

MINUTES/URBAN DEVELOPMENT COMMITTEE
Wednesday, March 26, 1997 - 4:00 p.m.

Members present: Beach, Polovitz.

1. Matter of storefront applications:

Chairman Beach stated that applicants had been notified and would have opportunity to make short statement re. their applica- tion; that traditionally funds used for downtown area and will continue for this year; that it is program that should be used not only to rehab but enhance esthetics appeal; and that the pro- gram requires a \$ for \$ match. Chairman Beach stated this is not a public hearing and is not required but will conduct as such.

1) 137 S. 3rd Street, Satrom Real Estate - \$4,750

Wayne Peterson, rep. John Satrom, reported that the two projects they have are a riverfront show, clean up, new second and third floor porches, new steel railings, upgrade fire escapes, remove old existing wiring, downspouts, repaint, etc.

2) 101 S. 3rd Street, Satrom Real Estate - \$3,900

Mr. Peterson presented proposal for the GF Glass & Paint Co. property, and project mainly to take care of marquee panel on both front and back, replace completely.

3) 27 S. 3rd Street, City of Grand Forks - \$9,800

Aps. submitted by Dick Jackson, Curt Siewert will answer any questions; project will replace sidewalk along Kittson Avenue with concrete pavers.

4) 25 S. 3rd Street, City of Grand Forks - \$9,000

Project includes awning installation at rear of former NSP building.

5) 12 N. 3rd Street, LTD Properties - \$8,342

6) 12 N. 3rd Street, LTD Properties - \$4,925

7) 414 DeMers Avenue, LTD Properties - \$9,605

8) 414 DeMers Avenue, LTD Properties - \$5,581

There was no one present to speak to the projects.

9) 311 Kittson Avenue, Ramesh Kumar Sharma, \$4,190

10) 311 Kittson Avenue, Ramesh Kumar Sharma, \$9,472

Mr. Siewert stated he would review aps.; that Dr. Sharma purchased former Hoffman Clothing store, and has a new tenant, and is proposing to install windows on second floor, do awning and remove signage; and at rear of the building - restructure footings and redoing entire back of the building. Mr. Siewert reported they arrived at project ap. costs through bidding of

various parts of the project.

11) 301 N. 3rd Street, Ward K. Johnson, \$3,500
Mr. Johnson was not present.

12) 630 N. 3rd Street, Norby's Office Services - \$14,000
Lynn Bartuska, rep. Doug Norby, presented ap., two distinct businesses in the building, one of which is new to this

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community; that they will put in two separate storefronts on the southwest corner and on the southeast corner (diagonal entrances if structurally able to do this). Ms. Bartuska stated they are just purchasing the building and will have to get actual figures from architects, etc. Mr. Siewert stated he suggested dollar amount to Norby's because so new into the project, etc.

13) 24 N. 4th Street, Pearson, Christensen, et.al - \$30,000
Doug Christensen stated project consists of sandblasting building back to original red brick, tuckpoint, etc.

14) 120 N. 4th Street, O'Hara's Brew Pub - \$25,000
Mr. Siewert reported that Lonnie Laffen, architect, wrote application and notice went to St. Cloud address; that this would be excellent tie-in with Lola's, which is next door; will have entrance to the rear also; two floors for Brew Pub and third floor for another use.

15) 120 S. 3rd Street, Mabel Adamson/Glenn Hanson - \$3,500
Mr. Siewert reported that Mr. Hanson going to rehab front for rental and his construction company in the rear of the building.

16) 313-317 DeMers Avenue, Todd Nedberg - \$2,508
It was noted this is former Mandel or Stratford building.

17) 21 S. 3rd Street, La Parfumerie - \$560
Applicant not present. Mr. Siewert reported that aps. were here last Monday night; ap. relocating into City Center Mall and request is for signage and repainting of storefront.

18) 6 S. 3rd Street, Quilted Rabbit, Inc. - \$250
It was noted this applicant also relocating, and project is for painting storefront and new signage.

