



# **City of Grand Island**

**Tuesday, September 13, 2022**

**Council Session**

## **Item H-2**

**Consideration of Referring Extremely Blighted Property Analysis for Grand Island to the Regional Planning Commission (Conestoga Mall)**

**Staff Contact: Chad Nabity**

# Council Agenda Memo

**From:** Chad Nabity, Director Grand Island CRA  
**Meeting:** September 13, 2022  
**Subject:** Proposed Extremely Blighted Areas September 2022  
**Presenter(s):** Chad Nabity, Director Grand Island CRA

## Background

Enclosed you will find a copy of a Substandard and Blight Study as prepared for Woodsonia Acquisitions LLC by Kurt Elder, AICP working with Marvin Planning Consultants. This study identifies those areas of Grand Island that could qualify as Extremely Blighted as defined by N.R.S.S 18-2103 (13).

*Extremely blighted area means a substandard and blighted area in which: (a) The average rate of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate is at least two hundred percent of the average rate of unemployment in the state during the same period; and (b) the average poverty rate in the area exceeds twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area;*

Mr. Elder is a planner with the City of Lincoln Community Development Division and worked closely with the University of Nebraska at Omaha's Center for Public Affairs and Senator Justin Wayne's office to develop this methodology for designating areas as Extremely Blighted. The City of Lincoln has used this methodology to designate portions of Lincoln as Extremely Blighted.

## **Discussion**

Designating an area as Extremely Blighted provides two potential benefits to redevelopment in the area and any residents in the area along with a benefit to the City.

1. The term of TIF bonds in Extremely Blighted areas is may be extended from 15 years to 20 years. This will provide additional capital to the project making it more likely to succeed and to be built out in a shorter time frame.
2. Provide an income tax credit of up to \$5000 to first time home buyers that purchase qualifying homes in areas that have been declared Extremely Blight as their primary residence prior to January 1, 2026. N.R.S.S. 77-2715.07
3. Remove those areas that are declared Extremely Blighted from the 35% cap on area that can be declared Blighted and Substandard N.R.S.S. 18-2103 (3)

The action item tonight relates to the study for proposed Extremely Blighted Areas within the City of Grand Island as detailed and defined in the attached study.

At this point, Council is only making a decision about whether to forward the study to the Planning Commission for its recommendation or not. According to NRSS §18-2109, it is clear that the Planning Commission must hold a public hearing and have the opportunity to review the Extreme Blight Study prior to Council declaring the property Extremely Blighted. If Council wishes to consider such a declaration State Statute requires that the question of whether an area is Extremely Blighted is submitted to the Planning Commission for hearing, review and recommendation.

### **Blighted Area of the Community**

The City of Grand Island, as a City of the First Class, is permitted to designate an area of up to 35% of the municipal limits as blighted and substandard. As of September 6, 2022, 24.78% of the City has been declared blighted and substandard. Area 28 would add 78.45 acres to the total of blighted and substandard property and would, if approved, add 0.40% to the total area declared blighted and substandard bringing the total to 25.19%.

Any area that is declared extremely blighted is not counted against the 35% maximum area that can be declared blighted and substandard. If all of the areas identified in this study as qualifying as Extremely Blight are declared as such the possible 25.19% would be reduced to about 19%

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to forward the Study to the Planning Commission for its recommendation.
2. Move to not forward the Study to the Planning Commission for its recommendation.
3. Refer the issue to a committee.
4. Postpone the issue to future date.
5. Take no action on the issue.

### **Recommendation**

City Administration recommends that the Council move to forward the study to the Planning Commission if Council wishes to consider declaring these properties Extremely Blighted.

### **Sample Motion**

Move to forward the Study to the Planning Commission for their review and recommendation.



**EXTREMELY BLIGHTED DETERMINATION STUDY  
CITY OF GRAND ISLAND, NEBRASKA  
AUGUST 2022**

A study to determine if areas already declared Blighted and Substandard meet the Legislative requirements to be declared extremely blighted for purposes of receiving potential funding, extended TIF periods and tax credits.

