

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

01-636

AGENDA:

DECEMBER 17, 2001

SUBJECT:

SUPPORT OF LOW-
INCOME HOUSING
TAX CREDIT
APPLICATION FOR 18
UNITS OF FAMILY
HOUSING AT 3560
EAST DOUGLAS
AVENUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

ITEM _____

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

SYNOPSIS -

To support a low-income housing tax credit application from James C. Conlin for new construction of 18 units of family housing at 3560 East Douglas Avenue.

FISCAL IMPACT -

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 abatement.

RECOMMENDATION -

Approval of support for new construction of low-income housing tax credit project at 3560 East Douglas Avenue.

BACKGROUND -

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.

Iowa Finance Authority (IFA) is the tax credit-allocating agency in Iowa. IFA holds an application per 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. For the 2002 round, IFA has determined that up to 144 units can be used in the Des Moines Metropolitan Statistical Area (Warren, Polk and Dallas Counties).

James Conlin, under the corporation name of Parkside East II, will submit an application to IFA for the construction of 18 units of affordable housing at 3560 East Douglas Avenue. Of the 18 units, six will be reserved for very low-income families with incomes below 40 percent of the median income. The project will be named Parkside East II. 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.

This is the second phase of the Parkside East project. In the last round of IFA funding, Mr. Conlin received tax credits for Phase I of this project for 43 units of low-income housing. That phase of the project is currently under construction. The project will eventually have 144 units.

The proposal to build 18 units of low-income housing is in conformance with the City's 2000 Housing Plan. That plan states that assisted housing should guarantee a variety of housing opportunities in all areas of the city and not concentrate in a few areas. This proposal satisfies that requirement. Census tract 1.01 is not a low- to moderate-income census tract under recent U.S. Department of Housing and Urban Development (HUD) data so that affordable housing is being dispersed throughout the city.

The project is not located within a recognized neighborhood association so no neighborhood meeting was required.

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 surrounding area is new construction. These are attractive new units that will be compatible with the surrounding neighborhoods.

The Parkside East, Phases I and II, will have an on-site manager that will be responsible for that 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. Bike racks are provided, as well as storage

closets in the buildings. 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 Planned Unit Development (PUD). There are no outstanding zoning issues. Attached to the roll call is a copy of IFA Exhibit 5h that provides information on zoning. The property is eligible for five-year tax abatement. Also attached to the roll call is a copy of the IFA Exhibit 4d that verifies tax abatement as a City contribution to the project.
