

Urban Revitalization Plan
City of Perry, Iowa

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Background

Urban Revitalization Act

In 1979, the Iowa legislature enacted the Urban Revitalization Act giving Iowa cities the authority to designate an area or areas of the city as “urban revitalization areas”. Under the Act, qualified real estate within the designated urban revitalization area may be eligible to receive a total or partial exemption from property taxes on improvements for a specified number of years. The primary intent of this Act is to provide communities with a long-term increase or stabilization in their tax base by encouraging rehabilitation or new construction which might not otherwise have occurred. The portion of the Act codified at Section 404.1 of the Iowa Code provides that the City Council may, by ordinance, designate an area of the city as a revitalization area, if that area is any of the following:

- An area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, 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 land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or a combination of such factors, substantially impairs or arrests the sound growth of a municipality, 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.
- An area in which there is a predominance of buildings or improvements which by reason of age, history, architecture or significance should be preserved or restored to productive use.
- An area which is appropriate as an economic development area as defined in Section 403.17.

City of Perry

Housing Conditions

Adopted in December of 2013, the City of Perry’s Comprehensive Plan highlights the need to encourage the construction of new homes. According to the 2007-2011 American Community Survey, 46% of Perry’s housing stock was built before 1949. This percentage is significantly higher than the remainder of Dallas County’s housing stock. In contrast, homes built since 2005 comprise less than 2% of the current residential housing stock. Additionally, the median home value in Perry is significantly lower than the surrounding area. The median home value in Perry is \$88,400, while Dallas County’s median home value is \$182,800.

During a windshield survey of the community, conducted in October 2015 by Simmering-Cory, Inc., a total of 2,232 residential units were visually inspected. Of those units reviewed, 601, or 26.9%, were categorized as blighted based on observed conditions of structural blight as used by the Iowa Economic Development Authority in their Community Development Block Grant and the *Code of Iowa*. Structural blight observed included, but was not limited to, boarded up windows, peeling paint, non-weather tight roofing conditions, torn screens, broken windows, rotten siding, mold and general physical deterioration.

In addition, the survey found another 118, or 5.3%, properties that were considered deteriorated. These units showed the start of blight but were not determined to meet those standards currently. Combined,

the windshield survey showed a total of 32.2% of the properties reviewed were either blighted or deteriorated.

Visual blight on and around the homes was also observed during the windshield survey. Visual blight would include property maintenance conditions including accumulation of trash and debris on the property, overgrown weeds and grass, deteriorated sidewalks and driveways, parking of vehicles in yards, and evidence of general maintenance deficiencies.

The information derived from the windshield survey supported similar issues identified in the Perry Comprehensive Plan 2030. The Comprehensive Plan identified the following reasons for encouraging housing redevelopment:

- Given the community's age, many buildings are nearing the end of their useful life;
- Some facilities need extensive revitalization because of changing technology and market trends; and
- Almost half of Perry's existing housing stock is more than 60 years old.

Growth

The need for additional housing is largely driven by population growth. Assuming that Perry maintains approximately 2.7 people per household, the community would need an additional 80 to 215 housing units total by 2030, or an average of about 12 new homes each year. Using a ratio of two jobs per housing unit, future land use will also need to accommodate an additional 160 to 430 jobs. Currently, only 50-60 suitable sites are available for the construction of new housing.

Based on these underlying projections of population, housing, and job growth, it has been identified that additional acres of land that is currently either not developed or that can be redeveloped to help meet the needs over the next 20 years. While redevelopment of deteriorated or obsolete properties can supply some of the required land, most of the growth will be accommodated by new development.

Land Use

Outlined in the City of Perry's Comprehensive Plan, only 7% of the city is comprised of vacant residential land. It is important to recognize that not all of this land is available or suitable for development. For this reason, it may be necessary for land currently assessed for agricultural production to be redeveloped to other classes of property. The City will present justification at the public hearing held pursuant to section 404.2 for the revitalization of land assessed as agricultural property by means of new construction. Such justification will include information about the City's urgent need for additional housing. Such justification shall demonstrate, in addition to the other requirements of this chapter and section 419.17, that the improvements on land assessed as agricultural land will utilize the minimum amount of agricultural land necessary to accomplish the revitalization of the other classes of property (i.e. residential property) within the urban revitalization area. To the extent the Planning and Zoning Commission has input in revitalization of land assessed as agricultural land, the Planning and Zoning Commission will ensure that use of agricultural land for revitalization purposes under this Plan follows all the City's zoning rules. The City's also finds that the amount of land assessed as agricultural land in the City, when that amount is compared to the amount of agricultural land in the County, is minimal and use of such land is necessary to accomplish the objectives of this Plan, as set out above.