Prepared by Marvin Planning Consultants, Inc and Kurt Elder, AICP  
AUGUST 2022

## **BLIGHT and EXTREMELY BLIGHTED AREA STUDY**

REF: Statute 18-2101 to 18-2154 and section of the act, aka Community Development Law

### **REASONS FOR COMPLETING AN EXTREMELY BLIGHTED STUDY**

Section 2: (1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, **the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.**

### **LEGISLATIVE DIRECTION**

Section 2: (2) Prior to making such declaration, the governing body of **the city shall conduct or cause to be conducted a study or an analysis** on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. (...) The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

### **PROCESS**

Brief: For an area to be designated as extremely blighted and substandard two finding, through three facets, need to be meet. These facets are defined in Nebraska statute. (i.e. 18-2103 – Terms, ...) However, for brevity they are simplified into two broad components **(a)** areas that have been found blighted and substandard through city council action, and **(b)** have been found to be contain extremely blighted components.

This study primarily determines which areas meet the statutory definition of extremely blighted

An approved blighted and substandard area is also extremely blighted if **(i) the average rate** of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate is at **least two hundred percent of the average rate of unemployment in the state** during the same period; and **(ii) the average poverty rate** in the area exceeds **twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area**

Because Grand Island's approved blight areas do not conform to defined census geographies. This study honors the intention of the statute and completes an independent analysis of poverty and unemployment components. Census areas that are qualified in each study form the basis for determining extreme blight. To be clear if 'Geography A' was qualified in both studies then any declared blight in 'Geography A' could be nominated as extremely blighted.

Lastly, if a census geography or portion of is in the City of Grand Island corporate limits it was considered in the development of the separate components.

### **DATA TABLES**

*Council Approved Blight -*

The Community development law requires that an Extremely Blighted and Substandard area be an approved blighted area. The City of Grand Island keeps a list of approved blight areas in their offices and online at <https://www.grand-island.com/departments/regional-planning/community-redevelopment-authority-cra/blight->

[study-areas](#). Also, attached is 'Proposed Blight Area' and 'Proposed Extreme Blight Area' which details a blighted area. Both blight and extreme blight can share common public hearings.

#### *Extremely Blighted Components -*

Part (i) is a state comparison. The 2020 Nebraska Unemployment rate according to the US Census American Community Survey (five-year average) was 3.37%. Therefore, the average rate of our selected area would require an unemployment rate of at least 6.74%

Marvin Planning Consultants, Inc. and Kurt Elder (The Team) developed an area with an average unemployment greater than of 7.52%. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Unemployment Area', which details our proposed unemployment area.

Part (ii) is a local area finding. Grand Island's 2020 poverty rate was 11.83% but in line with state statute, we developed an area with greater than 20% poverty. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Poverty Review', which details our proposed poverty area.

All data was 2020 US Census American Community 5-year Survey data. We choose to utilize only block-group level information from the census to minimize independent margins of error. Furthermore, our data methodology and averaging process/interpretation received support from UNO's David Drozd Research Coordinator at the UNO Center for Public Affairs and notified Sen. Justin Wayne (i.e., Nebraska Legislature, Chair of the Urban Affairs Committee) office to confirm his support. His legislative assistant relayed support.

