

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	November 9, 2009
	Agenda Item No. 29 Roll Call No. <u>09-</u> Communication No. <u>09-794</u> Submitted by: Larry Hulse, Community Development Director	

AGENDA HEADING:

Approving the template format of lien and mortgage documents to be used within the City of Des Moines Jumpstart Housing Assistance Program.

SYNOPSIS:

On June 30, 2009, Council Authorized the Mayor to sign Major Amendment #5 of the Community Development Block Grant (CDBG) Housing Disaster Recovery Fund Contract with the Iowa Department of Economic Development (IDED) (Contract Number 08-DHR-009) (Roll Call #09-1156). This contract amendment added the funds for the construction of 13 Habitat for Humanity units into an existing contract held between the City of Des Moines and IDED. Community Development Block Grant Disaster Recovery (CDBG-DR) funds will be used to help subsidize the construction of these units. The template document for consideration will secure the funds in a lien, in the form of a five year forgivable loan against the subsidized property. The format for consideration is based off existing liens the Neighborhood Conservation Services Division uses for similar projects subsidized by Federal funds.

FISCAL IMPACT:

Amount: N/A

Funding Sources: The funds for this program are already in place and are under contract. The Iowa Department of Economic Development is administering the Federal Community Development Block Grant (CDBG) Disaster Recovery Funds per a statewide allocation plan approved by the Department of Housing and Urban Development.

ADDITIONAL INFORMATION:

Overview of Funding and Program Guidelines

The State of Iowa published an action plan for Disaster Recovery that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) CDBG funding. This action plan outlines the recovery activities taking place across the state such as Jumpstart, Infrastructure Repair, and Small Business Assistance. One additional proposed activity is the construction of new housing units to replace the units lost during the floods. IDED has initially allocated \$20 million statewide for this activity.

On April 20, 2009 Council authorized City Staff to submit two applications (Roll Call #09646). The first application was for the 2200 Block of Forest Avenue Redevelopment Project. This application has not been funded at this time. The second project is the Habitat for Humanity Scattered Site Project. The City of Des Moines authorized receipt of funds for this project through approval of Major Amendment #5 (Roll Call #09-1165).

The funded application consists of thirteen single-family Habitat for Humanity homes scattered in neighborhoods throughout the City of Des Moines. Ten of these homes will be completed and occupied by the end of 2009 with the other three being completed and occupied by May of 2010. These houses will range from three to five bedrooms.

The Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided from IDED will be used to help subsidize the construction of these units and make them affordable to low-income families. The template document for consideration will secure the funds in a lien, in the form of a five year receding forgivable loan with payback required if the assisted homebuyer sells, vacates, rents, or abandons the purchased property at any time for the five years. The format is based off existing forms the Neighborhood Conservation Services Division uses for similar projects. Once the homes are completed the new homeowner will sign the attached document to secure the subsidy (CDBG-DR) funds for a five year period. After the five years has expired the lien will then be released.

PREVIOUS COUNCIL ACTION(S):

Date: June 30, 2009

Roll Call Number: 09-1165

Action: Authorizing the Mayor to sign Major Amendment #5 of the Community Development Block Grant Housing Disaster Recovery Fund Contract with Iowa Department of Economic Development (Contract Number 08-DHR-009). (Council Communication No. 09-438) Moved by Vlassis to approve. Motion Carried 5-2.

Date: April, 20, 2009

Roll Call Number: 09-646

Action: Authorizing submittal of two single-family new construction applications for Community Development Block Grant (CDBG) funds to the Iowa Department of Economic Development (IDED). (Council Communication No. 09-250) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: October 13, 2008

Roll Call Number: 08-1810

Action: Approving CDBG Housing Disaster Recovery Fund Contract with Iowa Department of Economic Development. Sponsor: Mahaffey. (Council Communication No. 08-628) Moved by Mahaffey to adopt. Motion Carried 6-1. Absent: Cownie.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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