

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 11, 2016
	Agenda Item No.	31A-B
	Roll Call No.	<u>16-0573 16-0574</u>
	Communication No.	<u>16-172</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 two (2) projects within the City of Des Moines.

SYNOPSIS:

Recommend approval for a total of two (2) applications for WHTC benefits for projects proposed in the City to the IEDA for new market rate, single-family and multi-family residential projects. The projects in this resolution of support are:

1. South Union Corner, LLC, (Jake Christensen, Owner, 215 E. 3rd Street, Suite 300, Des Moines, IA 50309) for construction of 79 multi-family dwelling units at the current address of 4 Jackson Avenue.
2. Eagle View Townhomes, LLC, (Craig Hansen, Owner, 5665 Greendale Road, Johnston, IA 50131) for construction of 23 rowhome dwelling units located in the 700 block of SE 6th Street.

An estimated 102 new housing units will be added through these projects, providing living opportunities that are proximate to employment centers, shopping, restaurants, schools and transportation. The housing will provide homes for varied sectors of the population of the City including entry level work force, students, seniors, disabled citizens, and families. The total combined construction cost of the projects is approximately \$16.7 million.

A resolution of support from the City Council and an identification of the local match for each project, at a minimum of \$1,000 per dwelling unit is required for submittal of applications to the WHTC program, which replaced the former IEDA Housing Enterprise Zone housing benefit program that ended on July 1, 2014.

FISCAL IMPACT:

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

Amount: WHTC benefits estimated at \$1,552,925.

Funding Source: State of Iowa WHTC Program.

1. South Union Corner, LLC; \$1,000,000 estimated WHTC benefit, local match estimated at \$2,970,000 provided by 10-year, 100% residential tax abatement.

2. Eagle View Townhomes, LLC; \$552,925 estimated WHTC benefit, local match estimated at \$1,151,000 provided by 10-year, 100% residential tax abatement.

ADDITIONAL INFORMATION:

The WHTC program provides for the same benefits as the former Enterprise Zone program: a refund of state sales, service, and use taxes paid during construction, and a state investment tax credit of up to 10% of the investment directly related to the construction of the project. The WHTC program has an annual cap of \$20 million for the entire State of Iowa, which makes this program highly competitive for other proposed development projects across the state.

South Union Corner, LLC

- The proposed \$12 million project will consist of 79 market rate apartment units in a 4-story building at the corner of Jackson Avenue and South Union Street, with a targeted market consisting of the downtown workforce, and employees of nearby places of business.
- The project represents Phase II of the Dunham Square development already under construction on this block, which is the redevelopment of a previously-blighted 4.6 acres site.
- The development is anticipated to feature walk-up apartments along South Union Street, with a mix of one (1), two (2), and three (3) bedroom units.
- The project is expected to stimulate additional growth, and is consistent with the form of development envisioned within the adopted “2 Rivers District Land Use and Redevelopment Plan”.
- The subject property is zoned “D-R”, Downtown Riverfront, and the site plan will require the approval of the Plan and Zoning Commission before construction can commence.

Eagle View Townhomes, LLC

- The proposed \$4.7 million project will consist of 23 market rate, 1,200-square-foot rental rowhome units to be constructed at SE 6th and Shaw Streets.
- This project will represent Phase II of the planned Eagle View Lofts project, and would build out the remaining vacant land on this site that was sold to the developer in 2015.
- This development will have pedestrian and vehicle connections with Phase I of Eagle View Lofts, and will be adjacent to the future relocated Allen Park Community Garden space.
- The subject property is zoned “D-R”, Downtown Riverfront, and the site plan will require the approval of the Plan and Zoning Commission before construction can commence.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Office of Economic Development will provide a resolution to project representatives 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.