

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-198

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

APRIL 23, 2001

SYNOPSIS -

Summary and background of the City's Affordable Housing Policy used to review rental housing projects assisted with federal monies, including, but not limited to, the Low Income Housing Tax Credit Projects administered through the Iowa Housing Finance Authority (IFA).

SUBJECT:

AFFORDABLE
HOUSING POLICY
FOR REVIEWING
FEDERALLY-
ASSISTED RENTAL
HOUSING PROJECTS

FISCAL IMPACT -

NA

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Continue to use the existing policy for review of Low Income Housing Tax Credit applications, but provide more detailed information to Council on the developer's management record and the amenities that are provided to tenants.

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND -

Annually, the City Council reviews Low Income Housing Tax Credit Projects that are submitted to IFA. IFA requires that both profit and nonprofit developers request a resolution of support from the governing body in which the development is to be located. The governing body may send a communication to IFA either supporting or not supporting the project. The project receives points in the scoring of the applications if it has such a letter of support. If the governing body fails to support the project, the project receives no points in that category. IFA also requests zoning and development information from the developer, as well as information on any tax abatement or local contribution of funding that it uses in its scoring of applications.

In 1994, the City Council amended the City's Comprehensive Plan

to institute guidelines for reviewing Low Income Housing Tax Credit Projects or any other programs that provide new construction money for rental housing designed for persons under 80 percent of the median income. The policy includes review criteria for both low-density developments and multi-family housing projects. To receive a letter of support for a multi-family housing development, the developer must demonstrate to staff and Council that:

- “ The development's design is sensitive to and compatible with the character of the surrounding neighborhood;
- “ Management services are adequate and responsive to the needs of low-income tenants;
- “ Appropriate amenities, including storage facilities for toys and other large items, are provided; and
- “ A recognized neighborhood organization has been given the opportunity to comment on the project's design, management services, and amenities.

(The full policy is attached.)

A joint committee composed of the Growth Issues Subcommittee of the Plan and Zoning Commission and the Affordable Housing Subcommittee of the Neighborhood Advisory Board developed the policy. The policy satisfied the concerns of the Neighborhood Revitalization Committee, low-income housing providers, and recognized neighborhood organizations after an earlier proposed policy proved controversial. The Plan and Zoning Commission and the City Council approved the policy as a part of the City's Comprehensive Plan. An amendment to the Plan would be required to change the City's policy.

City staff has asked IFA staff if it would help a project's score if the City Council prioritized projects within the city. The IFA scoring system is complex and multi-faceted. It is based on IFA priorities and much financial data. IFA would only consider the Council's prioritization if there were a tie between projects located within a city. Simply put, the project receives points if it has a letter of support from the governing body, it does not receive points if it does not have such a letter.

Last year the City of Waterloo had two projects within the city limits. The City Council chose to support one and not the other.

The one supported by the City was low on other IFA priorities and did not score high enough to receive funding. The project not supported by the City scored better, but below the cut off for funding. IFA staff reports that the number of points it would have received for the City's support would have made the difference in the project receiving funding.

There are a few weaknesses with the policy. The terms of management and design are vaguely defined. Those vague definitions of major criteria make it difficult to rank projects in any type of a priority. The Council and staff have used the policy to review projects that involve rehabilitation rather than new construction, even though the policy language applies only to new construction projects. Lastly, development of mixed income projects, which are encouraged in the City's Strategic Plan and other documents, is not a criterion that is included in the policy.

Attachment
