



PLANNING AND DEVELOPMENT

200 Third Street North

Fargo, North Dakota 58102

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MEMORANDUM

Date: May 18, 2016

To: Community Development Committee

From: Dan Mahli, ^{DM}Community Development Administrator

Re: Community Development Committee Meeting on May 25

The next meeting of the Community Development Committee is Wednesday, May 25 at 3:30 in the City Commission Room at Fargo City Hall. If you are not able to attend, please contact the office at 241-1474. Thank you.

COMMUNITY DEVELOPMENT COMMITTEE

Wednesday, May 25 at 3:30 p.m.

City Commission Room

AGENDA

1. Welcome
2. Review Storefront Rehabilitation at 524 7th Street North
3. Review Storefront Rehabilitation at 1208 1st Avenue North
4. efargo Energy Efficiency Initiative and passive house update
5. Review 2016 Special Assessment Assistance program and policy
6. Update on Homebuyer and Tenant Education
7. Other business
8. Adjourn

Community Development Committee meetings are broadcast live on cable channel TV Fargo 56 and can be seen live by video stream on www.cityoffargo.com/streaming. They are rebroadcast each Monday at 10:30 a.m. and Thursday at 2:30 p.m.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Planning Department at 241-1474 or TDD at 241-8258. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Meeting minutes are available on the City of Fargo website at cityoffargo.com/communitydevelopment.



MEMORANDUM

DATE: May 18, 2016

TO: Community Development Committee

FROM: Dan Mahli, Community Development

RE: CDBG Downtown Projects

The goal of the City's Community Development Block Grant downtown project funding is to renovate deteriorated properties and eliminate slum and blight conditions in downtown Fargo. The properties at 524 7th St N and 1208 1st Ave N are being considered for 2016 CDBG slum and blight funding (applications attached). The Historic Preservation Commission conducted a historic property design review at its regular meeting on May 17 and recommended approval of both projects.

524 7th St N

524 7th St N was built in 1968. It has a long history as Patterson Dental and is currently the Gasper School of Dance. The proposed use of federal funding will eliminate blighted conditions on the north side of the building. The eligible components of the storefront renovation at 524 7th St N will include removal of the non-historic entrance canopy, new entrance, lobby area, and grand façade.

1208 1st Ave N

1208 1st Ave N was built in 1930. It was originally a single family house, but was converted to 6 rental units in the 1960's. The property is a persistent problem rental property, with numerous code violations and frequent calls for service to the police. Building has been vacant for 5 months and the proposed use of the federal funding will eliminate blighted conditions by demolishing the property. The developer agreed to present future plans for the redevelopment to the Fargo Historic Preservation Commission. The lot will be a green lot, not to be used for parking.

Recommended Action: Recommend to the City Commission that CDBG downtown project funding be utilized for the façade renovate at 524 7th St N and demolition at 1208 1st Ave N.



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

PRIMARY CONTACT INFORMATION FOR THIS APPLICATION			
Name	Matthew Gasper		
Address	524 7th St S Fargo ND 58102		
Phone	701-200-9098	Fax	701-234-9441
E-mail	mr.matt.gasper@gmail.com		
Property Address	524 7th St S Fargo ND 58102		
Applicant Name & DUNS number	(name of person/entity to <u>receive</u> grant)	(Enter DUNS number here)	
Architect/Firm	zerrberg		
Property Owner	Gasper School of Dance/ Matt Gasper		
Mailing Address	524 7th St S Fargo ND 58102		

Description of Property			
Current Commercial Tenants			
Business Name	Business Owner	Address	Current sq. ft. occupied
Gasper's School of Dance	Matt Gasper	524 7th ST S	100%
Current Residential Tenants		# occupied	# vacant
Tenant Name	Unit #	Mailing Address	



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

Building History (if available)

The Building was paterson dental building before we purchased it in 2004 and renovations done by Kilburn group.

Total Cost of

façade renovation \$ 140,000

Amount of CDBG

Funding Requested \$15000.00

Is the exterior renovation part of a larger project? yes

Yes

No, the exterior rehab is the only work I am doing

If yes, please describe comprehensive project.

We will be adding 601 square feet adding office space and store front appeal. Included in this project is the interior redesign adding a third studio, larger locker room with added bathroom and showers. Also we will be adding to the east side making the building more appealing from Broadway add to the downtown appeal as well. See attached plans.

We have contacted Olaf- Anderson Construction to Finalized design and construction. The City has been in contact with them about permits, and should have the latest drawings.