Mr. Siewert reported that they are still going to have to go

through Historical Society on all these applications, and project may very well change. It was noted that project aps. total \$148,883 and they have \$50,000 in the Storefront Acct.

Mr. O'Leary stated that there is alternate way to do Ap. 3) 27 S. 3rd Street, brick pavers - through special assessments though staff recommended funding through this program; project really needs to be done.

The committee held until Monday evening, April 7, for recommendation to council.

2. Amendment to by-laws for River Forks Commission.

Gary Christianson stated their hope and intent is to apply for 501(c)(3) designation from the IRS to be recognized as a charitable organization, and one of the requirement is that the

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by-laws or creating document of the entity need to clearly state what would happen to the proceeds or assets of the entity in the event of dissolution; so the main intent of this would be to say that if the River Forks Commission were to be dissolved that the assets would revert to the two cities for some public purpose, to specifically state that at the end there won't be any lobbying or things prohibited by 501(c)(3) organizations and that they would only work on charitable activities. He stated that one of the definitions of charitable is to lessen burden of government, that they meet a public purpose and almost anything they do or have done would fulfill that and this would be an amendment. He stated this would be submitted with a form to the IRS and they would respond back whether acceptable or if other changes had to be made. He stated they were asking for an amendment to add this section to the joint powers agreement. The committee questioned whether they should include a definition of the split; Mr. Christianson stated that isn't requirement of the IRS but if Cities want to address, that would be acceptable; IRS's main concern is that it wouldn't revert to private individual or gain for any other entity. Committee suggested that this is something that needs to be addressed but not in this document (liquid assets split and real estate go wherever it's located), and that Commission address that.

Mr. Christianson reported he had submitted copy to Mr. Swanson but has not had response as yet.

Moved by Polovitz and Beach to adopt the amendments to Chapter XII subject to review and approval by the city attorney.
Motion carried.

3. Affordable housing recommendations.

Chairman Beach reported that the committee has been provided with summary of recommendations from other committees; and questioned whether items 13, financial institution to establish special funding to assist construction financing and 14) real estate agencies limit fee to 5% for initial sale, were enforce- able. Mr. O'Leary stated only voluntarily, the lending insti- tutions have agreed to get together to find creative ways to assist in construction financing and they are collectively working on that; and item 14) that it is his understanding that the Board of Realtors has agreed to do that.

Chairman Beach stated that this has been discussed for several years and at this point each committee was asked to discuss the item and react to this plan that was prepared earlier and to direct comments to the council as a whole.

Polovitz stated that in looking over committee recommendations, doesn't see lot that he would change; that he has never been in favor of a tax exemption for newly built houses but would agree

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if it helps bring costs down to meet the objective of affordable housing.

The committee reviewed the various recommendations of the sub-committee. There was some discussion re. lot size, Mr. O'Leary reported that it was the committee's thinking that if you narrow down frontage to 60 ft., cut down on infrastructure costs and so everyone would have some green space, would like to see 120 ft. depth.

Mr. O'Leary stated that their experience over the last couple years with the write-down program that City presently running through CDBG program has changed his mind on tax exemption on lower end houses, and thinks that tax exemption for houses for individuals who are close to being able to swing this or on line make big difference, either on new or existing houses. He also noted that Mr. Carsen was at finance and he pointed out that sometimes to have arbitrary numbers like this does create some problems for the potential buyer if assessor comes in and determines value at \$101,000 and going to cost the potential

buyer a \$25,000 tax exemption for two years, they would be encouraging the assessor to value that house at just under \$100,000 but happens no matter where you draw the line, and would behoove the developer to make sure the house didn't come in over \$100,000.

