

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 8, 2015
	Agenda Item No. 34 Roll Call No. <u>15-926</u> Communication No. <u>15-315</u> Submitted by: 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 Harbach Lofts, LLC for a housing project at 316 SW 5th Street.

SYNOPSIS:

Recommend approval for an application for WHTC benefits for an \$11 million project at 316 SW 5th Street to be submitted to the IEDA. Harbach Lofts, LLC (Davis Sanders, 111 10th Street Unit 403 Des Moines, Iowa 50309) is presenting the application.

The project is an historic renovation of an existing warehouse building into 49 market-rate apartments. Construction is anticipated to begin in October 2015.

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. Local match for the Harbach Lofts, LLC project is provided by a project tax abatement. 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 \$1,000,000; local match from project tax abatement estimated at \$216,990 annually for 10 years. Local match is required to be a minimum of \$1,000 per unit.

Funding Source: State of Iowa Workforce Housing Tax Credit Program

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.

Harbach Lofts was built in 1911. The building was previously used as a furniture factory and in recent years has been used as artist apartments. Harbach Lofts, LLC plans for a mix of studios, one-bedroom,

and two-bedroom units in the renovation project. The units are proposed to be marketed to young professionals interested in the units' proximity to transportation (pedestrian, bicycle and vehicular), employment and services.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

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.