★ Roll Call Number

Agenda Item Number
58

Date November 23, 2015

AUTHORIZATION FOR CITY MANAGER TO SIGN IOWA FINANCE AUTHORITY "EXHIBIT 5S, LOCAL GOVERNMENT CONTRIBUTION" FOR LOW INCOME HOUSING TAX CREDIT PROJECT APPLICATIONS AND FOR THE MAYOR TO SIGN A SEPARATE LETTER UPDATING THE IOWA FINANCE AUTHORITY ON PLANDSM AND ITS IMPACT ON IDENTIFYING MULTI-FAMILY HOUSING SITES

WHEREAS, applications for Low Income Housing Tax Credits (LIHTC) are due to the Iowa Finance Authority (IFA) on December 7, 2015; and

WHEREAS, the IFA application requires that a Local Government or Political Subdivision complete and execute "Exhibit 5S, Local Government Contribution", listing any contribution to the project and allowing the project to receive up to 21 points in the project scoring; and

WHEREAS, according to the IFA Qualified Allocation Plan, "Local Government Contribution" from the City includes the value of land or cash contribution, of tax abatement, the equity value of previously approved Enterprise Zone Credits, the value of previously approved Enterprise Zone Sales Tax Rebates, Tax Increment Financing, and any HOME or Community Development Block Grant funds; and

WHEREAS, for scoring purposes, the Polk County Housing Trust fund may make a cash contribution or below-market rate loan which also allows a project to receive points for scoring purposes; and

WHEREAS, on September 10, 2015, City Community Development staff sent notice to multi-family housing developers indicating the type of information required for completion of IFA Exhibits and the goals of the City Council for any multi-family residential development; and

WHEREAS, in response to said notice, developers have submitted information to City staff regarding project financing and physical development, and have requested an "Exhibit 5S, Local Government Contribution" as required by IFA, to be completed and executed by the City Manager for use in the developers' applications to IFA for LIHTC; and

WHEREAS, the proposed LIHTC applications and the amount of Local Government contribution requested from the City of Des Moines are listed in the following chart:

Project and Type	Project Address	Developer	# Units	Bedroom (BDR) Size	Income of Tenants	Tax Abatement Requested	EZ Credits Rebate
Melbourne IV Senior	5515 SE 14th Street, Building E and F	Hubbell Realty	72	36 1-bdr, 36 2-bdr	8≤ 30%, 22≤40%, 34≤60%, 8 @ market	$321,364	$174,248 $82,006

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Project and Type	Project Address	Developer	# Units	Bedroom (BDR) Size	Income of Tenants	Tax Abatement Requested	EZ Credits Rebate
Hilltop II Family	3720 E. Douglas Avenue	Conlin Development Group	72	12 1-bdr, 36 2-bdr, 12 3-bdr, 12 4-bdr	4≤ 30% 12≤40%, 48≤60%, 8@ market	$498,195	$139,000 $120,000
Brickstones at Riverbend Senior	513 Forest Avenue	Anawim Housing	30	16 1-bdr, 14 2-bdr	2≤ 30% 6≤40%, 18≤60%, 4@ market	$322,194	NA
Calvin Manor Senior	4210 Hickman	Kevin Kukleman Keokuk, IA	48	11 1-bdr, 27 2-bdr	36≤60%, 12 @market	$355,560	NA
Rehab of Corinthian Gardens Senior	1101 University	Newbury Living	75	75 1-bdr	75≤60%	Tax Exempt	NA
Total Units			**297**				

WHEREAS, staff has reviewed the submittals for location, impact on revitalization, connections to city amenities, and concentration of affordable housing projects; and

WHEREAS, Melbourne IV, Hilltop II, and Calvin Manor will each need to commence construction prior to December 31, 2015, to meet the requirements for tax abatement under the City-wide Tax Abatement Program as amended on October 26, 2015, by Roll Call Nos. 15-1816 and 15-1818; and,

WHEREAS, drafts of the "Exhibit 5S, Local Government Contribution" for each project are on file in the City Clerk's office.

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

1. The City Manager or his designee is hereby authorized and directed to complete and sign the "Exhibit 5S, Local Government Contribution" currently on file in the City Clerk's office identifying the estimated amount of City contribution under the City-wide Tax Abatement Program for each of the above projects. The City Manager may assume that all projects will

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be timely commenced and will be completed in conformance with the required design standards for purposes of this certification.

2. The Mayor is hereby authorized and directed to send a letter on behalf of the City Council to the IFA Board explaining the progress on the City's Comprehensive Plan, PlanDSM, and changes made to the Citywide Tax Abatement as it impacts new multi-family development.

3. In the event that any of the project characteristics mentioned above change prior to the developers submitting their applications to IFA, the Community Development Department Director or designee is authorized and directed to revise, and the City Manager is authorized and directed to execute, the applicable Exhibit for unsubstantial project changes, and the City Manager is directed to submit substantial project changes to City Council for further consideration and approval.

(Council Communication No. 15- 612)

MOVED by _____ to adopt.

Form Approved:

Roger K. Brown

Roger K. Brown, Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
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