

**CITY COUNCIL COMMUNICATION 97-513  
OCTOBER 20, 1997 AGENDA**

**SUBJECT:**

**ASSOCIATED HOME SERVICES, INC.  
REDEVELOPMENT PROPOSAL**

**SUBMITTED BY:**

**JAMES GRANT  
COMMUNITY DEVELOPMENT DIRECTOR**

**SYNOPSIS –**

On the October 20, 1997 Council agenda are three roll calls relating to the developer-initiated redevelopment proposal submitted by Associated Home Services, Inc. to purchase Disposition Parcel Nos. 152A and 153A in the Logan Rehabilitation/Redevelopment Urban Renewal Area. The roll calls authorize:

- Execution of the Urban Renewal Purchase Agreement for Residential Construction by and between the City of Des Moines, Iowa, and Associated Home Services, Inc., for Disposition Parcel Nos. 152A and 153A in the Logan Rehabilitation/Redevelopment Urban Renewal Area;
- Approval of the redeveloper' s evidence of financing and final design plans; and
- Approval, execution and delivery of the Special Warranty Deeds for the disposition parcels.

**FISCAL IMPACT –**

The proceeds of \$1,970 from the sale of the disposition parcels will be deposited into the Community Development Block Grant Account. Single-family, owner-occupied homes will be developed on the two parcels; approximately \$220,000 will be added to the tax base after the 10-year abatement period.

**RECOMMENDATION –**

**Approval of the three roll calls regarding Associated Home Services, Inc. proposal for Disposition Parcel Nos. 152A and 153A in the Logan Rehabilitation/Redevelopment Urban Renewal Area.**

## **BACKGROUND –**

On August 25, 1997, by Roll Call No. 97-2937, the City Council accepted a redevelopment proposal and Urban Renewal Purchase Agreement for Residential Construction from Associated Home Service, Inc. to redevelop Disposition Parcels Nos. 152A and 153A in the Logan Rehabilitation/Redevelopment Urban Renewal Area, subject to competing proposals. No competing proposals were received. The redeveloper has provided the necessary information to proceed with execution of the Urban Renewal Purchase Agreement.

Two Cape Cod style, 1 1/2 story houses will be constructed. Both homes will have two-car garages. Construction costs are estimated at \$110,000 per house. The sales price will be \$90,000, which reflects the \$20,000 gap subsidy from the Single-Family Affordable Housing Program. Construction is expected to commence October, 1997.

### Evidence of Financing

The Urban Renewal Purchase Agreement for Residential Construction requires that the redeveloper provide evidence of financing to purchase the disposition parcels and construct the proposed improvements. Associated Home Services, Inc. has submitted a letter of commitment from the Neighborhood Finance Corporation for a portion of the construction financing, and from the Housing Conservation Division, Community Development Department, for the remainder of the construction financing. The evidence of financing submitted indicates that sufficient funding for the project is available.