



City of Muscatine



AGENDA ITEM SUMMARY

City Council

DATE:

July 15, 2021

STAFF

Jodi Royal-Goodwin, Community Development Director

SUBJECT

Request for Approval to Submit the Neighborhood Revitalization Pilot Project Proposal

EXECUTIVE SUMMARY

Following the Housing Summit the Director of the Iowa Economic Development Authority requested the collaborative submit a proposal for a pilot project to revitalize a distressed block within the community that met identified criteria. The selected block is adjacent to Mulberry Avenue between 6th and 7th streets and will be targeted with a variety of activities intended to improve the housing quality, aesthetics, and quality of life. Submitting the proposal will allow the team to continue evaluating programs and resources to support the pilot project with state staff.

STAFF RECOMMENDATION

Staff recommends approval to submit the proposal.

BACKGROUND/DISCUSSION

Recently Council adopted *Igniting Vitality Through Workforce Housing*, a plan to address housing issues with the community that was developed by a team with representatives of nonprofits, local business, the County and City staff. This plan was also presented to community leaders during the Housing Summit, which included providing a tour to Debi Durham, the Director of the Iowa Economic Development Authority (IEDA) and concluded with her remarks on housing and related funding and legislation.

Following the Housing Summit Director Durham contacted the team and asked that we develop a pilot project focused on revitalizing one block that was 1) near downtown; and 2) would have a high visibility impact; and 3) would be replicable in other communities. The team looked in a number of areas and ultimately focused on 2 blocks to be presented to IEDA for final determination.

Those blocks were Main to Green between Hershey and Mill or Mulberry to Orange between 6th and 7th streets, as depicted on the following maps. Roselawn was selected because it is within the Grandview Corridor Project Area, but also was within proximity to downtown and in a highly visible location. The Mulberry block is also on a thoroughfare but is in much more declined condition, with properties prioritized to meet other City goals.

Qualitative and quantitative data regarding housing quality and tenure as well as demographic information were put together and presented to IEDA staff during a meeting on May 6. Data and implementation include both sides of all boundary streets.

At the conclusion of the meeting it was determined, based on the goals Director Durham had for this program and the differences in the blocks, the Mulberry block was the best fit. She then requested that we put together a full plan to be submitted to her team to identify potential resources.

Since that time, the collaborative has been working to flesh out the scope of the project and establish reliable budget numbers for the various components. Over the proposed 2½ year project timeframe, the proposal identified programs for exterior maintenance and façade improvements, property acquisition and resale, interior rehabilitation, downpayment assistance to support increased ownership rates, and neighborhood enhancements such as new lighting, sidewalk improvements, developing a tree canopy, a housing coordinator to oversee both project implementation as well as community engagement and buy-in, and other place-making initiatives.



This pilot program supports many of the goals established in the 2021 Strategic Plan and the recently adopted housing plan. A program like this is focused on creating a vital community, using strategies that are place-based, planned and inclusive. All of this will be done by maintaining and improving the current housing stock and supporting residents with affordable rental and homebuyer opportunities.

Other aspects of the project will focus on the individual and family needs? through increased education and upskilling opportunities, establishing resident connections, and establishing appropriate neighborhood services. If resources allow, the team will also evaluate alternative building models that would address some barriers to development, such as 3-D printing or indoor construction.

This proposal supports the City goal of creating a vibrant community through the creation of quality places that people want to live work and play. A successful project should also lead to organic improvements in the surrounding area within the neighborhood and along the Mulberry thoroughfare into downtown.

In a recent discussion, the collaborative was informed the proposal needed to come from a government entity. It was determined due to the proposed location and role of City staff, the City would be the appropriate entity. This submittal will provide a framework for IEDA staff to evaluate resources that may be available and work with the team on the project. While we anticipate the community will need to commit matching funds to the project, nothing is being requested at this time. Any grant awards or commitments of resources will be brought back to Council for consideration at the appropriate time.

CITY FINANCIAL IMPACT

There is no financial impact of this action.

ATTACHMENTS

Neighborhood Revitalization Pilot Project Proposal



2021

NEIGHBORHOOD REVITALIZATION PILOT PROJECT PROPOSAL



MULBERRY | SIXTH | ORANGE | SEVENTH

Adjacent to Downtown Muscatine

Neighborhood Revitalization Pilot Project Proposal

TABLE OF CONTENTS

BUILDING BLOCKS	Page 4
VISION, GOALS, & TARGET	Page 5
PEOPLE AND PLACE	Page 6
PILOT OVERVIEW	Page 7
NEIGHBORHOOD ASSESSMENT	Page 11
HOME IMPROVEMENTS	Page 13
PUBLIC INFRASTRUCTURE	Page 15
HOME BUYER / OWNER ASSISTANCE	Page 16
PROJECT MANAGEMENT	Page 17
TIMEFRAMES & PRIORITIES	Page 18
APPENDIX	
CURRENT LAND USE & ZONING	Page 19
DEMOGRAPHICS	Page 20
AMENITIES	Page 21
CRIME RATE	Page 22
BUS ROUTES	Page 23
TRAIL ACCESS	Page 24

PROPERTY ASSESSMENT

The information gathered with in this report is from visual walk-bys. A thorough assessment of the 28 properties has not been done.

A home-by-home audit will be completed, once the property owner consents as part of the initial phase of the project.

Neighborhood Revitalization Pilot Project Proposal

Building Blocks To Date

RECENT ACTIVITY

- **July 2020 - Neighborhood Study** commissioned by the City of Muscatine, Muscatine County, and the Community Foundation of Greater Muscatine.
- **March 2021 - Ignite Vitality Housing Summit** with speakers Director Debi Durham and Michael Gould, Iowa Economic Development Corporation.
- **March 2021 - Housing Plan and presentation** by Jodi Royal-Goodwin, Director of the Muscatine Municipal Housing Authority, to a joint meeting of the Muscatine City Council, Muscatine County Board of Supervisors, Muscatine School District Board of Directors and interested community partners.
- **March 2021 - Housing Revolving Loan Fund Commitment** by the Community Foundation of Greater Muscatine.
- **March 2021 - Community Grant-Writer commitment** by the City of Muscatine and Community Foundation of Greater Muscatine with a targeted contract date of September 2021.
- **May 2021 - Members of the City of Muscatine, Muscatine County, Community Foundation of Greater Muscatine, and Kent Corporation met with IEDA and IFA team members** regarding piloting a neighborhood revitalization project in an area adjacent to Downtown.
- **July 2021 - Five properties acquired** in target block by Muscatine Center for Social Action (MCSA), non-profit partner, in support of plan goals.
- **July 2021 - City of Muscatine Housing policy changes proposed**, including initiate adoption of property maintenance code and pilot project to assist LMI (low and moderate income) homeowners.
- **Projected Fall 2022 - Construction Trade Certificates offered** through Muscatine Community College. Training includes construction, HVAC, and electrical. Certificates will be offered in multiple stopping points after one year and two years. MCC plans to support the local housing plan through this training.

Neighborhood Revitalization Pilot Project Proposal

Vision, Goals, and Target

Vision

Housing Council Focus Areas:

- Development
- Neighborhood Revitalization
- Downtown Catalyst
- Housing Stability

This project will intersect all focus areas.

