

**CITY COUNCIL
COMMUNICATION:**

02-590

AGENDA:

NOVEMBER 18, 2002

SUBJECT:

JAMES C. CONLIN –
LOW-INCOME
HOUSING TAX
CREDIT
APPLICATION FOR 24
UNITS OF FAMILY
HOUSING AT 6009
SW CRESTON
AVENUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

ITEM 71-D

**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 24 units of family housing at 6009 SW Creston 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 24-unit LIHTC project at 6009 SW Creston Avenue.

BACKGROUND —

Proposed Project

James Conlin, under the corporation name of Deer Ridge III LP, will submit an application to Iowa Finance Authority (IFA) for the construction of 24 units of affordable housing at 6009 SW Creston 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 project will be the third phase of a LIHTC project located at SW 63rd Street and Creston Avenue in Des Moines. The first phase of the project contains 92 units, which were constructed in 2000 and are fully occupied. The second phase, which contains 24 units and a manager's house/community room, is currently under construction with a proposed opening date of March 2003. There is an existing conservation tree easement between the first 92 units and the balance of the project that will remain in place for the life of the project. The proposed 24 units will bring the total number of LIHTC on the site to 140, but Phase II and III are separated from Phase I by the heavy tree cover.

This phase will include one building with three stories and 24 units. This includes six – one-bedroom units, 12 – two-bedroom units, and six – three-bedroom units.

The exteriors will be constructed in the same manner as the units in the first

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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 \$85,000. 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 24 units, four 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 24 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 and townhouses in this area.
- The project is managed by Conlin Properties, Inc., a locally owned and operated property management company, with 15 years experience in affordable housing. The Deer Ridge development 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 project will have a playground with commercial equipment. Bike racks will be provided and storage closets are provided in the building. In

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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. IFA also requires storage as their minimum design requirements.

- Census tract 40.01 is not a low- to moderate-income census tract under recent 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 is required.

Additional Reviews

Staff has also reviewed the property for zoning and eligibility for tax abatement. This property is zoned Planned Unit Development (PUD). A change to the PUD is included on this Council agenda as Item No. 66. If approved, the project will have no outstanding zoning issues, and staff will prepare an Exhibit 5h for submittal to IFA with this application.

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 the property tax abatement equals \$113,000 for five years.

