

**COLLEGE HILL URBAN REVITALIZATION PLAN  
CITY OF CEDAR FALLS, IOWA**

August 2012

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## **A. INTRODUCTION AND DESIGNATION CRITERIA**

Iowa's Urban Revitalization Act (Iowa Code Chapter 404) provides for a city's governing body to designate an area as an urban revitalization area under certain circumstances. The primary emphasis of the College Hill Urban Revitalization Plan ("Plan") for the College Hill Urban Revitalization Area ("Area") is the revitalization of residential properties of both single-family and multi-family nature. Both owner occupied and rental residential use properties are the target of improvement under this proposed Plan. Residential and commercially taxed residential properties in the designated area may benefit from the exemption or abatement of taxes on the value added by development or redevelopment activities after the Plan is adopted. Through the utilization of tax exemptions, the City hopes to stimulate and improve the climate for residential conservation, rehabilitation, development or redevelopment in the Area. This Plan will outline eligibility and procedures whereby the Area hereinafter described can be revitalized and the potential for residential improvements and development or redevelopment enhanced in accordance with this Plan.

In accordance with Chapter 404.1 of the Code of Iowa, as amended, the College Hill Urban Revitalization Area contains one or more of the following categories:

- The presence of a substantial number of deteriorated or deteriorating structures, a predominance of defective or inadequate street layout, incompatible land use relationships, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the actual value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, substantially impairs or arrests the sound growth of the City, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, or welfare in its present condition and use.
- A predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.

The adoption of the Plan will enhance the rehabilitation and redevelopment of the area resulting in the improvement of public health, safety and welfare of the residents of the City.

## **B. DESCRIPTION OF THE AREA**

The College Hill Urban Revitalization Area is legally described as indicated in Exhibit A and is illustrated in Exhibit B, both attached to this Plan.

### **C. PLAN OBJECTIVES**

The Plan is prepared in conformance with Sections 404.1 and 404.2 of the Code of Iowa for the purpose of providing incentives and outlining procedures to enhance the potential for residential development in Cedar Falls. The primary objectives of this Plan are as follows:

- Reduce the presence of deteriorated or deteriorating residential use structures (single-family and multi-family, both owner occupied and rental) to enhance the quality of life and aesthetics within the designated Area.
- Preservation and restoration of historical housing, including creation of upper-story housing in commercial buildings.
- Encourage the revitalization, renovation, and remodeling of dilapidated residential use properties.
- Encourage the demolition of unsafe structures that pose a health and safety threat and promote the subsequent new construction (reinvestment) of comparable replacement housing.
- Utilize the Plan to coordinate with and complement the Code Enforcement efforts of the City of Cedar Falls.
- Increase the quality of the housing stock (owner occupied and rental) within the Plan area to obtain the long term benefit of increased residential valuations.
- Utilize the Objectives of this Plan to simultaneously promote and complement related desired commercial investment outlined in the College Hill Urban Renewal Plan.
- Related goals consistent with Chapter 404.

### **D. EXISTING ZONING**

The proposed College Hill Urban Revitalization Area includes contiguous property wholly within the boundaries of the City of Cedar Falls, zoned "C3" City High Density Commercial, "P" Public, "R-4" Multiple Family Residential, "R-3" Multiple Family Residential, "R-2" One and Two Family Residential and "RP" Planned Residential. The Area is considered to be a "mixed use" area with a combination of single-family residential, multi-family residential, commercial properties, and adjacent public facilities for the University of Northern Iowa.

The emphasized revitalization of residential properties of both single-family and multi-family composition (owner occupied and rental) as proposed under the Plan is in conformance with the applicable zoning classifications noted above. No changes in the current zoning classifications are currently anticipated.

The existing zoning classifications and land uses existing within the Urban Revitalization Area are identified on the map attached hereto as Exhibit D.

The College Hill Urban Revitalization Plan encompasses some of the properties within the existing College Hill Neighborhood Overlay Zoning District. Under the requirements of the College Hill Neighborhood Overlay Zoning District, any alterations or significant changes to the exterior of the specific property being renovated or a physical addition to the property structure will require site plan review and approval by the Planning and Zoning Commission and City Council prior to commencement of any improvements. Routine or typical maintenance items (paint, siding, shingles, etc.) are not subject to the review process under the College Hill Neighborhood Overlay Zoning District.

#### **E. EXISTING LAND USE**

Existing land use categories are the same as the zoning classifications described above.