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

Summary of Existing Condition of Exterior (please attach pictures – Attachment 1)

The existing condition of the exterior is outdated and does not really look like an entrance to the building. The front entrance is covered by a low hanging overhang, making it confusing for clientele.

Summary of Proposed Scope of Work (materials, color schemes, etc.) Please attach colorized drawings that include pre- and post-rehab detail, indicating specifically what will be modified and how (Attachment 2). *Note – to receive historic preservation approval, projects **cannot** submit plans that include the use of “anodized” aluminum. If window replacement is proposed, applicant must provide manufacturer’s window specifications.*

The New Store front will have an extra 601 sq feet to the north. The front will be elevated higher than the existing building giving the storefront of building easy to identify. The face will be covered in large rectangle metal sheets on an angle, making an accent all to the storefront completed by the original brick and corrugated blue metal wall. This will also include large windows letting in light and decorative ambiance to the storefront.



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

How will proposed project affect the historic character of the property?

The building it self is relatively new. The redevelopment will keep the original structor of the building and the proposed addition will ad charm and style.

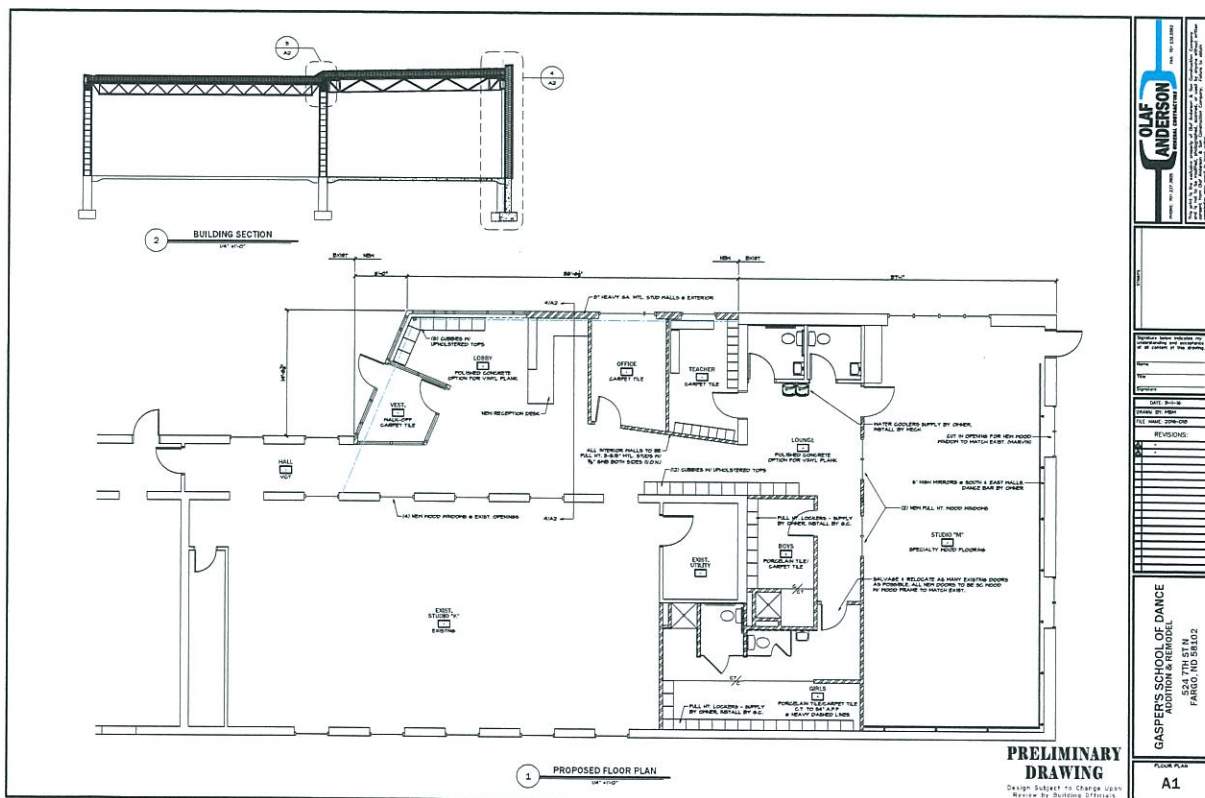
How will your project complement downtown redevelopment efforts?

The Project would keep up with the redevelopment style of the other business and the neighborhood developments. The Dance School adds a Family friendly vibe to the north side of downtown. The welcoming store front will attract more families to the downtown area. help support the economic growth of downtown.

