


COUNCIL COMMUNICATION

	Number:	19-062	Meeting:	February 11, 2019
	Agenda Item:	26	Roll Call:	19-211
	Submitted by:	Erin Olson-Douglas, Economic Development Director		

AGENDA HEADING:

First Amendment to Urban Renewal Development Agreement by and between City of Des Moines, Iowa and Market District One, LLC.

SYNOPSIS:

On January 14, 2019, by Roll Call 19-0074, the City Council accepted a proposal to purchase and develop City-owned land from Market District One, LLC (Frank Levy, Partner, 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266), for purposes of constructing a 4-story, \$10.7 million 57- unit multi-family senior housing project (for 55 plus year old), located on City-owned land at 401 SE 6th and 400 SE 7th Streets.

The Developer has applied for Low-Income Housing Tax Credits from the Iowa Finance Authority (IFA) for the project, and in accordance with IFA requirements, the Developer has requested a delayed closing date and delayed date for commencing construction, and City staff has agreed that the closing date can be extended from May 2019 to October 17, 2019 and the construction commencement date can be extended from October 1, 2019 to November 1, 2019, subject to City Council approval.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- This development project is now proposed as a 4-story, 57-unit multi-family residential building for the 55 plus age group, and will include six (6) units renting at 80% Area Median Income (AMI), 36 units renting at 60% AMI, nine (9) units renting at 40% AMI, and six (6) units renting at 30% AMI. The project is no longer proposed to include six (6) market rate housing units, with the market rate units shifting to the 80% AMI affordability threshold.
- Proposed resident amenities will include an outdoor patio and commons space, an indoor shared community room, individual balconies and patios on most of the dwelling units, outdoor park-like amenity spaces, and an estimated 49 on-site parking stalls.
- City staff have worked with the Developer on this project since 2015 to find creative solutions that would maximize the development potential on this property, vacate adjoining rights-of-way necessary to complete the project, and address a project funding gap with a modest financial assistance package utilizing a combination of residential tax abatement and project-generated Tax Increment Financing (TIF), in the form of an economic development grant.

PREVIOUS COUNCIL ACTION(S):

Date: January 14, 2019

Roll Call Number: [19-0074](#)

Action: [On](#) Urban Renewal Development Agreement with Market District One, LLC to purchase and develop City-owned property at 401 SE 6th and 400 SE 7th Street in the Metro Center Urban Renewal Area and approving Conceptual Development Plan. ([Council Communication No. 19-005](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: December 7, 2017

Resolution Number: N/A

Action: Plan and Zoning Commission voted to approve the submitted Site Plan for Connolly Lofts, for property located at 401 SE 6th Street and 400 SE 7th Street, subject to conditions. Motion carried 8-1.

Board: Urban Design Review Board

Date: November 28, 2017

Resolution Number: N/A

Action: A consensus of the members present of the Urban Design Review Board approved the final design update for the Connolly Lofts project.

Board: Urban Design Review Board

Date: December 1, 2016

Resolution Number: N/A

Action: Urban Design Review Board approved the final design review of the Connolly Lofts project with Board comments. Motion by Reynolds, seconded by Heiman-Godar. Motion carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of Urban Renewal Development Agreement Assignment to acknowledge a change in the revised legal ownership entities for the Connolly Lofts project.

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