

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	December 21, 2009
	Agenda Item No. 28 Roll Call No. <u>09-</u> Communication No. <u>09-870</u> Submitted by: Larry Hulse, Director Community Development	

AGENDA HEADING:

Approval of contract template for Thrivent Builds Neighborhoods (TBN) Program to allow use of grant funds by housing developers to purchase property for rehabilitation or new construction in the Thrivent Neighborhoods.

SYNOPSIS:

Recommend approval of a contract template between a housing developer and the City of Des Moines to borrow funds provided to the City by TBN for purchase of property for rehabilitation or new construction in the Thrivent Neighborhoods. This is a part of the overall TBN Program for the Mondamin Presidential and King Irving Neighborhoods.

FISCAL IMPACT:

Amount: \$250,000

Funding Source: TBN Initiative loan to be administered by the City of Des Moines.

ADDITIONAL INFORMATION:

By Roll Call No. 08-1587 on September 8, 2008, the Des Moines City Council approved the “Recoverable Funding and Grant Agreement” among Habitat for Humanity International Inc., Des Moines Neighborhood Resource Office Inc., Greater Des Moines Habitat for Humanity Inc. and the City of Des Moines. A part of the agreement directed the Neighborhood Conservation Services Division of the Community Development Department to administer one portion of the funding to provide below market rate construction financing to primarily non-profit housing developers. The City serves as a construction lender for a developer with money to be repaid to the City at a lower cost for funds. Loans will be under 1 year and generate a small amount of income. Non-profits will only be charged an origination fee. Depending on the sources and uses of projects, for-profit developers may be charged a low interest rate, in addition to the origination fee. The funds provide access to capital, as well as, a lower cost for the money that will make housing more affordable for the end buyer. All housing must serve those at 80% of area median income.

The City is continuing to work in the TBN neighborhoods to provide forgivable loan and grant funding for rehabilitation of very low income owner-occupied housing. The Thrivent funds are being combined with the City’s Emergency Repair Program and other funding sources to provide assistance to the individual. At the current time, seven homeowner projects are complete or under contract and five are in the process of contracting.

PREVIOUS COUNCIL ACTION(S):

Date: September 8, 2008

Roll Call Number: 08-1587

Action: Recoverable Funding and Grant Agreement with Habitat For Humanity International Inc., Des Moines Neighbors Neighborhood Resources Office Inc., Greater Des Moines Habitat For Humanity, Inc., and the City of Des Moines for the Thrivent Builds Neighborhoods Program. (Council Communication No. 08-535) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: December 17, 2007

Roll Call Number: 07-2424

Action: Thrivent Builds Neighborhoods Coalition Implementation Phase Memorandum of Understanding regarding King Irving and Mondamin Presidential Neighborhood Action Plan. (Council Communication No. 07-731) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: January 22, 2007

Roll Call Number: 07-130

Action: City Manager to negotiate a contract with Greater Des Moines Habitat for Humanity regarding implementation of the Thrivent Builds Neighborhoods Planning Grant Program to provide funding to develop and implement neighborhood action plan for King Irving and Mondamin Presidential Neighborhoods. (Council Communication No. 07-031) Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: December 5, 2007

Board: Neighborhood Revitalization Board (NRB)

Action: The NRB approved a motion to send a letter in support of the King Irving and Mondamin Presidential Neighborhood Action Plan, recommending the Council to authorize the signing of the Memorandum of Agreement.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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