Also this Building does not and has not fallen in the renaissance zone. So the City will receive full property tax on this building.

For more information on completing this application please refer to the following website.

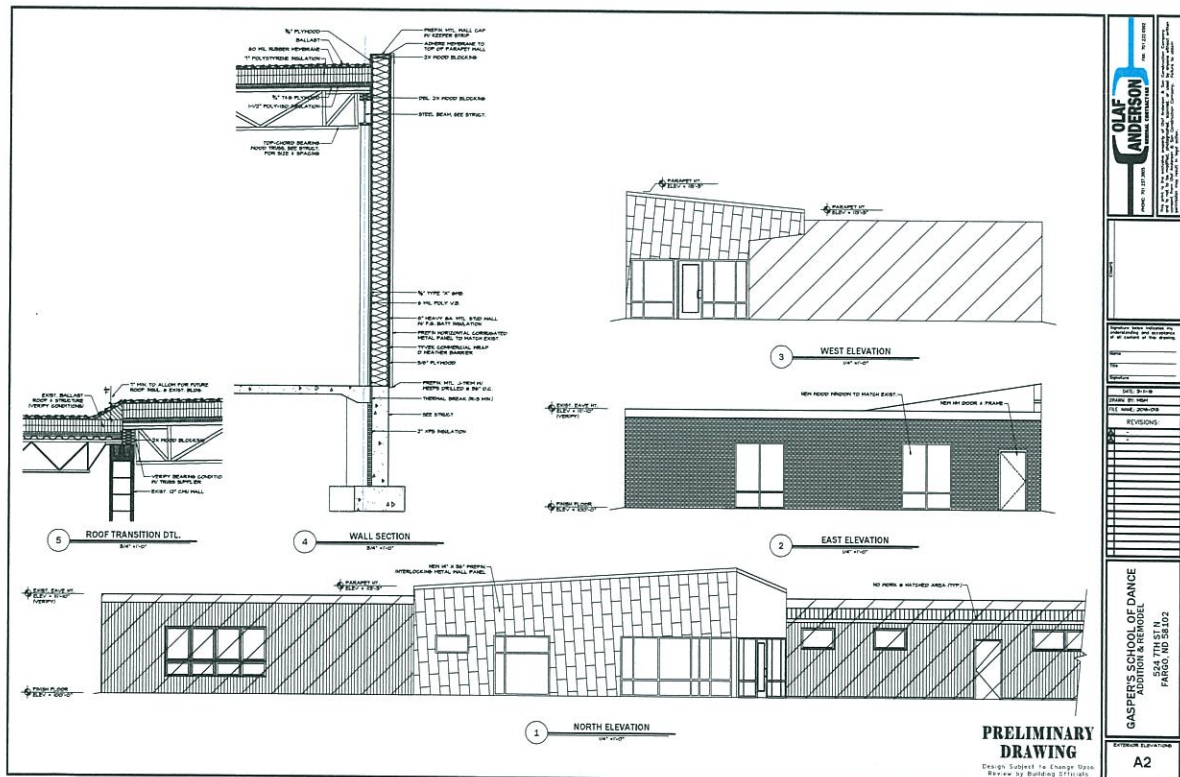
<http://www.cityoffargo.com/Business/StorefrontDowntownGrants/>





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

ATTACHMENT 2: DRAWINGS PRE & POST





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

PRIMARY CONTACT INFORMATION FOR THIS APPLICATION			
Name	Mike Zimney		
Address	210 Broadway, Suite 300		
Phone	701.237.2279	Fax	
E-mail	zimney@kilbournegroup.com		
Property Address	1208 1 st Avenue North		
Applicant Name & DUNS number	DFI AK LLC <small>(name of person/entity to receive grant)</small>	080080837 <small>(Enter DUNS number here)</small>	
Architect/Firm	N/A <small>(all applicants <u>must</u> use an architect for project design)</small>		
Property Owner	DFI AK LLC		
Mailing Address	210 Broadway, Suite 300		

Description of Property	1960's Six Unit Apartment Conversion		
<input type="checkbox"/> Current Commercial Tenants			
Business Name	Business Owner	Address	Current sq. ft. occupied
N/A			
<input type="checkbox"/> Current Residential Tenants			
	# occupied	# vacant	
Vacant (last occupied 1/31/16)			

Building History (if available)
The original house located on this property was torn down in 1959 or 1960 (according to Sanborn maps) and replaced with the current 6-unit apartment.

