

Innovation Leads to Local Economic Development Success

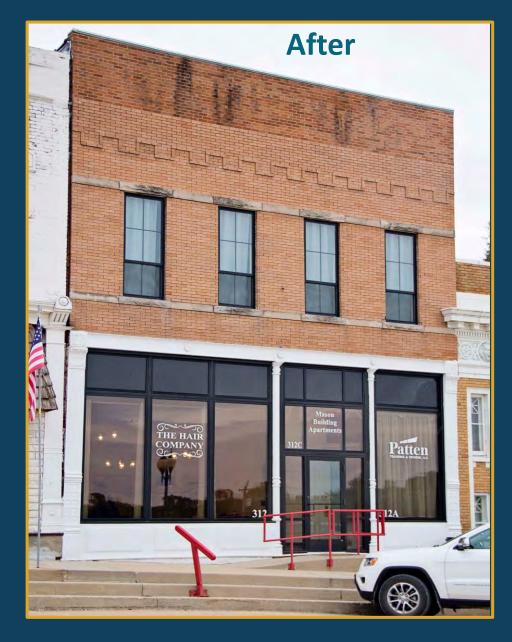
### WHAT WORKED IN DYERSVILLE? (POPULATION 4, 447)





### WHAT WORKED IN STANTON? (POPULATION 678)







### DEVELOPING A QUALITY REHAB PROJECT

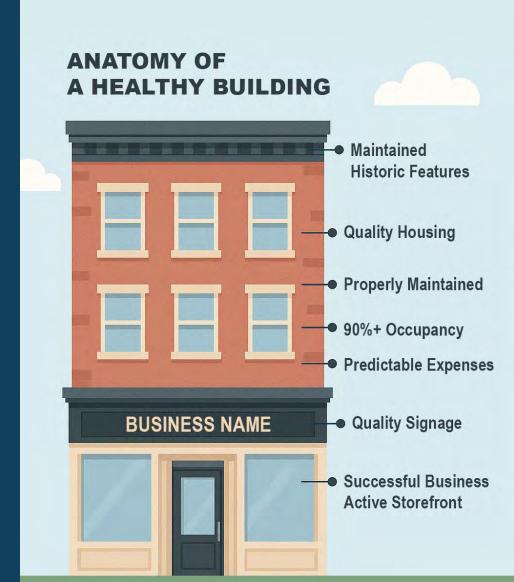
### **GOOD REHAB BASICS**

### Anatomy of a Healthy Building

- Properly Maintained
- Performing as Intended
- Highest-Best Use
- 90% Occupancy
- Established Tenant Base
- Predicable Operating Expenses

#### The Result

- Consistent Cash Flow
- Lower Risk
- Pretty Buildings
- Vibrant Downtowns
- Higher Property Values



### **GOOD REHAB BASICS**

### Take Care of the Building Envelope

- Good Roofs/Drainage
- Treat Masonry Properly
- Windows

### Good Basic Design

- Good Storefronts
- Respect the Building's Character and Integrity

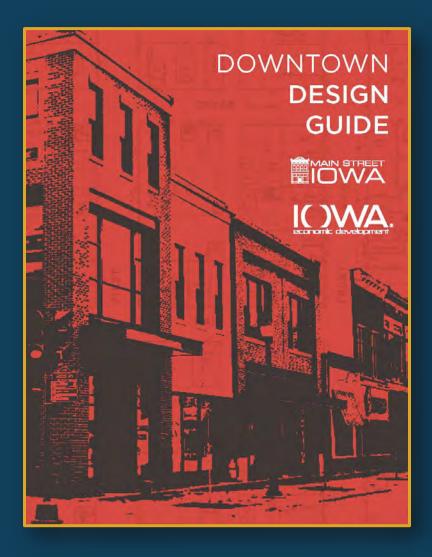
### Utilize the Full Building

- Commercial Interiors
- Upper Stories



### IOWA DOWNTOWN DESIGN GUIDE

www.iowaeda.com/downtown-resource-center/networking/



#### GUIDING PRINCIPLES FOR DESIGN

Main Street lowa observes and recommends the following principles for design:

