


# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>22-551</b>	Meeting:	<b>November 21, 2022</b>
	Agenda Item:	<b>32</b>	Roll Call:	<b>22-1803</b>
	Submitted by:	<b>Michael Ludwig, Interim Development Services Director</b>		

## AGENDA HEADING:

Resolution Authorizing City Manager to Negotiate and Execute a Grant Agreement with Turrim, LLC for Affordable Housing at 515 Walnut Street.

## SYNOPSIS:

Turrim LLC (Joseph Teeling, Manager, 715 SE Southfork Drive, Waukee, IA 50263) is proposing the construction of a 33-story high rise apartment building at 515 Walnut, currently the site of the Kaleidoscope. Project will consist of 360 multi-family units as well as 1,400 square feet of commercial space on the first floor.

The Developer has committed to providing 72 of the residential units at an affordable rent structure of 50% HOME Rent Limits and available to households earning 50% or less of the Area Median Income (AMI) levels for the life of the development agreement.

## FISCAL IMPACT:

Amount: \$500,000 paid upon project completion and issuance of certificate of occupancy.

Funding Source: The City Manager is granted the authority to approve funding up to \$500,000 out of a sub fund of the general fund made possible by American Rescue Plan Act (ARPA) funding, affordable housing designated funds, and subject to approval by the Finance and Legal departments.

## ADDITIONAL INFORMATION:

- Total project cost is estimated at \$133 million; and construction is expected to begin in the spring of 2023 with completion anticipated in late 2024.
- The affordable unit mix includes 24 studio units, 36 1-bedroom units, and 12 2-bedroom units.
- Affordability term for City of Des Moines affordable housing allocations is 10 years. Alternate project funding sources such as Urban Renewal Development Agreements, state or federal grants and other programs may have terms that extend the affordability term beyond 10 years.
- Polk County will need to add 57,170 net new housing units by 2038 simply to accommodate net new workers in the region (2018 Workforce Housing Study for Downtown, Virginia Tech Center for Housing Research {VCHR}, page 39).

- Employment-driven housing demand forecasts suggest a need for 23,577 new rental units over the 2018 to 2038 period to accommodate net new working households. More than three quarters (77.5% of all rental units, or 18,264 units) will need to have rents below \$1,250 (VCHR, page 40).
- The largest share of net new working households - 47.4% or more than 27,100 households will have incomes between \$25,000 and \$49,999 (VCHR, page 2).

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- City Council – Final Terms of an Urban Renewal Development Agreement and Certificate of Completion.

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