Total Cost of demolition	\$48,804.80	Amount of CDBG Funding Requested	\$15,000
Is the exterior renovation part of a larger project?			
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No, the exterior rehab is the only work I am doing			
If yes, please describe comprehensive project.			



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

This property has been severely neglected and has numerous issues required to bring it to a reasonable standard of quality. New windows, carpet, doors are needed throughout the entire building. The buildings systems are also nearing their life expectancy.

In addition, the property has suffered from frequent illegal activity and disturbances. Since 1987, officers have responded to 275 incidents at the property. Police have responded 36 times this year (through 12/3/15), averaging a call to the property every nine days.

Summary of Existing Condition of Exterior (please attach pictures – Attachment 1)

One and half story 2,268SF six-unit apartment.

Summary of Proposed Scope of Work (materials, color schemes, etc.) Please attach colorized drawings that include pre- and post-rehab detail, indicating specifically what will be modified and how (Attachment 2). *Note – to receive historic preservation approval, projects **cannot** submit plans that include the use of “anodized” aluminum. If window replacement is proposed, applicant must provide manufacturer’s window specifications.*

Based on the condition of this property and the ongoing disturbances at the property we feel razing this blighted structure would be the best option for downtown and the surrounding businesses. Turf grass would be planted and remain until the property is redeveloped in the future.

How will proposed project affect the historic character of the property?

This property was built in 1959 or 1960 and has limited historic features. The house has vinyl siding, asphalt shingles, and of general poor quality. The house sits on a 46x140’ lot and the rear is accessed by an alley that provides tenant parking on a gravel lot in the backyard.

How will your project complement downtown redevelopment efforts?

The removal of the structure should eliminate the on-going disturbances. Our long term goal is to redevelop this site and the neighboring property into a mixed use project. Our goal is to add additional retail and/or office space and residential units at this location in the coming years. We feel this prominent location could benefit from a high-quality infill project anchoring this corner.

For more information on completing this application please refer to the following website.

<http://www.cityoffargo.com/Business/StorefrontDowntownGrants/>



STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION





STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

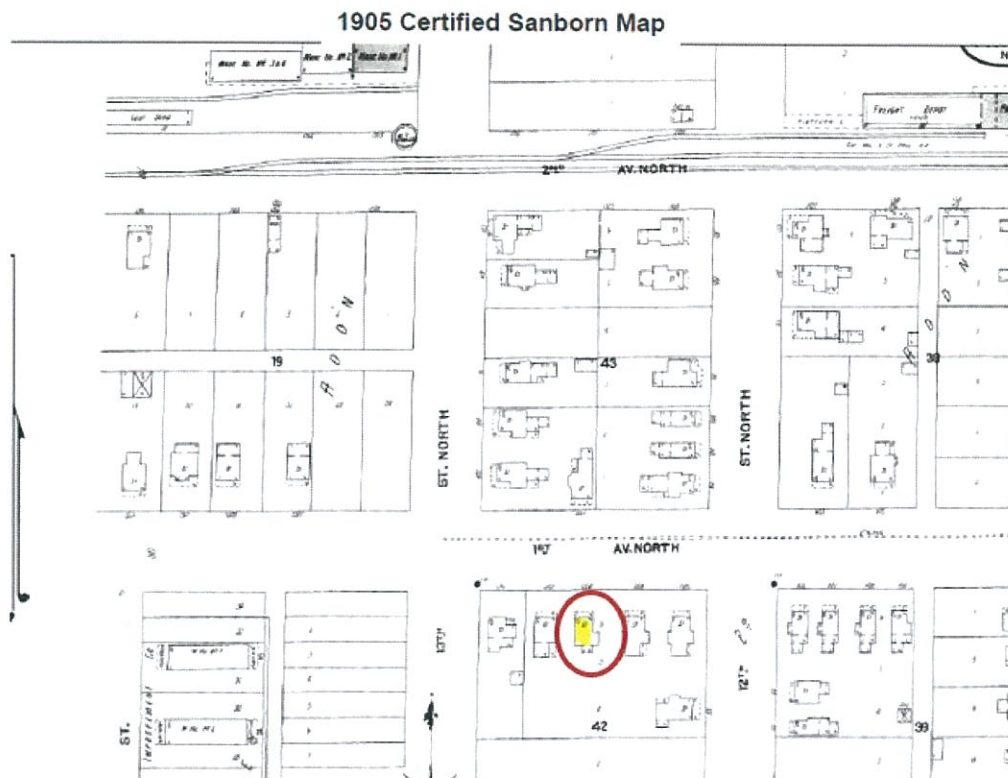




STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION



Houses at 1208-1224 1st Avenue N., Fargo, N.D. – 7/24/1923 (Digital Horizons)
The original home is the furthest right in this picture. None of these homes remain and were replaced with new buildings in the 1960s.

