



# Council Communication

Office of the City Manager

Date

August 25, 2008

Agenda Item No. 43  
Roll Call No. 08-  
Communication No. 08-523  
Submitted by: **Larry Hulse, Director**  
**Community Development Director**

## AGENDA HEADING:

Approving residential development agreement with Jerry Lohner and approving conveyance of City-owned property at 1511 13<sup>th</sup> Street and 1515 13<sup>th</sup> Street to Jerry Lohner for development of affordable housing in conjunction with the Forest Avenue Urban Renewal Project.

## SYNOPSIS:

Recommend Council approval of residential development agreement with Jerry Lohner. In addition, approving conveyance of City-owned property at 1511 13<sup>th</sup> Street and 1515 13<sup>th</sup> Street to Jerry Lohner for development of affordable housing in conjunction with the Forest Avenue Urban Renewal Project. These actions allow for the construction of two single family homes in the King Irving Neighborhood with Jerry Lohner as developer.

## FISCAL IMPACT:

Amount: \$5200 for purchase of lots

Funding Source: FY 2007-08 Operating Budget, Page 104, Community Development Block Grants, CDBG2006018, CDD-King Irving Housing Con.

## ADDITIONAL INFORMATION:

By Roll Call 07-1302 on July 9, 2007, the City Council received and filed a staff recommendation to provide HOME funding for construction of 24 houses for the 2007 New Construction Program. The recommendations were in response to a Request for Proposal for Infill Construction distributed annually by the Community Development Department that utilizes HOME funding as a subsidy for affordable housing. Jerry Lohner, doing business as (dba) Jerry Lohner, 3500 36<sup>th</sup> Street, Des Moines, Iowa submitted a proposal to build two single family homes for city owned lots at 1511 and 1515 13<sup>th</sup> Street.

The development agreement transfers the houses and lots to Jerry Lohner for construction of two single-family houses which will be sold to owner-occupants. The proposed houses will be two-story, three bedroom homes of approximately 1600 sq. ft. that will face 13<sup>th</sup> Street. They will cost approximately \$151,000 to build and will use an approximate subsidy of \$15,000 of HOME funds. The houses will sell to a homeowner for approximately \$125,000. The use of HOME funds requires that the properties be sold to a family below 80% of median income and remain affordable housing for five years. It is anticipated that construction will begin in September. Lohner has experience in affordable and market rate housing and built a home using HOME funds at 1339 14<sup>th</sup> Street in the King Irving Neighborhood using City HOME funds in 2006.

The King Irving and Mondamin Presidential Neighborhoods have a large number of scattered, vacant lots. Both neighborhoods have goals to redevelop the numerous vacant lots into single family homes that fit the architectural character of the neighborhoods. Jerry Lohner will present the proposed house plans to the King Irving Neighborhood at its August 14, 2008 meeting.

In regards to these lots, two were transferred to the City from Polk County for no cost and the other was purchased from Keystone Construction. The three lots were re-platted as two sixty foot lots. By Roll Call 05-2584 on October 24, 2005, the City Council approved the Forest Avenue Urban Renewal Plan which contained as a goal, the acquisition of underutilized lots and properties for redevelopment. By Roll Call 06-1810 on September 11, 2006, the City Council amended the Forest Avenue Urban Renewal Plan to allow for the acquisition of these vacant lots and voluntary acquisition of properties for redevelopment of affordable, single-family housing.

### **PREVIOUS COUNCIL ACTION(S):**

Date: July 9, 2007

Roll Call Number: 07-1302

Action: Receive and file proposals for single family houses as part of the 2007 New Construction Program. (Council Communication No. 07-403) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 21, 2007

Roll Call Number: 07-957

Action: Establishing fair market value and authorizing voluntary acquisition for properties at 1515 13<sup>th</sup> Street and 1519 13<sup>th</sup> Street from Polk County for the Forest Avenue Urban Renewal Project, \$5,200. (Council Communication No. 07-300) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: September 11, 2006

Roll Call Number: 06-1810

Action: On Proposed Amended Forest Avenue Urban Renewal Plan. (Council Communication No. 06-580). Moved by Vlassis to adopt. Motion Carried 6-0.

Date: October 24, 2005

Roll Call Number: 05-2584

Action: Resolution closing hearing and approving the proposed Urban Renewal Plan. (Council Communication No. 05-601) Moved by Vlassis to adopt. Motion Carried 6-1. Nays: Brooks.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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