

Information Item

Date: October 10, 2022

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Ken Millett, Economic Development Director

Subject:
Recommendations for Eligibility of Financial Assistance in Designated Revitalizing Commercial Areas (RCA)

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: No

Strategic Plan Action Item: No

Key Work Item: No



In the 2002 Strategic Plan, City Council recognized the impact that declining commercial areas had on the health of the city and its neighborhoods. City Council noted that underutilized, unutilized, and blighted properties were in need of assistance to halt and reverse the disinvestment trend. The Revitalizing Urban Commercial Areas (RUCA) program was established by the Winston-Salem City Council in 2006 as a means of revitalizing commercial areas that were in a state of decline.

As of 2020, all funding available for RUCAs has been either dispersed or committed to pending projects. As part of the 2018 Bond Referendum, the Commercial Revitalization of Blighted Areas (CRBA) program, a subsequent program to the RUCA program, was allocated \$2 million dollars to be administered similar to the RUCA program. Approximately \$1.5 million of the CRBA funds remain available.

City Council noted that the concentrations of commercial blight in need of investment may have evolved in the 14 years since the initial evaluation. At the request of City Council, Planning and Development Services staff have completed a new analysis of commercial areas and provided the following recommendations related to future RUCA funding.

After discussion between the Office of Business Inclusion and Advancement and Planning staff, it was determined that the number of activity centers reviewed for possible funding needed to be expanded to include those within Growth Management Area 3 Suburban Neighborhoods. In order to better reflect the broader eligible areas and its purpose, the name of the program has been changed to *Revitalizing Commercial Areas (RCA)*.

The number of activity centers included in the analysis was increased from 30 centers to 46 centers. Since the initial report, the Legacy 2030 Update and a series of area plan updates have been adopted by City Council that changed the areas designated as activity centers.

Staff reviewed the activity centers based on similar factors as the initial analysis. Existing conditions were evaluated based on site visits performed in early 2021. Activity centers were evaluated based on the following factors:

- Access
- Presence of Alternative Transportation Facilities
- Site Condition
- Building Condition

Other considerations were included in determining the overall rating of the activity center including area plan recommendations, existing zoning and land use, crime levels, and investment.

It is the recommendation of staff that activity centers in Tier 1, 2, and 3 (poor to average condition ratings) be eligible for RCA funding, representing a total of 25 activity centers. An argument could be made to limit eligibility to Tiers 1 and 2; however, by making Tier 3 activity centers eligible for funding, the possibility of such centers falling into a deteriorated state may be slowed or eliminated. The attached map, Winston-Salem Revitalizing Commercial Areas, shows the locations of the activity centers and their respective tiers.

During City staff's conversations with individual Council Members in preparation of this item, several areas not classified as activity centers were noted as areas of interest for eligibility. Based on this feedback, staff will follow up with all Council Members for any additional priority areas to be evaluated using the same criteria as those identified as a priority. Any additional staff recommendations for eligibility will be brought back to Council for consideration.