

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-516

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 Anawim Housing's application for enterprise zone benefits regarding a project in the federally-designated Enterprise Community.

SUBJECT:

ANAWIM
HOUSING'S
APPLICATION FOR
BENEFITS-DES
MOINES
ENTERPRISE
COMMUNITY

Anawim Housing, a non-profit housing agency, provides safe, quality housing to low-income families. Stella Neill, R.S.M, is the president of Anawim Housing. The agency is in the process of rehabilitating an eight-unit historic apartment building in the River Bend Neighborhood. The total project cost for rehabilitating Kromer Flats is \$772,700. Construction will begin in December. The City's Consolidated Plan and Anawim's waiting list establish the need for affordable housing in Des Moines. The units in Kromer Flats will be committed to low-income households for 35 years.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

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

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

FISCAL IMPACT -

Approximately \$51,170 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 Anawim Housing'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 and developers located within, requesting to locate within or developing housing 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 to 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 Anawim's application is a letter of support from the River Bend Neighborhood Association. The River Bend Neighborhood Action Plan and the Sixth Avenue Revitalization Plan, both approved by City Council, identify the rehabilitation of Kromer Flats as key to the revitalization of the River Bend Neighborhood.

Anawim Housing appears to meet all of the requirements for enterprise zone benefits and is requesting approval of its application.