



Council Communication

Office of the City Manager

Date April 6, 2009

Agenda Item No. 36
Roll Call No. 09-
Communication No. 09-216
Submitted by: Larry Hulse, Community
Development Department Director

AGENDA HEADING:

Authorize staff to negotiate a HOME loan of up to \$250,000 with the YMCA of Greater Des Moines to be used for rehabilitation of the Polk County Interim Jail at 2 Ninth Street for the creation of 140 residential units.

SYNOPSIS:

On January 5, 2009 by Roll Call 090-030, the Des Moines City Council voted to support a Low Income Housing Tax Credit (LIHTC) application for the relocation of the YMCA residential facility to 2 Ninth Street in Des Moines. The original application proposed the use of \$387,000 of Supportive Housing Program (SHP) funds administered by the City of Des Moines to be used for rehabilitation and supportive services. The SHP funding is difficult to use with the LIHTC program and the YMCA is now requesting \$250,000 of HOME funds to be used for rehabilitation and project based Shelter Plus Care funding for rental assistance.

FISCAL IMPACT:

Amount: \$250,000

Funding Source: FY 09-10 Special Revenue Funds HOME Grants – SP036 CDD049900, HOME Funds, page 72.

ADDITIONAL INFORMATION:

This proposal is a relocation of the existing Permanent Housing Facility currently located at the River Front YMCA to the Polk County Interim Jail Building. The new facility will have 140 units of permanent housing. The architect is currently evaluating whether these units will be single room occupancy or efficiency units. By Roll Call 090-030 on January 5, 2009, the Des Moines City Council voted to support a Low Income Housing Tax Credit application for this application.

At the time of the January 5, 2009 City Council meeting, the City's Housing Services Division had a letter into the HUD Omaha office asking for an amendment to the 2007 Supportive Housing Program (SHP) grant award to change \$387,991 from the Central Iowa Shelter and Services (CISS) project to the new YMCA transitional housing project. The HUD Omaha office advised that the SHP funds would be very difficult to use with the LIHTC requirements.

City staff has had several discussions with HUD and is now proposing to use \$250,000 of HOME funds to fill the rehabilitation gap. In addition, staff will apply for Project-Based Shelter Plus Care funds for

the new YMCA facility for on-going rental assistance. The request for Shelter Plus Care will be included in the 2009 SHP application for expenditure beginning in 2010.

The Iowa Finance Authority Board will meet on April 8, 2009 to determine whether to allocate funds to the YMCA Project. Before acting on the tax credit application, the IFA Board needs the commitment of \$250,000 of HOME funds

The YMCA made a presentation to the Downtown Neighborhood Association on January 22, 2009. The neighborhood was supportive of the project and the use of the interim jail facility for the YMCA residential facility.

PREVIOUS COUNCIL ACTION(S):

Date: January 5, 2009

Roll Call Number: 09-030

Action: Support for an application to the Iowa Housing Finance Authority, for Low-Income Housing Tax Credits for development of 140 units of affordable housing at 2 9th Street, to be operated by the YMCA. (Council Communication No. 09-013) Moved by Kiernan to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of Contract documents for final commitment of funds

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