- Retain and preserve the historic character of the district and individual properties.
- Prioritize rehabilitation of existing buildings and repair of deteriorated materials and features over new construction or replacement.
- Focus on maintenance to prevent the need for future large-scale rehabilitation or demolition of properties.
- Maintain authenticity. Do not add features to a building that portray a false sense of history, such as ornamentation that never existed. Base any restoration efforts on documentation or physical evidence.
- Design for longevity. Quality materials and quality design contribute to resilience.
- 6. Celebrate diversity. Main Street should be a place where everyone is included and feels welcome. Celebrating diversity can include racial, ethnic, cultural, religious, generational, gender identity, sexual orientation and socioeconomic differences, among others. It contributes to a rich and inviting experience for all visitors and helps set your community apart.
- Provide for a living, breathing community.
   Retain physical changes over time if they have positively contributed to the building. This means keeping changes that have gained their own historic significance or are necessary to keep the building occupied and thriving.
- Consider your neighbor. Embark on improvements with adjacent properties in mind. New construction should be compatible with the surrounding existing buildings.
- Follow sustainable practices. Sustainability is not only good for the environment but can provide cost savings over time.
- Ensure accessibility for all. Make sure that all people can access and enjoy downtown regardless of their physical ability.





Image; Brad Grefe





Waterloo - before (L) and after (R)





West Union - before (L) and after (R)





Woodbine - before (L) and after (R)

- 1

### HOW CAN THE DESIGN GUIDE BE USED IN YOUR COMMUNITY?

- Voluntary / Advisory
- Incentive Based
- Mandatory / Regulatory



# **Create Local Funding Sources**

- Urban Renewal (Tax Increment Financing)
- Urban Revitalization (Consolidated Abatement)
- Hotel-Motel Tax
- Local Option Sales Tax
- Others (How about In-Kind?)

## **Create Local Incentives & Uses**

- Façade Grants
- •Mini Façade Grants (Component)
- Building Improvements
- Business Improvements / Recruitment / Retention
- Others

# Community Catalyst Building Remediation grants help communities <u>redevelop or rehabilitate</u> <u>buildings</u> to <u>stimulate economic growth</u> and <u>reinvestment</u> in the community.

- All 940 Iowa Cities are eligible
- City must be the applicant and must provide \$\$\$
- Over \$30,000,000 grants invested
- Over 300 funded projects
- 40% of funds must be allocated to cities under 1,500 pop.
- Consider a local RFP process

### **COMMUNITY CATALYST BUILDING REMEDIATION**

### **Emergency Project Applications**

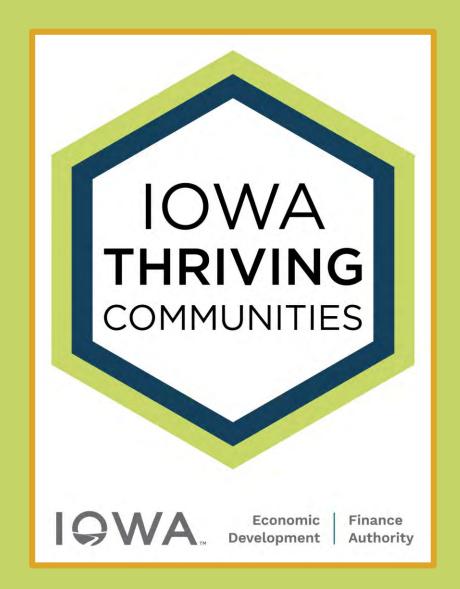
- Cities that identify projects that present a unique and immediate threat or opportunity may apply for funding at any time.
- A "unique or immediate threat" includes unforeseen challenges or problems that could result in catastrophic failure of a building's structural system and overall integrity.
- A threat includes various acts of nature, such as flood, fire or storm damage, or sudden and unexpected structural failures, such as partial wall collapse.
- Deferred maintenance will not be considered an immediate threat.
- A "unique or immediate opportunity" is a time-sensitive remediation project that is reasonably expected to result in economic growth.

