



# Council Communication

Office of the City Manager

Date

December 18, 2006

Agenda Item No. 40  
Roll Call No. 06-  
Communication No. 06-785  
Submitted by: Larry Hulse,  
Community Development Director

## AGENDA HEADING:

Extension of "Agreement to Commit Funds" to Community Housing Initiatives, Inc. for rehabilitation of 34 units of rental housing.

## SYNOPSIS:

This is an extension of an agreement to commit HOME Investment Partnerships Program (HOME) funds with Community Housing Initiatives, Inc (CHI) an Iowa nonprofit corporation located at 14 West 21<sup>st</sup> Street, Spencer, Iowa 51301, Doug LaBounty, Executive Director for the rehabilitation of 34 units of rental housing. Of the 34 units, twenty have been purchased from the Des Moines Municipal Housing Agency. The Executive Director of CHI and City staff are in the process of completing requirements to allow the purchase of an additional 14 units from the Des Moines Municipal Housing Agency. Extension of the agreement allows utilization of HOME funds to complement the Disposition Plan of the Des Moines Municipal Housing Agency and continues affordable family rental housing within Des Moines.

## FISCAL IMPACT:

Amount: \$250,000

Funding Source: FY 2006/2007 Operating Budget, SP020, CDD049900, HOME2005002, Investor-Owned 2005, Page 356

## ADDITIONAL INFORMATION:

By Roll Call 06-775 on April 24<sup>th</sup> 2006, the Des Moines City Council approved an agreement to commit \$250,000 of HOME funds to Community Housing Initiatives, Inc. (CHI) for rehabilitation of 34 units of rental housing to be purchased from the Des Moines Municipal Housing Agency. The Des Moines Municipal Housing Governing Board approved the conveyance of ten duplex properties (20 units) to CHI by Roll Call 06-2051 on October 23<sup>rd</sup>, 2006. CHI and City staff are working to complete a number of issues to allow the sale of the additional 14 units to CHI within the next few weeks.

CHI has a history of providing affordable housing in Iowa and working with federally funded housing programs. The non profit housing provider has secured a commitment of funds from the following to assemble and renovate the 34 units:

Neighborhood Finance Corporation	\$220,000 loan at 4% interest
Polk County Housing Trust Fund	\$547,000 forgivable loan
IDED Housing Trust Fund	\$800,000 grant

The City HOME funds are a key piece of this financing packet and are only to be spent for rehabilitation of the units. The Community Development Director will review all materials and terms and execute the final HOME agreements with the developer pending approval of conveyance of the final 14 units by the Municipal Housing Governing Board.

**PREVIOUS COUNCIL ACTION(S):**

Date: April 24, 2006

Roll Call Number: 06- 775

Action: Agreement to Commit Funds to Community Housing Initiatives, Inc. for rehabilitation of 34 units of rental housing to be purchased from the Des Moines Municipal Housing Agency. (Council Communication No. 06-239) Moved by Hensley to adopt. Motion Carried 6-1. Absent: Coleman.

**BOARD/COMMISSION ACTION(S):**

**Municipal Housing Governing Board**

Date: October 23, 2006

Roll Call Number: 06-2051

Action: Approving conveyance of ten (10) properties to Community Housing Initiatives, Inc., \$838,350. (Council Communication No. 06-677) Moved by Coleman to adopt. Motion Carried 7-0.

Date: July 25, 2005

Roll Call Number: 05-1761

Action: Authorizing the Municipal Housing Agency to negotiate with Community Housing Initiatives (CHI) for the disposition sale of 54 Public Housing Units. (Call City Clerk Office for list). (Council Communication No. 05-422) Moved by Hensley to adopt. Motion Carried 6-2

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of HOME documents