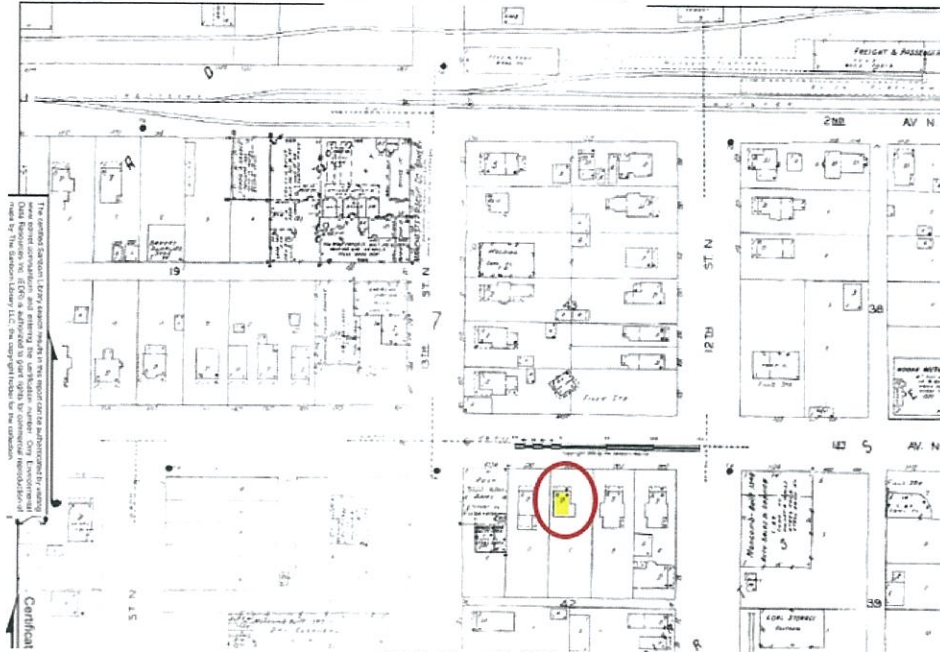


Original home highlighted.

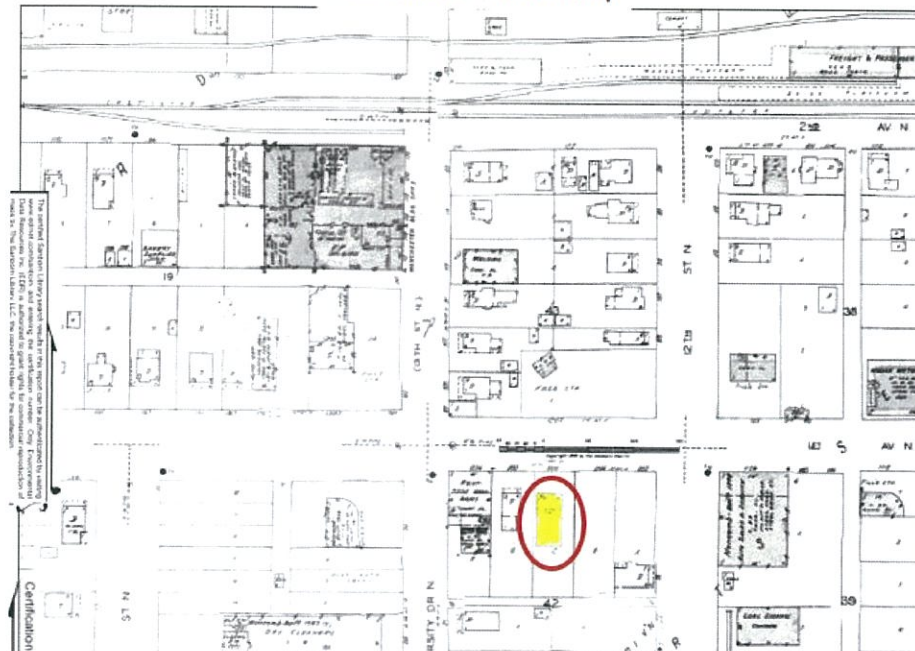


STOREFRONT REHAB & DOWNTOWN PROJECT APPLICATION

1958 Certified Sanborn Map



Original home highlighted.
1961 Certified Sanborn Map



Existing structure highlighted, which replaced the original home in 1959 or 1960.



