

Des Moines Tax Abatement Update

October 7, 2021

City of Des Moines

Overview

- Des Moines Urban Revitalization (Tax Abatement) Plan Updates
 - Promote development that supports planning goals
 - Incentivize Missing Middle housing
 - Incentivize efficiency & sustainability
 - Remove redundant and inconsistent standards to align with planning and design code
 - Transition period for current development
- Missing Middle Housing
- Proposed Plan
- Next steps

Missing Middle Housing

- House-scale buildings with multiple units in walkable neighborhoods
- **Missing** because they have typically been illegal to build since the mid-1940s
- **Middle** because in terms of form, scale, # of units and often affordability, they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartments.

(Daniel Parolek, founder of Opticos Design)

Missing Middle

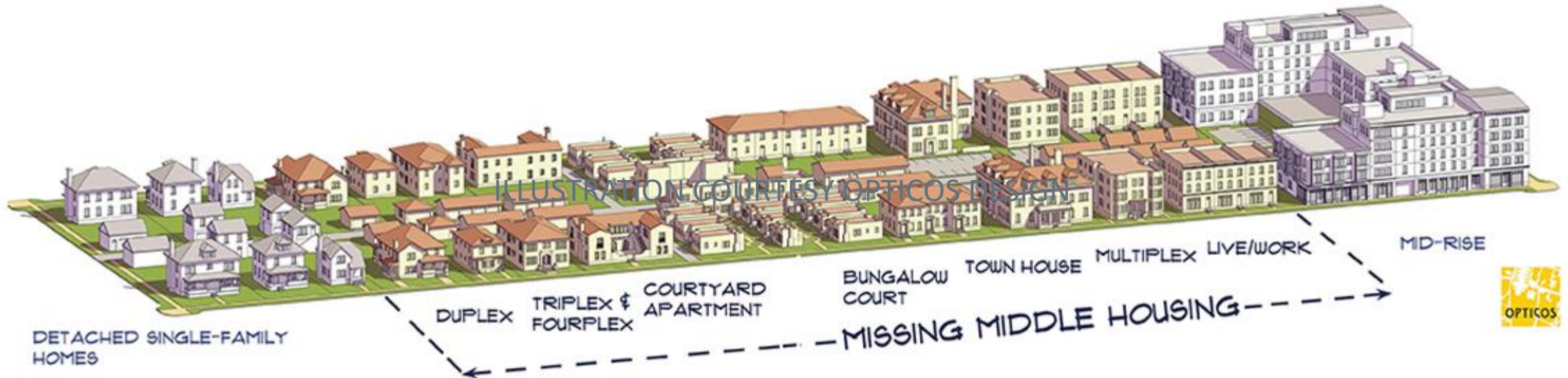


ILLUSTRATION COURTESY OPTICOS DESIGN

Missing Middle and PlanDSM

- Form and design are more critical than density
- Smaller scale multi-family is acceptable to community members
- New zoning code (Chapter 134) allows a mix of housing types in neighborhoods and corridors
- New design code (Chapter 135) defines form and scale of “building types”
- “Missing Middle” for Des Moines includes house, row, and flat building types containing 2 to 12 units