Urban Revitalization Plan Objectives

The City of Perry Urban Revitalization Plan Objectives are as follows:

To encourage new construction of residential properties through abatement of taxes on the value of the improvements.

To encourage the remodeling, renovation, rehabilitation or addition to residential properties through abatement of taxes on the value of improvements.

To encourage new construction of commercial and industrial properties through abatement of taxes on the value of the improvements.

To encourage the remodeling, renovation, rehabilitation or addition to commercial and residential properties through abatement of taxes on the value of improvements.

To improve economic conditions and housing opportunities in the area and take steps to enhance the general attractiveness and marketability of the Urban Revitalization Area.

Plan Components

Article A. Legal Description

The Citywide Urban Revitalization Area contains the entire area within the corporate boundaries of the City of Perry as those boundaries that exist on September 16th, 2016.

A map depicting the existing parcels of real estate included in the Urban Revitalization Area (all property within the City limits) is attached as Exhibit A.

Article B. Assessed Valuations and Owner Identification

A list setting forth the existing assessed valuation of the real estate in the Urban Revitalization Area, listing the land and building values separately is set forth below:

Number of Parcels	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Total Vaaluation
3,326	177,360,680	2,676,840	101,530	48,740,130	6,925,020	236,181,926

A list of names and addresses of the owners of record of real estate within the Urban Revitalization Area are compiled on spreadsheets, located at City Hall. Accommodations for viewing will be made.

Article C. Existing Zoning

Existing zoning within the City of Perry is defined and dictated by the Zoning Ordinance, codified in Chapter 165 of the Municipal Code of the City of Perry, Iowa. The Zoning Ordinance text provides the standards and definitions of the zoning classifications shown on the Zoning Map. Section 165.04 of the Zoning Ordinance adopts the Official Zoning Map, which is on file and available for public inspection in the office of the City Clerk. A copy of the Official Zoning Map is incorporated herein as Exhibit B.

Article D. Existing Land Use

The land uses existing within the Urban Revitalization Area are identified on the map attached hereto as Exhibit C.

Article E. Proposed Land Use

The land uses proposed within the Urban Revitalization Area are identified on the map attached hereto as Exhibit D.

Article F. Proposed Capital Improvements and Expanded City Services

The City or Perry will be constructing an extension of North Street from 16th street to 18th street in 2016 using State Surface Transportation Program. The City of Perry also plans to extend city services south, along 16th street, to serve recently annexed property.

Article G. Applicability of Plan

Residential Property Consisting Of a One or Two-Family Dwelling

The taxable value added by new construction or by rehabilitation and additions to existing structures consisting of a single freestanding dwelling or two attached dwellings and any accessory buildings, all of which are assessed as residential property and which satisfies the qualification requirements of Article H of this plan is eligible for a temporary exemption from taxation under this Plan pursuant to Article I.

Multi-Family Residential Property Consisting of Three or More Dwellings

The taxable value added by new construction, or by rehabilitation and additions to existing structures consisting of 3 more separate living quarters with at least 75% of the total space in all buildings on the property used for residential purposes, all of which is assessed as residential or commercial property and which satisfies the qualification requirements of Article H of this plan is eligible for a temporary exemption from taxation under this Plan pursuant to Article I, SUBJECT TO compliance with the following standards:

- (1) An approved site plan.
- (2) City of Perry Green Building Guidelines.

Article H. Qualification for Eligibility

1. The improvements must have been added during the time the area has been designated a revitalization area.
2. Improvements consisting of rehabilitation or additions to existing improvements must have increased the actual value of the qualified real estate by at least \$20,000 for property assessed as residential and 15% for property assessed as multi-family residential.
3. The improvements must be completed in accordance with all applicable zoning, building and other regulations of the City of Perry and all necessary permits have been obtained.
4. If the improvements are occupied, the occupancy must be in conformance with the applicable provisions of the Building Codes in Chapter 155 of the Code of Ordinances.
5. Green Building Standards shall be incorporated into all new construction and existing residential improvement projects in order to be eligible Improvements. The City of Perry is working to make our community a sustainable city. In doing so, Perry seeks to provide affordable housing that reduces the costs to home buyers and renters for heating & cooling, reduces the environmental impact of our community and provides universal access to the elderly and disabled. The City of Perry will continue to develop green building policies that help create houses that are affordable to operate and maintain, are

energy efficient, healthy, and reduce the impact on the environment by managing storm water run-off and provide green space for healthy neighborhoods.