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MEMORANDUM

DATE: May 18, 2016

TO: Community Development Committee

FROM: Dan Mahli, ^{DM}Community Development Administrator

RE: efargo Energy Efficiency Initiative

A little over a year and a half ago, the efargo Energy Efficiency Initiative was selected as a finalist for the Georgetown University Energy Prize. Basically, the Georgetown University Energy Prize is a nationwide competition to improve energy efficiency in cities. Currently, Fargo is in 3rd place out of 50 communities nationwide. The duration of challenge is January 2015 to December 2016 and measures energy efficiency improvements in partnership with local utilities, municipalities, businesses, organizations, and the public.

The work is based in GO2030's Energy policy to promote communitywide energy efficiency and renewable energy production. The team is made up of NDSU faculty and staff, City representatives, local utilities, and several community partners. Already, Fargo is a statewide leader in energy efficiency. We've done this by taking into account the community's vision to seek innovative strategies to improve energy usage, developing meaningful partnerships, and leveraging opportunities for education and awareness. That said, a successful Georgetown University Energy Prize proposal, which could result in a \$5 million award, will offer a strong boost to our energy efforts and success strongly depends on continued support from the City of Fargo.

Our efargo project lead, Malini Shivastava and a few members of the student team will be at the Community Development Committee to provide, update and present information on the passive house partnership with Habitat for Humanity (drawings attached).



















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MEMORANDUM

DATE: May 17, 2016

TO: Community Development Committee

FROM: Dan Mahli, ^{DM}Community Development Administrator

RE: Policy Review – Fargo Special Assessments Assistance program

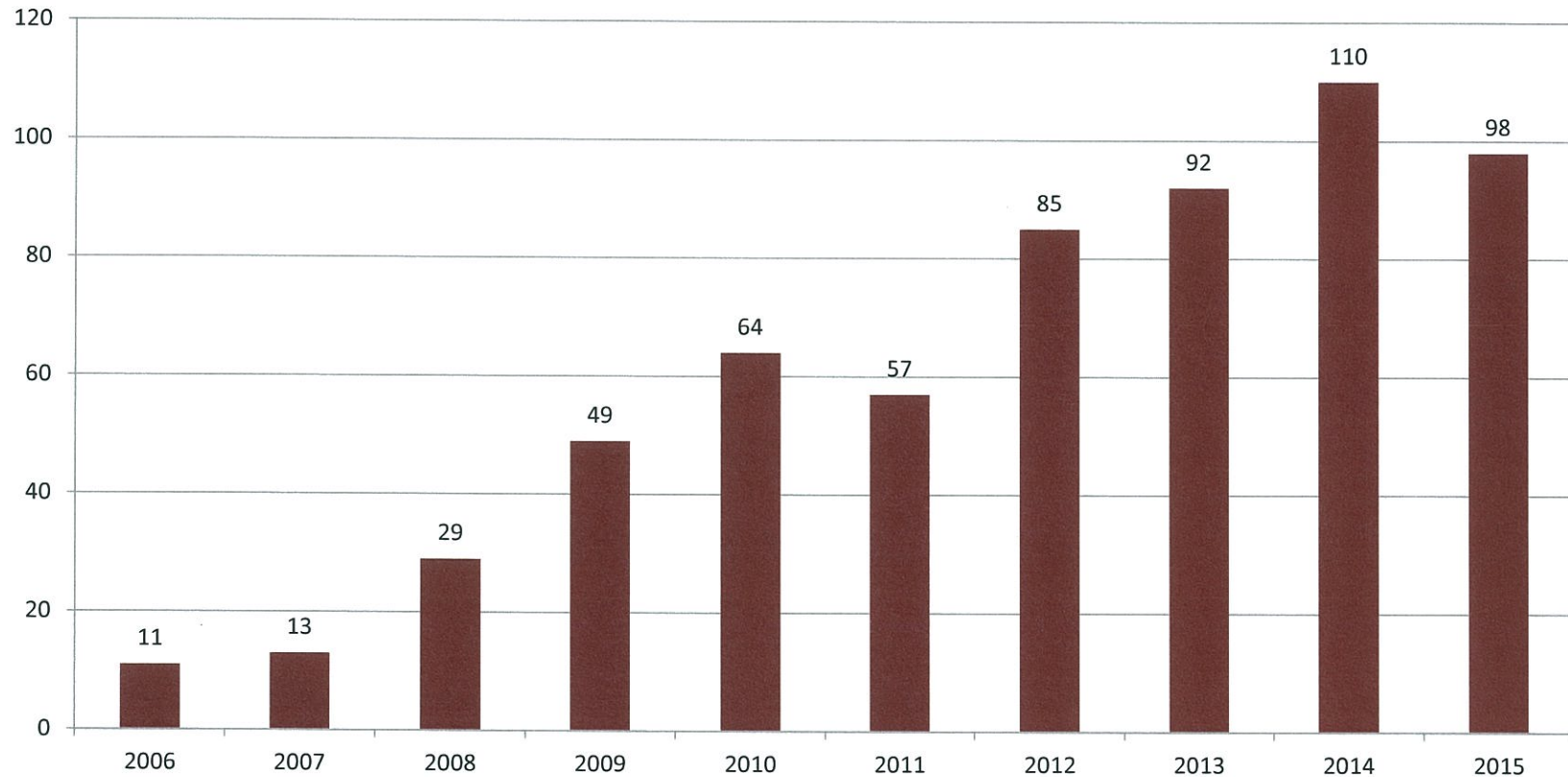
The goal of the Fargo Special Assessments Assistance program is to help alleviate the burden that special assessments can place on low and moderate income homeowners, while at the same time facilitate the improvement of neighborhood infrastructure (program history and policy statement attached). The Special Assessment Assistance is allocated from both local and federal sources on an annual basis and pays for the annual cost of the special assessment levied on a property. Homeowners apply/reapply for the assistance each year on the basis of annual household income. Ten years ago, the City of Fargo created the Special Assessment Assistance program to serve households most in need with rehabilitation projects in older neighborhoods. The recommendation is to continue the program as a way to help maintain and preserve housing affordability.

