

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

01-639

AGENDA:

DECEMBER 17, 2001

SUBJECT:

WITHHOLDING
SUPPORT OF LOW-
INCOME HOUSING
TAX CREDIT
APPLICATION FOR 26
UNITS OF FAMILY
HOUSING AT 4041
AVENUE FREDERICK
M. HUBBELL

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 withhold local support for a low-income housing tax credit application from National Consulting Alliance, for new construction of 26 units of family housing at 4041 Avenue Frederick M. Hubbell. The Developer of the project is National Consulting Alliance, Jeff Voorhees.

FISCAL IMPACT -

The support or no 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 -

Withhold local support for new construction of low-income housing tax credit project at 4041 Avenue Frederick M. Hubbell.

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).

National Consulting Alliance will submit an application to IFA for the construction of 26 units of affordable housing at 4041 Avenue Frederick M. Hubbell. The project will be named Maple Lane Apartments. National Consulting Alliance 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.

National Consulting Alliance is a West Des Moines based company that has been involved in the affordable housing industry for over 15 years. They currently operate over 150 affordable housing projects in the State of Iowa, plus have management experience in a variety of market rate and assisted housing developments. Mary Doyle is Chairman of the Board of Directors for the Corporation, Roger Langpaul is President and CEO, Ron Dupuy is Vice President, and Jeff Haight is Treasurer. The company submitted resumes and a profile of their company.

The Maple Lane Apartments development will have 28 units of housing, 26 of which will be reserved for low-income persons. The Maple Lane Apartments is adjacent to a proposed 48-unit low-income housing project that is also requesting tax credits in this round. The adjacent projects will both be managed by the same company and designed by the same architect. They are separate projects and will be owned by separate companies.

The proposal 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 is 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. The two- and three-bedroom units will be grouped in one three-story building. The four-bedroom units will be two-story townhouse units grouped in one four-plex. It is proposed that these units will be designed by the architectural firm of Wells,

Woodburn, O'Neil.

The property will be managed by National Consulting Alliance. National Consulting Alliance's home office is located in West Des Moines, Iowa; and they currently manage over 150 affordable housing projects across the state of Iowa. Projects in the greater Des Moines area include Corinthian Gardens at 1011 University, Logan Park at 1731 East Cleveland, Jacobs Place Apartments at 2400 - 30th Street, Kenwood Apartments at 5345 SE 5th, Rosewood Apartments at 221 SE McKinley, and Woodland Heights at 630 and 636 - 22nd Street. A full-time manager will be on site for the project.

The project will provide supportive services for those residents classified as "large families", which is defined as those tenants of three- and four-bedroom units. These services will include referrals for childcare, parenting classes, government services and agencies, credit counseling, and integration with other local community organizations. The project will provide a part-time service coordinator to oversee these efforts.

In addition, the project will have a computer learning center to assist both children and adults to improve their computer skills and other computer related job skills.

Amenities for the project include a 1,400 square foot community room that offers a meeting room, offices, laundry facilities, and the computer learning center. The site will also have playgrounds for both toddlers and larger children, as well as a family counseling office.

Staff has also reviewed the property for zoning and eligibility for tax abatement. This property is zoned C-2. 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.

It is recommended that Council not support this project to the IFA. Early design sketches show that this development could be built on the commercially zoned land; however, the parking would have to be placed in the residentially zoned area. Extension of the parking into the residentially zoned area requires an approval of the site plan by the Plan and Zoning Commission. Staff does not know at this time whether staff would recommend to the Plan and Zoning Commission that the site plan be approved. In addition, the 2020 land use plan shows this site as small scale commercial that would provide support

services for the neighborhood. A recommendation for the project implies that the staff has reviewed and addressed all the land use issues at this site and would be in favor of the project.