Issues With Current Incentives

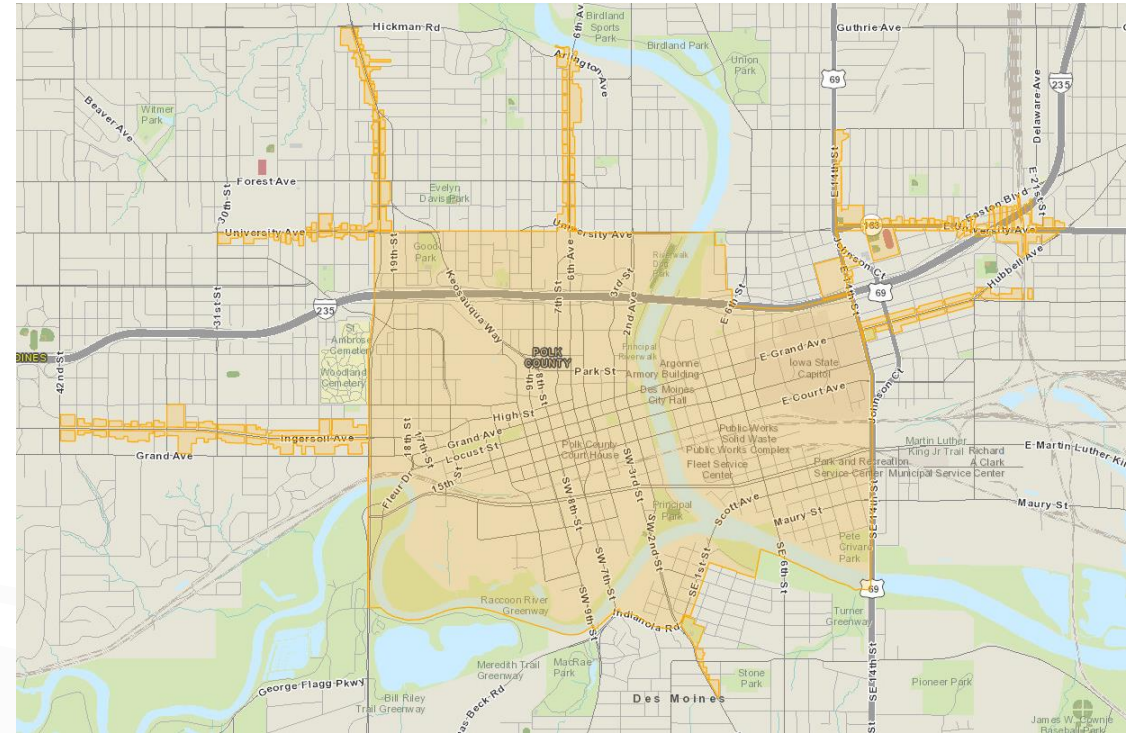
- Existing residential abatement does not adequately address cost to build multi-unit configurations
- Multi-family residential tax abatement for 3 or more units limited to Targeted Multi-Family Area

Proposed Missing Middle Incentives

- Missing Middle incentives available citywide for:
 - House types with 2-4 units
 - Row buildings with 2-12 units per building
 - Flat buildings with 2-12 households per building
- Missing Middle Abatement Schedules:
 - 8-year declining for minimum code.
 - 9-year declining for minimum code and enhanced efficiency and sustainability.
- 10-year 100% abatement available for all new detached accessory housing units
- 10-year 100% abatement available for rehab of an existing primary or accessory structure to add an accessory housing unit.