#### **F. PROPOSED LAND USE**

The Area is proposed for new and expanded residential development in those areas that comply with the City's Zoning Ordinance. "Residential" includes qualified real estate assessed as commercial property, if the commercial property consists of 3 or more separate living quarters with at least 75% of the space used for residential purposes. ("Space" is equivalent to total square footage.)

#### **G. CITY SERVICES**

The Plan may result in improvement or expansion of city services as follows:

- Transportation Facilities: The Plan should not materially affect the existing transportation system. It is anticipated that residential renovations, particularly to multi-family units could result in improved on-site and off-site parking within the area. No modification to public transportation is involved.
- Sewage & Garbage: Sewage and garbage usage should not be impacted as a result of the Plan's implementation.
- Landscaping: It is expected that landscaping and aesthetic site improvements may be a component of the overall renovation projects to single-family and multi-family units within the Plan area.

- Street Maintenance: Maintenance of the city streets should not be impacted by this Plan.
- Code Enforcement: The intent of this Plan is to coincide with local code enforcement efforts aimed at improving the condition of the overall housing stock within the Plan area. Several of the existing residential structures (single-family and multi-family) within the Plan area are dilapidated and could be considered a detriment to the entire community.
- Police and Fire Protection: The long term goal of the Plan is to improve the overall condition of residential structures within the Plan area. These improvements may include life safety and or code items (electrical, plumbing, etc.) that could result in fewer calls within the Plan area. The results of Plan implementation may also result in improved rental inspections and fewer follow up visits by the Fire Division.
- Utilities: All utilities are currently available within the College Hill Urban Revitalization Area. Any future utility additions, improvements, or relocations will need to be coordinated with Cedar Falls Utilities.

## **H. ELIGIBLE IMPROVEMENTS**

"**Qualified Real Estate**" shall include buildings assessed as residential or commercial property (if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes) located in the Urban Revitalization Area, to which Improvements have been made during the time the Area was so designated and which have increased the actual value by at least 10%. Increases in actual value are measured by the assessor's determination of the increased assessed value due to the Improvements. No land now assessed as agricultural is included in the Area. Increases in taxes because of increased assessed value for land are not subject to abatement.

"**Improvements**" shall include rehabilitation and additions to existing structures as well as new construction on vacant land or on land with existing structures. The Improvements must result in the following increases in value:

1. For residential property the Improvements must increase the actual value of the structure by at least 10 percent.
2. For commercial property (if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes), the Improvements must increase the actual value of the structure by at least 10 percent. If more than one building is located on the property

the 10 percent increase requirement applies only to the structure or structures upon which the Improvements were made.

3. If no structures were located on the property prior to the improvements, any Improvements may qualify.

"Actual Value Added by the Improvements" means the actual value added as of the first year for which the exemption was received, according to the tax assessment valuation determined by the Black Hawk County Assessor.

All Improvements, in order to be considered eligible must be completed in conformance with all applicable regulations of the City of Cedar Falls (including a building permit), and must be constructed during the time the Area is designated as a revitalization area.

The City also has a tax increment financing program which is designed to provide incentives for development. Accordingly, a property that, in the determination of the City Council, is receiving either direct or indirect benefits that were financed through a City-sponsored tax increment financing program, shall not be eligible for tax abatement under the revitalization program, unless otherwise determined by the City Council.

Improvements receiving any funding from a local, state or federal governmental program are not eligible for tax exemption under this Plan.

### **I. EXEMPTION SCHEDULE**

All Qualified Real Estate is eligible to receive a partial exemption from taxation on the Actual Value added by the Improvements. The exemption is for a period of five (5) years. The amount of partial exemption is equal to 100 percent of the Actual Value added by the Improvements. For example, for Improvements completed during the 2012 calendar year (so that the Assessor can make a full assessment of the Improvements as of 1/1/2013) and for which applications are filed with the City by no later than February 1, 2013, all Qualified Real Estate assessed as residential property, or assessed as commercial property (if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes), is eligible to receive a 100 percent exemption from taxation on the Actual Value Added by the Improvements. See Section K for deadlines to file applications.

### **J. TERM OF PLAN**

The Area defined in this Plan shall remain a designated Urban Revitalization Area until December 31, 2032. The City reserves the right to amend this Plan or to extend the designation, in accordance with Chapter 404. The City may also shorten the term of this Plan by amendment. However, in that event, all existing exemptions would continue until they expire.

