

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-515

SYNOPSIS -

AGENDA:

DECEMBER 6, 1999

On the December 6, 1999 Council agenda is a resolution that recommends approval to the Des Moines Enterprise Zone Commission of Community Housing Development Corporation's application for enterprise zone benefits in the federally-designated Enterprise Community.

SUBJECT:

RECOMMENDING
APPROVAL OF
COMMUNITY
HOUSING
DEVELOPMENT
CORPORATION'S
APPLICATION FOR
BENEFITS-DES
MOINES
ENTERPRISE
COMMUNITY

Community Housing Development Corporation (CHDC), a non-profit housing agency, provides safe, quality housing to low-income families. Carol Bower Broms is the Executive Director of CHDC. The agency is in the process of rehabilitating four houses and constructing three new homes primarily along 7th Street in the vicinity of Moulton Elementary School. The total project cost for construction/rehabilitation of these seven homes is \$757,060. The City's Consolidated Plan establishes the need for affordable housing in Des Moines. These seven homes will be sold to low-to moderate-income families.

TYPE:

Jackie Nickolaus with the City's Office of Economic Development is coordinating the City activities relative to this project.

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

Approximately \$20,902 in State sales tax rebate will be awarded to this project, provided that the Des Moines Enterprise Zone Commission and the Iowa Department of Economic Development (IDED) approve the application.

RECOMMENDATION -

Council is requested to recommend approval to the Des Moines Enterprise Zone Commission of CHDC's application for enterprise zone benefits.

BACKGROUND -

On September 14, 1998, by Roll Call No. 98-2839, Council established the Des Moines Enterprise Zone Commission in accordance with State law, which IDED approved. The role of the Commission is to review applications primarily for State tax incentives from qualified businesses located within or requesting to locate within an enterprise zone in order to encourage new development in economically distressed areas. The Commission's authority is independent of the Council and serves in an advisory capacity to IDED.

On October 6, 1998, the Commission adopted an application process that requests the Council to review applications for enterprise zone benefits and forward its recommendation to the Commission.

On January 28, 1999, the Commission adopted a requirement that as part of the application process for benefits in the Enterprise Community Enterprise Zone, businesses and developers must meet with the appropriate neighborhood to elicit a recommendation on the project. Attached to CHDC's application are letters of support from the River Bend Neighborhood Association and the King-Irving Neighborhood Association. CHDC appears to meet all of the requirements for enterprise zone benefits and is requesting approval of its application.