Goals

Anticipated Project Outcomes:

- Maximize Quality Housing
- Create Neighborhood Identity
- Incentivize Home Ownership
- Support Workforce
- Invigorate Stewardship
- Enhance Transition to Downtown Corridor



Factors for Selection

- 2020 Neighborhood Housing Study
- Recent Mixed Use Development
- Potential Nearby Business Partnership
- Proximity to Downtown
- Greatest Aesthetic Impact

Neighborhood Revitalization Pilot Project Proposal

People and Place

LEADERSHIP, IMPLEMENTATION, AND VOLUNTEERS

01

Leadership: Muscatine County and the City of Muscatine jurisdictions are working in tandem to address the local housing crisis. The Community Foundation of Greater Muscatine and Kent Corporation have also been participating in the creation of the Housing Plan and a Housing Council.

02

Implementation: There is a Muscatine Housing Development Cooperative of non-profit housing partners in place and already in action, including Muscatine Center for Social Action (MCSA), Rebuilding Together Muscatine County, and Muscatine Area Habitat for Humanity. MCSA has taken a leadership role in property evaluation and implementation of the identified neighborhood revitalization plan.

03

Project Managers: Residential Housing Development Coordinator position(s) will be filled to provide oversight and management of the revitalization process as well as the related housing council, grant management, and communication with neighborhood residents, volunteers, partners, and the community.

04

Volunteers: The Muscatine Housing Development Cooperative has 370 unique volunteers available. In addition, it is anticipated that church and business challenges will be developed to create an even greater volunteer pool.

05

A 2020 Neighborhood Study commissioned by the County, City, and Community Foundation further supports neighborhood revitalization in this area.

06

The neighborhood identified for the pilot project is two blocks from downtown and five blocks from riverfront activities and attractions. It adjoins the major community thoroughfare, Mulberry Avenue.

Neighborhood Revitalization Pilot Project Proposal

Pilot Overview

REPLICABLE MODEL

This pilot will be designed and documented with the intention to provide a replicable, innovative model for neighborhood revitalization efforts in Iowa. A detailed summary report of partner communication, success, tools, barrier resolution, and impact will be developed; including a white paper summary, priority component check sheets, and best practice communication logs to create an “off the shelf” source manual to inform the development of other neighborhood initiatives. Rehabilitation metrics will be carefully analyzed for calculative factors and trends that may be formulized as predictive models for future neighborhood cost projections. As you will see throughout this pilot proposal, this model will include social, health, education, and economic components.

CONCENTRATION

When revitalization money is spread broadly and interspersed across a large geographic area, impact is limited both visually and catalytically. The proposed integrated model of concentrated, capital and resource application will accelerate visual and tangible neighborhood impact and spur organic spread and improvement through private investment on adjoining blocks and throughout the neighborhood, amplifying the value of each dollar spent.

COVID MITIGATION

Per the 2010 Census, the identified block has a 33% higher number of children (32% versus 24% reported in Muscatine) and a higher percent of black individuals (9% versus 3% reported in Muscatine).

The neighborhood lies within census tract 508, and as reported at censusreporter.org:

- The average median household income of the census tract is \$44,048, versus \$52,660 for Muscatine.
- 19% of children and 20% of seniors are below the poverty line in this census tract.
- The average household size of 2.9 in this census tract is 20% higher than the Muscatine average of 2.5.

All of these factors make stable, healthy housing increasingly critical for health and equity outcomes.

Neighborhood Revitalization Pilot Project Proposal

Pilot Overview - Continued

NEIGHBORHOOD COHESION AND BRANDING

The neighbors will be surveyed both through paper and in group settings using the Heart and Soul methodology that the City of Muscatine is implementing to facilitate resident engagement, identify the gifts residents bring, and build community in area neighborhoods. Based on feedback received and funding available, an urban planner and historical specialist will be engaged to provide insight on shaping façade improvements, aligning branding components, and developing downtown connectivity opportunities around a shared vision.

On a group level, the opportunity to strengthen relationships with neighbors in this setting, influence decisions, and celebrate the neighborhood and community's history and assets is expected to enhance social cohesion. As neighborhood residents collectively take and support revitalization activities the cohesion of the informal group will also be bolstered.

On a resident level, the opportunity to have individual voices heard through the process, as well as creation of a larger network of relationships, both within and outside of the neighborhood, should enhance resident leadership and potentially evolve into expanded community engagement and equity.

HEALTH

Application of a "Healthy Homes Program" will be done via targeted home and air quality improvements, lead and asbestos abatement, carbon monoxide detection installation, neighborhood clean-up, and efforts to ensure households have primary care providers and health insurance, or create access points. The walkable environment of the neighborhood and connectivity to downtown will also be enhanced and encouraged via additional pedestrian amenities.

Neighborhood Revitalization Pilot Project Proposal

Pilot Overview - Continued

ENERGY

Energy efficient options will be incorporated via improved weatherization, appliance and fixture updates, and evaluation of renewable energy options. Resources and expertise of area partners, including Muscatine Power and Water and Community Action of Eastern Iowa, will be incorporated in revitalization efforts. A Level II electric vehicle charging station is slated for inclusion due to the proximity of downtown businesses, industry, governmental offices, and tourism.

WORKFORCE TRAINING

Within this neighborhood's related census tract:

- 11% over the age 25 do not have a high school degree
- 43% have only a high school degree
- 5.4 % have a Bachelors degree or higher, compared to 20% in Muscatine

In addition, there are 24 children under the age of 18 in the identified block.

An education and employment study by household will be conducted of neighborhood residents. Ultimately, a concierge service will be made available through a partnership with the local community college and an area non-profit to support advancing education for adult household members interested in upskilling opportunities, including HiSet degrees and certificate programs in high demand fields.

Teen students will be connected to education pathway opportunities, through the area high school and community college, as interests are identified. Interested household members, including students, will also be encouraged to participate in construction and revitalization efforts and related mentorship opportunities.

Neighborhood Revitalization Pilot Project Proposal

Pilot Overview - Continued

HOME OWNERSHIP

There will be some emphasis on improving the ratio of homeowners in the identified block through targeted capital deployment, down payment assistance, education through the city's homeownership training programs, and partnership with local lending institutions to create a Community Reinvestment Act compliant lending program that includes exception-based credit scores for homebuyers in the targeted neighborhood.

PLACE-MAKING & ECONOMIC

Utilizing the Place Diagram tool, planned and grassroots place-making creation will be fostered. An improved built and social environment will create an inviting pathway into downtown encouraging economic development and improved vitality along the corridor and in surrounding business and gathering hubs.

In addition, during the duration of this multi-million dollar project, each dollar spent will have an economic multiplier effect on the Muscatine community with spending on implementation, sales tax generated, payroll to an expanded construction workforce and project management, and worker spending.