### HOW TO BECOME AN IOWA THRIVING COMMUNITY

Applications will be scored on the following six categories:

- Financial Support
- Iowa Thriving Community Attributes
- Planning and Assessment
- Proposed Neighborhood or Site for Housing Development
- Strategic Leadership and Partnerships
- Workforce Attraction and Retention

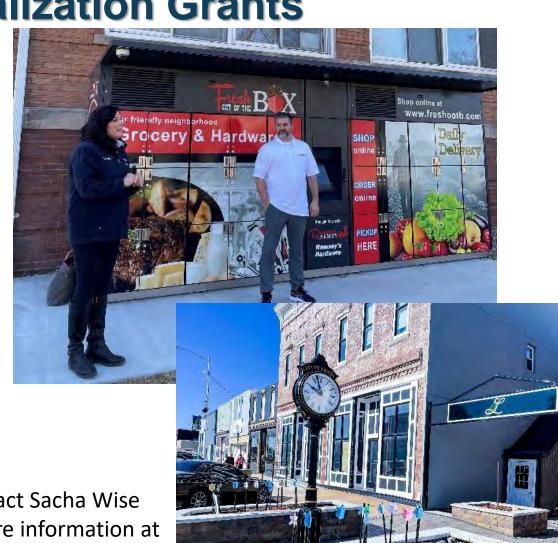
Bonus points if project includes housing and is a Designated Community



### **Center For Rural Revitalization Grants**

- Rural Leadership Bootcamp Grant
  - Required participation in Leadership Exchange & Bootcamp
- Rural Housing Assessment
  - ISU Extension & Outreach
  - Up to \$20,000 grant, \$10,000 cash match
- Rural Child Care Market Study
  - Up to \$20,000 grant, \$10,000 cash match
  - Must name consulting partner in application
- Rural EMS Pilot Grant Program
- Rural Innovation Grant
  - Up to \$50,000 grant, 1:1/2 cash match
- Rural BOOST Program
  - \$10,000 grant, 1:1/2 cash match

Contact Sacha Wise for more information at Rural@iowaeda.com



## Form **8826**

(Rev. September 2017)
Department of the Treasury
Internal Revenue Service

#### **Disabled Access Credit**

► Attach to your tax return.

► Go to www.irs.gov/Form8826 for the latest information.

OMB No. 1545-1205

Attachment Sequence No. **86** 

Name(s) shown on return		Identifying number	
1	Total eligible access expenditures (see instructions)	1	
2	Minimum amount	<b>2</b> \$ 250 00	
3	Subtract line 2 from line 1. If zero or less, enter -0	3	
4	Maximum amount	4 \$10,000 00	
5	Enter the smaller of line 3 or line 4	5	
6	Multiply line 5 by 50% (0.50)	6	
7	Disabled access credit from partnerships and S corporations	7	
8	Add lines 6 and 7, but do not enter more than \$5,000. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1e	8	

Form **8826** (Rev. 9-2017)



# **Improving Housing and Blighted Properties**

**Iowa League of Cities Annual Conference, 2025** 



# MASON CITY - The Original River City

Our Mission is to provide efficient and effective City services and infrastructure with sound fiscal policies that create an Enjoyable Quality of Life in a Safe and Viable Community



Our mission drives our nuisance abatement and blight elimination efforts

# ...an Enjoyable Quality of Life...

### Music!



### Art!



### **Architecture!**



# **Mason City's Brand**

# Placemaking & Recreation

(we're doing great with the "Enjoyable Quality of Life" part of the mission)

#### MOUNTAIN BIKE PARK



**BIKE/WALKING TRAILS** 



#### WILLOW CREEK RIVERWALK



WATER TRAILS



# ...a Safe and Viable Community – Where Code Enforcement Comes In

# DEVELOPMENT SERVICES DEPT. (DSD)

### **Code Enforcement Division**

- Nuisance Complaints and Abatement
- Housing Code Compliance
- Rental Inspection
- Section 657A Program

# What is a Nuisance?



### TITLE 4 OF THE CITY CODE:

"Whatever is injurious to health, indecent, or offensive to the senses, or an obstacle to the free use of property, so as essentially to interfere with the comfortable enjoyment of life or property."

