



Date August 22, 2016

RESOLUTION IN SUPPORT OF A WORKFORCE HOUSING TAX CREDIT (WHTC) BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) BY M & R HOLDING, LLC, , FOR A HOUSING PROJECT AT 4209 LOWER BEAVER ROAD

WHEREAS, M & R Holding, LLC, represented by Dave Walters, Partner, has requested City support for its application to the Iowa Economic Development Authority (“IEDA”) for state tax incentives under the Workforce Housing Tax Credit Program for a \$5.7, an approximately 38-unit bi-attached townhome development on property at 4209 Lower Beaver Road, to be known as “Beaver Cove”; and

WHEREAS, successful completion of the “Beaver Cove” project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credit benefits in the estimated amount of \$840,000.00; and

WHEREAS, the application requirements for the Workforce Housing Tax Credit Program include a requirement for the submission of a resolution in support of the housing project by the community where the housing project will be located, which requirement is intended to be satisfied by the is roll call and resolution; and

WHEREAS, a further application requirement for the Workforce Housing Tax Credit Program is documentation of a local matching funds pledged for the project in an amount not less than \$1,000 per dwelling unit; and

WHEREAS, the “Beaver Cove” project is located within the City-wide Urban Revitalization Area and provided that the project is completed as planned, the taxable value added to the property by completion of the project will qualify for a temporary tax exemption from property taxes (a/k/a tax abatement) under the 6-year declining residential abatement schedule, providing financial assistance of approximately \$768,315 based on the estimated annual property taxes; and

WHEREAS, by Roll Call No. 16-1312 dated August 8, 2016, the City Council continued this matter to August 22, 2016.

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

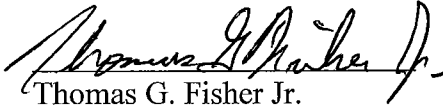
1. The City Council of the City of Des Moines does hereby express its support for the “Beaver Cove” project application to the IEDA, seeking an award of Workforce Housing Tax Credit benefits in the amount of \$840,000 for the above-described project.

Date August 22, 2016

2. The Mayor and the City Manager are hereby authorized and directed to sign any forms required by the Administrative Rules of the IEDA to evidence the City's support for the application by M & R Holding, LLC as described above, upon approval of the same by the City Legal Department.
3. The Office of Economic Development is directed to transmit a copy of this resolution and roll call to M & R Holding, LLC for submittal to the IEDA, and to conduct project compliance monitoring.
4. In the event that any of the project characteristics mentioned above should change prior to the final award of tax credit benefits to M & R Holding, LLC, then:
 - a. The City Manager of the City Manager's designee is authorized and directed to execute the applicable consent to any unsubstantial change upon receipt of a recommendation in support of such consent by the Assistant City Manager.
 - b. Any substantial change shall be subject to approval by the City Council after report and recommendation from the City Manager.

MOVED BY _____ to adopt.

FORM APPROVED:


Thomas G. Fisher Jr.
Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| GATTO | | | | |
| GRAY | | | | |
| HENSLEY | | | | |
| MOORE | | | | |
| WESTERGAARD | | | | |
| TOTAL | | | | |

MOTION CARRIED

APPROVED

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.

_____ Mayor

_____ City Clerk



Roll Call Number

16-1312

Agenda Item Number

25B

Date August 8, 2016

RESOLUTION IN SUPPORT OF A WORKFORCE HOUSING TAX CREDIT (WHTC) BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) BY M & R HOLDING, LLC, , FOR A HOUSING PROJECT AT 4209 LOWER BEAVER ROAD

WHEREAS, M & R Holding, LLC, represented by Dave Walters, Partner, has requested City support for its application to the Iowa Economic Development Authority ("IEDA") for state tax incentives under the Workforce Housing Tax Credit Program for a \$5.7, an approximately 38-unit bi-attached townhome development on property at 4209 Lower Beaver Road, to be known as "Beaver Cove"; and

WHEREAS, successful completion of the "Beaver Cove" project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credit benefits in the estimated amount of \$840,000.00; and