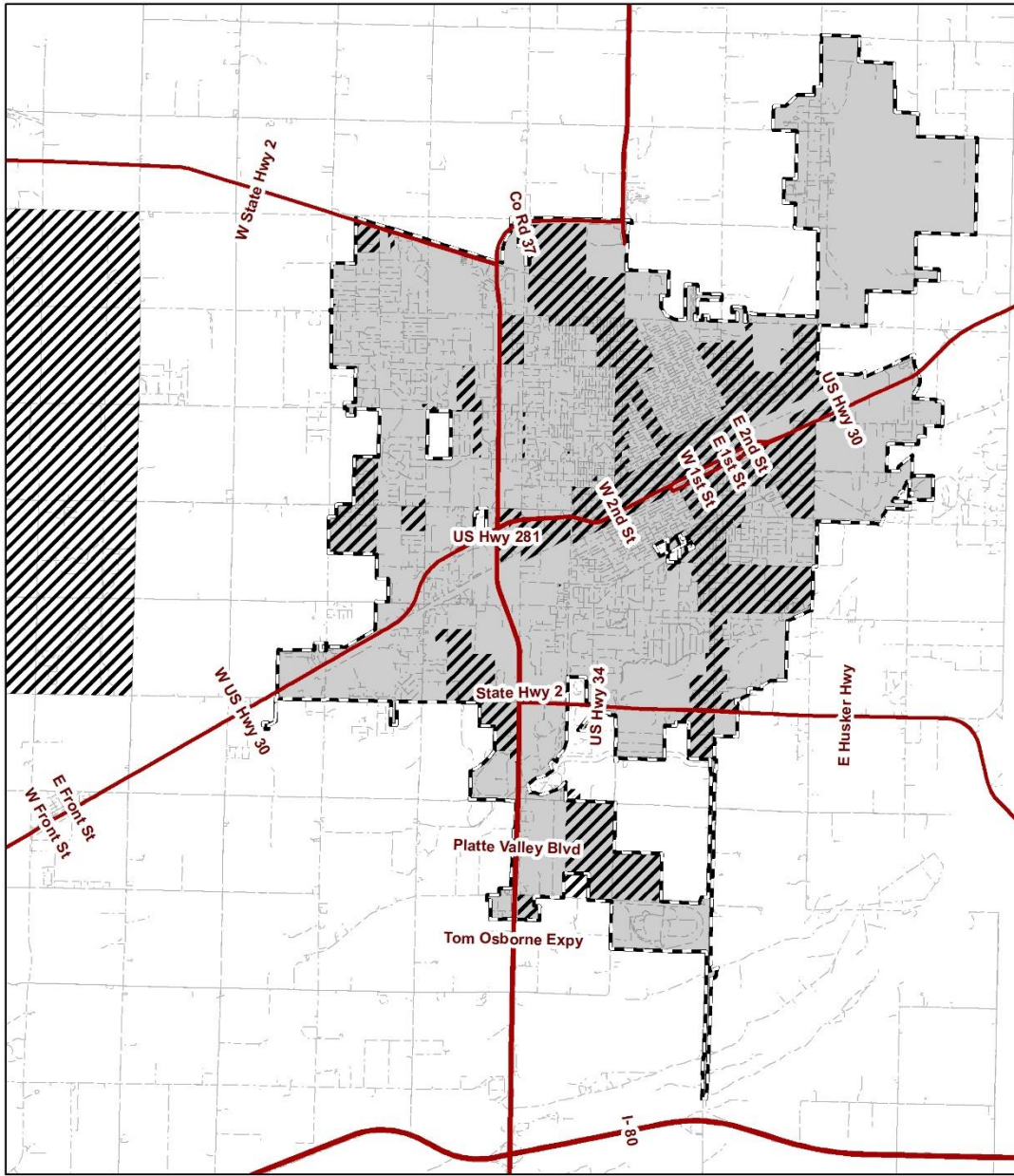
#### **ANALYSIS**

The Team overlaid these three facets/area reviews (i.e., approved blight, 20%+ poverty, 200%+ of the Nebraska's unemployment rate, and delineated areas where the three intersected. This proposed extremely blighted area is attached as 'Proposed Extreme Blight Area'.

Study completed, compiled, and submitted by The Team

#### **ATTACHMENTS**

- 'Existing Blight Area'
- 'Proposed Blight Area'
- 'Proposed Blight Area - Detail'
- 'Employment Review'
- 'Poverty Review'
- 'Proposed Extreme Blight Area'