In addition to increasing resource efficiency and reducing environmental impacts, green building strategies can yield cost savings through long-term reduction in operating expenses. The benefits include improved energy performance and comfort, a healthier indoor environment, increased durability of building components, and simplified maintenance requirements that can lead to financial efficiencies for property owners.

To qualify for abatement under this plan, new construction improvements must achieve minimum green building certification under the “City of Perry Green Building Program”.

Article I. Tax Exemption Schedule

Ten-Year Declining Abatement 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 ten years for new construction and five years for other improvements. The amount of the partial exemption is equal to a percent of the actual value added by the improvements, determined as follows:

New Construction:

- A. For the first year, one hundred percent.
- B. For the second year, one hundred percent.
- C. For the third year, one hundred percent.
- D. For the fourth year, one hundred percent.
- E. For the fifth year, one hundred percent.
- F. For the sixth year, eighty-five percent.
- G. For the seventh year, sixty percent.
- H. For the eighth year, forty-five percent.
- I. For the ninth year, thirty percent.
- J. For the tenth year, fifteen percent.

Other Improvements:

- A. For the first year, one hundred percent.
- B. For the second year, one hundred percent.
- C. For the third year, one hundred percent.
- D. For the fourth year, one hundred percent.
- E. For the fifth year, one hundred percent.

Article J. Application Requirements

An application shall be filed for each new exemption claimed. The first 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 the following two assessment years, in which case the exemption is allowed for the total number of years in the exemption schedule. Subsequent applications

may also be considered, to the extent permitted by the Act. A form of application may be obtained from the City Clerk.

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 indicating which exemption applies. 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 \$20,000. If the assessor determines that the actual value of the real estate has increased by at least the requisite amount, 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.

Article K. Prior Approval

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.

Article L. Relocation Provisions

- A. Benefits. Upon application for and verification of eligibility for tax abatement to a property owner by the City, qualified tenants in designated areas whose displacement was due to action on the part of a property owner to qualify for said tax abatement under this Plan shall be compensated by the property owner for one month's rent and for actual reasonable moving and related expenses.
- B. Eligibility. "Qualified Tenant" as used in this Plan shall mean the legal occupant of a residential dwelling unit who has occupied the same dwelling unit continuously since one year prior to the date the property was first designated by the City as an urban revitalization area.
- C. Actual Reasonable Moving and Related Expenses. A qualified tenant of a dwelling is entitled to actual reasonable expenses for:
 - a. Transportation of the displaced person and personal property from the displacement to the replacement site. Transportation costs for a distance beyond twenty-five miles are not eligible.

- b. Packing, crating, unpacking and uncrating of personal property.
- c. Disconnecting, dismantling, removing, reassembling and reinstalling relocated household appliances and other personal property.
- D. Least Costly Approach. The amount of compensation for an eligible expense shall not exceed the least costly method of accomplishing the objective of the compensation without causing undue hardship to the displaced tenant and/or landlord.

Article M. Duration of Plan/Termination

The effective date of designation of the affected property as part of the Citywide Urban Revitalization Area, and continuing through December 31, 2026. Tax abatement under this plan shall also be available for qualified improvements added on or before December 31, 2026, which are part of a building project on a single subdivided lot or unsubdivided parcel of property under unified ownership, provided, that necessary building permits for the project are obtained and construction on the project has been completed on or before December 31, 2026.

Notwithstanding anything stated in this article, if the City Council determines at any time that the desired level of revitalization has been attained or economic conditions are such that the continuation of the exemption granted would cease to be of benefit to the City, the City Council may repeal the ordinance establishing the revitalization areas, pursuant to Section 404.7, Code of Iowa.

Article N. Other Assistance Programs

City of Perry

- Down Payment Assistance Programs
 - Assistance is provided as a loan and/or forgivable loan to potential homeowner as gap financing between loan amount and the cost of the home. Region XII Council of Governments Administers this Program for the City of Perry.
- Rehabilitation Programs
 - Income-qualified homeowners can receive assistance to complete substantial repairs and assistance is provided as a part loan / part forgivable loan. Region XII Council of Governments Administers this Program for the City of Perry.
- Perry Economic Development Revolving Loan Fund
 - The general intent of the Business Revolving Loan Fund is to help local businesses to maintain and enhance their properties in Perry. The city strives to maintain a vibrant business climate and to insure economic stability in the community along with sustaining the buildings that house Perry's businesses.

