



Date May 8, 2017

RESOLUTION IN SUPPORT OF A WORKFORCE HOUSING TAX CREDIT BENEFIT APPLICATION TO BE SUBMITTED TO THE IOWA ECONOMIC DEVELOPMENT AUTHORITY BY RALLY CAP PROPERTIES, LLC FOR A HOUSING REHABILITATION PROJECT AT VARIOUS LOCATIONS

WHEREAS, Rally Cap Properties, LLC, represented by Michael Donlin, Officer, 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 scattered site housing renovation project of vacant dwelling units at the locations at 68 728th Street, 1520 32nd Street, 740 26th Street, 726 27th Street, 693 19th Street, and 541 35th Street, consisting of rehabilitating 8 housing units (the “Project”); and

WHEREAS, successful completion of the Project requires funding from a number of sources, including an award of Iowa Workforce Housing Tax Credit benefits in the estimated amount of \$144,840; and

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

WHEREAS, a further application requirement for the Workforce Housing Tax Credit Program is documentation of local matching funds pledged for the Projects in an amount not less than \$1,000 per dwelling unit, which is expected to consist of tax abatement in the estimated amount of \$423,618.

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 Rally Cap Properties, LLC application to the IEDA, seeking an award of Workforce Housing Tax Credit benefits in the amount of \$144,840.
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 Rally Cap Properties, LLC as described above, upon approval of the same by the City Legal Department.



Roll Call Number

Agenda Item Number

40


Date May 8, 2017

- 3. The Office of Economic Development is directed to transmit a copy of this resolution and Roll Call to Rally Cap Properties, 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 Rally Cap Properties, LLC, then:
 - a. The City Manager or 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 Community Development Director.
 - b. Any substantial change shall be subject to approval by the City Council after report and recommendation by the City Manager.

(Council Comm. No. 17-403)

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

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

Non-Historic Projects

687 28th Street is a single-family stucco home located in Woodland Heights. This will be a classic single family Rally Cap Rehab. We will remodel the kitchen and bath, repair damaged plaster from previous roof leaks, repair foundation walls and prepare this house to be re-sold to a loving individual or family.

1520 32nd Street is a single-family home located on the north side of the Drake area just east of Beaverdale. We acquired this public nuisance from the City of Des Moines through a competitive RFP process. This house will get a full interior & exterior restoration, including a new front porch, soffit rebuild, kitchen and bath remodels, major window repair and flooring repair along with a host of other improvements. The neighborhood is already excited to see this house fixed up as it's been vacant for many many years.

541 35th Street Summer House is located behind a seven unit multifamily dwelling. We purchased the apartment building along with the Summer House last July. We went through a variance process to approve this once beautiful artist's studio being turned into a habitable single-family dwelling. It will be rented out upon completion of our full renovation at the apartment complex.

693 19th Street Carriage House will be a new construction accessory dwelling unit behind what will be a beautifully restored Victorian in the Historic Sherman Hill neighborhood. It will include a garage on the first floor and a livable apartment unit above. There are many other great examples of Carriage houses in Sherman Hill and this will be another great accessory dwelling unit for the Sherman Hill neighborhood.

Historic Projects

693 19th Street Duplex was once a seven unit, cut up multifamily. We will be downsizing this vacant dilapidated multi family into to a well designed duplex. It will be designed as a functional single family home above ground. This will allow for single family ownership down the road. While the basement will be transformed into a modern 2-bedroom garden level apartment. This property has been derelict for many years and will be a great asset for Sherman Hill when completed.

740 26th Street is another property that would have been demoed by most. We decided to invest the time and money necessary to save the old character and continue this house's legacy in the Woodland Heights neighborhood. Once a duplex, this house will be restored to a single family home.

726 27th Street is diamond in the rough, literally it is recognizable by its diamond windows on the second floor. This house needs new foundation walls, framing repairs from a long time roof leak and many other repairs. We will be using tax credits to turn this public nuisance to the single-family gem it really is.