## **K. APPLICATION PROCEDURES**

A person may submit a proposal for an improvement project to the City Council to receive prior approval for eligibility for a tax exemption on the project. The City Council shall, by resolution, give its prior approval for an improvement project if the project is in conformance with this Plan. Such prior approval shall not entitle the owner to exemption from taxation until the improvements have been completed and found to be qualified real estate; however, if the proposal is not approved, the person may submit an amended proposal for the City Council to approve or reject. Final approval of tax exemptions are subject to confirmation by the Assessor that the improvements have increased the actual value by at least 10%.

An application shall be filed for each new exemption claimed. The application for an exemption shall be filed by the owner of the property with the City Council by **February 1** of the assessment year for which the exemption is first claimed, but not later than the year in which all improvements included in the project are first assessed for taxation, or by February 1 of the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. A form of application may be obtained from the City Clerk.

All applicants must apply for and receive a building permit, as required under City ordinances, rules and regulations.

All applications shall include the information required by the Act. The application will be subject to review by City Staff and by the Planning and Zoning Commission before being forwarded to the City Council for official action.

The City Council shall approve the application, subject to review by the local assessor pursuant to the Act, if the project is in conformance with the Plan, is located within the Urban Revitalization Area and if the improvements were made during the time the area was so designated. The City Council shall forward for review all approved applications to the appropriate local assessor by **March 1** of each year with a statement regarding the exemption schedule. Applications for exemption for succeeding years on approved projects shall not be required.

The local assessor shall review each first-year application by making a physical review of the property, to determine if the improvements made increased the actual value of the qualified real estate by at least the percentage indicated above. If the assessor determines that the actual value of the real estate has increased by at least 10%, the assessor shall proceed to determine the actual value of the property and certify the valuation determined pursuant to the Act to the county auditor at the time of transmitting the assessment rolls. However, if a new structure is erected on land upon which no structure existed at the start of the new construction, the assessor shall proceed to determine the actual value of the property and certify the valuations to the county auditor at the time of transmitting the assessment rolls. The assessor shall notify the applicant of the determination and the assessor's decision may be appealed to the local board of review at the times specified in Section 441.37 of the Code. If an application for exemption is denied as a result of failure to sufficiently increase the value of the real estate as provided in the Act, the owner may file a first annual application in a

subsequent year when additional improvements are made to satisfy the requirements of the Act. After the tax exemption is granted, with periodic physical review by the assessor, for the time period specified in the tax exemption schedule under which the exemption was granted, the tax exemptions for the succeeding years shall be granted without the taxpayer having to file an application for the succeeding years.

#### **L. ASSESSED VALUATIONS AND OWNERS OF RECORD**

A list setting forth the existing assessed valuations of the real estate in the Urban Revitalization Area, listing the land and building values separately, is included in Exhibit C. A list of names and addresses of the owners of record of real estate is available for viewing at the City Clerk's office via a compact disk.

#### **M. REVENUE BONDS**

The City has no plans at the present time to issue revenue bonds for revitalization projects within the Area.

#### **N. RELOCATION**

Only tenants who have occupied the same dwelling unit continuously for one (1) year prior to the Plan's adoption and who are displaced due to construction of an Improvement are eligible for relocation benefits.

#### **O. ADDITIONAL FEDERAL, STATE OR PRIVATE GRANT OR LOAN PROGRAMS**

Depending on the time period the Improvements are constructed, there may be programs available to assist property owners. At the time of adoption of this Plan in 2012, those programs may include the following:

CDBG Housing Rehabilitation Program

CDBG Emergency Repair Program

CDBG CFU Weatherization Program

These are all programs administrated through the City of Cedar Falls funded with Community Development Block Grant Funds.

Cedar Falls Utilities Weatherization Program

This program is administrated by the Cedar Falls Utilities and receives 50% CDBG funding and 50% local funds from CFU.

Operation Threshold Weatherization Program

This program is administered by Operation Threshold in Waterloo and receives federal funding from the U.S. Department of Energy

*Whether any of the above programs are applicable to Qualified Real Estate and Improvements as defined by this Plan are unknown.*

