

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 9, 2015
	Agenda Item No.	33
	Roll Call No.	<u>15-1872 15-1873</u>
	Communication No.	<u>15-603</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

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 two (2) applications for WHTC benefits for projects proposed in the City of Des Moines to the IEDA. An estimated total of 191 new housing units will be added through these projects. The total combined construction cost of the projects is approximately \$31 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.

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 \$2,000,000 (listed by project below).

Funding Source: State of Iowa Workforce Housing Tax Credit Program

1. Bridge District, LLC; \$ 1,000,000 estimated WHTC benefit; local match estimated \$2,650,000 tax abatement.
2. HRC 8th Street, LLC; \$1,000,000 estimated WHTC benefit; local match estimated \$1,650,000 tax abatement.

ADDITIONAL INFORMATION:

The WHTC program provides for 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. The WHTC program has an annual cap of \$20 million for projects statewide.

Following are the projects submitting application for WHTC benefits:

1. Bridge District, LLC (Jim Weber, Chief Financial Officer, Hubbell Realty Company 6900 Westown Parkway, West Des Moines, Iowa 50265) for a \$21 million project constructing 131 housing units at 200 Des Moines Street.
2. HRC 8th Street LLC (Jim Weber, Chief Financial Officer, Hubbell Realty Company 6900 Westown Parkway, West Des Moines, Iowa 50265) for a \$10.5 million project constructing 60 housing units at 922 8th Street.

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.