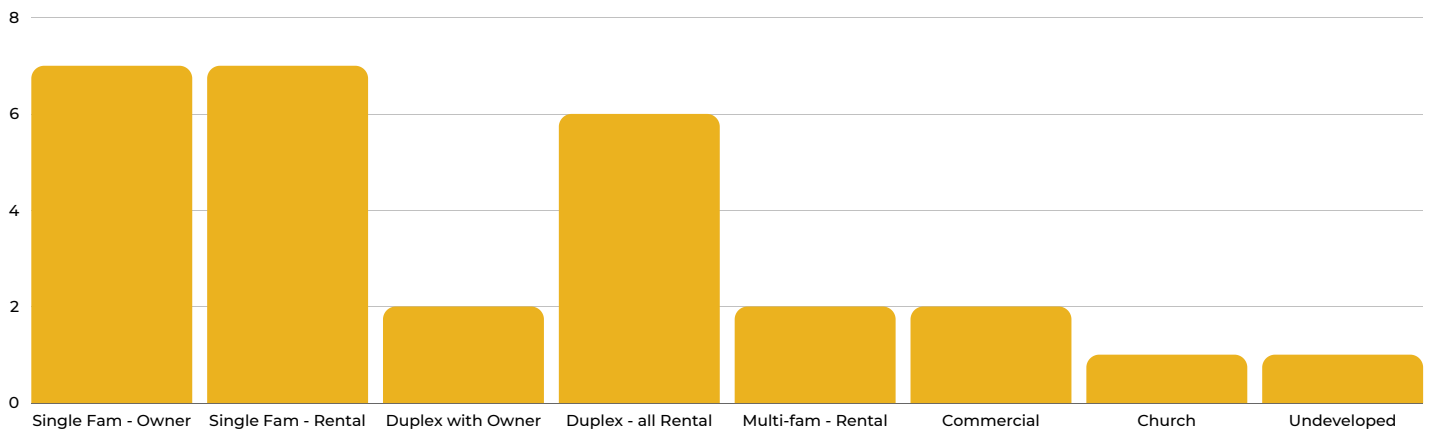
INNOVATIVE HOUSING DEVELOPMENT

With rising housing development costs and constrained construction schedules due to seasonal pressures, the community partners are interested in evaluating and piloting innovative, cost-saving housing development solutions. Identifying partners or grant funding for acquisition of a 3D House Printer, as well as possible support and creation of an indoor, year-around modular housing development and training solution, will be investigated.

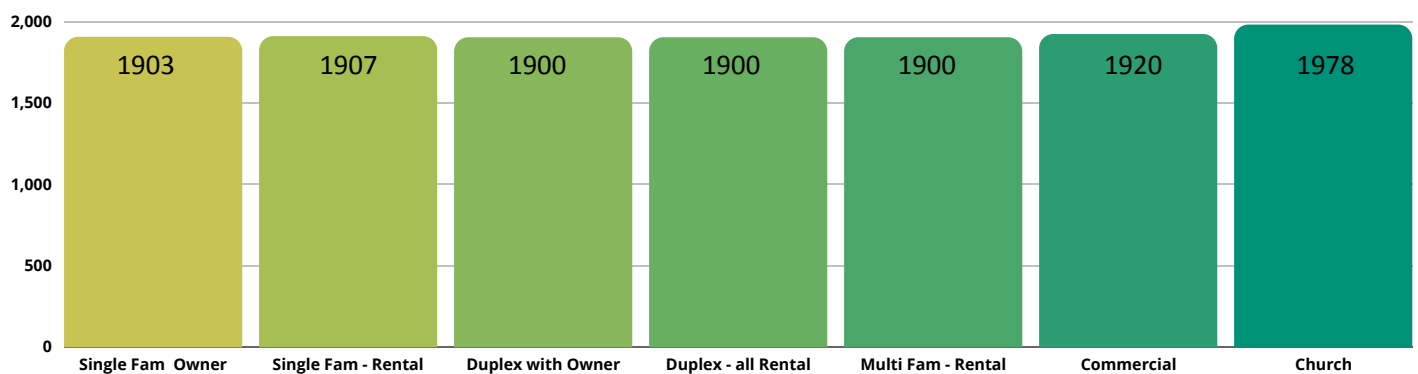
Neighborhood Revitalization Pilot Project Proposal

Neighborhood Home Assessment of 28 Properties

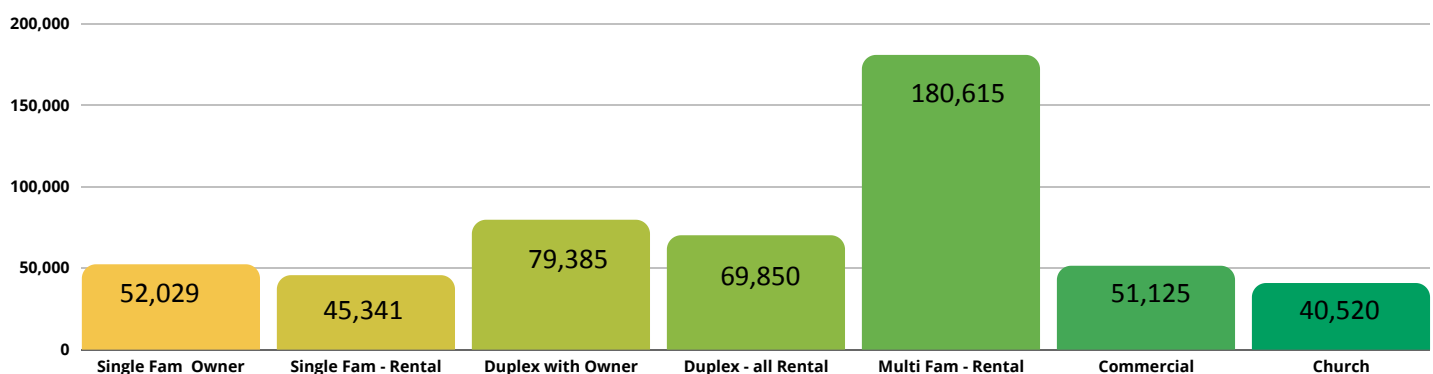
PROPERTY TYPE



AVERAGE PROPERTY AGE



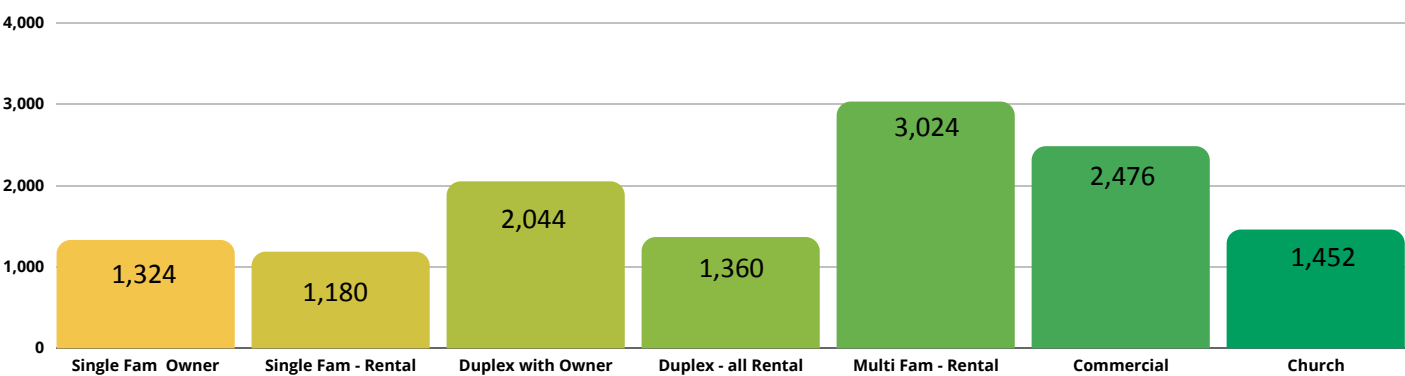
AVERAGE ASSESSED VALUE



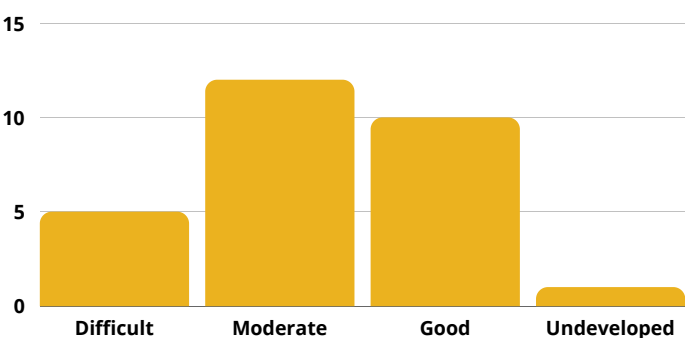
Neighborhood Revitalization Pilot Project Proposal