Recommended Action: Approve the attached Special Assessment Assistance program policy.



Special Assessment Assistance

Number of Households Assisted from 2006-2015



Individual eligibility is determined by the previous year's household income. Homeowners with a household income of less than 60% of the area median income can qualify for some level of assistance. Given adequate funding from both federal and local sources, households with an annual income that is less than:

- 30% of Fargo's median income receive 100% reimbursement for the annual special assessments levied
- 40% of median income receive a grant for 75% of the assessment amount
- 60% of median receive 50% reimbursement

Property owners who are assessed for projects with an assessment greater than \$500, beginning in 2006 up to the current year, are eligible to apply for this program.

SPECIAL ASSESSMENT & SEWER REPAIR ASSISTANCE PROGRAM POLICY STATEMENT – 2016

SPECIAL ASSESSMENTS

1. PROGRAM GOALS

The goal of the Fargo Special Assessments assistance program is to help alleviate the burden that special assessments can place on low and moderate income homeowners while at the same time facilitating the improvement of neighborhood infrastructure. The assistance is allocated from both local and federal sources on an annual basis (as funds are available).

2. ELIGIBILITY

Project Types

Property owners who are being assessed for the following types of projects, and who have a total assessment that is **greater than \$500** are eligible to apply for this program.

- Water Main Replacement
- Sanitary Sewer Replacement/Rehabilitation
- Street Rehabilitation/Reconstruction
- Alley paving
- Street lighting
- Flood control
- Sidewalks

Assistance is not available to projects in new developments; the assistance is targeted to projects that are replacing/upgrading infrastructure in existing neighborhoods.

Individual

Individual eligibility is determined by the previous year's household income. Homeowners with a household income of less than 60% of the area median income can qualify for some level of assistance. Given adequate funding from both federal and local sources, households with an annual income that is less than:

- 30% of Fargo's median income will receive 100% reimbursement for the annual special assessments levied
- 40% of median income will receive a grant for 75% of the assessment amount
- 60% of median will receive 50% reimbursement

Household income is calculated using the Census long form definition of income. City staff will require verification of the income data submitted by all applicants.

Family Size	60% AMI 50% Paid	40% AMI 75% Paid	30% AMI 100% Paid
1	\$ 32,100	\$ 21,400	\$ 16,050
2	\$ 36,660	\$ 24,440	\$ 18,350
3	\$ 41,220	\$ 27,480	\$ 20,650
4	\$ 45,780	\$ 30,520	\$ 22,900
5	\$ 49,500	\$ 33,000	\$ 24,750
6	\$ 53,160	\$ 35,440	\$ 26,600
7	\$ 56,820	\$ 37,880	\$ 28,400
8	\$ 60,480	\$ 40,320	\$ 30,250

Project Areas

Funds available for the payment of special assessments are limited. As such, the City may not be able to provide assistance to all eligible projects or property owners.