Dallas County

- Dallas County Local Housing Trust Fund.
 - Financially assists homeowners within Dallas County with housing repairs and correcting code violations by offering forgivable loans.

State of Iowa

- FirstHome and FirstHome Plus.
 - Iowa Finance Authority ("IFA") administers FirstHome and FirstHome Plus programs which offer qualified homebuyers affordable mortgage financing with a fixed interest rate. The programs offer buyers flexible credit qualification and a lower down payment. More than 400 lenders around Iowa offer the program.
- Military Homeownership Program.

- IFA also administers the Military Homeownership Program which provides grants to eligible members of the armed forces to assist in the purchase of qualified homes in Iowa. These funds may be used in conjunction with FirstHome, FirstHome Plus and the RuralHome Subsidy programs.
- Workforce Housing Tax Credits.
 - An investment tax credit of up to a maximum of 10% of the investment directly related to the construction or rehabilitation of the housing.* The tax credit is based on the new investment used for the first \$150,000 of value for each home or unit. This tax credit is earned when the home or unit is certified for occupancy and can be carried forward for up to seven additional years or until depleted, whichever occurs first. Iowa Community Economic Betterment Account.
- Revitalize Iowa's Sound Economy.
 - The Iowa Department of Transportation administers the Revitalize Iowa's Sound Economy ("RISE") program which provides financial assistance for road improvements which assist economic development.