Other Proposed Incentives

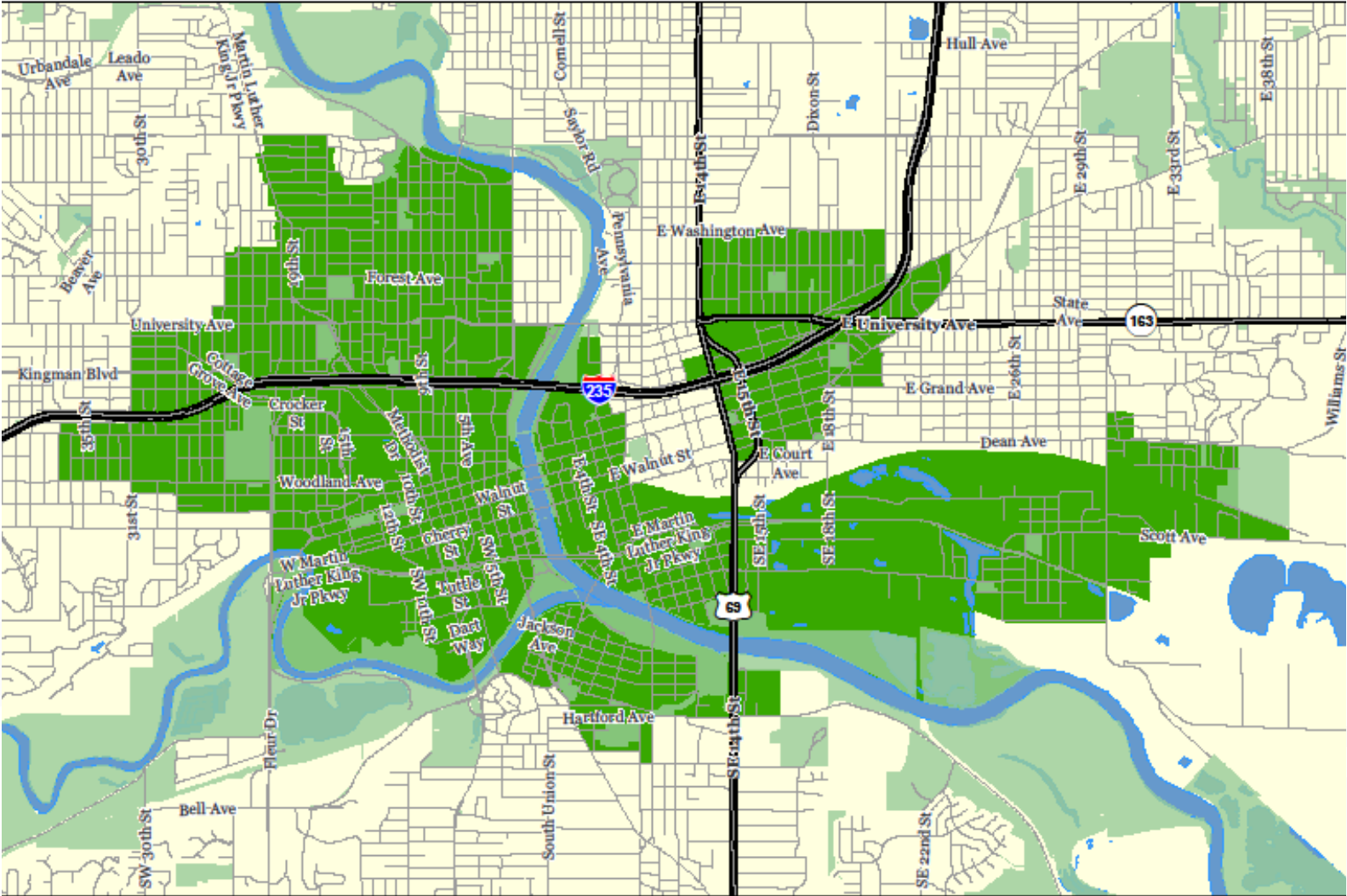
- Thirteen-Plus Households Per Building:
 - Continue targeted multi-household tax abatement (10-year declining schedule) for 13+ household within "spider map" (Downtown Storefront and Downtown General building types)



