



Date November 17, 2014

AUTHORIZATION FOR CITY MANAGER TO SIGN IOWA FINANCE AUTHORITY (IFA) "EXHIBIT 5S, LOCAL GOVERNMENT CONTRIBUTION" FOR LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT APPLICATIONS, AND FOR THE MAYOR TO SIGN A SEPARATE LETTER IDENTIFYING THE DEGREE TO WHICH EACH APPLICATION SUPPORTS THE CITY'S GOALS FOR MULTI-FAMILY RESIDENTIAL DEVELOPMENT

WHEREAS, applications for Low Income Housing Tax Credits (LIHTC) are due to the Iowa Finance Authority (IFA) on December 9, 2014; and,

WHEREAS, the IFA application requires that a Local Government or Political Subdivision complete and execute an "Exhibit 5S, Local Government Contribution", listing any contribution to the project and allowing the project to receive up to 21 points in the project scoring; and,

WHEREAS, according to the IFA Qualified Allocation Plan, the "Local Government Contribution" from the City is defined to include the value of land or cash contribution, of tax abatement, the equity value of previously approved Enterprise Zone Credits, the value of previously approved Enterprise Zone Sales Tax Rebate, Tax Increment Financing, and any HOME or Community Development Block Grant funds; and,

WHEREAS, for scoring purposes, the Polk County Housing Trust fund may make a cash contribution or below-market rate loan which also allows a project to receive points for scoring purposes; and,

WHEREAS, on September 22, 2014, City Community Development staff sent notice to multi-family housing developers indicating the type of information required for completion of Exhibit 5S and the goals of the City Council for any multi-family residential development; and,

WHEREAS, in response to said notice, developers have submitted information to City staff regarding their project financing and physical development, and have requested an Exhibit 5S, Local Government Contribution be completed and executed by the City Manager for use in the developers' applications to IFA for LIHTC; and,

WHEREAS, the proposed LIHTC applications and the amount of Local Government Contribution requested from the City of Des Moines are listed in the following chart:

Project and Type	Project Address	Developer	Units	Bedroom (BDR) Size	Income of Tenants	Tax Abatement Requested	TIF
Melbourne IV Senior	5515 SE 14 th Street, Building E and F	Hubbell Realty	72	36 1-bdr, 36 2-bdr	8 ≤ 30%, 22 ≤ 40%, 34 ≤ 60%, 8 @ market	\$225,975.00	NA

Date November 17, 2014

Project and Type	Project Address	Developer	# Units	Bedroom (BDR) Size	Income of Tenants	Tax Abatement Requested	TIF
Hilltop II Family	3720 E. Douglas Avenue	Conlin Development Group	72	12 1-bdr, 36 2-bdr, 12 3-bdr, 12 4-bdr	4 ≤30%, 12 ≤40%, 48 ≤60%, 8 @ market	\$478,243.00	NA
South Ridge Senior	SE 5th Street, south of Army Post	Miller-Valentine, Cincinnati	53	11 1-bdr, 42 2-bdr	47 ≤60%, 6 @ market	None	See Note
MLK Crossing Senior Apartments	2455 Martin Luther King, Jr. Parkway	Curly Top (CT) Development	55	31 1-bdr; 24 2-bdr	3 ≤30%, 9 ≤40%, 33 ≤50%, 4 ≤60%, 6 @ market	\$339,300.00	NA
3714 Ingersoll Senior	3714 Ingersoll Avenue	Newbury Living	40	40 2-bdr	4 ≤30%, 12 ≤40%, 22 ≤60%, 2 @ market	\$106,105.00	NA
Total Units			292				

Note: The South Ridge senior housing project is located within the Southridge Mall Project Area wherein the City previously agreed to provide an Economic Development Grant payable in semi-annual installments based on the incremental taxable value added to the Project Area by redevelopment and new development pursuant to the Urban Renewal Development Agreement with Macerich Southridge Mall, LLC, approved on May 7, 2014, by Roll Call No. 12-0745. The estimated total amount of all the installments attributable to the senior housing project is \$512,817.

WHEREAS, staff has reviewed the submittals for location and concentration of affordable housing projects; and

WHEREAS, drafts of the “Exhibit 5S, Local Government Contribution” for each project are on file in the City Clerk’s office.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that:

1. The City Manager or his designee should complete and sign the “Exhibit 5S, Local Government Contribution” currently on file in the City Clerk’s office identifying the estimated amount of the City contribution under the City-wide Tax Abatement Program and any other previously approved City development incentives for each of the housing projects identified above.



Roll Call Number

Agenda Item Number

20

Date November 17, 2014

2. The Mayor is hereby authorized and directed to sign a separate letter to the Iowa Finance Authority for each of the applications identifying the degree to which the project supports the goals established by the City Council for multi-family residential development as recommended in the "comments" for each project in the accompanying Council Communication, subject to any amendments thereto made on the motion below.

3. In the event that any of the project characteristics mentioned above should change prior to the developers submitting their applications to IFA, the Community Development Department Director or designee is authorized and directed to revise, and the City Manager is authorized and directed to execute, the applicable Exhibit for unsubstantial project changes, and the City Manager is directed to submit substantial project changes (i.e. changes to type of property tax regime requested by developer) to City Council for further consideration and approval.

(Council Communication No. 14- 559)

MOVED BY _____ to adopt.

Form Approved:

Roger K Brown

Roger K. Brown, Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk