

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

**CITY COUNCIL COMMUNICATION 96-338  
AUGUST 5, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
HOME DISASTER RELIEF FLOOD HOUSING REPLACEMENT PROGRAM	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JIM GRANT COMMUNITY DEVELOPME DIRECTOR

**SYNOPSIS —**

Form of contract documents have been prepared for the Home Investment Partnership ACT (HOME) Disaster Relief Flood Housing Replacement Program.

**FISCAL IMPACT —**

Funds from the HOME-funded Disaster Relief Program in the amount of \$1,160,000 have been appropriated for the Flood Housing Replacement Program by Roll Call No. 95-2695 approved by the Des Moines City Council on July 10, 1995.

**RECOMMENDATION —**

Approval.

**BACKGROUND —**

On September 7, 1993, by Roll Call No. 93-3349, the Des Moines City Council approved the HOME Investment Partnership Agreement for Disaster Areas for a total of \$1,420,000 for rehabilitation disaster assistance to flood-damaged homes. By Roll Call No. 93-3350, dated September 7, 1993, the City Council approved a Work Program outlining the City's Emergency Flood Repair Program which would utilize \$700,000 of these HOME Disaster Relief Funds. This was followed on October 25, 1993 by Roll Call No. 93-4045, by which the City Council approved a Work Program outlining the City's Major Flood Repair Program. This Program would utilize the remaining \$720,000 of the City's HOME Disaster Relief Funds.

The City did not receive the necessary applications for disaster rehabilitation assistance to fully expend the original HOME disaster relief funding. Because the City lost 122 flood-damaged homes which were purchased, residents relocated, and structures razed through the City's Voluntary Acquisition Program of Residences (VAPOR) Program, it was deemed appropriate to utilize the HOME Disaster Relief Funds to replace the lost housing stock.

On July 10, 1995, by Roll Call No. 95-2695, the Des Moines City Council amended the City of Des Moines' HOME-funded Disaster Relief Program to provide for a new construction program to replace up to 50 structures on the current inventory of vacant lots available through Polk County, Neighborhood groups, and the City of Des Moines. The Neighborhood Advisory Board recommended the approval of this amendment at their regularly scheduled meeting of July 5, 1995.

The Housing Conservation Division of the Community Development Department is currently executing Phase I of the Flood Housing Replacement Program. Phase I involves the construction of 18 infill homes on vacant lots in the City of Des Moines. Thirteen of these homes will be financed by the

City of Des Moines through the Flood Housing Replacement Program, and five will be financed through the Neighborhood Finance Corporation. The City of Des Moines will supply the construction financing on these 13 lots as well as a subsidy for the gap for affordability and/or between the cost to construct the homes and the appraised values of the properties.

On the August 5, 1996, Council agenda is the approval of the Form of Contract for the Flood Housing Replacement Program. This Form of Contract is on file with the City Clerk as Exhibit "A" and will allow the Housing Conservation Division of the Community Development Department to carry out the program requirements. The Form of Contract includes a Property Construction Lien against the developer, a Property Construction Lien against the property owner, a Restrictive Covenant, and program requirement and procedures. These documents will ensure the successful completion of the infill construction.

When the construction is completed and the property sold, the developer will return the total sales amount to the City. The City will utilize this funding in Phase 2 of the Flood Housing Replacement Program.