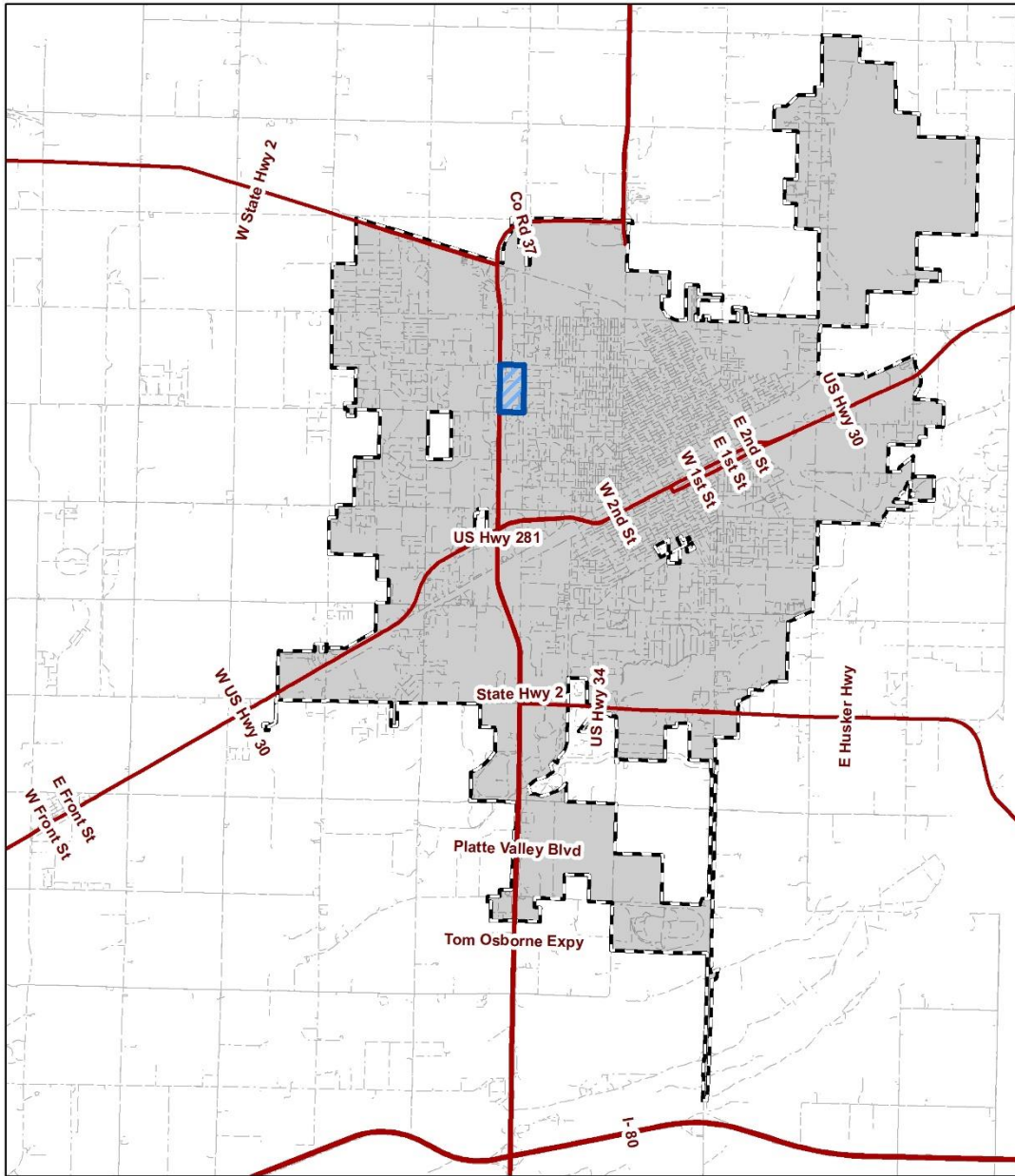


City of Grand Island: Existing Blight Areas

- City Limit
- Declared/Existing Blighted
- Primary Roads



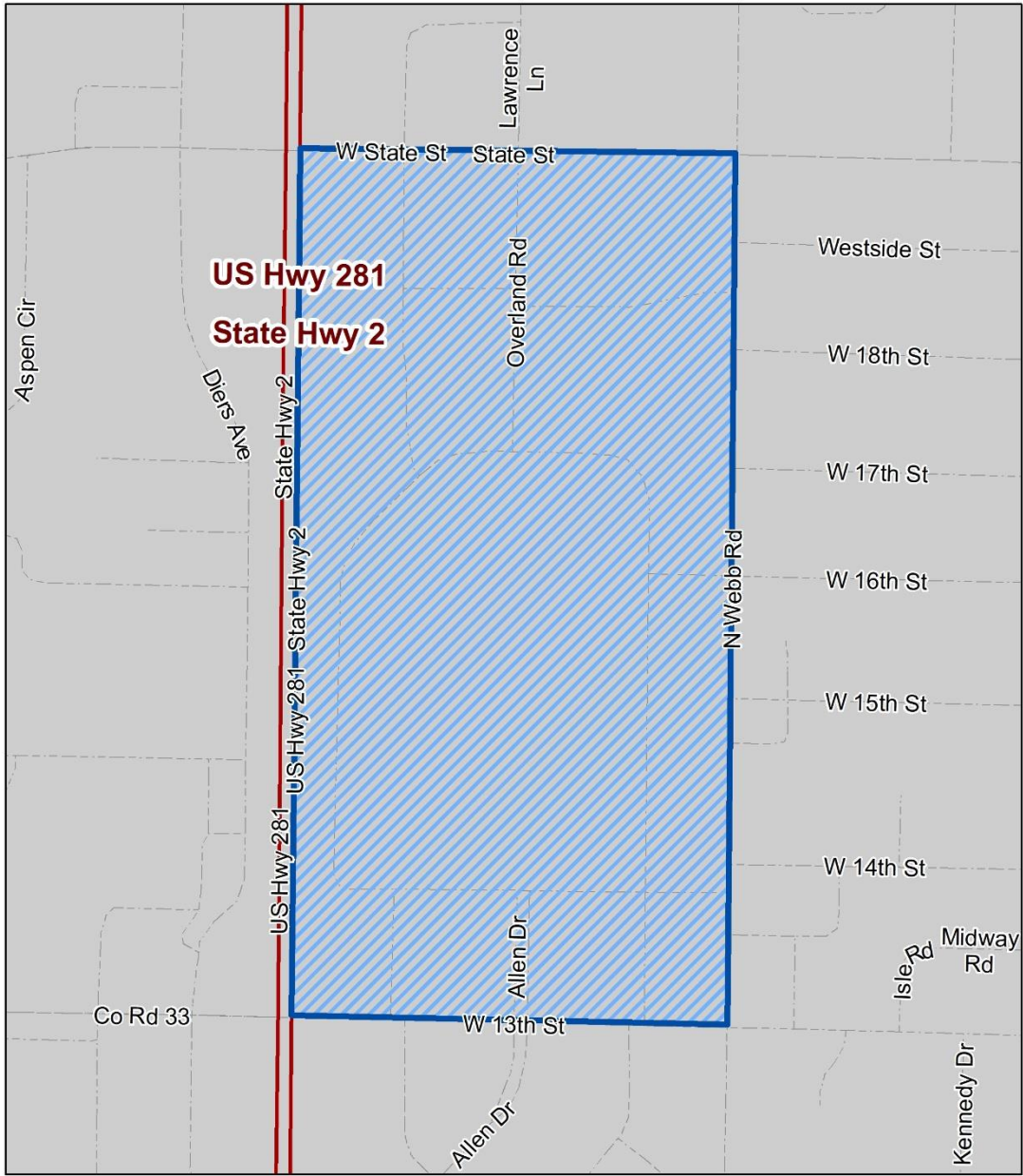