- Garbage
- Junk, rubbish, and refuse
- Inoperable vehicles
- Weeds and other noxious elements
- Dilapidated buildings

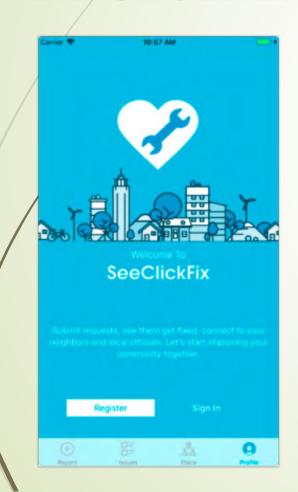
# COOPERATIVE EFFORTS



### Code Enforcement Officers work closely with:

- Housing Inspector/Rental Housing enforcement
  - White tags on uninhabitable properties
- Police
  - Nuisance Property Ordinance
  - Criminal Activity where nuisances abound
- Cerro Gordo County Sheriff
  - Assist in evictions
- Others
  - Landlord Association
  - Housing Authority
  - Social Service Agencies
  - County Public Health

### NUISANCE ENFORCEMENT



- Respond to complaints
  - Calls
  - 311 Program: SeeClickFix
- Staff Initiated Cases
  - Ratio of staff initiated vs. from complaints:
     45% 55%
- Notice of Violation
  - Usually 30 days to abate
  - Work with property owner or tenant
  - Focus on compliance, not citation

# ENFORCEMENT PROCESS



- Violator to provide plan for abatement within the 30-day period
- If no response or no action, second letter sent with much shorter response time; violator informed that lack of response/action will cause case to be turned over to City Attorney
- If still no action/response, Staff works with City Attorney on strategy
- Court is usually the last resort

# IOWA CODE 657A

- Allows cities to petition in District Court that a property is abandoned; Court grants title if property shown to be abandoned according to 657A criteria
- Title transferred to the City free of any liens or other encumbrances
- Prior to 2018: City does not attempt to acquire via 657A
- 2018: Iowa Supreme Court validates 657A; not unconstitutional
- 2019: Mason City wins its first 657A case

# FIRST, PURSUE NUISANCE ABATEMENT



- Except for the most dilapidated buildings, we start with a nuisance abatement process
- Code Enforcement receives a complaint or observes evidence of deterioration or abandonment of a building
- Take current photos
- Send Notice of Violation: includes detailed description of code violations and required abatement
- Owner given 30 days to comply
- Many cases solved using this process
- If nuisance persists, assigned to City Attorney
- Citation issued or 657A process begins

# CITY PROCESS REFER FOR 657A



- Take current photos
- Check utility records
  - Water Billing Dept.
  - Alliant Energy
- Check nuisance records; complaints, prior notices of violation, etc.
- Confer with attorney; focus on worst of the worst
- Accept the attorney's recommendation on go/no go

# MASON CITY'S 657A PROGRAM



- Working with Lynch Dallas law firm, experienced with 657A cases
- Focused on compliance and rehabilitation; we prefer not to own property!
- Threat of taking the property has had the effect of getting property owners to do something, even after a long period of neglect
- But, we will take property if necessary
- Disposal includes sale to a responsible developer if property can be renovated; if not, City will demolish the building

## **Examples: Before & After**

Did not need to pursue 657A; the threat of losing the property convinced the owner that selling it to a responsible renovator would be a better choice!





### **Before & After**



After 657A acquisition, the property was sold to a local developer who intended to renovate this fire-damaged house. He soon realized the house was beyond repair and instead built an entirely new home!