Neighborhood Home Assessment - Continued

AVERAGE SQUARE FEET

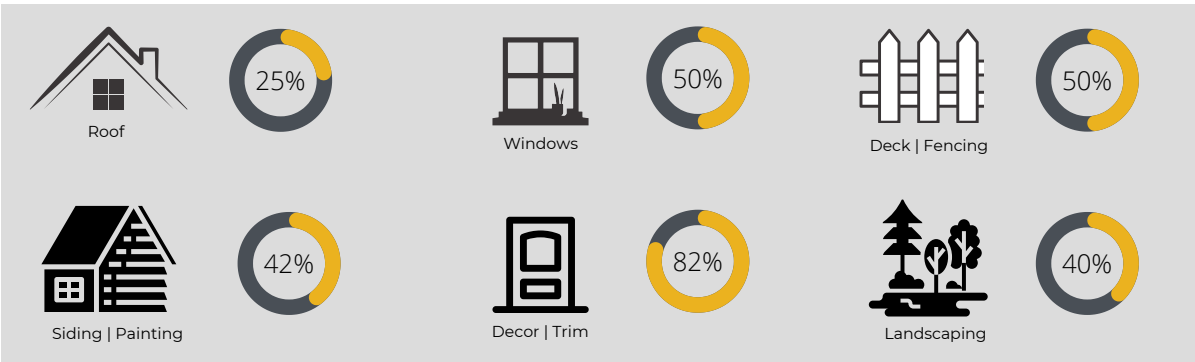


CURRENT STATE OF EXTERIOR CONDITIONS



ESTIMATED FACADE IMPROVEMENTS

Facade updates would be intermixed with intentionality to include traditional and urban/modern updates. Estimates are on 20 properties not slated for acquisition.



\$598,650

Neighborhood Revitalization Pilot Project Proposal

Home Improvements

LEAD PAINT & ASBESTOS

Lead paint assessment and appropriate mitigation will be done on all funded properties. Anticipated up to \$30,000 per unit for the necessary testing and mitigation.

Asbestos assessment and remediation will be done on all funded properties as appropriate. Anticipated \$5,000 per unit for necessary testing and mitigation.

\$875,000

INTERIOR IMPROVEMENTS

Preliminary estimates on necessary interior improvements to ensure the structural efficacy and quality of life improvements are as follows:

- The 18 non-commercial properties within the block, that are not identified for acquisition, total 31,548+ square feet.
- Projections are based on an assumption of 18% of the square footage will be in need of structural or quality of life improvements, with an estimated cost per square foot for repairs of \$150.

\$851,796

ACQUISITION-TO-REHAB

A target of 7 homes has been set for acquisition-to-rehab for affordable rental or homeownership.

Acquisition Cost	\$501,631
Rehabilitation Cost	\$664,920
Anticipated Resale	(\$700,000)

Legal / tax advice will be made available to Landlords to help beneficially structure the sale.

Monies from re-sale will revolve as program income to support future neighborhood revitalization.

Neighborhood Revitalization Pilot Project Proposal

Home Improvements- Continued

HOME CONTINGENCY / DEVELOPER FEE

A 15% contingency / developer fee has been identified due to the age of the homes and the inability to perform physical inspections.

\$523,800

OWNER EXPECTATIONS

The homeowner will be expected to provide sweat equity or service support of the revitalization project, as appropriate.

The Landlords will be expected to provide a first right of refusal to current tenants if they sell. And matching money on interior / exterior renovations or the equivalent in sweat equity on the improved rental home.

Proposed: All homeowners will be expected to sign a request for services; and sale prior to 5 years will require a 50% payback on improvements. All landlords will be expected to pass 50% of the improvement costs on to the homebuyer at the time of sale. If sold to another landlord, 100% of the revitalization improvements would need to be repaid. All program income will be reinvested in future neighborhood revitalization projects.



TAX ABATEMENT

There is a 5 year tax abatement for improvements to homes in this area.

Neighborhood Revitalization Pilot Project Proposal

Public Infrastructure

BRANDING

Enhancing the neighborhood, connectivity to downtown, and community vibrancy.

The identified neighborhood is conveniently positioned northwest between the Musser Art Museum and Central Middle School Performing Arts, and southeast between the Musser Public Library and National Button Museum. Branding aspects include:

- Unique street lamps
- Painted curbs and street lines
- Signage to complement and create entry to Downtown / way finding signage
- Personalized benches
- Install wifi network
- Establish dedicated place-making space for music / rotating artists/ restaurants / maker-space
- Celebrate collective history
- Pedestrian amenities
- Car Charging Station
- Landscaping
- Mixed façade updates within block

\$278,388

HEALTH AND WELLNESS

Will be based on neighborhood feedback and may include a pocket park or related amenities.

\$40,000

INFRASTRUCTURE

Improvements will include sidewalks.

\$102,600

Neighborhood Revitalization Pilot Project Proposal

Home Buyer / Owner Assistance

DOWN PAYMENT ASSISTANCE

Down payment assistance targeted for 10 properties, or 1/2 of all rental properties in the neighborhood, at an estimate of \$20,000 per property.

\$200,000

The Home Ownership Counseling Program, offered through the Muscatine Municipal Housing Authority, will be required to qualify for down payment assistance. This free 8-hour program educates potential home buyers on the process involved in successfully owning a home, including:

- Budget and money management
- Credit awareness and analysis
- How to determine the right home
- Loan pre-approval process
- Selecting a realtor
- Types of loans available

Households completing the program may be eligible for up to \$1,000 in down payment assistance.

Other Mortgage Assistance Support:

Additionally, for eligible persons currently on the Housing Choice voucher rental assistance program, the Muscatine Municipal Housing Agency is able to help with monthly mortgage payments instead of monthly rental assistance. The mortgage assistance will adjust according to change in the participants income.

Neighborhood Revitalization Pilot Project Proposal

Project Management

PROJECT COORDINATION

Residential Housing Development Coordinator position(s) will be filled to provide oversight and management of the revitalization process as well as the related Housing Council, grant management, and communication activities with neighborhood residents, volunteers, partners, and the community. Cost calculated as up to \$90,000 in salaries annually, including benefits.

\$225,000

COMMUNICATION FORECAST

Communication will be robust, multi-faceted, and targeted to various constituent groups. Direct relationship building will be a focus for the Development Coordinator(s).

Anticipated communication includes:

- Kick-off press release
- Targeted letter regarding neighborhood housing opportunity
- Housing facilitator home-by-home communication
- Neighborhood meeting(s) with "Heart and Soul" model
- Neighborhood clean-up
- Block party and press conference
- On-going public notifications
- Extensive home-by-home audit
- Neighborhood Revitalization webpage
- Monthly neighborhood newsletter updates

\$3,750

PILOT PROJECT TOTAL

\$4,865,535



Neighborhood Revitalization Pilot Project Proposal

Timeframe and Priorities

PROJECT TIME FRAME

It is anticipated that the project time frame will be 30 months in length. Estimates of component activity timeline:

- Outreach and relationship establishment - 0-3 months
- Evaluation - 1 - 6 months
- Acquisition - 0- 6 months
- Rehabilitation - 6 - 24 months
- Resale - 12 - 30 months



PRIORITY

In order to create community visibility and immediate traction, initial activity will be directed to Mulberry Avenue and 6th Street.

