


COUNCIL COMMUNICATION

	Number:	25-231	Meeting:	June 9, 2025
	Agenda Item:	33	Roll Call:	<input type="text"/>
	Submitted by:	Cody Christensen, Development Services Director		

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 projects.

SYNOPSIS:

Recommend approval of one (1) additional application for WHTC benefits to the IEDA for projects proposed in the City of Des Moines. Nine (9) applications were approved on May 19, 2025.

The project proposes adding an estimated total of 12 new housing units, 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 construction cost of this additional project is approximately \$1.98 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 June 10, 2025.

FISCAL IMPACT:

The WHTC Program offers State of Iowa tax credits and requires identification of a minimum local match of \$1,000 per housing unit awarded. Information on the project application and local match funding sources are detailed below.

Amount: WHTC benefits estimated at \$180,000

Funding Source: State of Iowa WHTC Program, to be matched by local match through qualified by-right tax abatement.

1. 61ST STREET CONSTRUCTION LLC - \$180,000 estimated WHTC Benefit; local match estimated at \$27,628 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. The following is the project submitting an application for WHTC benefits:
 1. 61ST STREET CONSTRUCTION LLC (VareCo, 601 Forest Avenue, Des Moines, IA 50314) for a \$1,980,000 project constructing 12 housing units at 1603 Walker Street.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Office of Economic Development (OED) staff will provide resolutions to project representatives for submittal with WHTC Program applications to the IEDA. Award announcements in August 2025.

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