City of Grand Island: Proposed Blight Area

-  City Limit
-  Proposed Blight
-  Primary Roads

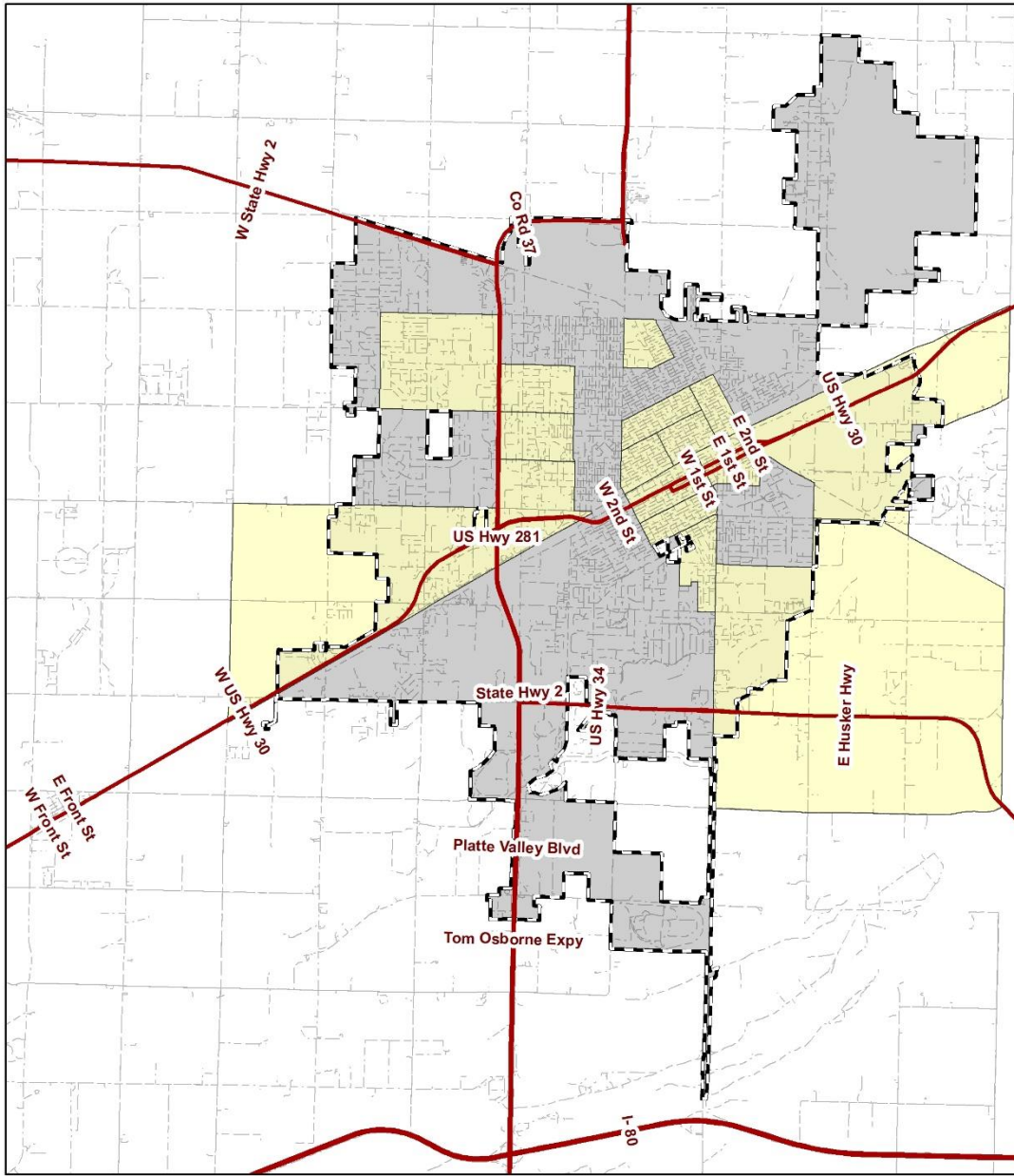




City of Grand Island: Proposed Extreme Blight Areas - Detail

-  City Limit
-  Proposed Blight