Priority will be directed as follows:

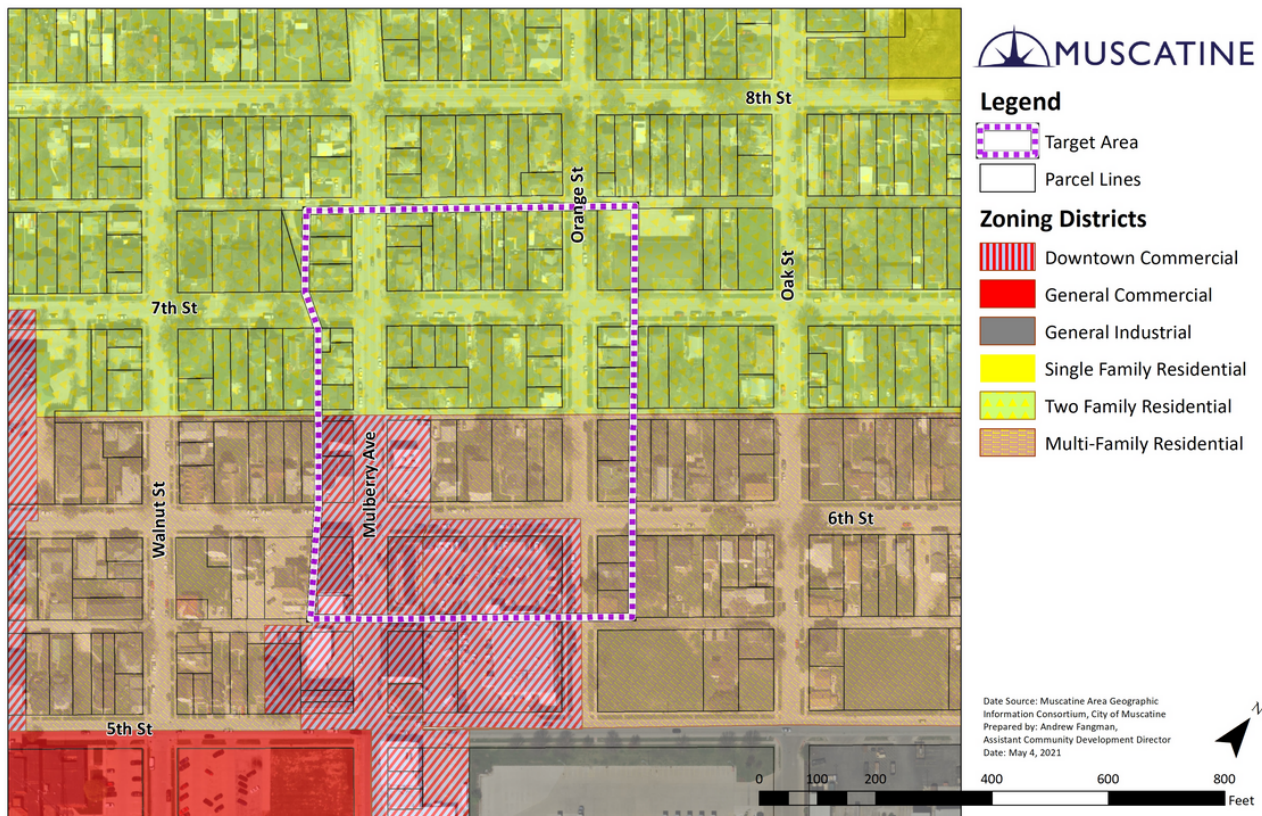
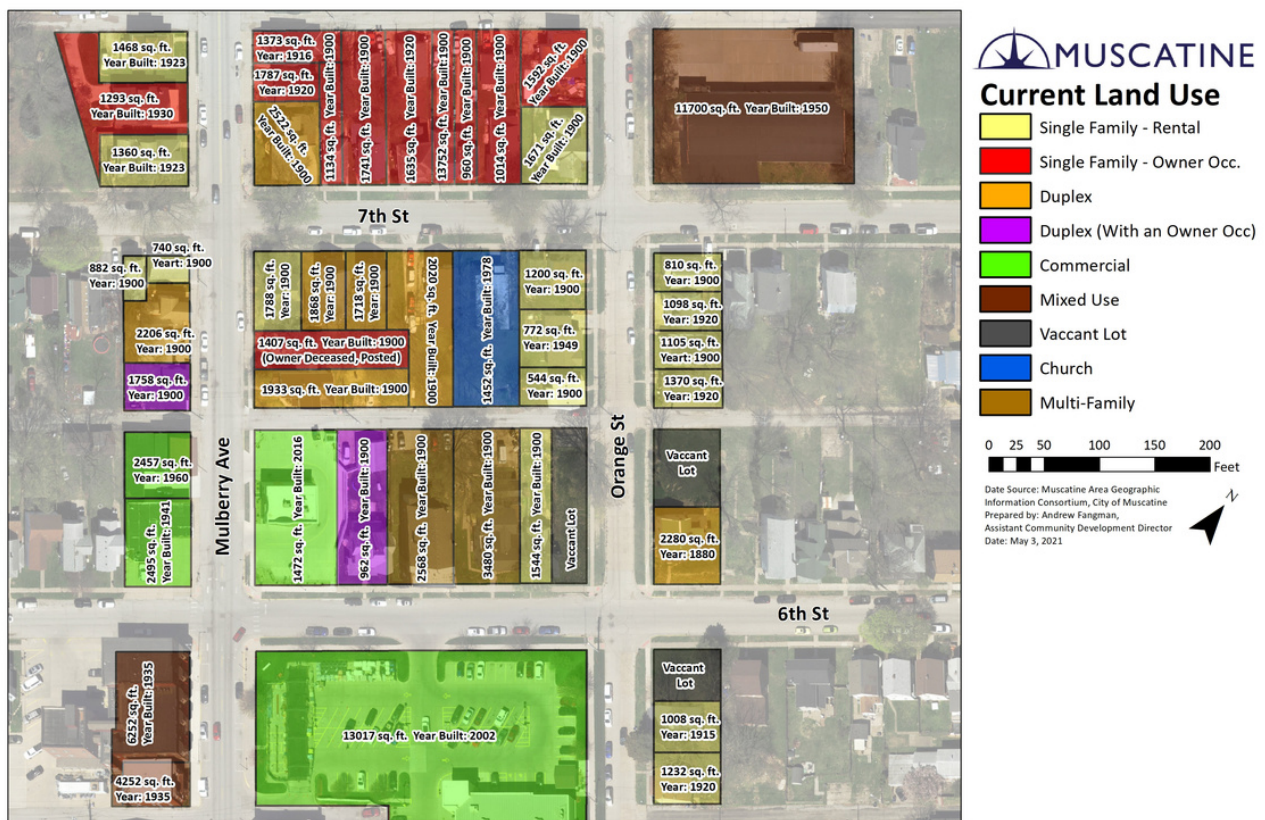
- | | |
|--------------------------------|---|
| 1 Communication | 4 Interior Improvements |
| 2 Acquisition / Rehabilitation | 5 Streetscape and Public Infrastructure |
| 3 Façade Repair | 6 On-going Support |

MATCHING MONEY

Collaborative partners will seek to identify potential resources in an effort to meet matching money requirements or uncovered expenses.

