


COUNCIL COMMUNICATION

	Number:	23-045	Meeting:	January 23, 2023
	Agenda Item:	16A	Roll Call:	23-0104
	Submitted by:	Matthew A. Anderson, Deputy City Manager		

AGENDA HEADING:

Resolution authorizing the City Manager to negotiate and execute a grant agreement with Union at Rivers Edge, LP for the construction of an affordable housing project proposed at 1600 Indianola Avenue.

SYNOPSIS:

Recommend approval of a resolution to execute a grant agreement in the amount of \$300,000 with Union at Rivers Edge, LP, a limited partnership created by the Developer, The Annex Group (Kyle Bach, General Partner, 409 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204) for the new construction of a 216-unit, \$56.1 million multi-family apartment project located on a vacant site at 1600 Indianola Avenue (formerly known as 214 Jackson Avenue).

The Developer has committed to constructing 216 multi-family dwelling units that will be devoted to affordable housing by keeping the average rental rate of all units at no more than 60% of the Polk County rent limits and corresponds to individuals who earn an average of 60% or less of the area median income for a minimum of 30 years.

FISCAL IMPACT:

Amount: \$300,000 paid upon project completion and issuance of Certificate of Occupancy.

Funding Source: The City Manager is granted the authority to approve funding of \$300,000 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:

- The project will consist of two (2) buildings: a 3-story building along Indianola Avenue, and a 6-story building containing one (1) floor of first level parking on the interior of the site, a total of 78 1-bedroom units, 87 2-bedroom units, and 51 3-bedroom units. A total of 200 parking spaces are proposed with the development, most of which will be covered indoor parking.
- The project is anticipated to commence construction in the second half of 2023 with completion late in 2025.
- The project is seeking the 4% housing tax credit from the Iowa Finance Authority, which will have program requirements that keep the project affordability provisions in place for a minimum of 30 years. The project will be devoted to affordable housing by keeping the

average rental rate of all units at no more than 60% of HUD standards and corresponds to individuals who earn an average of 60% or less of the area median income for Polk County, Iowa.

- Polk County will need to add 57,170 net new housing units by 2038 to accommodate net new workers in the region (2018 Workforce Housing Study, Virginia Center for Housing Research (VCHR, page 39).
- Employment-driven housing demand forecasts suggest a need for 23,577 new rental units to be constructed 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 per month (VCHR, page 40).

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Issuance of Certificate of Completion, upon construction of the project being satisfactorily finished.
- Approval of private construction contracts for public improvement work associated with the project.

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