CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: August 20, 2018

ITEM: Approval of Funding Allocations for City-wide Housing Programs – City Initiated
MOTION: Approval of Direction to Staff on How to Proceed

FINANCIAL IMPACT: The proposed programs would be funded from the Woodland Hills Tax Increment Financing district. The Phase I allocates funds already available or will be available this fiscal year. Phase II is dependent upon a decision about Booneville Road. If these programs for Phase I are approved, a budget amendment would be submitted for fiscal year 2018-19.

SYNOPSIS: A Housing Needs Assessment was completed for the City of West Des Moines by Western Economic Services and received by the City Council on July 9, 2018. The Housing Needs Assessment (HNA) identified six housing challenges: (1) unmet housing needs for many households; (2) increased demand for rental/multifamily housing, (3) demand for both rental units and homeownership housing over the forecast horizon; (4) need for new construction; (5) Need to rehabilitate or redevelop existing housing; and (6) aging population. The HNA went on to make four recommendations with action items to address the housing challenges. Those recommendations were: (1) encourage low to moderate income housing; (2) encourage rental-multifamily housing development; (3) encourage development of senior housing; and (4) encourage new construction of a variety of housing choices.

Staff then developed nine possible programs and five policies in response to the housing challenges and recommendations made in the Housing Needs Assessment.

Broad outreach was done to inform the public of the proposed programs and policies including an insert in 14,300 water bills informing citizens of an online survey; attendance at seven WDM 125 Ice Cream Socials in July and August at various parks throughout the City; the Budget with Beans activity set up in City Hall for 4 weeks; and information sent out via the City's Facebook page and website. Through these outreach efforts, 72 people completed the online survey and 243 people participated in the Budget with Beans activity. The results are in Exhibit I. There were five programs which had consistent support from the public.

With this information, staff has developed funding allocations for the programs.

> The Woodland Hills TIF began in FY 2014-15. As of today there is a balance of $745,339.30. There are anticipated expenses and revenues between now and June 30, 2019 which calculate to a balance of $1,011,072 available for spending between now and June 30, 2019.

Phase I – September 1, 2018 to June 30, 2019

Funds available in Woodland Hills TIF during this time - $1,011,072

Other Housing Commitments (MHIP, DCLHTF, DMMHA Section 8) – 2 years of payments	$50,000
Upper Story Housing in Valley Junction – 10 units up to $75,000/unit	$750,000
Owner-Occupied Rehabilitation – 10 houses at $15,000/house	$150,000
Down payment Assistance I – 5 low-moderate income homebuyers through Neighborhood Finance Corporation's Project Reinvest	$50,000

If Booneville Road is indeed constructed using the Woodland Hills TIF , it is estimated to generate $756,283 annually from FY 2019-20 through FY 2023-24 and $335,650 in FY 2024-25. Therefore, a total of $4,117,065 is estimated to be available for low and moderate income housing.

Phase II – July 1, 2019 to June 30, 2025

Funds available in Woodland Hills TIF during this time - $4,117,065

Other Housing Commitments (MHIP, DCLHTF, DMMHA Section 8) – 6 years of payments	$150,000
Housing Transition Program – Purchase of single-family rental properties to be turned into affordable owner-occupied single-family units – approximately 10 units to purchase	$1,000,000
Upper Story Housing in Valley Junction – 20 units up to $75,000/unit	$1,500,000
Owner-Occupied Rehabilitation – 10 houses at $15,000/house for 6 years	$900,000
Down payment Assistance I – 5 low-moderate income homebuyers through Neighborhood Finance Corporation's Project Reinvest – for 6 years	$300,000
Unbudgeted funds to address possible needs as they arise	$267,065

This funding allocation was presented to the Finance & Administration Subcommittee (August 1, 2018) and the Development & planning Subcommittee (August 6, 2018). Both subcommittees fully supported the allocation.

RECOMMENDATION: Staff is recommending that the City Council direct staff to proceed with implementation of the proposed programs and budget amendments necessary to carry out the programs.

Attachments:

Exhibit I - Results of Public Input

Lead Staff Member **Christine Gordon, AICP, Housing Planner**

STAFF REVIEWS

Department Director	Clyde Evans
Appropriations/Finance	Tim Stiles
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