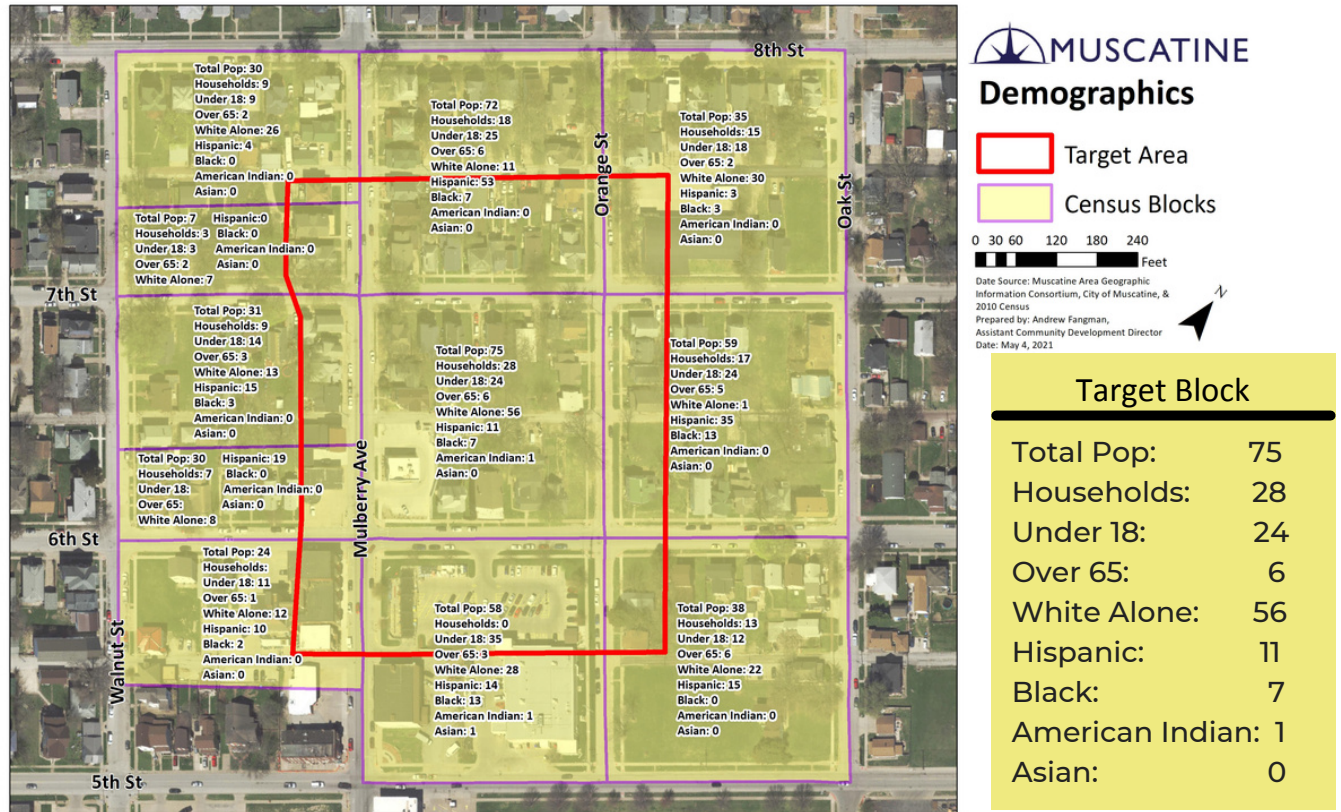
Neighborhood Revitalization Pilot Project Proposal

