



## Legislation Text

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**DATE:** April 17, 2017

**TO:** Members of the Housing & Redevelopment Authority

**FROM:** Janine Atchison, Housing Coordinator

2017 Street Assessment Assistance Program

### **SUMMARY AND ACTION REQUESTED:**

The HRA budgeted funds to continue the Street Assessment Assistance Program for the 2017 construction season. The HRA is requested to determine the levels of assistance to provide in this round of assessments and amend street assessment assistance policy.

### **BACKGROUND:**

The street assessments projects for 2017 have been identified by the Engineering Department and work is beginning on the bidding process and cost allocations. Property owners were informed of approximate costs of their street assessments in February. There are four projects occurring in 2017:

#### Maple Street - Ninth Street - Nevada Street Area; Marvin Lane Area; and Sibley View Areas

- Maple Street from Woodley Street to Ninth Street
- Ninth Street from Maple Street to Nevada Street
- Nevada Street from Ninth Street to Nevada Street
- Hillside Court
- Bunday Court
- Marvin Lane from Washington Street to Division Road
- Sibley View Lane from Jefferson Parkway to Sibley View Court
- Sibley View Court

The entire area will receive a full depth reclaim (up to 12"), which means the asphalt will be ground up and mixed with the underlying gravel base to establish a new base for new asphalt. This reclaimed material will then be reshaped and re-compacted in order to receive 4" of new asphalt pavement. Minor spot repairs on utilities and curb and gutter will be completed as necessary. The areas of Maple Street, Ninth Street and Nevada Street were also identified in the Safe Routes to School Plan (SRTS) for sidewalk installations on both sides of Maple Street, Ninth Street, and Nevada Street.

#### Professional Drive Area

- Professional Drive from Woodley St to TH 3 Frontage Road

All of the properties in this project are zoned industrial or commercial, and will not be eligible for assessment assistance

#### Marvin Lane Area

The entire area will receive a full depth reclaim (up to 12”), which means the asphalt will be ground up and mixed with the underlying gravel base to establish a new base for new asphalt. This reclaimed material will then be reshaped and re-compacted in order to receive 4” of new asphalt pavement. Minor spot repairs on utilities and curb and gutter will be completed as necessary.

#### Street Assessment Assistance Policy

##### Amount of Funds:

The maximum assistance **shall not exceed \$3,000**. Assessment amounts to be awarded are based on the type of street project being completed and the assessment total for the individual property. The following terms apply:

- Full Reconstruction -  $\frac{1}{2}$  of assessment or \$3,000, whichever is less
- **Street Reclamation -  $\frac{1}{2}$  of assessment or \$2,500, whichever is less**
- Mill and Overlay -  $\frac{1}{2}$  of assessment or \$2,000, whichever is less
- Overlay-  $\frac{1}{2}$  of assessment or \$1,500, whichever is less

The HRA-approved policy currently assists homeowners at or below 80% of the area median income for Rice County with awards of up to \$2,500 for Street reclamation projects.

During the 2016 Street assessment process Staff brought two policy concerns forward to the HRA Board for clarification.

**1. Should the policy of homeowner tenure be amended to disallow properties which have recently been purchased?**

Current policy states: Homes that are currently for sale, have been for sale and removed from the market since February 15, by the homeowner, or are currently in escrow are NOT eligible for this program.

Notice of pending assessment is required to be disclosed to potential buyers when a property is sold. It is very common practice for the seller to pay all pending assessments at the closing. It is not clear if “homes that have been for sale and removed from the market since February 15, by the homeowner” includes homes that have been sold since February 15. A simple change to this language would clarify the intent.

**2. Should the policy be amended regarding defaulted taxes?**

Current policy states: Homeowners who are in default on their property taxes are NOT eligible for this program.

An unexpected consequence of this policy is that low income homeowners who have had unplanned financial set-backs which cause them to default on property taxes would be excluded from participation in the program causing further financial burden to remain current, and pay previous years property taxes. This puts owners at greater risk of homelessness. The policy could be amended to add “unless a sufficient payment plan for defaulted property taxes has been established”.

#### **ANALYSIS:**

There are 69 residential parcels affected by the 2017 street improvement projects.

- All 69 residences will have a reclaim assessment, with a preliminary average assessment cost of \$4,620.

Because income verification is time sensitive, the HRA should not accept applications until July 1, 2017. Assessment appeal hearings should be completed in July. Award letters will be issued to qualified applicants once the City Council has adopted the assessments in August.

The HRA has budgeted \$40,000 for the 2017 Street Assessment Program. In 2016, the HRA budgeted \$40,000 and spent \$25,246.

#### **RECOMMENDATION:**

Staff recommends the HRA Board approve award amounts for the 2017 Street Assessment Assistance Program.

Staff also recommends the HRA Board approve changes to policy language to clarify that homes sold or

purchased since February 15 are not eligible for street assessment assistance. Policy language should read as follows: **Homes that are currently for sale, have been for sale and removed from the market, or sold/purchased since February 15, 2017 by the homeowner, or are currently in escrow are NOT eligible for this program.**

Staff further recommends the HRA Board approve changes to policy to allow homeowners in default on the their property taxes to participate in the Street Assessment Assistance Program by amending policy language as follows: **Homeowners who are in default on their property taxes are NOT eligible for this program unless a sufficient payment plan for defaulted property taxes has been established.**