-  Primary Roads



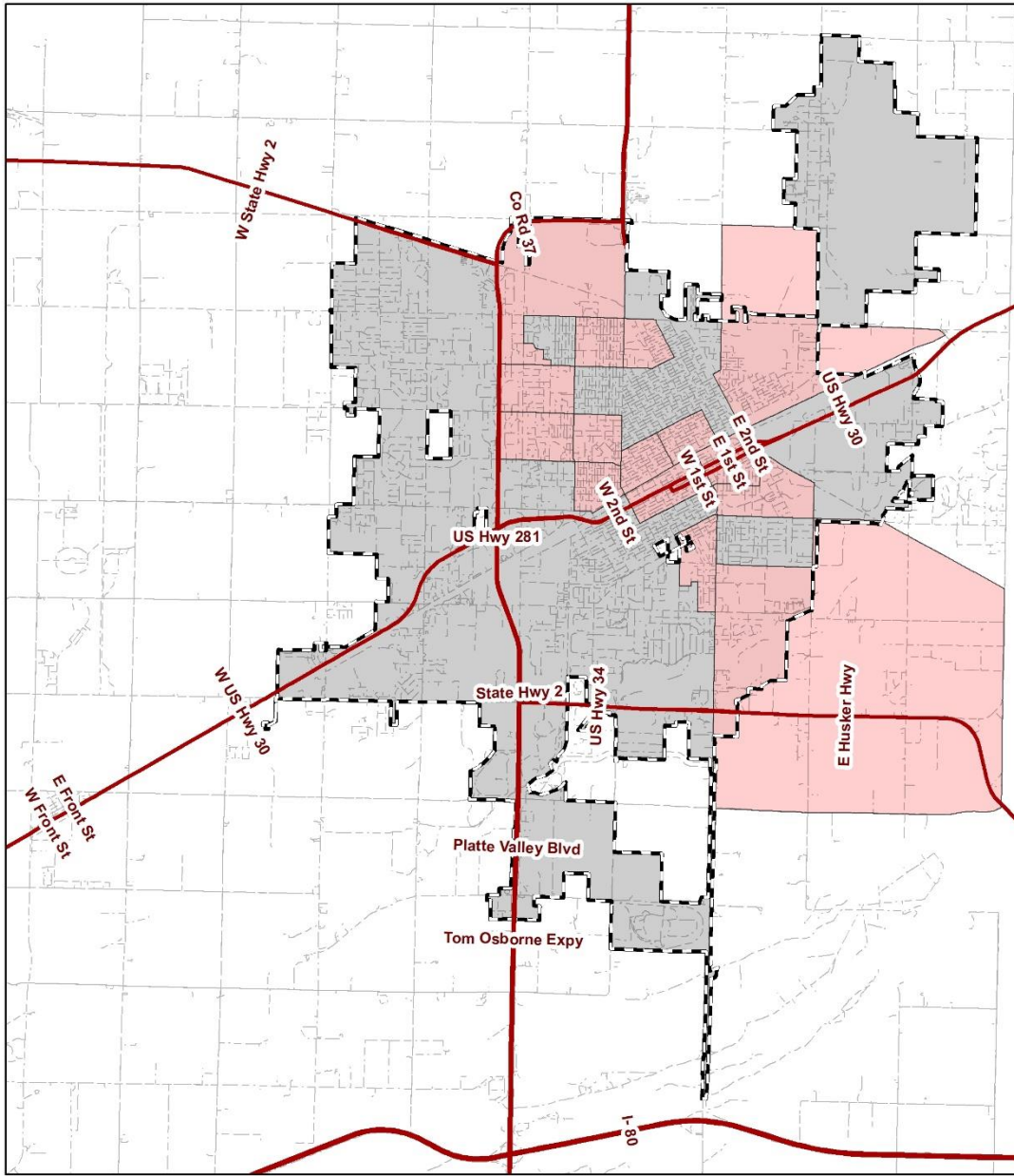


City of Grand Island: Employment Review

- City Limit
- Avg Unemployment > NEBR Unemployment Rate Threshold 6.74% (2020 ACS)
- Primary Roads