Exhibits

Exhibit A- Legal Description

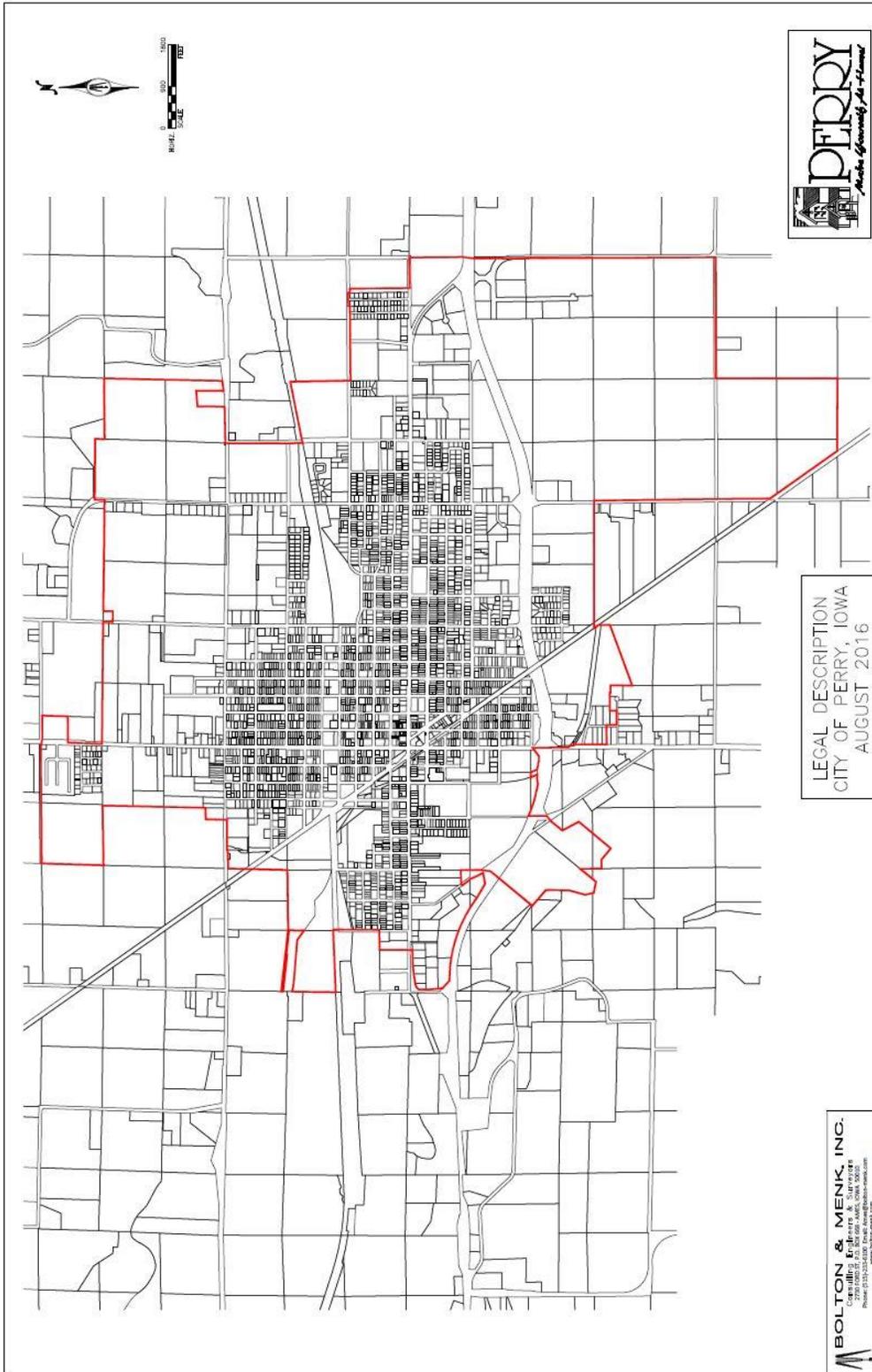


Exhibit B- Official Zoning Map