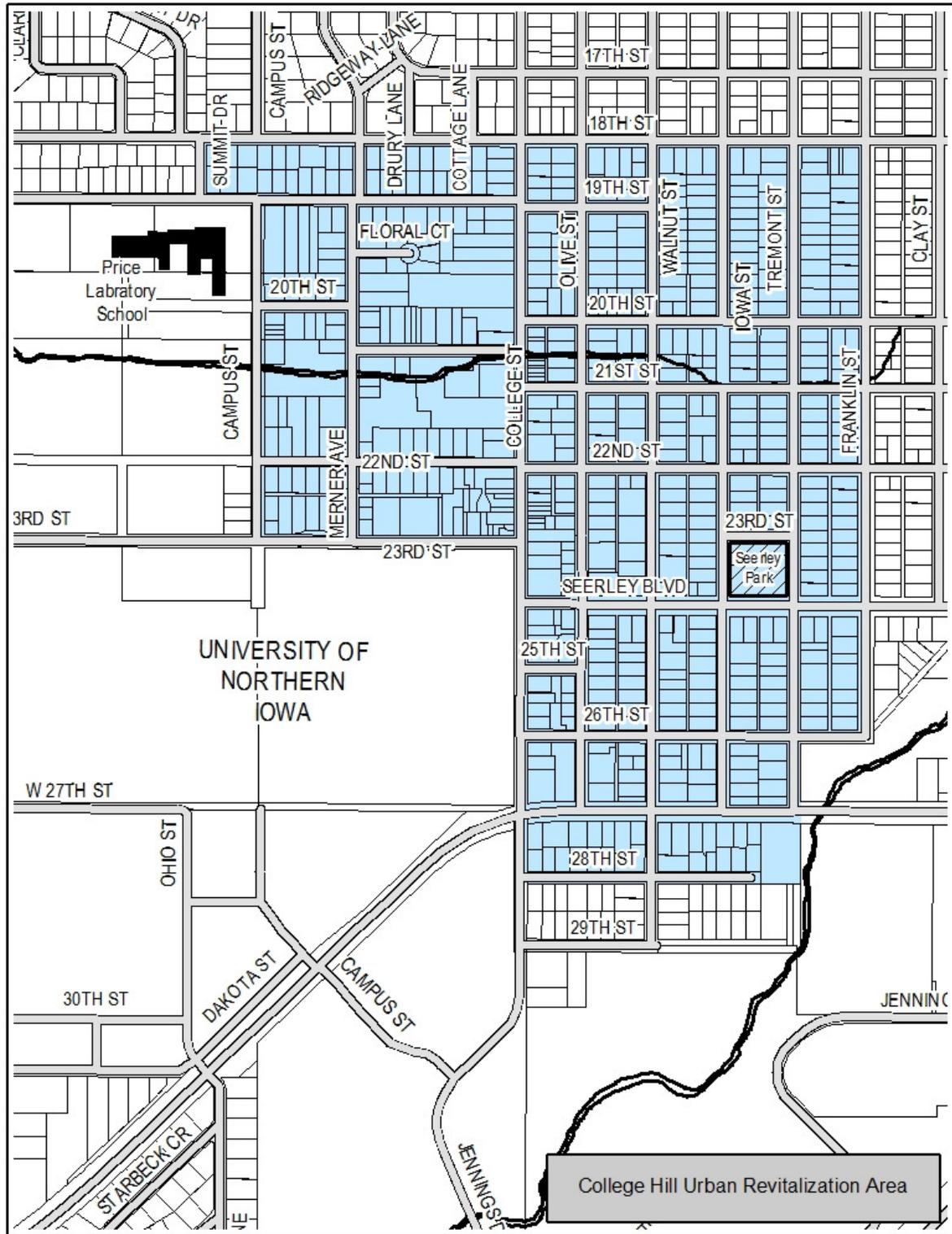
As noted above, Improvements receiving any funding from a local, state or federal governmental program, as described in this Section, are not eligible for tax exemption under this Plan.

**Exhibit A**

**Legal Description of Area**

Commencing at the center of the intersection of 18<sup>th</sup> Street and Franklin Street, thence south along the centerline of Franklin Street to the center of 26<sup>th</sup> Street, thence westerly along 26<sup>th</sup> Street to the intersection with Tremont Street, thence south along Tremont Street to the centerline of 29<sup>th</sup> Street, thence westerly along the centerline of 29<sup>th</sup> Street to College Street, thence north along the centerline of College Street to the centerline of 23<sup>rd</sup> Street, thence westerly along 23<sup>rd</sup> Street to the centerline of Campus Street, thence northerly along Campus Street to the centerline of 19<sup>th</sup> Street, thence westerly along the centerline of 19<sup>th</sup> Street to the centerline of Summit Drive, thence northerly along Summit Drive to the centerline of 18<sup>th</sup> Street, thence easterly along the centerline of 18<sup>th</sup> Street to the point of beginning.

