

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	June 22, 2015
	<b>Agenda Item No.</b>	<b>27</b>
	<b>Roll Call No.</b>	<b><u>15-1027</u></b>
	<b>Communication No.</b>	<b><u>15-356</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Resolutions in support of Workforce Housing Tax Credit (WHTC) benefit applications to be submitted to the Iowa Economic Development Authority (IEDA) for City of Des Moines projects.

**SYNOPSIS:**

Recommend approval for a total of six (6) applications for WHTC benefits for projects proposed in the City of Des Moines to the IEDA.

An estimated total of 520 new housing units will be added through these projects, providing a variety of living opportunities that are proximate to employment centers, shopping, restaurants, schools and transportation. The housing units will provide homes for many sectors of the population of the City of Des Moines, including entry level work force, students, seniors, disabled citizens and families. The total combined construction cost of the projects is approximately \$95 million.

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.

Additional information on each project is below.

**FISCAL IMPACT:**

Workforce Housing Tax Credit are State of Iowa tax credits and have no fiscal impact on the City of Des Moines general fund. Information on the project applications is detailed below.

Amount: Workforce Housing Tax Credit benefits estimated at \$4,648,247 (listed by project below)

Funding Source: State of Iowa Workforce Housing Tax Credit Program.

1. 200 10<sup>th</sup> Street, LLC; \$ 1,000,000 estimated WHTC benefit; local match estimated \$1,200,000 tax abatement.
2. Dunham Square, LLC; \$1,000,000 estimated WHTC benefit; local match estimated \$3,700,000 tax abatement.
3. 1621 6<sup>th</sup> \$535,835 estimated WHTC benefit; local match estimated \$1,479,476 tax abatement.
4. 1521 6<sup>th</sup> \$ 275,000 estimated WHTC benefit; local match estimated \$150,000 CDBG; \$137,595 tax abatement.

- 5 400 SE 6<sup>th</sup> Street, LLC \$1,000,000 estimated WHTC benefit; local match estimated \$4,000,000 tax abatement.
- 6 Roers Investments \$1,000,000 estimated WHTC benefit; local match estimated \$3,177,800 tax abatement.

**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 has made this program significantly more competitive than the former Enterprise Zone program.

Following are the projects submitting application for WHTC benefits:

1. 200 10<sup>th</sup> Street LLC (Ryan Doyle, Officer, Blackbird Investments 130 East 3<sup>rd</sup> Street Suite 400, Des Moines, Iowa 50309) for a \$13 million project constructing 44 housing units at 200 10<sup>th</sup> Street.
2. 400 SE 6<sup>th</sup> Street LLC (Jake Christensen, Officer, Christensen Development 215 East 3<sup>rd</sup> Street Suite 300, Des Moines, Iowa 50309) for a \$6 million project constructing 45 housing units at 400 SE 6<sup>th</sup> Street.
3. Dunham Square, LLC (Abbey Gilroy, Director of Real Estate, Neighborhood Development Corporation 3209 Ingersoll Suite 205, Des Moines, IA 50312) for a \$25 million project constructing 150 housing units at 15 Granger, 23 Jackson, 1714 South Union and 8 Dunham.
4. Roers Investments, Inc. (Jeff Koch, Partner, 1964 West Wayzata Boulevard Suite 200, Long Lake, MN 55356) for a \$40 million project constructing 211 housing units at 103 SW 3<sup>rd</sup> Street.
5. 1621 6<sup>th</sup> Ave (Russ Frazier, Executive Director, Anawim Housing Inc. 2024 Forest Avenue Suite 101, Des Moines, Iowa 50311) for a \$10 million project constructing 64 housing units at 1621 6<sup>th</sup> Avenue.
6. 1521 6<sup>th</sup> Avenue (Russ Frazier, Executive Director, Anawim Housing Inc. 2024 Forest Avenue Suite 101, Des Moines, Iowa 50311) for a \$891,600 project constructing six (6) housing units at 1521 6<sup>th</sup> Avenue.

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

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Office of Economic Development will provide resolutions to project representatives for submittal with WHTC program applications 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).