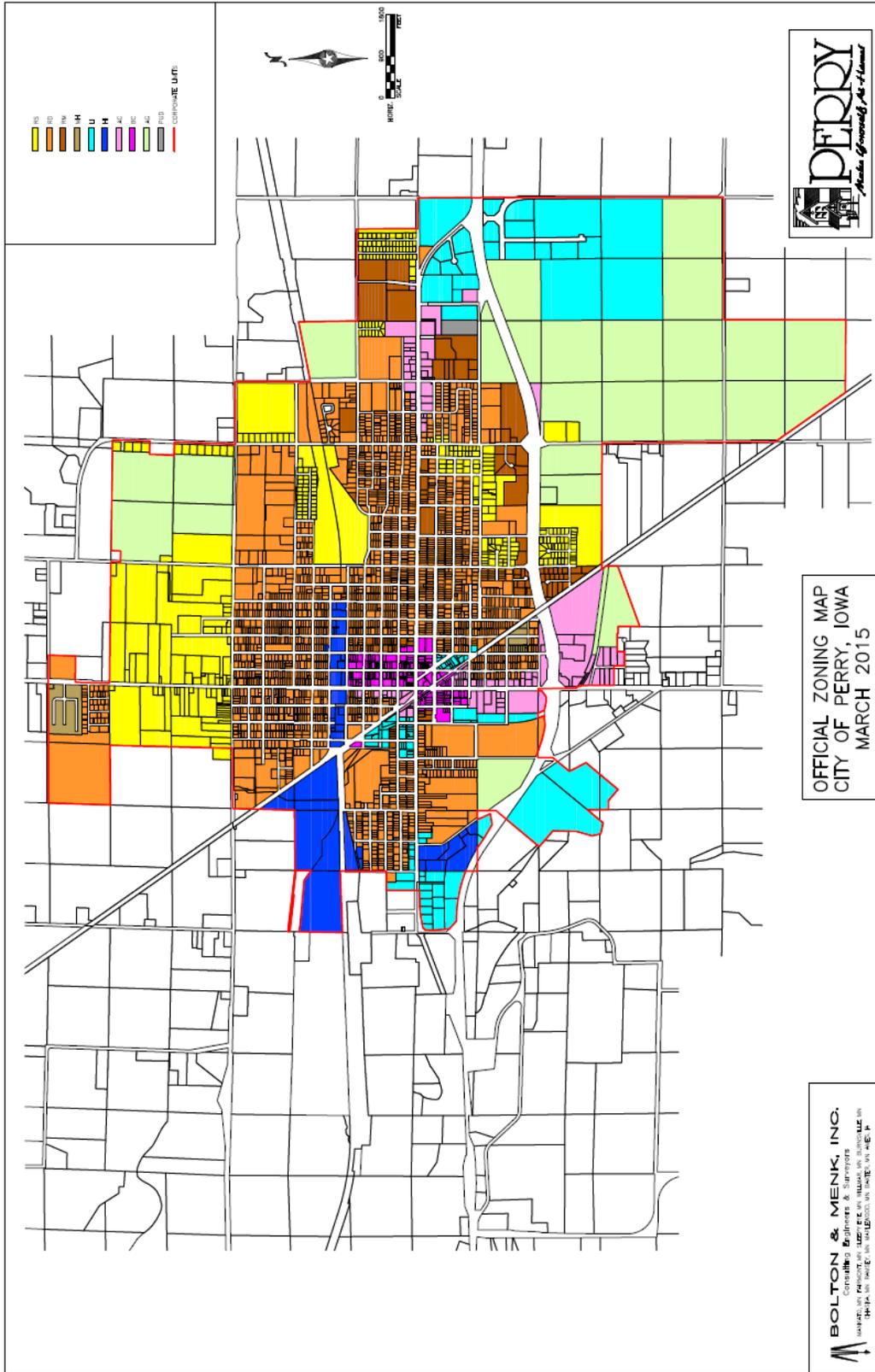


Exhibit C- Land Use Map

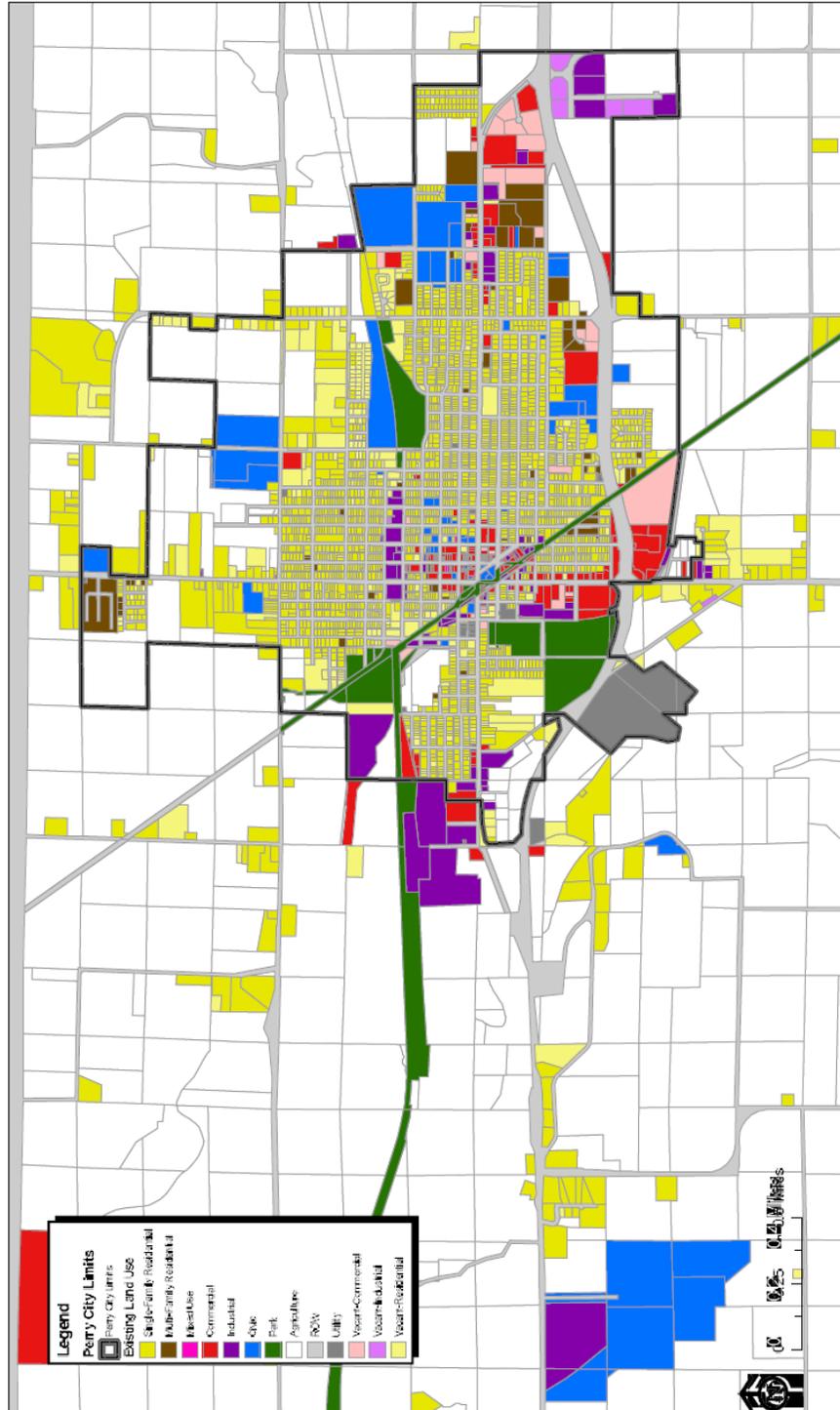


Exhibit D- Proposed Land Use

