

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> February 23, 2015
	<b>Agenda Item No.</b> 24 <b>Roll Call No.</b> <u>15-309</u> <b>Communication No.</b> <u>15-095</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Resolution in support of a Workforce Housing Tax Credit (WHTC) benefit application to be submitted to the Iowa Economic Development Authority (IEDA) by SW 9th, LLC for a housing project at 2440 SW 9th Street.

**SYNOPSIS:**

Recommend approval for an application for WHTC benefits for a \$1.5 million project at 2440 SW 9th Street to be submitted to the IEDA. SW 9th, LLC (Glenn Lyons, Executive Director, Neighborhood Development Corporation, 3209 Ingersoll, Suite 205, Des Moines, Iowa 50312) is presenting the application.

The site for the project is located on the west side of SW 9th Street, proximate to Lincoln High School between Kirkwood and Bell Avenue. The site is currently occupied by an abandoned warehouse. Eight (8) new two-bedroom housing units will be added through this project, adding to the revitalization efforts that have been underway on this corridor through the Friends of SW 9th. A letter of support has been provided by the Friends of SW 9th organization. The project will be called the Mary Todd House, in recognition of its proximity to Lincoln High School.

A resolution of support from City Council and an identification of the local match for each project at a minimum of \$1,000 per unit is required for submittal of applications to the WHTC program, which replaced the former IEDA Housing Enterprise Zone housing benefit program on July 1, 2014. Local match for the SW 9th, LLC project is provided by a \$100,000 CDBG grant from the City of Des Moines, which will be provided in reimbursement form. The resolution will be submitted to IEDA by the project representatives along with the formal program application.

**FISCAL IMPACT:**

WHTC are State of Iowa tax credits and have no fiscal impact on the City of Des Moines general fund.

Amount: Workforce Housing Tax Credit benefits estimated at \$120,000; local match \$100,000.

Funding Source: State of Iowa Workforce Housing Tax Credit Program; Community Development Block Grant funds administered by the Community Development Department.

**ADDITIONAL INFORMATION:**

The WHTC program provides for the same benefits as the former Enterprise Zone program: a refund of state sales, service or use taxes paid during construction, and a state investment tax credit up to a maximum of 10% of the investment directly related to construction of the project. However, the WHTC program has an annual cap of \$20 million for the entire State of Iowa, which is anticipated to make this program significantly more competitive than the former Enterprise Zone program. Under the Enterprise Zone program, applications were reviewed and forwarded to IEDA by the Des Moines Enterprise Zone Commission, which was disbanded with the introduction of the WHTC program.

SW 9th, LLC proposes an infill housing project that will offer stacked townhome style two-bedroom units with ground floor access and 12 parking spaces for residents. The project will provide a new housing option along the corridor, contributing new investment to the SW 9th revitalization effort.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

The Office of Economic Development will provide the Council resolution to project representatives for submittal with the WHTC program application to the IEDA.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).