Polovitz stated he was in favor of affordable housing but not if end up slum and blight. Mr. O'Leary stated there is a difference between affordable and low income, but don't have to build a house in a slipshod way to make it affordable; that with the recommendation that finance committee made yesterday, re. determining affordable housing that the lot and house (excluding special assessments) be no more than \$90,000; and that problem having with this is that in the houses they are developing the price does include the value of all infrastructure improvements and that's why they are charging more for the lot, \$16,000; and if special assessed cost of infrastructure could drop the value of the house to \$84,000 from \$89,000, etc. but pay now or later.

Mr. O'Leary stated that the cost of houses that were built in Richard's West is \$83,500 (two-bedroom, including specials and including lot) \$88,900 for the three-bedroom. The committee asked if a developer could do that, and Mr. O'Leary stated that he thought a developer could, that developer would probably be their own contractor so part of the markup may be profit that builder/developer would incur; that what's not included in the cost of these houses are carrying costs which they absorbed and no real estate fees. He stated that he told finance comm. that \$90,000 little low because they didn't include real estate fees and profit. He also reported that Mel Carsen had suggestion to value houses on sq. footage basis. Polovitz questioned whether City would have any control, through PUD, etc. Mr. O'Leary

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stated that's being recommended.

Polovitz stated that he would like to see affordable housing district which looks like area City built in Richard's West. Beach stated you can't control direction neighborhood takes after it's constructed.

The committee discussed item 15) Allocate additional City funds to supplement CDBG funds for low income housing rehab. Mr. O'Leary reported that this is program through CDBG where they assist people making less than 80% of the median income with down-payment, biggest criticism of that program is that it

leaves out people below the median income but higher than 80%, and neither committee took any action on this issue, and maybe should be a program administered by the City to help families between 80-85% of the median income. He stated this is a program in place but not as budgeted item, and if wanted to look at might be something to refer to the Budget Framework Committee and present to council later in the year. He stated they weren't looking at lot of money, if capped at \$1,000 per household and went from 80% to 85%, talking about \$25-30,000 and put that number of families into homes.

Chairman Beach commented that we are all against slum and blight, all in favor of a good housing inventory within the city but there's one statement you hear from the public time and again when they protest their taxes, and that's that they did things to improve their property and then City penalizes them, that they are penalized for maintaining their houses. He noted that there is 3-year remodeling exemption but anything can do to arrest deterioration of existing housing stock helps solve the problem, and maybe if this committee had any additional recommendations should be that.

Moved by Beach and Polovitz to approve recommendations as follows:

- 1) adopt as presented,
- 2) adopt as presented,
- 3) adopt as presented,
- 4) adopt as presented,
- 5) adopt as presented,
- 6) adopt as presented,
- 7) adopt as presented,
- 8) adopt as presented,
- 9) adopt as presented,
- 10) adopt as presented,
- 11) adopt as presented,
- 12) adopt as presented (only for affordable housing districts)
- 13) adopt as presented,
- 14) no action
- 15) no action.

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Upon call for the question, the motion carried.

Moved by Beach and Polovitz to explore additional methods to arrest deterioration of existing housing stock. Motion

carried.

4. Public art policy.
Held in committee.

5. Change order for accessibility at 1902 24th Ave.S.

Joel Manske, director of Housing Authority, presented request for an additional \$9,000 to fund project to enable Continental Homes to add elevator at the entrance of this 4-plex building, Continental Homes applied for funding through the State's Housing Helping Hand Fund Program and were notified they were funded for \$9,000 less than originally applied for, total cost of accessibility project is approx. \$27,000, and if don't come up with funding, will have to return Helping Hand program and defer project. He reported the group home is leased to NE Human Services by Continental Homes with lease payment based on debt service payment, monthly operating costs; that he looked at reserve account, \$3600, and would have to return state grant if not come up with matching funds.

Moved by Polovitz and Beach that we transfer \$9,000 from Housing Rehab. account into Continental Homes Project. Motion carried.

Meeting adjourned at 6:00 p.m.

Alice Fontaine
City Clerk

Dated: 3/31/97