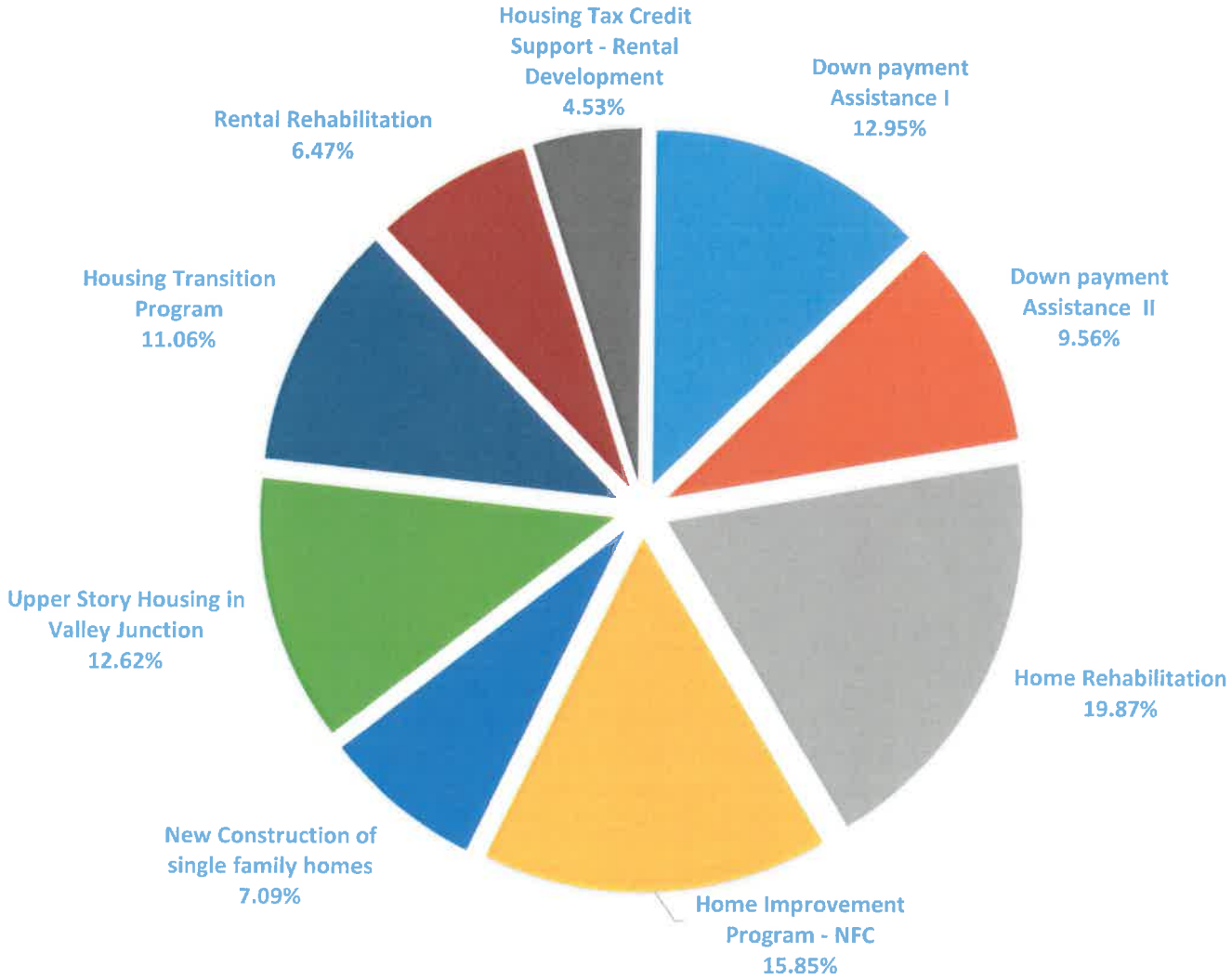
Published In	Noticing not required
Date(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

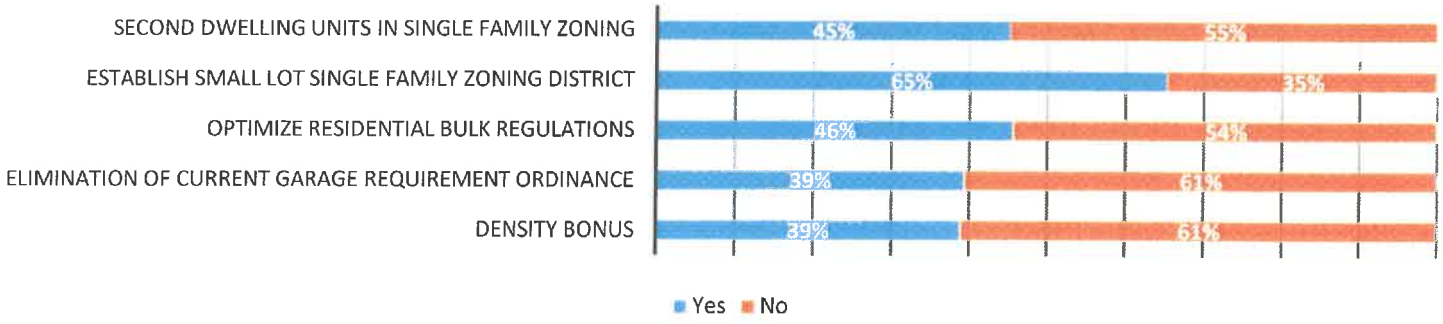
Committee	Finance & Administration; Development & Planning		
Date Reviewed	August 1, 2018; August 6, 2018		
Recommendation	Yes XX	No ☐	Split ☐

Programs

1	Home Rehabilitation	3048	19.87%
2	Home Improvement Program - NFC	2514	15.85%
3	Down payment Assistance I	2018	12.95%
4	Upper Story Housing in Valley Junction	1943	12.62%
5	Housing Transition Program	1780	11.06%
6	Down payment Assistance II	1537	9.56%
7	New Construction of single family homes	1174	7.09%
8	Rental Rehabilitation	1142	6.47%
9	Housing Tax Credit Support - Rental Development	791	4.53%



Policies

	Yes	No	Total	Yes	No
Density Bonus	127	199	326	39%	61%
Elimination of Current Garage Requirement Ordinance	129	198	327	39%	61%
Optimize Residential Bulk Regulations	127	151	278	46%	54%
Establish Small Lot Single Family Zoning District	207	110	317	65%	35%
Second Dwelling Units in Single Family Zoning	127	154	281	45%	55%

Policy Changes