Appendix - Current Land Use & Zoning

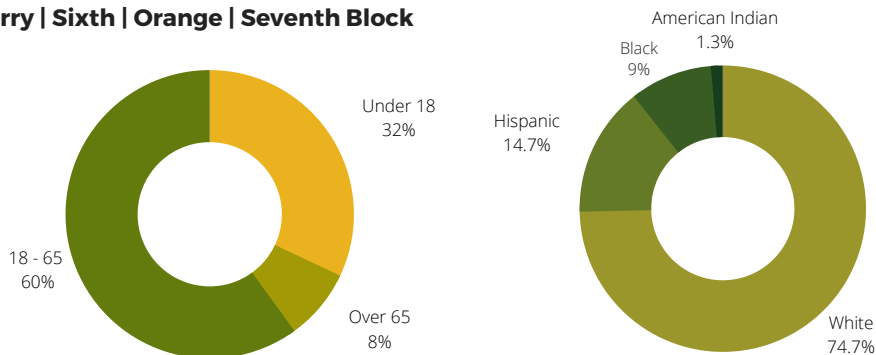


Neighborhood Revitalization Pilot Project Proposal

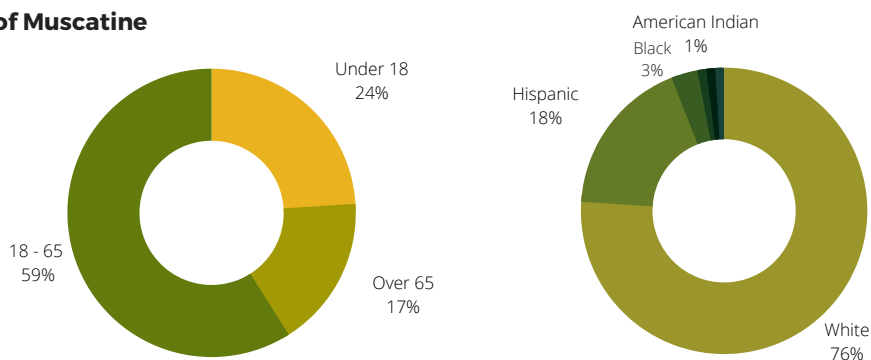
Appendix - Demographics



Mulberry | Sixth | Orange | Seventh Block

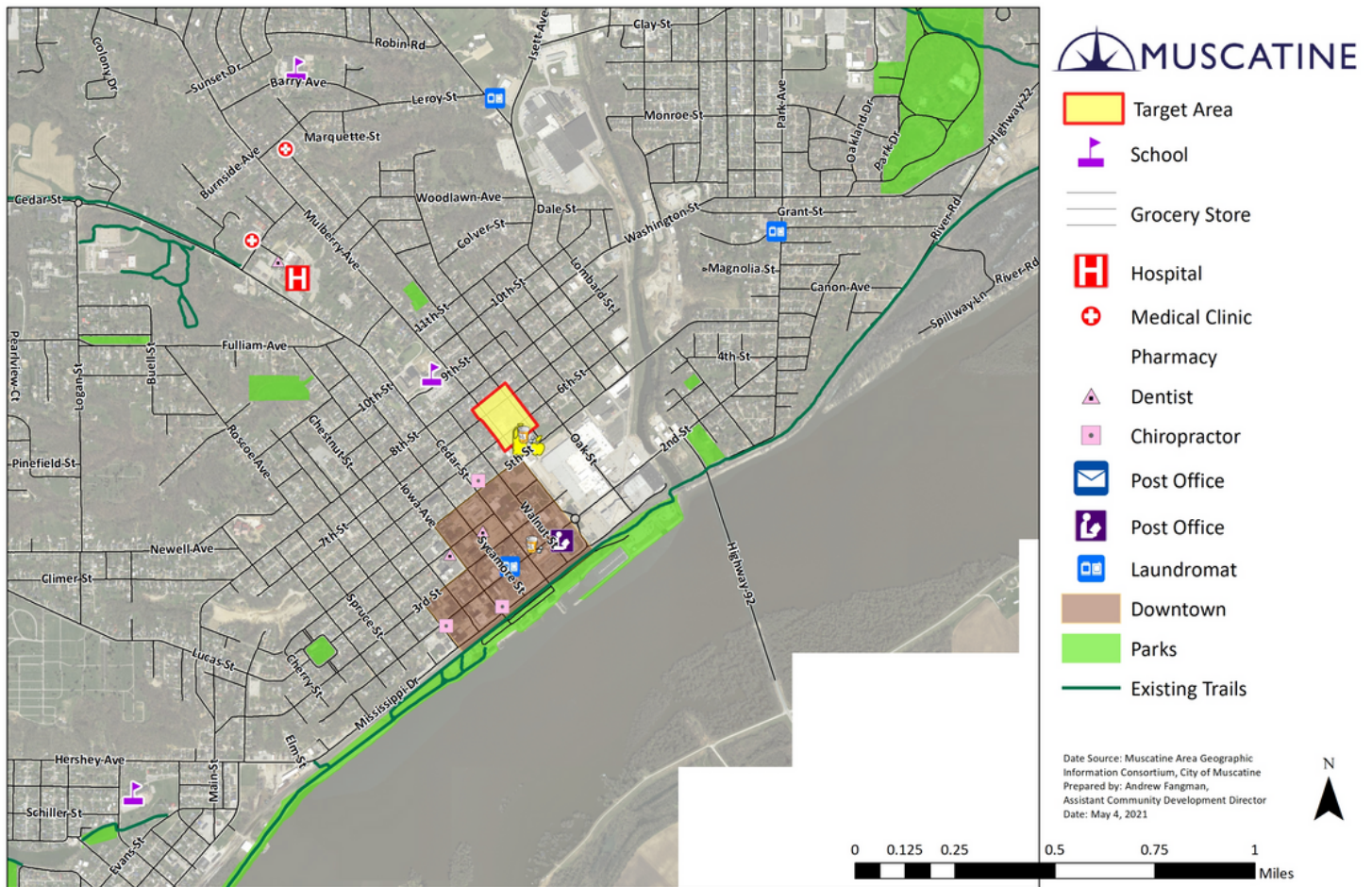


City of Muscatine



Neighborhood Revitalization Pilot Project Proposal

Appendix - Amenities

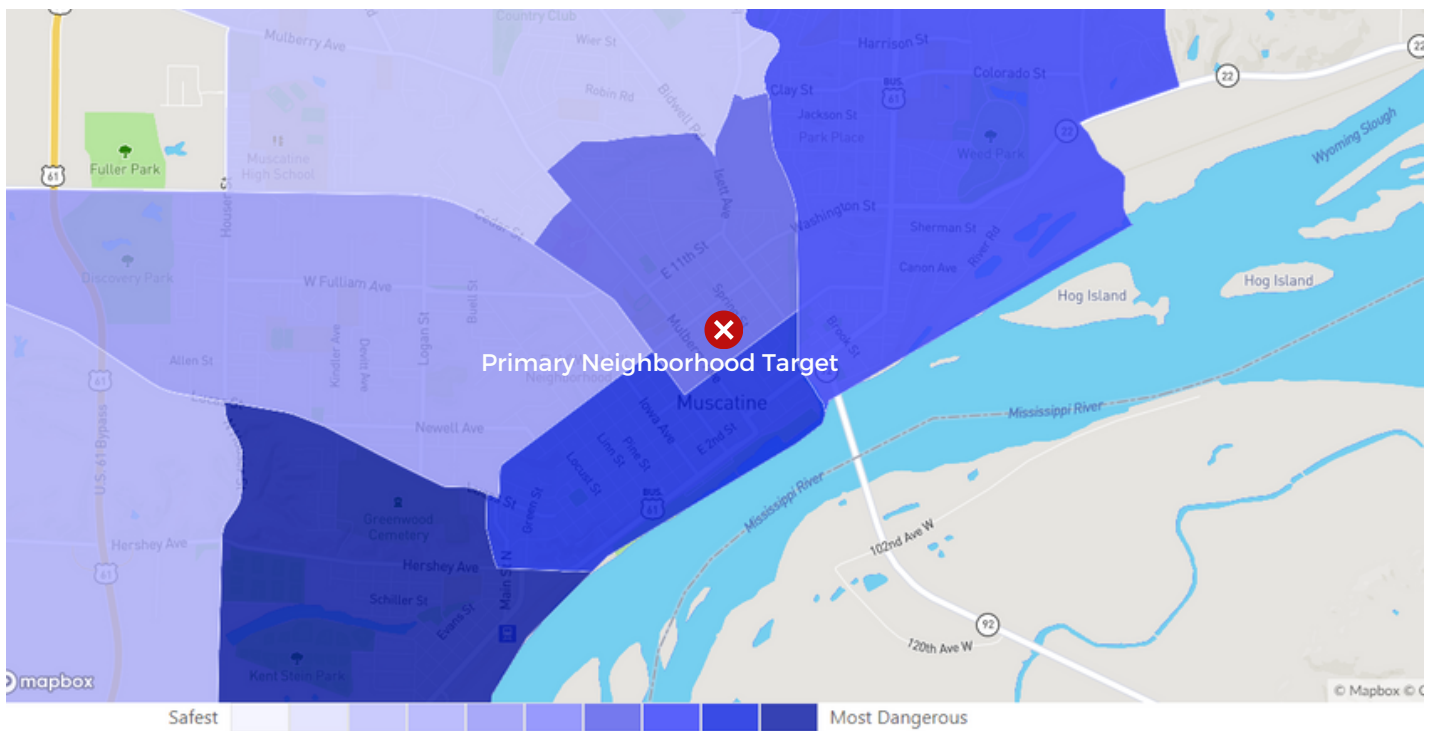


Fiber, high speed internet is available.

