



Hall County Regional Planning Commission

**Wednesday, October 3, 2012
Regular Meeting**

Item F2

Redevelopment Plan Amendment for 1103 St Paul Rd, Area 1

Staff Contact: Chad Nabity

Agenda Item #7

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

September 25, 2012

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area #1 on 11th Street and St. Paul Road in Grand Island Nebraska to support this development. (C-02-2013GI)

PROPOSAL:

The Grand Island Area Habitat for Humanity is proposing to acquire property, demolish the existing house, extend services, prepare the site and build three single family homes on property located at 1103 St. Paul Road. The developer is seeking Tax Increment Financing to offset the cost of acquisition of the property, service extension, and site preparation. The structure on this property is currently vacant.

OVERVIEW:

The purpose of the CRA and the designated blight and substandard areas is to provide incentives for development in underdeveloped areas of the community. This project will provide commercial development in a location that is intended for these uses. Development of this property should prevent further decay of this neighborhood. This area has already been declared blighted and substandard by the CRA, the Hall County Regional Planning Commission and the Grand Island City Council.

This project is **consistent** with the **existing zoning** and the **future land use plan** for this area within the City of Grand Island. This is evidenced by the fact that the property is zoned R4 High Density Residential. The R4 zoning district allows 1 dwelling unit per 1000 square feet of property the size of each lot is approximately 7600 square feet; enough to legally accommodate a single family housing unit on each lot. The property is zoned R4 and could accommodate a building of up to 65% of the property area; allowable coverage would be about 4,950 square feet. The proposed units including detached sheds will cover less than 1,200 square feet, well within the allowable coverage.

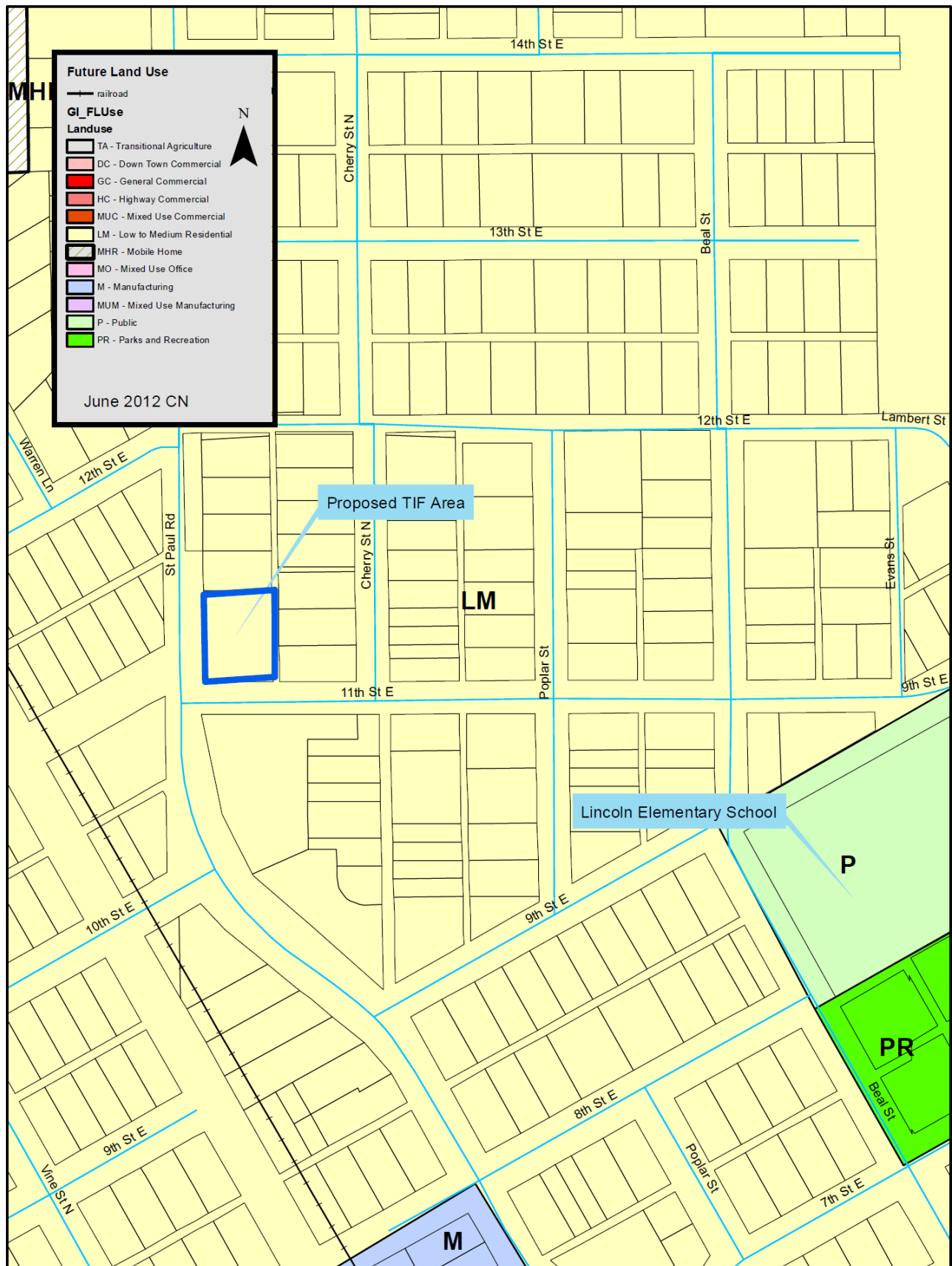
The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan calls for low to medium density residential uses at this location.