**Exhibit B**  
**Map of Urban Revitalization Area**



**Exhibit C**

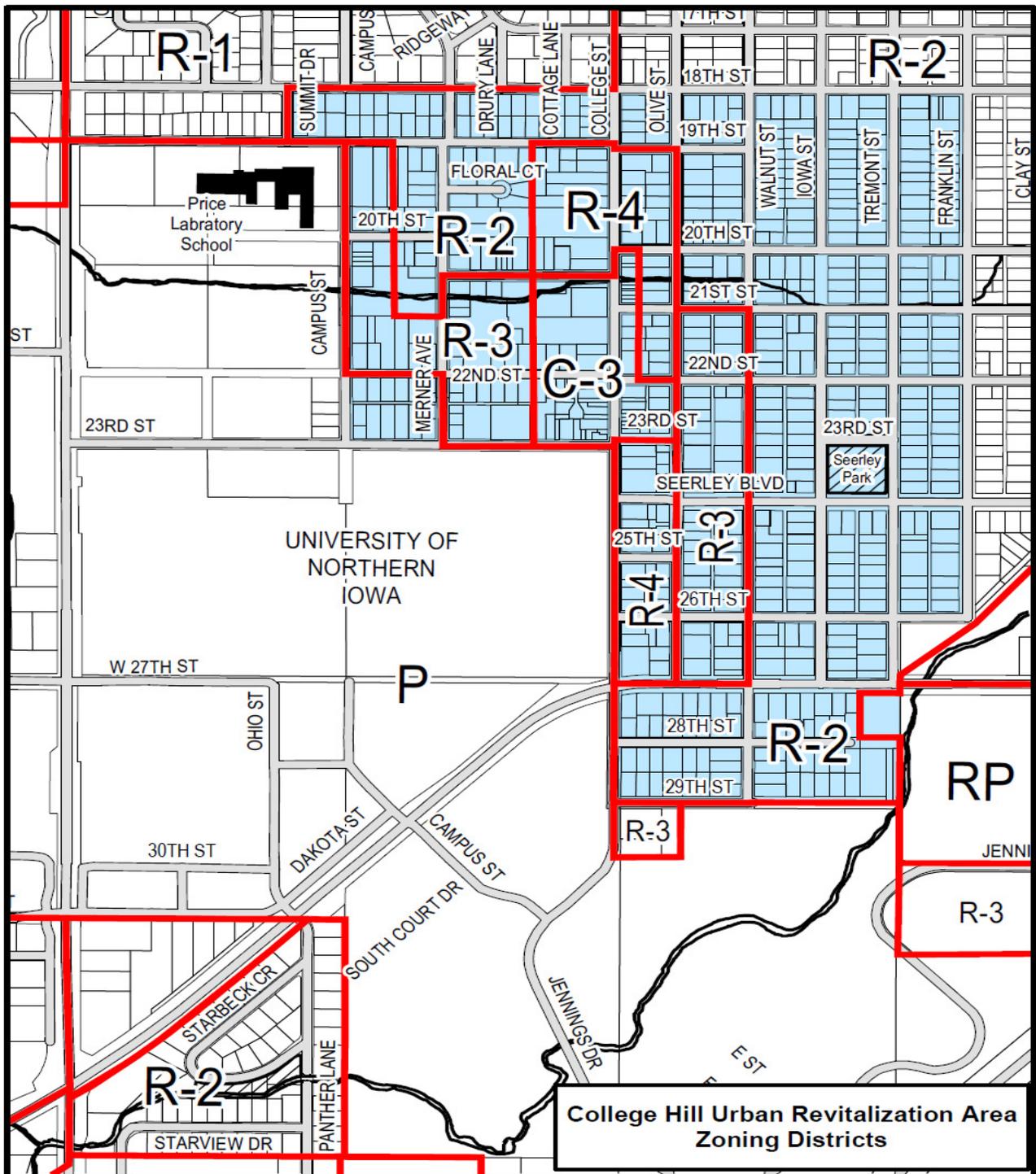
**Assessed Valuations of Land and Buildings and Owners of Record of Real Estate**

A list of the totals of the existing assessed valuations of the real estate in the Area, listing the land and building values separately is set forth below:

Number of Parcels	Assessed Value of Land	Assessed Value of Commercial Buildings	Assessed Value of Residential Buildings
861	\$17,554,980	\$20,105,240	\$67,788,050

Individual assessed values for land and buildings within the Area and the names and addresses of the owners of record of the real estate within the Area are compiled on a compact disk (CD), located at the Clerk's Office at City Hall. Accommodations for viewing will be made.

**Exhibit D**  
**Existing Zoning and Land Uses**



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