

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 23, 2018
	Agenda Item No.	32
	Roll Call No.	<u>18-0695</u>
	Communication No.	<u>18-195</u>
	Submitted by:	Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution in support of a Workforce Housing Tax Credit (WHTC) Benefit Application submitted to the Iowa Economic Development Authority (IEDA) by Indigo Dawn, LLC for a housing project at 1601 6th Avenue.

SYNOPSIS:

Recommend approval of the resolution in support of this application.

FISCAL IMPACT:

WHTC are State of Iowa tax credits and have no fiscal impact on the City General Fund. The application requires identification of a local financial match for the project, at a minimum of \$1,000 per dwelling unit. The City’s residential tax abatement program is identified for the local financial match.

Amount:

- (A) \$50,780 estimate
- (B) \$24,800 estimate

Funding Source:

- (A) State of Iowa WHTC Benefits
- (B) City Tax Abatement under residential 10-year declining schedule

ADDITIONAL INFORMATION:

- The building located at 1601 6th Avenue, was built in 1888 to serve as City Hall for the former city of North Des Moines. The building served in this capacity until the city of North Des Moines was annexed into the City of Des Moines in the mid 1890’s. In October 2016, 6th Avenue Corridor, Inc., purchased and stabilized the vacant and blighted building with City assistance under the Community Development Block Grant Program (CDBG) to address slum and blight and increase affordable housing in the City. The 6th Avenue Corridor, Inc., through a public Request for Proposal (RFP) process, selected Indigo Dawn, LLC as the preferred developer to rehabilitate the building.

- Indigo Dawn is proposing the historical rehabilitation of the building to include ground floor commercial uses, and three (3) residential units on the 2nd level of the building. Indigo Dawn is requesting the City's support for an application under the State of Iowa WHTC Benefit program as part of the funding structure for the second level residential units. The estimated cost to develop the three (3) residential units is \$600,000. The Developer anticipates placing the building into a vertical condominium regime that will make the second floor residential use eligible for the City's residential tax abatement.

PREVIOUS COUNCIL ACTION(S):

Date: October 24, 2016

Roll Call Number: [16-1829](#)

Action: [CDBG](#) Project Agreement with 6th Avenue Corridor, Inc. for redevelopment project in the 6th Avenue Corridor Area. ([Council Communication No. 16-604](#)) Moved by Gray to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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