Location

Affordable housing projects are given a priority for city support if they are located outside an area of concentrated poverty based on the recommendations of the Voluntary Compliance Agreement and U.S. Department of Housing and Urban Development. The Amended Radford Road Urban Revitalization Area is outside the area of concentrated poverty and therefore meets this objective.

Opportunity Areas

Iowa's LIHTC program calculated the "high" and "very high" opportunity areas as part of the State of Iowa's Analysis of Impediments to Fair Housing Choice. IFA and the Iowa Economic Development Authority are required to conduct such an analysis because both agencies administer HUD funding. One of the components of the Analysis is to identify Opportunity Areas.

HUD adapted the Communities of Opportunity model to calculate opportunity index scores for each census block group on six separate dimensions: Prosperity, Labor Market Engagement, Job Access, Mobility, School Proficiency, and Community Health. Each dimension analyzed for **Iowa's Analysis of Impediments to Fair Housing Choice** includes a collection of variables describing conditions for each census tract in the State.

The Radford Road Urban Revitalization Area is in a designated "high" opportunity area.

Community Input

All projects requesting city support are required to hold a community meeting, where at a minimum, residents within a 200-foot radius of the project receive an invitation. Horizon Development Group, Inc. will hold a community meeting on April 4, 2022. Comments received will be presented at the Public Hearing.

Relocation

The Amended Radford Road Urban Revitalization Area would be new construction, therefore no persons, families, business or others would be displaced for this project.

Recommendation

Staff recommends the City support these efforts to promote quality, affordable housing, with attention to the needs of families. The Amended Radford Road Urban Revitalization Plan provides affordable family housing outside the area of concentrated poverty, and is in a location with proximity to key community services and living wage job opportunities.

Action Requested

I respectfully request the City Council set a public hearing for April 18, 2022.