

**CITY COUNCIL  
COMMUNICATION:**

**03-404**

**AGENDA:**

AUGUST 25, 2003

**SUBJECT:**

SET DATE OF  
HEARING FOR CITY-  
OWNED PARCELS  
FOR DEVELOPMENT  
BY HOME INC. AS  
DEVELOPER FOR  
THE EAST WALNUT  
STREET  
RESIDENTIAL  
REDEVELOPMENT  
PROJECT

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

LARRY HULSE  
COMMUNITY  
DEVELOPMENT  
DIRECTOR

**ITEM \_\_\_\_\_**

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

**SYNOPSIS —**

On the August 25, 2003, Council agenda is a roll call requesting the City Council to set the date of hearing for September 8, 2003 for parcels owned by the City of Des Moines for the consideration of \$60,502 and to approve the Development Agreement to develop the property. This disposition is for future development by HOME Inc. for the East Walnut Street Residential Redevelopment Project. The Development Agreement would stipulate the construction of eight single-family, attached garage owner-occupied homes and two single-family, detached garage owner-occupied homes. This project has been a collaborative effort between the Neighborhood Conservation Services (NCS) Division and the Neighborhood Development (ND) Division of the Community Development Department to redevelop the section of the Capitol East Neighborhood between 15<sup>th</sup> and 16<sup>th</sup> Streets and Walnut and Dean, adjacent to the Capitol View Elementary School.

**FISCAL IMPACT —**

When a development agreement has been negotiated between HOME Inc. and the City and approved by Council, the property will be sold to the developer for fair market value. Additionally, the City intends to use approximately \$160,000 in Community Development Block Grant (CDBG) funds for site improvements and to provide \$220,000 in Home Investment Partnership (HOME) funds as a subsidy to the end purchasers. The construction of ten single-family owner-occupied homes will have a significant impact by leveraging over \$1.5 million of investment in an area adjacent to the Capitol View Elementary School and will provide additional tax revenue to the City of Des Moines.

**RECOMMENDATION —**

**Set date of hearing for September 8, 2003 for the disposition of City-owned parcels for the East Walnut Street Residential Redevelopment Project.**

**BACKGROUND —**

On November 15, 1999, by Roll Call No. 99-3527, the City Council

approved the 2000 Housing and Urban Development (HUD) Consolidated Plan, which included the allocation of \$689,232.14 to the Capitol East Residential Redevelopment Project (now the East Walnut Street Residential Redevelopment Project). During 2000 and 2001, the City acquired the following properties using Urban Renewal:

262 East 16<sup>th</sup> Street  
1522 Dean Avenue  
1525 East Walnut Street  
1531 East Walnut Street  
1533 East Walnut Street  
1541 East Walnut Street  
1543 East Walnut Street  
1551 East Walnut Street  
1553 East Walnut Street

Acquisition, relocation, demolition, and staff costs attributed to the above properties totaled approximately \$520,000. The Capitol East Urban Renewal Plan expired on January 1, 2003, so the property is now being disposed of as excess City property and is not bound by Urban Renewal disposition requirements.

Upon acquisition of the above properties, the Community Development Department worked with the Capitol East Neighborhood Association to develop a vision for the redevelopment of the area. Through funding provided by the Annie E. Casey Foundation, RDG Crose Gardner Shukert was hired to develop a concept plan for the area. A series of three visioning meetings was held from November 2001 to February 2002. The final concept included eight bi-attached single-family owner-occupied units and two detached single-family owner-occupied housing units. The possibility of including a child care facility on the site was also considered, but it was determined to be infeasible.

Community Development staff issued a Request for Proposals (RFP) that was approved by the Council on March 10, 2003, by Roll Call No. 03-559. Five responses to the RFP were received. The responses were reviewed by a staff committee comprised of representatives from Community Development Department, Economic Development, Housing Services, and the Neighborhood Finance Corporation. HOME Inc. was judged to be the most responsive bidder.

By Roll Call No. 03-286, the Council has selected HOME Inc. as the developer for the East Walnut Residential Redevelopment Project. On September 8, 2003, the Council will be asked to approve the disposition of this property for \$60,502 and to approve the Development Agreement with HOME Inc. The square foot price of the land will be \$1.10 per square foot.