WHEREAS, the application requirements for the Workforce Housing Tax Credit Program include a requirement for the submission of a resolution in support of the housing project by the community where the housing project will be located, which requirement is intended to be satisfied by the is roll call and resolution; and

WHEREAS, a further application requirement for the Workforce Housing Tax Credit Program is documentation of a local matching funds pledged for the project in an amount not less than \$1,000 per dwelling unit; and

WHEREAS, the "Beaver Cove" project is located within the City-wide Urban Revitalization Area and provided that the project is completed as planned, the taxable value added to the property by completion of the project will qualify for a temporary tax exemption from property taxes (a/k/a tax abatement) under the 6-year declining residential abatement schedule, providing financial assistance of approximately \$768,315 based on the estimated annual property taxes.

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

1. The City Council of the City of Des Moines does hereby express its support for the "Beaver Cove" project application to the IEDA, seeking an award of Workforce Housing Tax Credit benefits in the amount of \$840,000 for the above-described project.
2. The Mayor and the City Manager are hereby authorized and directed to sign any forms required by the Administrative Rules of the IEDA to evidence the City's support for the



Roll Call Number

16-1312

Agenda Item Number

33
258

Date August 8, 2016

application by M & R Holding, LLC as described above, upon approval of the same by the City Legal Department.

3. The Office of Economic Development is directed to transmit a copy of this resolution and roll call to M & R Holding, LLC for submittal to the IEDA, and to conduct project compliance monitoring.
4. In the event that any of the project characteristics mentioned above should change prior to the final award of tax credit benefits to M & R Holding, LLC, then:
 - a. The City Manager of the City Manager's designee is authorized and directed to execute the applicable consent to any unsubstantial change upon receipt of a recommendation in support of such consent by the Assistant City Manager.
 - b. Any substantial change shall be subject to approval by the City Council after report and recommendation from the City Manager.

(Council Communication No. 16-432)

MOVED BY Gray to continue to the August 22, 2016 Council Meeting.

FORM APPROVED:

Thomas G. Fisher Jr.
Assistant City Attorney

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| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | ✓ | | | |
| COLEMAN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| HENSLEY | ✓ | | | |
| MOORE | ✓ | | | |
| WESTERGAARD | ✓ | | | |
| TOTAL | 7 | | | |


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.

T. M. Franklin Cownie Mayor

Diane Rauh City Clerk

| | |
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|  <p style="text-align: center;">Council Communication Office of the City Manager</p> | Date: August 8, 2016 |
| | Agenda Item No. 25 B Roll Call No. [16-1312] Communication No. 16-432 Submitted by: Matthew A. Anderson, Assistant City Manager |

AGENDA HEADING:

Resolution in support of Workforce Housing Tax Credit (WHTC) benefit applications to be submitted to the Iowa Economic Development Authority (IEDA) for two (2) projects located at 4209 Lower Beaver Road, and 3201 Forest Avenue.

SYNOPSIS:

Recommend approval for two (2) applications for WHTC benefits for a project proposed in the City of Des Moines to the IEDA.

An estimated total of 88 new housing units will be added through these projects, providing living opportunities that are proximate to employment centers, shopping, restaurants, schools and transportation. The housing units will provide homes for varied sectors of the population of the City of Des Moines, including entry level work force, students, seniors, disabled citizens and families. The total combined construction cost of the projects is approximately \$13.4 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 dwelling unit is required for submittal of applications to the WHTC program, which replaced the former IEDA Housing Enterprise Zone housing benefit program that ended on July 1, 2014.

FISCAL IMPACT:

WHTC are State of Iowa tax credits and have no fiscal impact on the City of Des Moines general fund. Information on the project application is detailed below:

Amount: WHTC benefits estimated at \$1.77 million.

Funding Source: State of Iowa WHTC Program.

1. Neighborhood Development Corporation (Forest Avenue Village); \$968,398 estimated WHTC benefit; local match estimated at \$731,319, provided by proposed TIF assistance by the City of Des Moines.
2. M & R Holding, LLC; (Beaver Cove Townhomes); \$840,000 estimated WHTC benefit; local match estimated at \$768,315, provided by a 6-year declining residential tax abatement by the City of Des Moines.