The Planning Commission is required to comment on these applications to confirm that expenditure of public funds through TIF is not supporting uses that would be inconsistent with the Comprehensive Plan. The proposed use for residential units at this location appears to be supported by the plan.

RECOMMENDATION:

That the Regional Planning Commission recommend that City Council **approve** of the redevelopment plan amendment as submitted. A resolution is attached for your consideration.

_____ Chad Nabity AICP, Planning Director





BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Grand Island Area Habitat for
Humanity

Address: 410 W. 2nd St. #6, P.O. Box 1001, Grand Island, NE 68802

Telephone No.: 308-385-5510

Fax No.: 308-385-5511

Contact: Dana Jelinek

Brief Description of Applicant's Business:

Grand Island Area Habitat for Humanity (GIAHFH) is a non-profit housing organization working to help low-income households into safe, decent affordable homes they will own. Through community assistance, homes are built in partnership with qualifying households, then sold at the cost to build and with no interest loans.

Present Ownership Proposed Project Site: 1103 St. Paul Rd. (legal: Pleasant Hill Add., Lots 8, 9, 10, 11 and 12

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available.

The land available is 165' x 138.75'. Once re-platted, it would accommodate three Habitat homes. Typical Habitat homes are energy efficient, 1070 sq. ft., three bedroom homes on a crawlspace. More bedrooms are added when necessary. Homes have hardi-plank siding, covered entries, architectural shingles, and a sodded yard.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 22,895
B. Building	\$ 24,868

Construction Costs:

A. Renovation or Building Costs:	\$183,000
B. On-Site Improvements:	\$ 13,800
re-platting, demo, asbestos removal, tree removal, etc.	

Soft Costs:

A. Architectural & Engineering Fees:	\$
B. Financing Fees:	\$ 500
Closing costs, filing fees	
C. Legal/Developer/Audit Fees:	\$
D. Contingency Reserves:	\$ 2,500
E. Other (Please Specify)	\$ <u>2,750</u>
TIF fees	
TOTAL	\$ 202,550

Total Estimated Market Value at Completion: \$ 240,000

Source of Financing:

A. Developer Equity: from GIAHFH reserves	\$ 47,763
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B. Commercial Bank Loan:	\$
Tax Credits:	
1. N.I.F.A.	\$
2. Historic Tax Credits	\$
D. Industrial Revenue Bonds:	\$
E. Tax Increment Assistance:	\$ 62,876
F. Other	\$

Name, Address, Phone & Fax Numbers of Architect, Engineer and General

Contractor:

Dana Jelinek, Executive Director

Grand Island Area Habitat for Humanity

410 W. 2nd St. #6, PO Box 1001

Grand Island, NE 68802

Phone: 308-385-5510/Fax: 308-385-5511

Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

The estimated value on the homes upon completion will be \$240,000,
putting the estimated yearly taxes at \$4,192. $\$240,000 \times 2.18$ (levy).

Currently the site is under Homestead Exemption.

Project Construction Schedule:

Construction Start Date:

Construction Completion Date:

If Phased Project:

2013 _____ Year 66% Complete

2014 _____ Year 100% Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is

Requested:

Amount of Incremental Prospective Annual real Estate Taxes over 2011 Real Estate Taxes on the subject property for 15 years will be used to redevelop the property.

Statement Identifying Financial Gap and Necessity for use of Tax Increment

Financing for Proposed Project: Grants for lot acquisition through Habitat for Humanity and HUD are no longer structured for Habitat affiliates of our size. With grants for land acquisition gone and difficulty in finding affordable land on which to build, GIAHFH is seeking other partnerships. Land costs, plus demo on the proposed properties is far beyond what we can afford on our own. TIF funding for the purchase of the property allows us to acquire not just land on which to build, but also allows us to tear down a property that has been falling into disrepair for years. The purchase of this property is contingent upon TIF approval. The added value of three proposed new homes benefits the community and the neighborhood, not to mention the low-income families who will partner on the projects. With fewer private entities building small houses (limited/no profit margin), Habitat fills that gap.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each: Since 1992, GIAHFH has completed 69 homes, 59 of which have been in Grand Island. Another Grand Island home is currently under construction,

with two more yet to begin this year. Over \$80,000 in property taxes are paid each year on GIAHFH homes. Most of those homes stand on once vacant lots, while a handful replaced deteriorated structures.

In 20 years, GIAHFH has partnered with various volunteer groups, sub-contractors and suppliers, plus donors, to make safe, affordable housing a reality for qualifying low-income households. Families selected must meet income requirements (30-50% of median income), have the ability to pay a no-interest home loan based on the cost to build, and contribute 500 hours of sweat equity (including 20 hours of home-ownership education). A thorough selection process looks at applications, tax returns, pay stubs, debt to income, credit reports, and background reports, plus families participate in meetings, interviews and home visits. In the last five years, both the CRA and City of Grand Island (NSP) provided funds for demolition of deteriorated properties or land where those properties once stood. Both partnerships made way for Habitat home construction. The CRA also provided water lines to an area where we completed four homes.

IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

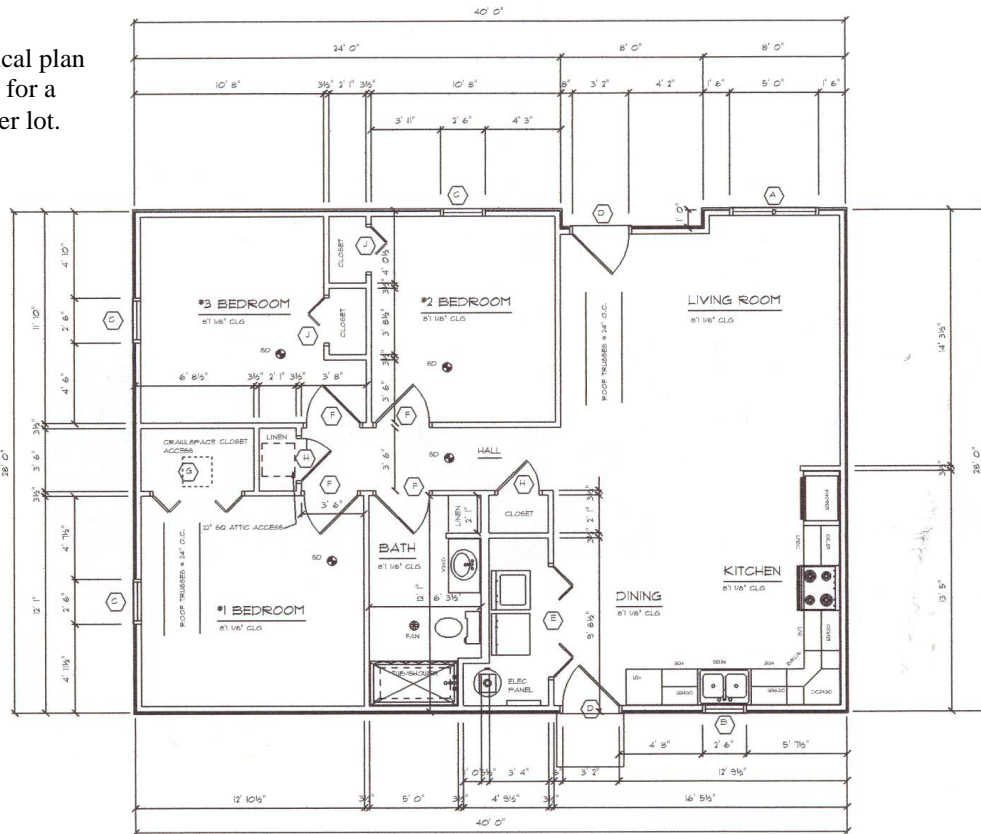
Audited financial statements are available upon request.

