

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-208
MAY 20, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
SINGLE-FAMILY HOUSING CONSTRUCTION ON DISPOSITION PARCEL NO. 152A	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR

SYNOPSIS —

Billie Wade has submitted a developer-initiated proposal to redevelop Disposition Parcel No. 152A/Logan Urban Renewal Area (1363 E. Stewart Street - south of E. Cleveland Avenue and east of E. Stewart Street). The development of a 990-square-foot, stick-built, single-family, ranch-style house with a two-car attached garage is proposed.

On the May 20, 1996, agenda are two roll calls to authorize advertisement for receipt of competing redevelopment proposals, and also to set date of public hearing on intent to accept said proposal and authorize notice of intent to enter into an urban renewal purchase agreement for residential construction with Billie Wade if no competing proposals are received.

FISCAL IMPACT —

Billie Wade has offered a purchase price of \$900 for Disposition Parcel No. 152A. Sale proceeds will be allocated to the City's redevelopment account (#011114). No real estate commission will be paid because no real estate broker has been retained by Billie Wade to secure acceptance of the redevelopment proposal. The house is estimated to cost approximately \$79,500 upon completion of the construction.

RECOMMENDATION —

1. Accept the redevelopment proposal as submitted by Billie Wade for Disposition Parcel No. 152A/Logan Urban Renewal Area and set date of public hearing on intent to accept said proposal.
2. Authorize a competing offering period of approximately 30 days for others interested in developing Disposition Parcel No. 152A.

BACKGROUND —

Billie Wade is submitting a developer-initiated proposal to purchase Disposition Parcel No. 152A for development of a 990-square-foot, stick-built, single-family, ranch-style house with a two-car attached garage on a 75' x 131' lot in the Logan Urban Renewal Area. Ms. Wade and her son will reside in the proposed house which will be located at 1363 E. Stewart Street. This home will contain three bedrooms, a bathroom, living/dining room, kitchen, full basement, a 484-square-foot two-car garage, and a 10'x12' deck on the east elevation. The exterior will be constructed of hardboard siding.

Ms. Wade is proposing to acquire Disposition Parcel No. 152A for \$900. She submitted a good faith deposit in the form of a cashier's check from the Principal Employees Credit Union, Des Moines, Iowa, for \$450. The good faith deposit and the purchase price represent the required amounts pre-approved by the City Council for Disposition Parcel No. 152A on December 19, 1994, by Roll Call No. 94-4794.

Job Shops Contractors, Inc., the proposed contractor, has provided an estimate of approximately \$79,500 in order to complete the project. The Firststar Home Mortgage Corporation has submitted a letter dated January 5, 1996 indicating that Billie Wade has been approved for a \$60,000 construction loan. Ms. Wade is in the process of selling her home located at 1413 Sampson Street. She estimates that she will have about \$33,000 in equity to apply toward the purchase price of the new house. Billie Wade also intends to apply for City assistance under the Single-Family Affordable Housing Program in order to finance the gap between the appraised value and the construction cost of the house. The appraisal is expected to be completed in June 1996. Final evidence of financing will be presented to the Urban Renewal Board upon expiration of the 30-day competitive period for receipt of additional proposals. Construction is expected to commence in July 1996 and be completed by November 1996.

On May 14, 1996, the Urban Renewal Board unanimously recommended approval of the redevelopment proposal. Ms. Wade's development proposal meets the Minimum Development Requirements established by the City Council in August 1992.