


## COUNCIL COMMUNICATION

	Number:	<b>24-221</b>	Meeting:	<b>May 20, 2024</b>
	Agenda Item:	<b>30</b>	Roll Call:	<b>24-0752</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

### AGENDA HEADING:

Resolution Approving the First Amendment to the Parcel Development Agreement Between City of Des Moines, IA; Meridian at Gray's Landing, LLC; and River Point West, LLC.

### SYNOPSIS:

The Parcel Development Agreement between Meridian at Gray's Landing, LLC; River Point West, LLC (Sherman Associates, Will Anderson, Director of Development, 233 Park Avenue South, Suite 201, Minneapolis, MN 55415); and the City of Des Moines regarding The Meridian, a multi-family project, was approved on April 18, 2022. This first amendment adds language about affordable units that the developer has agreed to, which is similar to language that was recently approved for another Sherman multi-family project, The Slate. The agreement also contains a new "Exhibit D," which provides the number of each type of unit (studio, one {1}-bedroom, two {2}-bedroom, etc.) that will be affordable. This agreement also formalizes the transfer of ownership from Gray's Landing, LLC to River Point West, LLC.

### FISCAL IMPACT: NONE

### ADDITIONAL INFORMATION:

- The Meridian is a five (5)-story, 174-unit, multi-family housing project on 2.7 acres at the northeast corner of SW 11th Street and Murphy Street in Gray's Landing. Construction is underway and is expected to be completed by the end of 2024.
- The building will provide a mix of studio, alcove, one (1)-bedroom; one (1)-bedroom plus den; two (2)-bedroom; two (2)-bedroom plus den; and three (3)-bedroom units. With this amendment, 17 of the units are required to be affordable at 80% Average Median Income (AMI).
- Sherman Associates has extensive experience in affordable housing projects in the Twin Cities and other markets where they have developed. They requested language on the following topics, which is reflected in the Amendment:
  - **Definition of AMI.** The affordable rental rate and income of 80% AMI was further defined to be determined by the Iowa Finance Authority's Annual Low-Income Housing Tax Credit (LIHTC) rent and income limits for Polk County.
  - **Students.** The agreement specifically allows students to inhabit an affordable unit.

- **Increase in tenant income.** If the household's income initially met the income limit at move-in, the unit can continue to be rented at affordable rent, even if the tenant income increases, until the income reaches an amount greater than 140%. At that point, such unit is considered to be out of compliance and shall cease to be treated as a qualifying affordable unit. All available units must be rented to eligible beneficiaries until the required number of 10% of affordable units is restored.
- **Floating Units.** The exact location of the affordable units may move within the property based on the availability of vacant units; however, there must always be two (2) two (2)-bedroom units at affordable rates.
- The L-shaped project mirrors the existing apartment project, Nexus, which is located on the adjacent parcel to the north. The completion of The Meridian will complete the block defined by SW 9th, SW 11th, Tuttle Street, and Murphy Street. A map of the area is below.



#### PREVIOUS COUNCIL ACTION(S):

Date: April 18, 2022

Roll Call Number: [22-0614](#)

Action: [Parcel](#) Development Agreement with Meridian at Gray's Landing, LLC and River Point West, LLC for construction of a 174-unit multi-family housing project, located at the northeast corner of SW 11th Street and Murphy Street. ([Council Communication No. 22-187](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: January 18, 2022

Resolution Number: N/A

Action: Motion to recommend approval of the final conceptual development plan, as presented by Hanley. Seconded by Hielkema. Yes-7. No-0. Abstain-0. Absent-3.

Board: Plan and Zoning Commission

Date: October 7, 2021

Resolution Number: SITE-2021-000017

Action: Motion for approval of the Public Hearing Site Plan and the Design Alternatives requested in Parts A, B, C, and D, subject to any comments by the Urban Design Review Board, and compliance with all administrative review comments. Yes-10. No-0. Abstain-0. Absent-4.

- A) To allow on-site surface parking when parking is only permitted within a building in a “DX2” Mixed Use District, per City Code Section 135-2.4.3.C.17.
- B) To allow a primary frontage build-to-zone of up to 29 feet, which is approximately 14 feet beyond the maximum build-to-zone threshold of 15 feet, per City Code Section 135-2.4.3.A.3.
- C) To allow one (1) principal entrance on the primary façade, which is 50% less than the two (2) that are required, per City Code Section 135-2.4.3.19.
- D) To waive the requirement that entrances along the primary frontage of a building must be recessed between three (3) and eight (8) feet from the portion of the primary frontage façade closest to the street, per City Code Section 135-2.4.3.20.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- City Council – Certificate of Completion

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