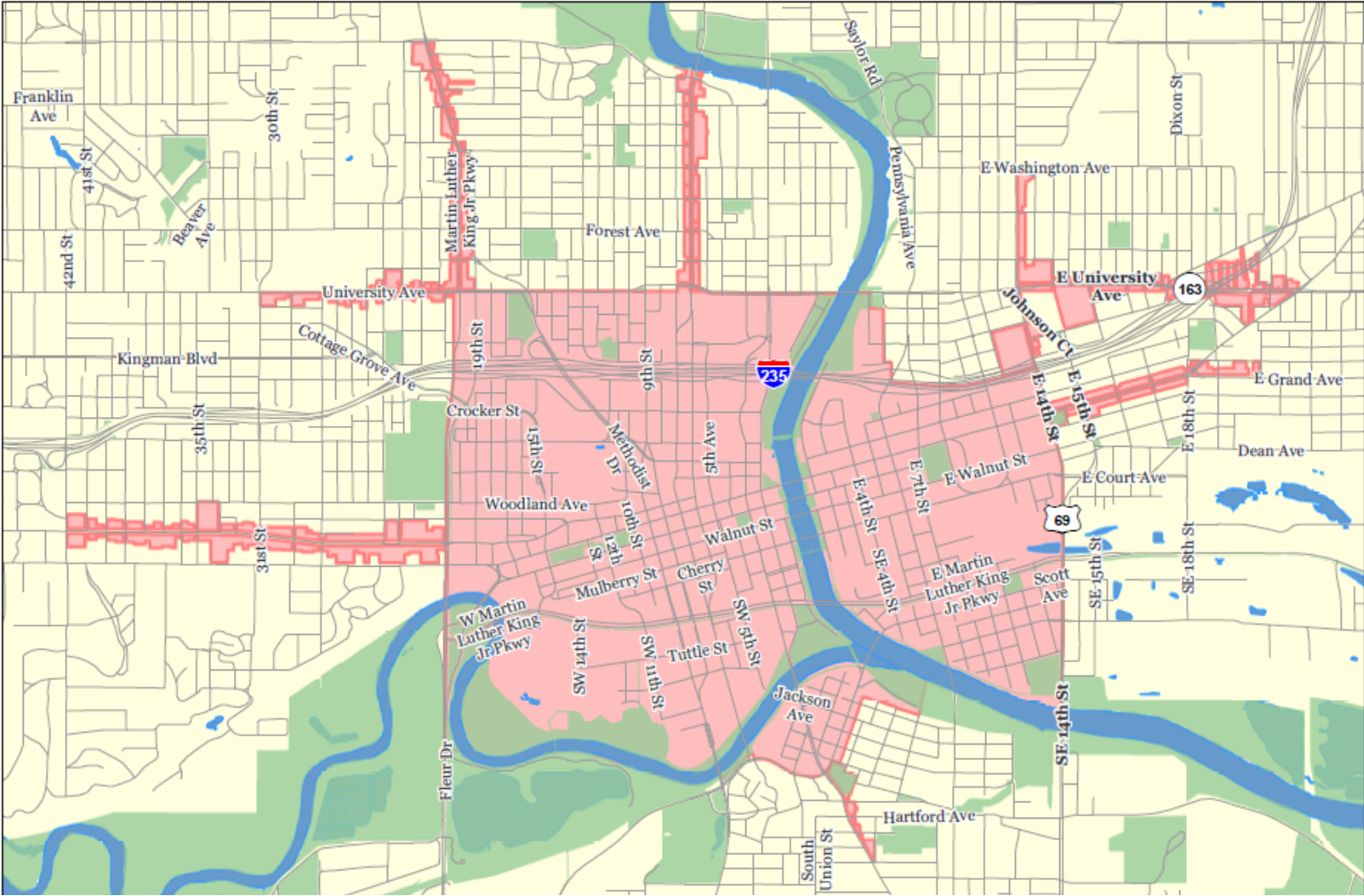
Proposed Urban Revitalization Plan

Project Type	Location	Schedule
Residential Rehabilitation: Single & Multi-Family	Citywide	10-year, 100%
New Detached Accessory Housing Unit	Citywide	10-year, 100%
New 13+ Unit Residential	Within Targeted Multi-Family Area	10-year, Declining
New Missing Middle Residential (2-12 Units/Structure)	Citywide	8-year, Declining
New Missing Middle Residential (2-12 Units/Structure) With Enhanced Efficiency and Sustainability	Citywide	9-year, Declining
New 1 Unit Residential	Within Targeted Low Density Residential Area	9-year, Declining
New 1-Unit Residential With Enhanced Efficiency and Sustainability	Within Targeted Low Density Residential Area	10-year, Declining
New 1 Unit Residential	Outside Targeted Low Density Residential Area	5-year, Declining
New 1-Unit Residential With Enhanced Efficiency and Sustainability	Outside Targeted Low Density Residential Area	6-year, Declining
Commercial & Industrial New & Rehab	Commercial & Industrial Districts Outside Downtown and excluding URDA properties	3-year, 100% or 10-year, Declining

Targeted Low Density Residential Area



Targeted Multi-Household Area



Summary of Updates

- Extension of time to obtain permits for single-family and high density residential (13+ units) under existing plan
- Continued higher incentives within targeted areas
- Higher incentive for Missing Middle citywide
- Higher incentive for enhanced efficiency and sustainability citywide
- Highest incentive for accessory housing units and rehabilitation of existing structures citywide.
- Remove redundant and inconsistent standards to align with zoning code

Next steps

- P&Z Recommendation: October 21, 2021
- Council hearings: November/December 2021.
- Earliest possible effective date: January 1, 2022.