



Esteemed City Council Members,

I, David Kral, Building Official and head of the Community Development Department, am presenting to you the requested budget for the Fiscal Year 2026. I want to emphasize the critical role that our department plays in safeguarding the health, safety, and quality of life for the residents of our city. Despite our small population, our challenges with blight and neglect make code enforcement, property maintenance programs, and building inspections essential to reversing decline, protecting property values, and ensuring safe housing.

Reviewing my budget proposal below, the department's biggest expenses continue to be: salary, legal fees, and contracts.





## **2024 Permit Fee Increase Review**

In the previous year we increased the building permit fees. Comparing previous years permit statistics to this year, the numbers are as follows:

--Four years ago: 2020 January 1<sup>st</sup> -December 31<sup>st</sup> Permit fee revenue: **\$44,165.15**

2020 Total permits issued: 640

--Three years ago: 2021 January 1<sup>st</sup> -December 31<sup>st</sup> Permit fee revenue: **\$69,684.09** -- This year included \$25,448.32 of permit fees toward Oelwein school remodels (High School and Wings Park Remodels)

2021 Total permits issued: 711

--Two years ago: 2022 July 1<sup>st</sup> – December 31<sup>st</sup> Permit fee Revenue: **\$22,993.97** -- 2022 Total year permit fee revenue: **\$41,252.54**

2022 total permits issued: 555

--Last year: 2023 July 1<sup>st</sup> – December 31<sup>st</sup> Permit Fee Revenue: **\$19,654.21** -- 2023 Total year permit fee revenue: **\$32,272.79**

2023 Total permits issued: 354

--This year with new permit fee structure: 2024 July 1<sup>st</sup> - December 31<sup>st</sup> Permit Fee Revenue: **\$31,031.52**

2024 Projected permit fee revenue: approximately **\$60,000**

224 Permits issued so far in 2024. Projecting 450 total permits.

This permit fee revenue change, along with salary omitted for 6 months for the Administrative Assistant position while it was vacated (approximately \$20K in salary expense), have put the department in a good position to make up the necessary \$25,000 in budget cuts or revenue development, as required by the City Administrator, across the next 3 years.

**Major Upcoming Projects to Consider:**

--27 South Frederick Demolition -- 120 South Frederick Building Repair -- 1 South Frederick Catalyst Grant

--Continued Residential Demolitions

--Potential Residential Development (I.E. Homes for Iowa Project)

Placarded Properties List:

201 2 <sup>nd</sup> st NW	134 3 <sup>rd</sup> ave NW	27 S Frederick	502 E Charles	1050 1 <sup>st</sup> ave SW(under repair)
515 w Charles	502 5 <sup>th</sup> st sw	103 5 <sup>th</sup> ave SW	201 9 <sup>th</sup> ave SW	111 1 <sup>st</sup> ave NW
107 9 <sup>th</sup> ave SE	214 4 <sup>th</sup> ave NW	26 5 <sup>th</sup> ave NE	125 6 <sup>th</sup> st SW	130 1st ave NW
321 2nd st NW (garage)		121 6th st SW	1 S.Frederick	218 7th ave SW(garage)
403 N.Frederick(under repair)		309 3rd ave SE(fire)	115 9th ave SW	14 3rd ave SE
310 3 <sup>rd</sup> ave NW				

Some of these were owner occupied, some of them are owned by rental companies, some are commercial properties. More will be added over the next year pending code enforcement cases, fires, and other scenarios.

There are 15 residential buildings on this list that I don't expect repairs to be made on. Assuming residential demolitions average \$12,500 in cost, there is, at least, \$187,500 in potential residential demolitions upcoming. Out of the above addresses the following are in the process of being acquired by the City within the next few months: 502 E Charles (tax sale), 14 3<sup>rd</sup> ave SE (tax sale), 134 3<sup>rd</sup> ave NW (tax sale), 201 9<sup>th</sup> ave SW (657A). None of these 4 properties are economically viable to be rehabbed and will need demolished. Ones that are not city owned have been pending code cases extending 6 months or more; pursuing these types of cases at a quicker rate comes at a higher associated cost to city, typically in legal fees and demolition fees and/or owners wanting to deed the property over to the city.

This being considered: the 27 South Frederick Demolition project is likely to exceed \$100k in total cost, 120 South Frederick (formerly Rhythms Studio) has been in legal process to be obtained by the city and needs substantial repairs, 1 South Frederick (Dennis Martin) will be a large project that is dependent on a Catalyst Grant. These projects are going to consume the entire demolition budget that has previously been slated for residential demolitions. The Upper Explorerland Grants available to the city for residential demolitions will also be cut in half from \$40k to a potential \$20k.

Funding options for these major demolition and rehab projects will need to be explored in the near future.

## **Code Enforcement Review:**

928 Total Code Enforcement Cases were created from June 1<sup>st</sup> 2023 – June 1<sup>st</sup> 2024, the grand majority of these are for owner occupied residential buildings. This number also includes online or phone call submissions from citizens.

Stats from August 1, 2024 to January 1<sup>st</sup>, 2025 (start of new software tracking):

- 66 Vehicle cases
- 10 Unsafe structures
- 10 Suspected Unregistered Vacant
- 8 Suspected Unregistered Rentals
- 5 Stop Work Orders
- 38 Tree, Brush, Foliage
- 196 Junk/Garbage
- 137 Grass
- 9 Dilapidated Buildings
- 3 Animal Related
- 79 Online Complaint Submissions

Code enforcement plays a vital role in protecting the health, safety, and welfare of our city's residents. By ensuring compliance with the International Property Maintenance Code (IPMC) and the City's related standards, we address unsafe conditions, abandoned properties, reduce hazards, and promote responsible property ownership. This effort directly combats blight by holding landlords and property owners accountable for maintaining their properties, preserving property values, creates safer neighborhoods, attracts investment, fosters pride in our community, and promotes a cleaner, more livable city for all residents. Supporting code enforcement is an investment in the city's future stability and growth.

## **2024 Rental Registration and Inspection Review:**

- 386 Separate Addresses with registrations and a total of 634 rental units.
- 263 Rental Inspections Performed in 2024

The Rental Unit Registration and Inspection Program is essential for ensuring that rental properties in our city meet basic health, safety, and habitability standards. By requiring landlords to register and undergo routine inspections, the program protects tenants from substandard living conditions while holding property owners accountable for maintaining their buildings. This proactive approach helps prevent issues like unsafe wiring, inadequate heating, structural deficiencies, and pest infestations before they become larger problems. This is entering year 5 of the program and it has created better living conditions for residents as evidenced by rental inspection repair requirements becoming less intensive on average than in the previous cycle, although there are still inspections uncovering a need for major repair or maintenance.

In addition to safeguarding tenants, the program supports neighborhood stability by reducing blight, improving property values, and encouraging responsible property management. It also levels the playing field for landlords by promoting compliance with housing standards across the board. Sustaining this program is a vital step toward ensuring safe, quality housing for all residents while fostering a more vibrant and livable community.

## **GovBuilt Software Update:**

This year, one of our primary investments was the implementation of new permitting, code enforcement, and licensing software GovBuilt to streamline our operations. While there have been some expected challenges as we adapt to the new system, the implementation is progressing well, and we are already seeing improvements in efficiency and tracking. The software enhances our ability to manage building permits, rental registration licenses, and code enforcement cases with greater accuracy and organization.

As our team becomes more familiar with the system, including new Administrative Assistant Beth Streicher, we continue to identify opportunities for customization to meet our city's unique needs. This technology positions us for long-term success by improving data management, increasing accountability, and allowing us to provide better service to residents and property owners. I am confident that this investment will deliver lasting benefits as we refine and optimize its use.