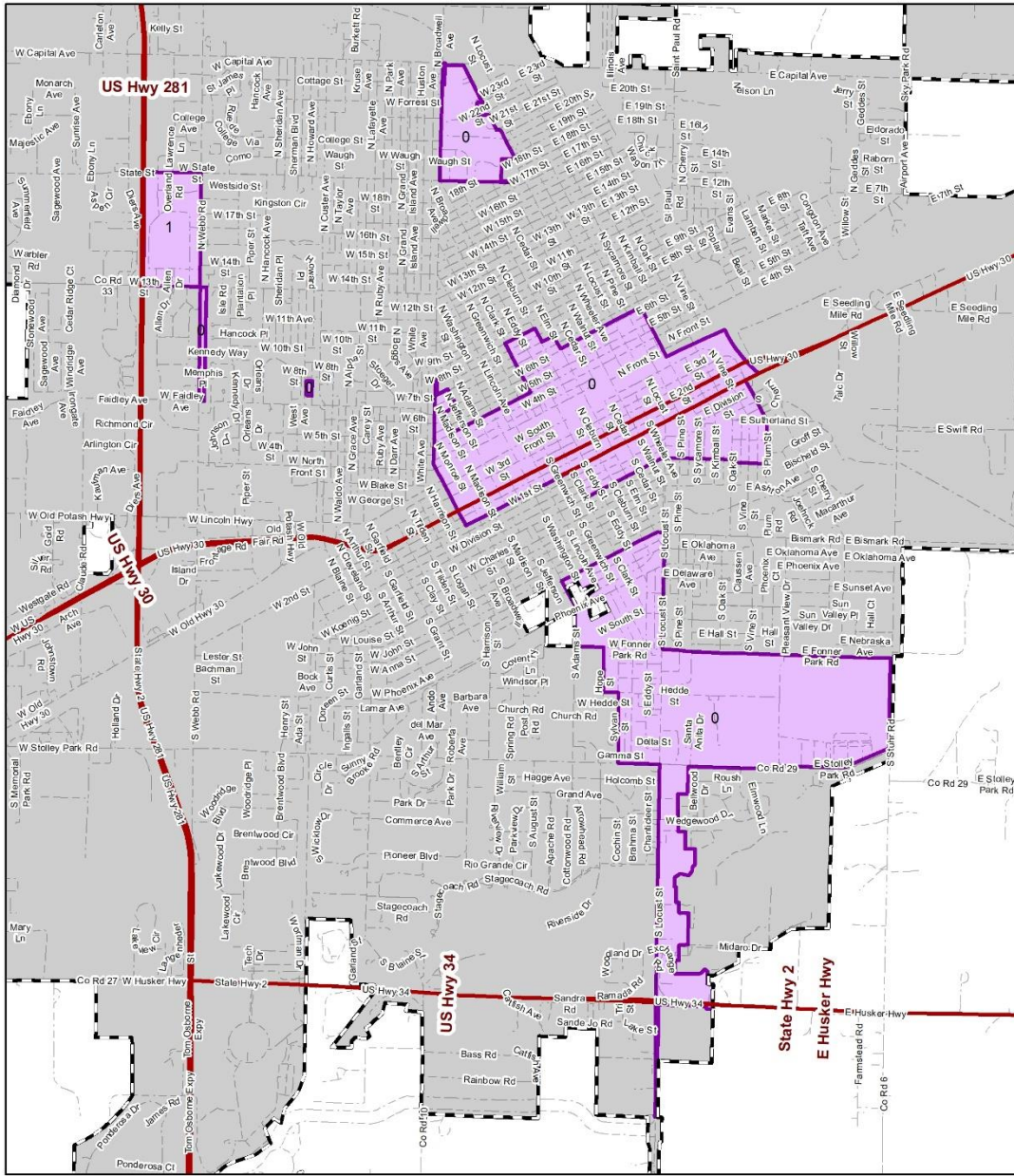




City of Grand Island: Poverty Review

-  City Limit
-  Avg Poverty >20% (2020 ACS)
-  Primary Roads

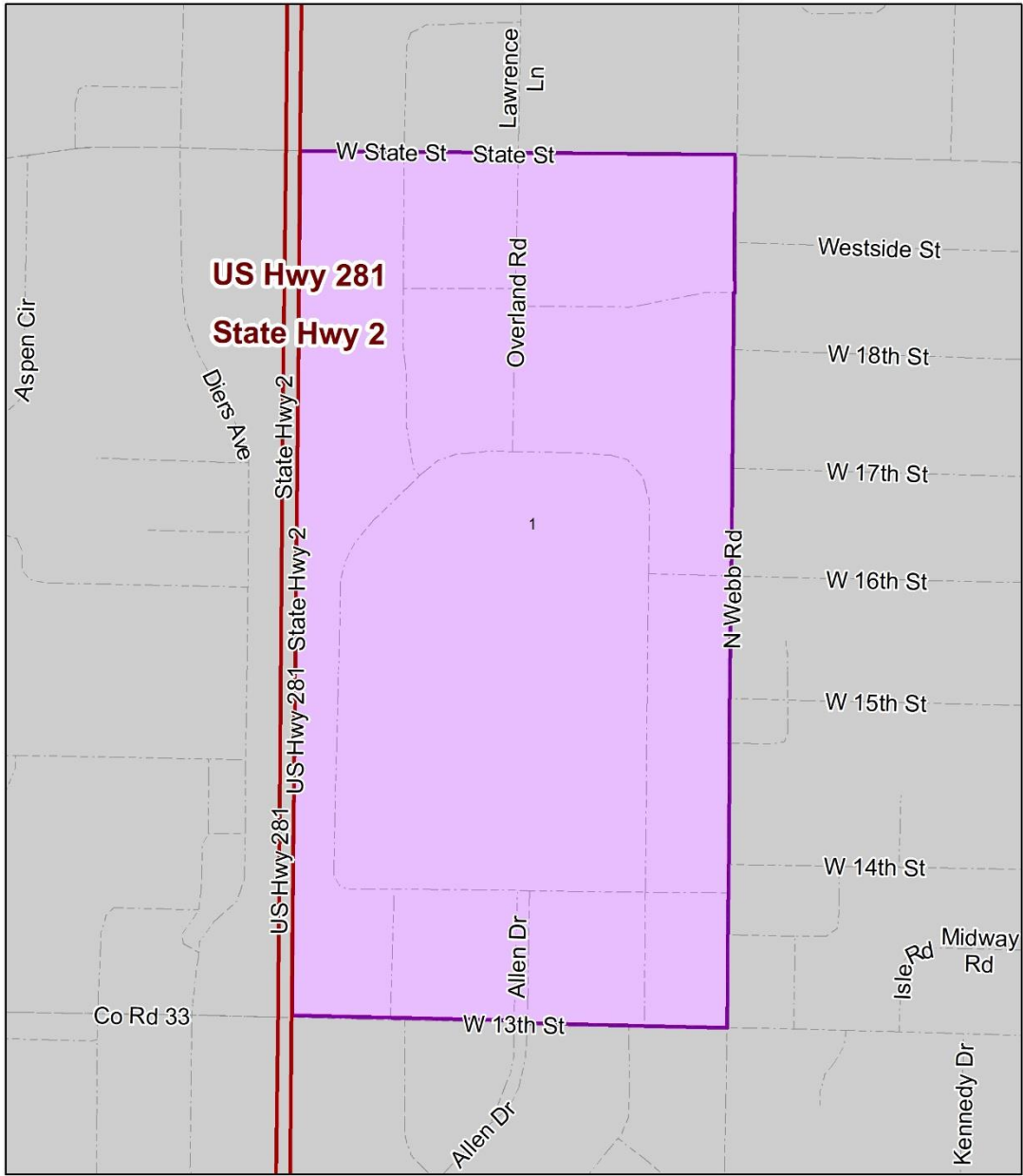




City of Grand Island: Proposed Extreme Blight Areas

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads





City of Grand Island: Proposed Extreme Blight Area

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads