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

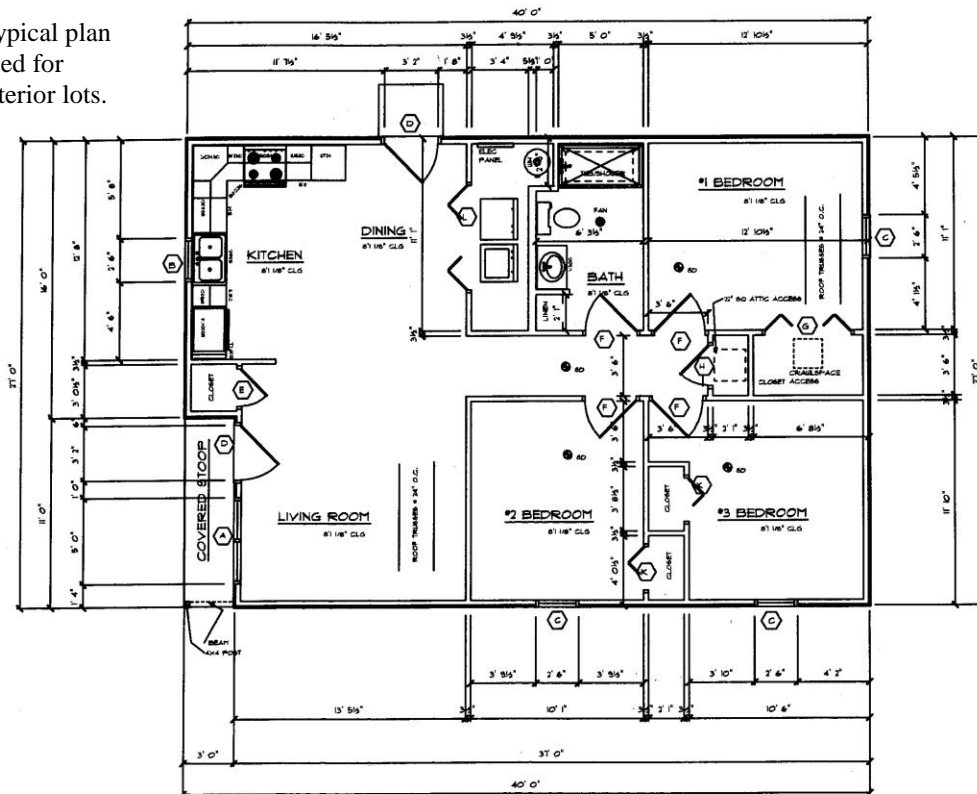
The budget below represents a standard three bedroom home. The number of bedrooms is based on the number of people in the household. Since not all the families have been selected for the proposed homes (application period opens in December), there is the chance that one or more of the homes may need to be larger. Costs to build would increase, as would property values on a larger home.

Construction Budget	
Three-Bedroom Habitat for Humanity Home	Cost
Permits/Curb Cut/Site Prep	950
Pre-construction Total	950
Contract Labor	
Drywall Finishing	1200
Gutters	700
Floor Covering	2000
Heating/Venting	4200
Plumbing	6000
Termite Control	325
Construction Supervisor/Manager Stipends	3100
Electrical	1250
Landscaping	2400
Contract Labor (other)	375
Contract Labor Total	21550
Materials/Supplies	
Lumber & Building Materials	15000
Insulation	1200
Electrical Supplies/Lights	4000
Masonry/Concrete	4200
Paint	400
Doors, Trim & Cabinets	5850
Windows	1500
Appliances	1500
Materials/Supply Total	33650
Indirect Construction Costs	
Administration	4000
Public Works	200
Sanitation/Garbage	500
Utilities during construction	150
Indirect Costs Total	4850
Total Costs	61000

Typical plan
used for a
corner lot.



Typical plan
used for
interior lots.





Above: Typical three bedroom home on a corner lot.

Right: Typical three bedroom home on an interior lot. Note – NSP funds were used to tear down the garage in the background to make way for the home next door.



Bottom: A four bedroom home on a corner lot where CRA provided water lines.



Resolution Number 2013-02

HALL COUNTY REGIONAL PLANNING COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC
REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA;
AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the “**Authority**”), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the “**Commission**”) a copy of which is attached hereto as Exhibit “A” for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: _____ 2012.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary

EXHIBIT A

FORM OF REDEVELOPMENT PLAN