Rally Cap Properties Workforce Housing Tax Credit Financials



Project Type:	Single Family
Number of Units:	8 Units

Housing Activity Log

Address	Activity	Unit Type	Unit Ownership	# of Units	Historic Classification
687 28th Street	Rehabilitation of Delapidated	Single Family, Detached	Owner Occupied	1	Non-Historic
1520 32nd Street	Rehabilitation of Delapidated	Single Family, Detached	Owner Occupied	1	Non-Historic
541 35th Street Unit 8	New Dwelling Unit	Single Family, Detached	Rental	1	Non Historic
693 19th Street Unit 3	New Dwelling Unit	Single Family, Detached	Rental	1	Non-Historic
726 27th Street	Rehabilitation of Delapidated	Single Family, Detached	Owner Occupied	1	Historic
740 26th Street	Rehabilitation of Delapidated	Single Family, Detached	Owner Occupied	1	Historic
693 19th Street Unit 1 & 2	Rehabilitation of Delapidated	Single Family, Attached (Duplex)	Rental	2	Historic

Expense Report - Historic Units

Building Acquisition	11,000
Land Acquisition	30,000
Site Development (incl. demo)	81,500
Construction (material only)	235,000
Construction (labor & operations)	399,500
Arch/Engineering Fees	31,500
Building Permit	1,000
Construction Loan Interest	23,000
Sub Total	812,500
All other Soft Costs	142,300
TOTAL	954,800
Total Cost per unit	238,700

Expense Report - Non-Historic Units

Building Acquisition	40,000.00
Land Acquisition	15,001.00
Site Development (incl. demo)	25,000.00
Construction (material only)	179,000.00
Construction (labor & operations)	271,000.00
Arch/Engineering Fees	1,500.00
Building Permit	1,500.00
Construction Loan Interest	5,000.00
Sub Total	538,001.00
All other Soft Costs	15,000.00
TOTAL	553,001.00
Total Cost per unit	138,250

Expense Report - Complete Application

Building Acquisition	51,000.00
Land Acquisition	45,001.00
Site Development (incl. demo)	106,500.00
Construction (material only)	414,000.00
Construction (labor & operations)	670,500.00
Arch/Engineering Fees	33,000.00
Building Permit	2,500.00
Construction Loan Interest	28,000.00
Sub Total	1,350,501.00
All other Soft Costs	157,300.00
TOTAL	1,507,801.00
Note: Expense Report includes Historic and Non-Historic Projects	

27

properties rallycap

a few upcoming
#RallyCapRehab
properties

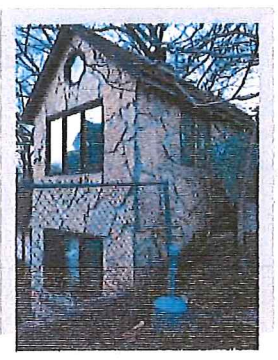
1520 32nd St



726
27th St



740
26th St



541 35th St



687 28th St



693 19th St


Gina Swanson

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ginaswanson@c21sre.com
REALTOR®, Licensed in Iowa.


Century 21.
SIGNATURE REAL ESTATE

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1520 32nd St

4br, 2b

1836.ft²

Classic historic farmhouse by Witmer Park with a double lot and plenty of room to expand.

Base Price - \$200k

Est. Completion - May 2017



687 28th St

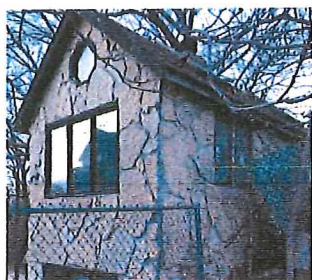
2br, 1b

1106 ft²

Cute stucco two-story in Woodland Heights with bonus room & great natural light.

Base Price - \$155k

Est. Completion - July 2017



541 35th St

1br, 1b

456 ft²

Cozy stone cottage nestled in the Sherman Heights neighborhood near downtown.

Base Price - \$XXXk

Est. Completion - Sept. 2017



740 26th St

4br, 2b

1840 ft²

Historic Dutch Colonial in Woodland Heights with corner lot close to downtown & lots of potential for creativity.

Base Price - \$190k

Est. Completion - Sept. 2017



726 27th St

2br, 1b

1128 ft²

Funky Woodland Heights bungalow with functional layout and charming trim work.

Base Price - \$155k

Est. Completion - Oct. 2017



693 19th St

2br, 1b

800 ft²

4br, 2.5b

3100 ft²

Classic Victorian duplex.

Base Price - \$XXXk

Est. Completion - Jan. 2018

