

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 9, 2018
	Agenda Item No. 25 Roll Call No. [_____] Communication No. <u>18-346</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approve resolution in support of a Workforce Housing Tax Credit (WHTC) benefit application to the Iowa Economic Development Authority (IEDA) by Indigo Dawn, LLC for redevelopment of housing at 1124 13th Street and 1311 Laurel Street.

SYNOPSIS:

- On February 5, 2018, by Roll Call No. 18-0204, the City Council authorized:
 - Legal staff to begin the process to take ownership of the vacant and abandoned properties located at 1124 13th Street and 1311 Laurel Street (collectively “properties”) in accordance with State Code Section 446.19A.
 - Community Development staff to distribute a Request for Proposal (RFP) that required a rehabilitation plan and proof of financial ability for rehabilitation of the two (2) properties.
- Staff distributed an RFP for rehabilitation on May 16, 2018.
- Indigo Dawn, LLC, represented by Chaden Halfhill, President, responded to the RFP and was selected by the reviewers as the recommended developer for the purpose of said redevelopment.
- Indigo Dawn, LLC has requested City support for its application to the IEDA for state tax incentives under the Workforce Housing Tax Credit Program for redevelopment of housing on the properties.

FISCAL IMPACT:

Amount: Approximately \$750 per property for title certificate, notification and publication. \$100 per property to City of Des Moines from Indigo Dawn, LLC.

Funding Source: Community Development Department Budget, 2017-2018 Page 57 Special revenue Funds, Nongrant S060 CD04600

ADDITIONAL INFORMATION:

- On December 19, 2011, by Roll Call No. 11-2158, the City Council determined that the real property at 1124 13th Street was a public nuisance and authorized the City Legal Department to proceed with court action seeking authority to abate the public nuisance.
- The property at 1311 Laurel Street has been vacant and in violation of the City's housing code for over six (6) months.
- These properties are upside down in value with the cost of taxes and special assessments more than the value of the property when the amount of rehabilitation required is considered.
- The strategy for neighborhood revitalization and lessening City expenditures is to pursue a tax sale certificate for public nuisance properties, have the City take title, and then convey the property to a developer for rehabilitation/redevelopment.
- On February 5, 2018, by Roll Call No. 18-0204, the City Council approved several actions to direct staff to acquire the tax sale deed to the properties and find a single-family developer to rehabilitate the structures.



1311 Laurel Street



1124 13th Street

- On May 16, 2018, the City Community Development staff distributed a RFP to redevelopers of single-family housing in order to select a developer to complete the necessary development on the properties for housing use.
- Indigo Dawn, LLC, represented by Chaden Halfhill, President, (610 Forest Avenue, Des Moines, IA 50309) responded to the RFP and was selected by the reviewers as the recommended developer for the purpose of said redevelopment.
- Indigo Dawn, LLC has requested City support for its application to the IEDA for state tax incentives under the Workforce Housing Tax Credit Program for redevelopment of housing on the properties.
- Successful completion of the Indigo Dawn, LLC project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credit benefits in the estimated amount of \$60,000.
- The application requirements for the Workforce Housing Tax Credit Program include a requirement for the submission of a resolution in support of the housing project by the community where the housing project will be located, which requirement is intended to be satisfied by a roll call and resolution.
- A further application requirement for the Workforce Housing Tax Credit Program is documentation of local matching funds pledged for the project in an amount not less than \$1,000 per dwelling unit. The developer intends to utilize the City's residential tax abatement to fulfil this requirement.
- Following City acquisition of the properties pursuant to the tax sale process, City staff will submit to City Council for consideration a recommendation to sell and convey the properties to Indigo Dawn, LLC for the housing redevelopment project as proposed in the submitted RFP.
- The City will set a date of hearing and hold a public hearing before any of the properties can be sold.

PREVIOUS COUNCIL ACTION(S):

Date: February 5, 2018

Roll Call Number: [18-0204http://www.dmgov.org/government/citycouncil/rollcalls/2017/17-0756.pdf](http://www.dmgov.org/government/citycouncil/rollcalls/2017/17-0756.pdf)

Action: [Request](#) to Polk County Board of Supervisors to assign tax sale certificates of purchase to the City, authorization for execution of Polk County Agreements, approval of City acquisition of properties through tax deed, authorization to request release of property taxes and special assessments, and release of all City liens and special assessments in order to encourage housing redevelopment at 1311 Laurel Street and 1124 13th Street. ([Council Communication No. 18-045](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Board of Health

Date: December 19, 2011

Roll Call Number: [11-2158http://www.dmgov.org/government/citycouncil/rollcalls/2017/17-0756.pdf](http://www.dmgov.org/government/citycouncil/rollcalls/2017/17-0756.pdf)

Action: Approving the Legal Department to proceed with court action seeking authority to abate the public nuisance at the following locations:

- (C) [1124](#) 13th Street, main structure, Titleholder: Samuel Tiger (deceased), All Known and Unknown Heirs of Samuel Tiger. Moved by Mahaffey to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Set date of public hearing.

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.