



Agenda Item:

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## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 11/22/04

Communication No.: 04-585

Agenda No.:	Item	Type:	Resolution	Roll	Call
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Submitted by: Larry Hulse, Community Development Director

### SUBJECT—

A request to publish the Concurrent Notice of a Finding of No Significant Impact (FONSI) and Intent to Request Release of Funds (RROF) and authorization to execute the “Request for Release of Funds (RROF) and Certification” for \$800,000 of Iowa State HOME funds for the East Village Square Project, a 104 unit mixed-income apartment project.

### SYNOPSIS—

Authorize and direct the City Clerk to publish the “Concurrent Notice of A Finding of No Significant Impact (FONSI) and Intent to Request Release of Funds (RROF)” and authorize the Mayor to execute the “Request for Release of Funds (RROF) and Certification” to the Iowa State Department of Economic Development for \$800,000 of Iowa State HOME funds for the East Village Square Project at 400 E. Grand Avenue and 4<sup>th</sup> Street.

### FISCAL IMPACT—

\$800,000 in Iowa State HOME Program funds.

### RECOMMENDATION—

Approval

**BACKGROUND—**

The East Village Square Project was awarded \$800,000 in State HOME funds by the Iowa Department of Economic Development. It is an approved Low Income Tax Credit Project by the Iowa Finance Authority. The proposal is to construct a new 104-unit mixed-income apartment project at 400 E. Grand Avenue and 4<sup>th</sup> Street. The project includes live/work lofts on the street level of the apartment building to allow the possibility of leasing these spaces to individuals who want to operate a small business from their home. This will allow a more suitable commercial/retail character on the street level. Although the primary use is residential, the in-home commercial use would preserve some of the original project objective. The total project cost is estimated at \$14 million.

The Neighborhood Development Division is assigned the duty of preparing the Environmental Record (ERR) for all projects funded by either the State of Iowa or the federal government. The City has received the Phase 1 Environmental Site Assessment and the subsequent Phase 2 Assessment indicating no need for additional review and has prepared the Environmental Review Record (ERR) for the East Village Square Project. Community Development staff is recommending a “Finding of No Significant Impact” for the site.

In order to facilitate pre-contract negotiations and post-contract monitoring, the State of Iowa will grant the HOME funds of \$800,000 directly to the City of Des Moines rather than to the developers. In addition, the City has assigned \$250,000 of City HOME funds to the project. The U.S. Department of Housing and Urban Development (HUD) requires that an Environment Assessment be performed before the release of any and all federal funds to a construction project.