## **Before & After**





# Reusing 657A Properties





- 4 houses slated for demolition, moved to vacant City-owned lots acquired through 657A, where new construction is not feasible
   North Iowa Corridor Housing Development Corporation took ownership, completed renovations, and sold the homes with a deed restriction that they must be owner occupied
  - All three offered at affordable prices; three lots back on the tax rolls

# **Reusing 657A Properties**

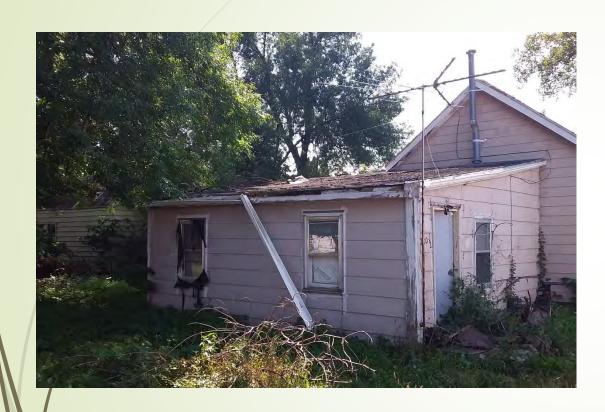


Acquired via 657A & demolished



House moved to the vacant lot and rehabbed for sale by the North Iowa Housing Development Corp.

# **Reusing 657A Properties**



Acquired via 657A & demolished



House moved to the vacant lot and rehabbed for sale by the North Iowa Housing Development Corp.

## Acquire, Sell, Renovate



626 North Delaware Avenue

- Acquired via 657A
- Determined to be salvageable
- Sold to the North Iowa
   Corridor Housing
   Development Corporation
- NICHDC will rehabilitate and sell for workforce housing at an affordable price
- Keeps property on tax roll

# **Lessons Learned**



- Competent legal assistance is <u>essential</u>. A law firm with 657A expertise may well be worth the cost. A competent attorney will know if a case is winnable and will avoid cases that may lose in court
- Even though a building meets the 657A definition of "abandonment," it doesn't mean that resources should be used for it. If the owner maintains the exterior, mows the grass, shovels snow, and keeps up on taxes, leave it alone for now
- Start with the worst of the worst and work your way up from there
- Whenever possible, avoid owning vacant land that the city must maintain. Find out if adjoining owners are willing to buy the lot, and be willing to take a short-term loss for a long-term revenue gain
- Sell for renovation whenever you can, it raises the value of the property and keeps it taxable. Have a development agreement stating expectations of the developer (time frame, etc.). Include a right of reversion if the developer fails to meet obligations



#### **AGENDA**



- INTRODUCTION City of Clinton
- <u>Turning Challenges</u> into Opportunities thru *Implementing* Innovated Strategies to boost local Economic Development Projects in less than 15 minutes
- CONCLUSION

## TURNING CHALLENGES INTO OPPORTUNITIES: PROVEN STRATEGIES ADDRESSING PROBLEM PROPERTIES

CITY OF CLINTON



### TURNING CHALLENGES INTO **OPPORTUNITIES**: PROVEN STRATEGIES ADDRESSING PROBLEM PROPERTIES

CITY OF CLINTON



Have a Plan:

#### HAVE A PLAN (DREAM):

T85T

- 1000 Block South 4<sup>th</sup> Street
- Made up of 5 buildings
- 1000 Quick Claim
- 1002 Tax Certification
- 1004 City Purchased
- 1006-1008 City 657A Contested
- 1010-1012 Tax Certification
- In 2019 the city began it's efforts to clean up this block and began to acquire property. In 2023 the City was approved for an EPA Brownfields Cleanup Grant.





Cleanup of the site began in March of 2024 and was completed and backfilled by the end of April. In July the city began talks with Build To Suit to build four townhomes on this site. Ground breaking was in November of 2024 and the townhomes were completed and on the market by the end of May 2025