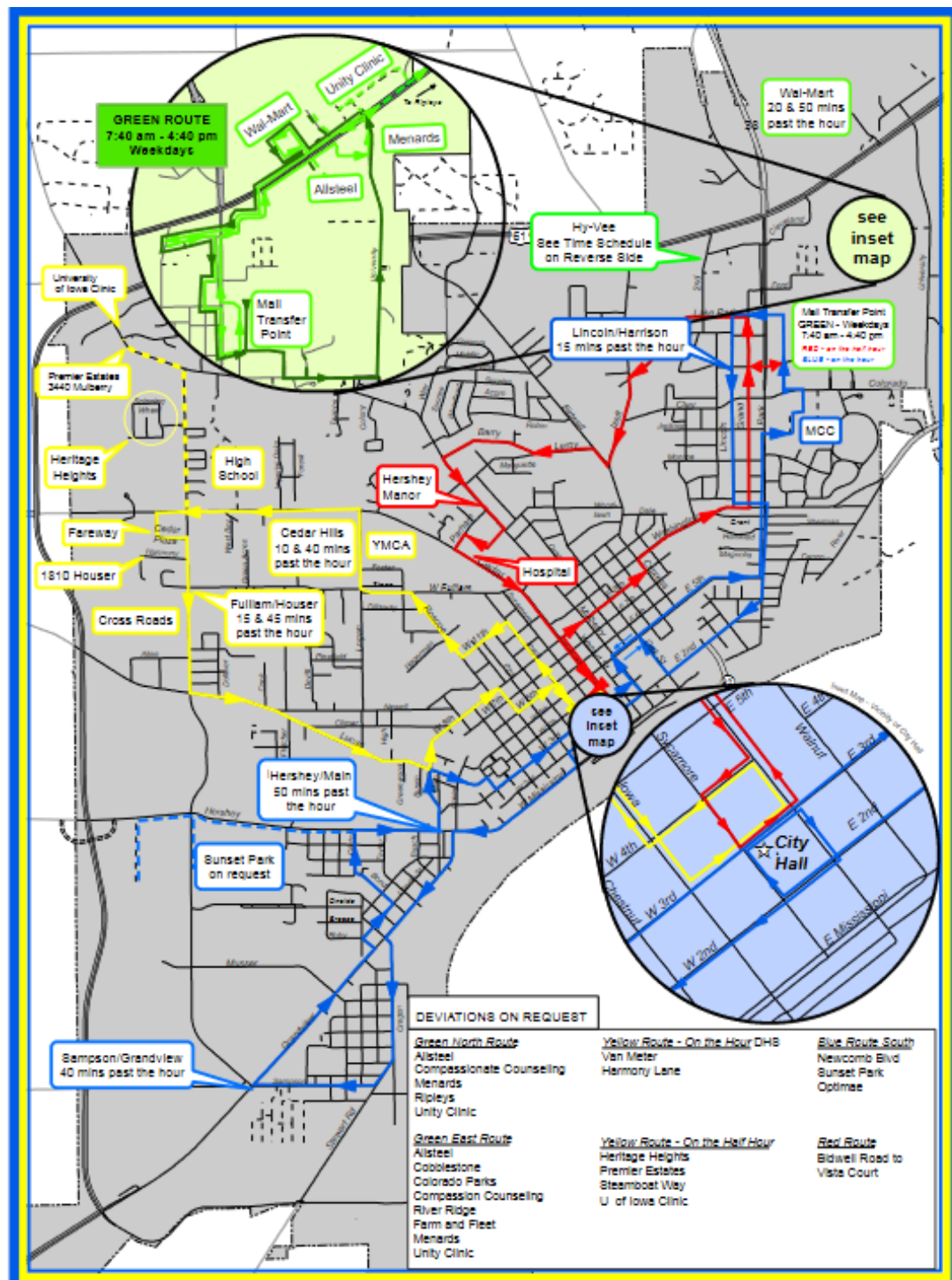
Neighborhood Revitalization Pilot Project Proposal

Appendix - Crime Rates

Muscatine Crime Rates according to www.neighborhoodscout.com.

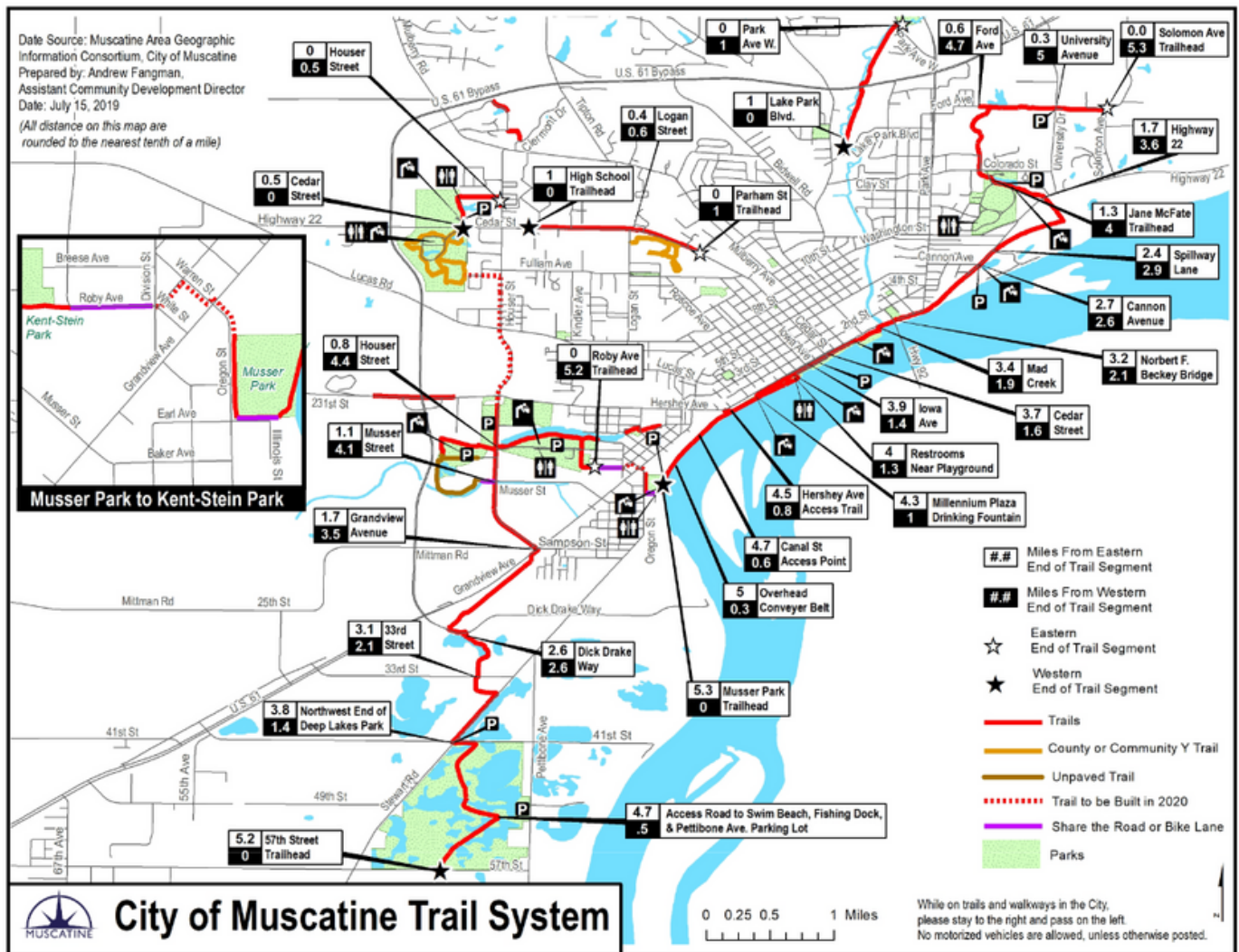


Appendix - Bus Routes



Neighborhood Revitalization Pilot Project Proposal

Appendix - Trail Access



Neighborhood Revitalization Pilot Project Proposal

JULY 15, 2021

JODI ROYAL-GOODWIN



Direction Sought

Does City Council have any feedback on the proposal?

Does City Council Approve Submitting the Application to the Iowa Economic Development Authority?



Agenda

1. Review Proposal
2. Discussion & Feedback

Background

- City Strategic Plan
 - Set Vibrant Community through local initiatives as goal
- Housing Summit
 - Tour with Director Durham
 - Information on current housing conditions
- Housing Plan
 - Establish goals for
 - new development
 - improving existing units
 - Increasing homeownership
- Request from Director Debi Durham
 - Pilot Program
 - 1 Block, close to downtown
 - High visibility
 - Replicable



The Proposal

- The Block
 - Mulberry/6th/Orange/7th
 - Predominantly Rental Units
 - 1 Long-term Abandoned
- Partners
- Programs
 - External Repairs & Façade Improvements
 - Interior Rehabilitation & Hazard Reduction
 - Acquisition-Rehab
 - Downpayment Assistance
 - Project Coordinator
 - Infrastructure
 - Resident Support
 - Neighborhood Identification
- Anticipated Outcomes



Next Steps

1. Staff and partners will work with IEDA to finalize programming and identify resources.
2. Work with partners on implementation of programs.
3. Utilize model in other areas.

Direction Sought

Does City Council have any feedback on the proposal?

Does City Council Approve Submitting the Application to the Iowa Economic Development Authority?

