

Valley Junction Upper Story Housing Program

Program: Valley Junction Upper Story Housing Program

Purpose: To provide financial assistance to property owners in the renovation, upgrade, and new construction of the residential portion of mixed use properties within the designated areas.

Projects eligible for funding include but are not limited to:

1. major renovation of structural elements of the building, including new or replacement roofs;
2. total renovation and rehabilitation of underutilized building areas for housing;
3. new construction of residential units in a mixed-use development;
4. facade improvements;
5. residential additions to existing buildings;
6. ADA compliance;
7. installation and upgrades to electrical, plumbing, and mechanical systems to bring those systems up to current building codes standards;
8. upgrades to or installation of fire suppression systems; and
9. the cost associated with professional services of an architect, engineer, or other design professional.

These funds may be used in combination with the Regulatory Compliance Funds (RCF), the Property Improvement Fund (PIF), and the Property Tax Rebate Program (PTR).

Eligible Areas: The commercial areas of the Historic West Des Moines study area: Railroad Avenue to Vine Street, alley between 3rd and 4th Streets to alley between 6th and 7th Streets

Program Funding: Properties owners within the designated areas are eligible to apply for funding of a forgivable loan up to \$75,000 per residential unit on a minimum of a dollar per dollar match from other funding sources. The match cannot come from the other City programs.

Funding will be on a first come, first serve basis until June 30, 2019.

Unless otherwise approved by the City Council, the amount of the award shall not exceed 50% of the assessed value of the property.

Program Mechanics: Property owners wishing to apply for funding through the Valley Junction Upper Story Housing Program must submit an application to the Community and Economic Development Department through the competitive round.

Staff shall review the application for completeness. Once a determination of completeness has been made by staff, the application shall be referred to the Redevelopment Due Diligence Committee for a recommendation.

Multiple applications from the same property owner/developer for different buildings may be submitted during any one funding round.

Any project for which a building permit has already been issued will be ineligible for funding.

The Redevelopment Due Diligence Committee (Committee) shall be appointed by the Mayor and be made up of three representatives from the Historic West Des Moines Master Plan Study area, three citizens from the community at-large and three representatives from the West Des Moines Chamber of Commerce who are within the financial community in West Des Moines. The Committee shall score the applications for financial soundness and compliance with the adopted review criteria.

The Committee upon finalizing its review shall submit its recommendations to the Finance and Administration City Council (F&A) Subcommittee for its review. The F&A Subcommittee will forward its recommendations to the City Council for ultimate action to approve or deny the request.

In addition, the property owner/developer will be required to enter into a development agreement with the City before any work can begin. As part of the development agreement, the property owner will commit to leasing each assisted unit to households making at or below 80% of the Area Median Income (AMI) for a period of fifteen (15) years, see attached chart and the assisted units must be rented at Fair Market Rents during that fifteen (15) year time frame.

If the project is approved for funding, the property owner/developer will be required to submit documentation of project expenses, paid invoices, and lien waivers before release of funds. Funding will be on a reimbursement basis.

The City will review income verifications prior to move-in of tenants and receive an annual report with occupancy and rents.

In event of non-compliance, the City may make no further disbursements under the grant and demand repayment from the Grantee of all or a portion of amounts previously disbursed under the grant.

Funding: The approval of participation in this program does not imply that any legal entitlement is granted or that any business or property owner that meets the identified requirements will be offered the grant.

The City Council at its sole discretion shall be responsible for consideration and potential approval of the grant.

All construction work shall begin within six months of signing of the Development Agreement and, either a final inspection has occurred or a final occupancy permit has been issued before the property owner is allowed to submit documentation for a request for a final reimbursement.

Progress payments may be made upon completion of distinct phases of work, if it has been identified in the Development Agreement as permitted.

Timeline: The program shall run until whichever comes first, June 30, 2019 or until the funds committed to the Program have been expended. At that time the Finance and Administration City Council Subcommittee shall evaluate the Program for its effectiveness, and then make a recommendation to the full City Council as to whether the Program should be continued and re-funded or be allowed to sunset.