CITY COUNCIL COMMUNICATION:

02-589

AGENDA:

NOVEMBER 18, 2002

SUBJECT:

JAMES C. CONLIN – LOW-INCOME HOUSING TAX CREDIT APPLICATION FOR 54 UNITS OF FAMILY HOUSING AT 3560 EAST DOUGLAS AVENUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JIM GRANT
COMMUNITY DEVELOPMENT DIRECTOR

ITEM 71-E

OFFICE OF THE CITY MANAGER

CITY OF DES MOINES, IOWA

SYNOPSIS —

To support a Low-Income Housing Tax Credit (LIHTC) application from James C. Conlin (Conlin Properties, 319 – 7th Street, Suite 500, Des Moines, Iowa, 50309) for new construction of 54 units of family housing at 3560 East Douglas Avenue.

FISCAL IMPACT —

The support of the LIHTC 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 a 54-unit LIHTC project at 3560 East Douglas Avenue.

BACKGROUND —

Proposed Project
James Conlin, under the corporation name of Parkside East III, will submit an application to Iowa Finance Authority (IFA) for the construction of 54 units of affordable housing at 3560 East Douglas Avenue. 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 third phase of the Parkside East project. The first phase of the project contains 42 units and a manager's house/community room and was constructed in 2002. It is fully occupied. In the last round of IFA funding, Mr. Conlin received tax credits for Phase II of this project for 18 units of low-income housing. That phase of the project is currently under construction, with a proposed opening date of January 2003. The 54 units to be constructed under Phase III will bring the total number of units at the site to 114.

This 54-unit phase will include two buildings, each with three stories. The first building contains 24 units with six - one-bedroom units, 12 - two-bedroom units, and six - three-bedroom units. The second building includes 30 units with nine - one-bedroom units, 12 - two-bedroom units, and nine - three-bedroom units.

The exteriors will be constructed in the same manner as the units in the first two phases to insure continuity of the project. This would include maintenance free siding, brick trim, casement windows, and 40-year shingles. All drives and sidewalks are concrete. All units have patios or balconies with steel railings. All downspouts are buried underground to insure proper drainage. Landscaping in excess of City requirements is included as well as bike racks at each building.

The interior of the building includes steel stairs with concrete treads, commercial carpeting, extra-wide hallways with oak trim, laundry rooms on each floor, tenant storage, and cameras to monitor activity in each hallway. The entry doors to the units are solid core doors with steel frames and dead-bolt locks.

At the time the project is completed, it will have a reserve fund of $180,000. In addition, it will have a capital replacement fund that is funded annually at $200 a unit to ensure that the property is maintained throughout the 50-year life span.

The community room includes a computer center with computers and Internet access for the residents. Supportive services are provided at the site for the tenants including computer classes, parenting classes, homeownership classes, rental classes, and consumer credit classes.

Of the 54 units, nine will be reserved for very low-income families with incomes below 40 percent of the median income. The project will have a 50-year commitment to affordable housing.

Review Under City's Policy
The Affordable Housing Policy included in the Des Moines 2000 Housing Plan directs the review of design, management services, and appropriate amenities on LIHTC projects prior to supporting a project. The plan also directs that assisted housing should guarantee a variety of housing opportunities in all areas of the City and not concentrate in a few areas. Lastly, if located within a recognized neighborhood, the policy directs the developer to meet with the neighborhood association.

The proposal to build 54 units of low-income housing is in conformance with the City's 2000 Housing Plan under the following review:

- These are attractive new units that complement the existing apartments near the park. The development is compatible in design with the surrounding neighborhood.

- The project is managed by Conlin Properties, Inc., a locally owned and operated property management company, with 15 years experience in affordable housing. The Parkside East Phases I, II, and III 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.

- Census Tract 1.01 is not a low- to moderate-income census tract under 1990 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.

Additional Reviews
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. A copy of IFA Exhibit 4d that verifies tax abatement as a City contribution to the project is attached to the roll call. The developer estimates that the tax abatement will equal approximately $270,000 over five years.