

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

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

01-283

SYNOPSIS -

AGENDA:

To support a low-income housing tax credit application from James C. Conlin for new construction of 43 units of family housing at 3610 East Douglas Avenue.

JUNE 4, 2001

FISCAL IMPACT -

SUBJECT:

The support of the low-income housing tax credit application should have no direct financial impact. The City's financial support is limited to tax abatements.

LOW INCOME
HOUSING TAX
CREDIT
APPLICATION FOR
43 UNITS OF
FAMILY HOUSING

RECOMMENDATION -

Approval.

TYPE:

BACKGROUND -

RESOLUTION
ORDINANCE
RECEIVE/FILE

The Tax Reform Act of 1986 created the Low Income Housing Tax Credit (LIHTC) for project owners to invest in the development of rental housing for individuals and families with fixed or limited incomes. The tax credit, rather than a direct federal subsidy, provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income.

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

Iowa Finance Authority (IFA) has been the tax credit-allocating agency in Iowa. IFA holds an application period each year for the reservation of tax credits. The credits are highly competitive. The application process requires the developer to ask for approval from the governing body in the jurisdiction in which the project will be built, proof of zoning, proof of utilities, and proof of any local government contribution.

James Conlin will submit an application to IFA for the construction of 43 units of affordable housing at 3610 East Douglas Avenue. The

project will be named Parkside East. Mr. Conlin has asked for a letter of support for the project, as well as proof of zoning and evidence that the development is eligible for five-year tax abatement.

The proposal is in conformance with the City's 2000 Housing Plan. The plan states that assisted housing should guarantee a variety of housing opportunities in all areas of the city and not be concentrated in a few areas. This proposal satisfies that requirement. Census tract 1.01 is not a low to moderate-income census tract under recent HUD data, so this proposal will assist in dispensing affordable housing throughout the City.

The Affordable Housing Policy included in the Housing Plan directs the review of design, management services and appropriate amenities. The development is compatible in design with the surrounding neighborhood.

Most of the area is new construction and these are attractive new units.

The Parkside East project will have an on-site manager that will be responsible for the project. The on-site personnel are nationally certified in management of low-income housing. The staff of the Conlin Company, as well as on-site personnel, will perform maintenance.

The units are adjacent to Sargent Park. The project will have a playground with commercial equipment from a company called Playworld Systems. In addition, the development will have a clubhouse and computer learning center. The clubhouse will be used for meetings, tenant gatherings, and as a place to bring professionals to provide services to the residents.

Staff has also reviewed the property for zoning and eligibility for tax abatement. This property is zoned PUD. Attached to the roll call is a copy of IFA Exhibit 12 that provides information on zoning. The property is eligible for five-year tax abatement. Also attached to the roll call is a copy of IFA Exhibit 17 that verifies tax abatement as a City contribution to the project.
