

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 17, 2017
	Agenda Item No.	35C
	Roll Call No.	[_____]
	Communication No.	<u>17-360</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution in support of an “Iowa State Historic Tax Credit Application” to be submitted to the State of Iowa by Bryn Mawr Associates, LP, for a housing rehabilitation project called the Bryn Mawr Apartments, located at 511 29th Street.

SYNOPSIS:

The State of Iowa has required a resolution of support and proof of any financial commitment for developers submitting applications for State Historic Tax Credits, per administrative changes that took effect in August 2016. In the competitive Historic Tax Credit registration process, projects with local government support and a local financial match will receive higher scoring. This resolution is for the renovation of 26 existing multi-family units and the addition of three (3) new dwellings in the building at 511 29th Street in a project known as the Bryn Mawr Apartments, and in a building determined to be eligible for the National Register of Historic Places. The City’s match will be provided with 10-year, 100% tax abatement.

FISCAL IMPACT:

The project will be eligible to receive 10-year, 100% tax abatement on the additional value added as a result of the improvements made to the property.

Amount: \$338,604 (estimated)

Funding Source: N/A

ADDITIONAL INFORMATION:

- Bryn Mawr Associates, LP, represented by Frank Levy (Officer), 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266, has requested City support for its application to the Iowa Department of Cultural Affairs (IDCA) and Iowa Economic Development Authority (IEDA) for State Tax Incentives under the Historic Tax Credit Program, for the rehabilitation of 26 apartment units and the addition of three (3) new dwelling units within the renovated Bryn Mawr Apartments.
- Substantial changes were made to the State Historic Tax Credit application process, requiring a letter of support and documentation of a City financial contribution to the project.

- Bryn Mawr Associates, LP expects the 2017 Historic Tax Credit application round to open in the very near future and is securing documentation needed for this application.
- Bryn Mawr Associates, LP is requesting \$571,378 in State Historic Tax Credits and \$406,313 in Federal Tax Credits, or 25% of the qualified rehabilitation costs.
- The proposed \$3 million renovation project at 511 29th Street will provide for the complete and historically correct renovation of the Bryn Mawr Apartments, which consists of 26 existing studio units and the addition of three (3) 1-bedroom units.
- Of the 29 apartments, 11 will provide affordable housing at a mix of 30% Average Median Income (AMI), 60% AMI, and 80% AMI ranges. The remainder of the units will be market rate apartments.
- Bryn Mawr Associates, LP is seeking tax abatement in the estimated amount of \$338,604, and the developer has not requested any other type of financial assistance from the City.
- The Bryn Mawr Apartments are eligible to receive 10-year, 100% residential tax abatement on the additional value added as a result of improvements made to the property. The existing base valuation of the building is not eligible to be abated.
- State Historic Tax Credits are competitive because the State Legislature limits the total amount of tax credits awarded to \$20 million statewide, however, the IDCA does not limit the amount of credits that can be awarded in any one (1) jurisdiction or county.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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