#### DREAM - ROAD MAP



#### **Creating your own City's Road Map**

<u>Be</u>: the Standard through Community Development / Code Enforcement

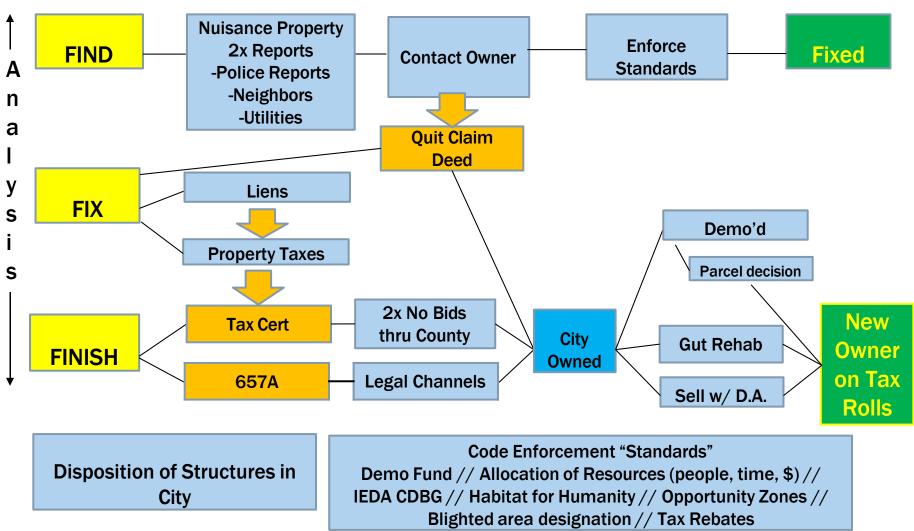
**Know**: your City and determine disposition of buildings

<u>Do</u>: the enforcement for curb appeal, raise property values, pride, and clean up the City

Find, Fix and Finish (F3): an example of how to deal with nuisance properties

#### **NUISANCE: F3 - FLOW CHART**





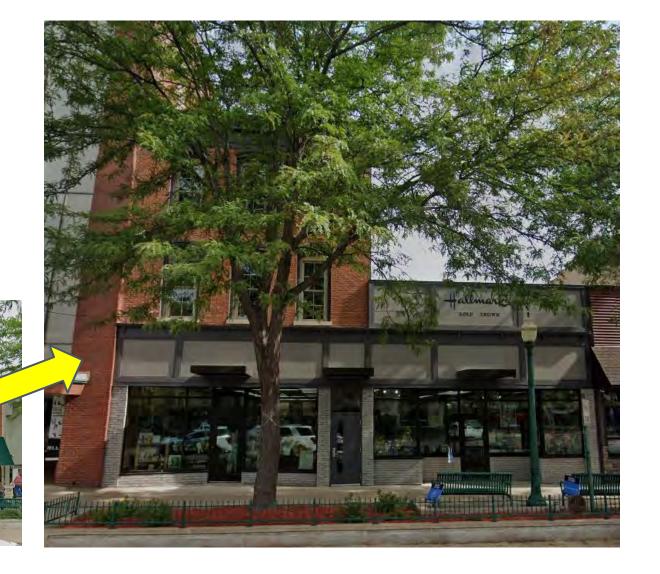
#### **ROAD MAP SUCCESSES**



- 1. International Property Maintenance Code (IPMC) adopted in 2021
- 2. Vacant & Abandoned updated in 2021
  - a. 14 buildings in our downtown notices sent on IPMC
  - b. 7 of 14 had to be brought into court for compliance
- 3. Vacant & Abandoned Fee Schedule:
  - Initial registration \$1000
  - 1st Renewal \$2000
  - 2nd and subsequent renewals \$3000
  - Inspection fee \$100
  - Administrative search warrant \$250
  - \$128,200.00 Vacant & Abandon paid since 2021 (total in the City)

#### What success looks like:

#### HALLMARK STORE



#### **WILSON BUILDING**



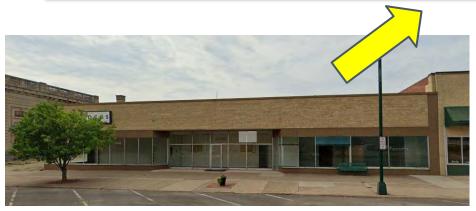


#### **YOGA STUDIO**



### **ELITE GRAPHICS / DESIGN WERX**





#### **DEMO THE 2ND STAGE**

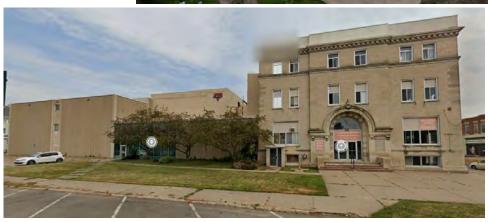


#### **DEMO: STRAND AND POOL HALL**



#### **ONGOING: YMCA**





#### **ONGOING: LAFAYETTE LOFTS**



#### CONCLUSION



**Taking your City Back:** Since 2017, the City of Clinton has taken title of 266 properties (structures and vacant lots):