Projects will be designated to receive assistance based on the type of work to be performed and the location of the project. Projects that take place in the "Primary Focus Area" will receive priority over second and third tier area projects.

The Primary Focus Area for this program is defined as 12th Avenue North to 13th Avenue South, from 25th Street to the Red River, and 12th Avenue North to 7th Avenue North from 25th Street to I29 (a.k.a First tier).

The Second Tier is defined as the area from 19th Avenue North to I94, from I29 to the Red River, excluding the properties in the Primary focus area.

The Third Tier is defined as any property in City limits not located in the Primary or Second Tier areas.

3. PRIORITIZATION

All projects that are certified by October will be eligible for this program and included in prioritization of spending.

Location

Projects will be selected for participation in this program based both on project location and the type of work involved.

First priority will be given to projects located in the Primary Focus area. If funds are available after assistance has been provided in the primary focus area, projects located in the second and then the third tiers will be eligible for assistance.

Type of Work

Within geographic areas, projects will be prioritized as being eligible for assistance based on the following priorities:

1. Water Main Replacement
2. Sanitary Sewer Replacement/Rehabilitation
3. Street Rehabilitation/Reconstruction
4. Alley Paving
5. Street Lighting
6. Flood Control

Individual Applications

Within an eligible project, applications will receive priority based on income. Households eligible for 100% assistance will receive first priority. The lowest priority for funding will be households eligible to receive 50% assistance.

4. FORM OF ASSISTANCE

The City's special assessment assistance program will pay all or a portion of the **annual cost of the special assessment** levied on a particular property. The homeowner would apply for assistance each year on the basis of their annual household income.

Federal funds can only be used to make principle payments. In years where local funds are not available for this program, the assistance provided will only cover the principle payment due; the homeowner will be responsible for making the interest payment. If local funds are depleted, federal funds will still be made available to eligible homeowners as they are eligible for assistance, but will only cover the principle payment due.

5. RESPONSIBILITIES

The City of Fargo Engineering Department puts together public works project proposals, manages all public works projects, and notifies the Planning Department of upcoming capital improvement projects. The Special Assessment division provides the Planning department with district boundaries and cost estimates and will include notification of this program with the assessment notices that are mailed to property owners. The Planning Department processes all homeowner applications and verifies income.

Applicants are responsible for submitting the necessary paperwork to the City in a timely manner, and then paying the remaining balance of their special assessment, if the entire balance due was not paid with City funds.

6. ETHICS and CONFLICTS OF INTEREST

The program will be administered in accordance with the City's existing conflict of interest and ethics policies.

7. CERTIFICATION OF FUNDING AVAILABILITY

This program provides assistance with a household's annual special assessment payment. The assistance is available annually as funds are available. Eligibility in one year does not automatically assure that assistance will be available in future years, nor does it constitute a commitment to provide assistance in future years.

The City of Fargo certifies that there may not be sufficient City funds to pay the entire special assessment of all qualifying applicants (as per paragraph 4). If there are not enough funds available to pay the entire assessment of all qualifying applicants, priority will be given as outlined in paragraph 3 of this Policy Statement.

SEWER REPAIR

1. ELIGIBILITY

Property owners who are being assessed for major sewer repair work are eligible to apply for this program.

Assistance is not available to projects in new developments; the assistance is targeted to projects that are replacing/upgrading infrastructure in existing neighborhoods.

Individual

Individual eligibility is determined by the previous year's household income. Homeowners with a household income of less than 60% of the area median income can qualify for assistance. Given adequate funding from both federal and local sources, households with income of less than 60% of Fargo's median income will receive reimbursement for the annual special assessment levied against them for major sewer repair work.

Household income is calculated using the Census long form definition of income. City staff will require verification of the income data submitted by all applicants.

The homeowner would apply for assistance each year on the basis of their annual household income.

Federal funds can only be used to make principle payments. In years where local funds are not available for this program, the assistance provided will only cover the principle payment due; the homeowner will be responsible for making the interest payment. If local funds are depleted, federal funds will still be made available to eligible homeowners as they are eligible for assistance, but will only cover the principle payment due.