

★ Roll Call Number

Agenda Item Number

EX. 2

Date July 9, 2012

Approval of letter from Mayor and City Council Members to the Iowa Finance Authority (IFA) in support of the Younkers project.

(Sponsored by Mayor Cownie)

MOVED BY \_\_\_\_\_ to adopt

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

EX. 2



July 9, 2012

Darlys Baum, Chair  
Board Members  
Iowa Finance Authority Board  
2015 Grand Avenue  
Des Moines, IA 50309

Dear Chairwoman Baum and Members of the Board,

The Iowa Finance Authority Board has developed a balanced approach to housing in Iowa. Numerous projects have been conducted that have brought affordable housing options to communities throughout our state. However, we recognize that there is work that remains to be done.

Many of our communities contain large historic buildings that are vacant and underutilized. This could be an old school building, hotel, warehouse or retail store. There is an ability to convert these buildings to housing, revitalizing the building and the community and providing essential affordable housing options.

The former Younkers department store building in downtown Des Moines is such a building. Known to urban and rural Iowa residents alike, the building was constructed in 1899 and was a place where many Iowans recall shopping and dining at the Younkers Tea Room. The conversion of this building is very expensive, as are all historic building conversions, but has the advantage of preserving character and providing skilled work for Iowa residents.

Alexander Company, the City of Des Moines, and other entities have worked together to develop a successful financing structure to rehabilitate this iconic building. Over 100 residential units and restoration of street level commercial space, as well as the former Tea Room space, are part of this important project. The 4% Tax Exempt Bonds offered by the Iowa Finance Authority could be ideal for this type of project, if the per unit cost cap could be raised to a level that works with current preservation work costs. The cost caps are in conflict with the significant expenses in historic building restoration work and the expensive start up and carrying costs to utilize the 4% Tax Exempt Bonds.

We would like to request that the Iowa Finance Authority Board consider an amendment to the 4% Tax Exempt Bonds Financing rules for affordable rental housing. We believe that this would allow IFA to expand its resources for workforce rental housing and help cities restore historic buildings. Raising the cost cap for the 4% tax credits financed with tax exempt bonds will be more compatible with the start up costs and additional expenses that come with historic building reuse projects.

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Thank you for your consideration of this request and your commitment to the citizens of Iowa.

Sincerely,

T. M. Franklin Cownie  
Mayor

Halley Griess  
Ward I Council Member

Robert Mahaffey  
Ward II Council Member

Christine Hensley  
Ward III Council Member

Brian Meyer  
Ward IV Council Member

Chris Coleman  
At Large Council Member

Skip Moore  
At Large Council Member

cc: David Jamison, Director, Iowa Finance Authority