- 76 by 657A
- 25 by quit claim deed
- 165 tax sale certificate assignment
- Properties back on tax rolls 2017-2025 = 127

Remember: Find, Fix and Finish – and wash again

Partnership: All about Teamwork, makes the DREAM work...Downtown Group (SMIDD), EPA, IEDA, DNR, ECIA

#### WHAT WORKED IN ATKINS?

POPULATION 1,933









### WHAT WORKED IN ATKINS?

**POPULATION 1,933** 



## WHAT WORKED FOR CASEY? Population 401

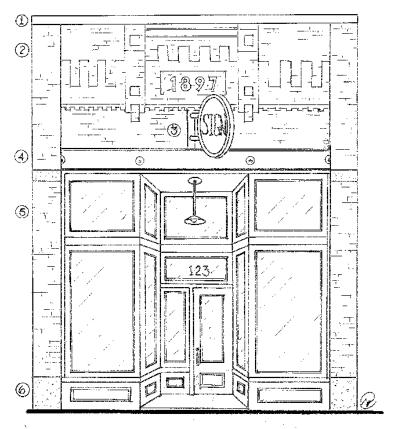






## Negative people have a problem for every solution.





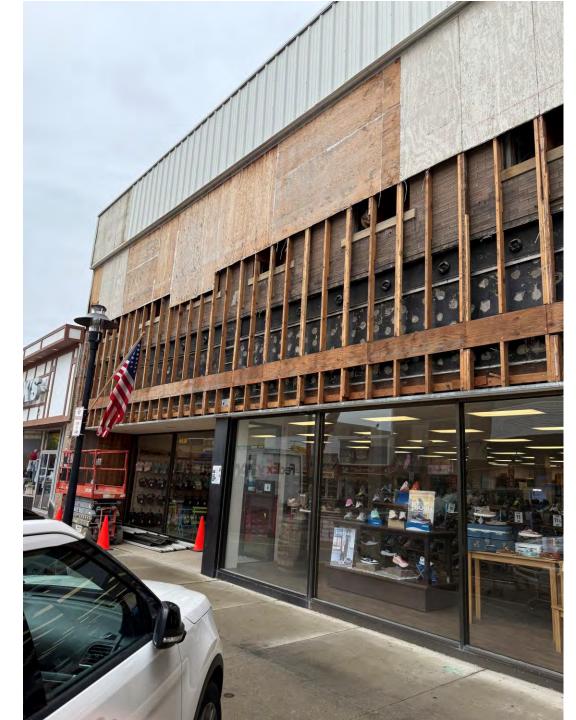
- 1. NEW CAPSTONE & COPING. MATCH COPING COLUR TO GRICK OR LEMBERTUNE DETAILS
- 2. REPAIR/REBUILD BRICK PARAPET. RE-USE EXISTING BRICK FOR FACE/ VENEER COURSE. REPOINT ALL BRICK AS NEEDED.
- 3- NEW PROJECTING SIGN. EXACT DESIGN / SHAPE: DETERMINED BY OWNER/TEMANT
- 4- PAINT STRUCTURAL BEAM TO COORDINATE W/TEIM (BULKHEDDS)
- 5-NEW STOREFRONT W/TRANSOMS. FLEENTIBE OFFRING TO BEAM WITH GLASS TRADITIONAL DOOR SHOWN. STOREFRONT IS CHARCOOL/BLACE OR DARK BROWN.
- 6-REBUILD WOOD BULKHEAD PAHELS TO MATCH EXISTING. PAINT ADDITIONAL DRAWING SHOWS AWAINE FACTERNATE DOOR

CONCEPTUAL DRAWING ONLY 1/3













# EVERY DECISION MATTERS



## HELPFUL OR HURTFUL



## THANK YOU!