ADDITIONAL INFORMATION:

The WHTC program provides for the same benefits as the former Enterprise Zone program: a refund of state sales, service of use taxes paid during construction, and a state investment tax credit of up to 10% if the investment directly related to the construction of the project. The WHTC program has an annual cap of \$20 million for the entire State of Iowa, which makes this program highly competitive.

Below are additional details of the projects within this resolution of support:

Forest Avenue Village:

- The developer is the Neighborhood Development Corporation (Abbey Gilroy, Director, 3209 Ingersoll Avenue, Suite 205, Des Moines, IA 50312).
- The proposed \$7.6 million project located at 3201 Forest Avenue includes 50 market rate apartment units in a total of three (3) buildings; a 20-unit building to be built along Forest Avenue, a 16-unit building to be built along 33rd Street, and a 14-unit building along 32nd Street.
- The project would develop a 1.45-acre site that has been unused since 2006, and contains vacant buildings that are in deteriorating condition.
- The proposed multi-family housing project would be available for lease by the general public, students, or seniors.
- Effective January 1, 2016, residential tax abatement is no longer applicable to multi-family projects located outside of the Targeted Multi-Family Residential Area and Designated Corridors. This project is not located in the eligible area to receive tax abatement, which has traditionally been the financial incentive that provides the necessary "local match" of at least \$1,000 per dwelling unit.
- The applicant is instead in the process of working with the City on the creation of a new Urban Renewal Plan and Tax Increment Finance district that would allow for TIF assistance to provide the required City match in the estimated amount of \$731,319.
- A rezoning of additional land that has been purchased to accommodate this project is currently in process at this time (1st hearing date of rezoning is August 8, 2016).
- A resolution for support for this project was previously approved by the City Council on April 11, 2016. Since that time, additional land has been purchased by the developer, allowing for a reconfiguration of the project, and an additional two (2) dwelling units are now proposed.

Beaver Cove Townhomes:

- The developer is M & R Holding, LLC (Dave Walters, Partner, 15602 Wilden Drive, Urbandale, IA 50323).
- The proposed \$5.7 million project located at a currently vacant, 5.7-acre infill site at 4209 Lower Beaver Road would construct 38 bi-attached, owner occupied townhome units to be built on a private cul-de-sac.
- The townhomes would be roughly 1,200 square feet in size and would include a 2-car garage, full basements, and fiber cement board siding in accordance with the requirements of the existing Planned Unit Development (PUD) concept plan, and Zoning Ordinance #15,436, approved by the City Council on December 21, 2015.
- The project is intended to provide a direct trail connection to adjacent Woodlawn Park and community garden space.
- The intended market for the townhomes will be first time homebuyers, or those that own and live in single-family homes in the area who want the maintenance free aspect that a townhome community provides.

- The applicant will utilize the 6-year declining tax abatement schedule that is already applicable to this property under the City's Third Restated Urban Revitalization Plan, subject to meeting minimum design guidelines, and will provide an estimated City match of \$768,315.

PREVIOUS COUNCIL ACTION(S):

Date: April 11, 2016

Roll Call Number: 16-0611 and 16-0612

Action: Support of a Workforce Housing Tax Credit Benefit Application to be submitted to the Iowa Economic Development Authority (IEDA) by JKLM Real Estate, LLC for a housing project at 3201 Forest Avenue. Moved by Gray to adopt; refer to the City Manager to expedite the application as if it had been submitted three weeks earlier. Motion Carried 7-0.

(A) Communication from Carney Appleby Law regarding Kentfield Properties. Moved by Gray to receive and file. Motion Carried 7-0.

Date: March 23, 2016

Roll Call Number: 16-0471

Action: Workforce Housing Tax Credit Benefit Application to be submitted to the Iowa Economic Development Authority for a housing project at 3201 Forest Avenue. (Council Communication No. 16-146) Moved by Gray to defer to the April 11, 2016 Council meeting; refer to the City Manager to meet with the Drake Neighborhood Association, NDC, Drake University and other interested parties to review the project. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Office of Economic Development will provide a resolution to the project representatives submitting 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 Administration Building, 400 E. Court Avenue Ste.116. 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.