


## COUNCIL COMMUNICATION

 CITY OF <b>DES MOINES</b> OFFICE OF THE CITY MANAGER	Number:	<b>22-316</b>	Meeting:	<b>June 27, 2022</b>
	Agenda Item:	<b>35</b>	Roll Call:	<b>22-1006</b>
	Submitted by:	<b>Erin Olson-Douglas, Development Services Department Director</b>		

### AGENDA HEADING:

Resolution in support of Workforce Housing Tax Credit (WHTC) benefit application to be submitted to the Iowa Economic Development Authority (IEDA) for City of Des Moines project.

### SYNOPSIS:

Recommend approval of one (1) application for WHTC benefits for a project proposed in the City of Des Moines to the IEDA. At the June 13, 2022, City Council meeting 15 project applications were approved for the same program.

An estimated total of 662 new housing units could be added Citywide because of these proposed projects, providing a variety of housing options that are proximate to employment centers, shopping, restaurants, schools, and transportation. These housing units will provide homes for many sectors of the population within the City of Des Moines, including entry-level workforce, students, seniors, persons with disabilities, and families. The total combined construction cost of the projects is approximately \$159 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 unit is required for submittal of applications to the WHTC program, which replaced the former IEDA Housing Enterprise Zone housing benefit program in July 2014. In the next fiscal year (FY), \$17.5 million is available to be awarded to large cities in Iowa's 11 most populated counties. Project applications were scored competitively for the first time in 2021, as opposed to first-come, first-served awards under the former grant program.

Additional information on the project is below. The resolution will be submitted to IEDA by the project representatives along with the formal program application, due by July 1, 2022.

### FISCAL IMPACT:

The WHTC program offers State of Iowa tax credits and has no fiscal impact on the City of Des Moines' general fund. Information on the project application is detailed below.

Amount: Workforce Housing Tax Credit benefits estimated at \$85,000.

Funding Source: State of Iowa Workforce Housing Tax Credit Program, to be matched by local match through qualified by-right tax abatement or tax increment financing (TIF) economic development grant, previously approved by City Council (see project descriptions below).

- 36 on 6th, LLC - \$85,000 estimated WHTC benefit; local match estimated at \$78,537 provided from tax abatement.

**ADDITIONAL INFORMATION:**

- The WHTC program provides for a refund of state sales, service, or use taxes paid during construction, and a state investment tax credit up to a maximum of 10% of the investment directly related to construction of the project. Following is the project submitting application for WHTC benefits:
  - 36 on 6th, LLC (Tim Bratvold, 622 Euclid Avenue #12, Des Moines, IA 50313) for \$1,080,000 project rehabilitating four (4) housing units at 3614 6th Avenue.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Office of Economic Development staff will provide resolution to project representative for submittal 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](mailto:cityclerk@dmgov.org).