



Council Communication

Office of the City Manager

Date

April 12, 2010

Agenda Item No. 33
Roll Call No. 10-
Communication No. 10-177
Submitted by: Larry Hulse, Director
Community Development

AGENDA HEADING:

Approval of contract with Home Opportunities Made Easy, Incorporated (HOME, Inc.) for \$50,000 of HOME funds for operating support as a designated Community Housing Development Organization (CHDO).

SYNOPSIS:

As a Participating Jurisdiction in the HOME Program, the City of Des Moines must provide 15% of its HOME allocation annually to a CHDO. In addition, a city may provide an additional 5% of HOME funds, up to a maximum of \$50,000, for CHDO operations. A CHDO is a private non-profit organization with the capacity to develop affordable housing in a specific geographic area.

By Roll Call Number 09-2191 on December 7, 2009, the City Council designated HOME, Inc. as a CHDO and directed staff to develop written agreements to develop affordable housing projects. Written agreements are to be submitted to the City Council for approval.

FISCAL IMPACT:

Amount: \$50,000

Funding Source: FY 2009-10 Operating Budget; Special Revenue Funds HOME Grants – SP036, CDD049900, HOME Funds, page 72.

ADDITIONAL INFORMATION:

The Executive Director of Home, Inc. is Pam Carmichael. The offices are located at 1111 9th Street in the United Way Building. Recent projects have included rehabilitation and sale to low income homeowners of houses purchased from the Des Moines Municipal Housing Agency, including a 12 unit condominium project located on Bel-aire in the northwest quadrant of the City.

On December 7, 2009, by Roll Call Number 09-2191, the City Council designated HOME, Inc. as a CHDO in that staff had verified that HOME Inc. met the criteria for CHDO designation under 24 CFR Part 92.2. The U.S. Department of Housing and Urban Development (HUD) has accepted the City Council certification and designated HOME, Inc. as a CHDO. On October 28, 2009, the Home, Inc. Board of Directors amended its by-laws and Board Structure to qualify for CHDO status. On November 18, 2009, the HOME Inc. Board adopted strategies to work with low income neighborhoods on housing

developments that seek neighborhood input on housing development and implementation of neighborhood revitalization goals.

On July 27, 2009, by Roll Call Number 09-1332, the City Council approved the 2009 Program allocations for the HOME Program operated by the Community Development Department. Of that budget, \$50,000 or 5% of the City's HOME funds was allocated for CHDO operating. Community Housing Development Corporation (CHDC) was the City's only designated CHDO at that time, but the agency was not able to contract or utilize the 2009 operating funding. As a part of Roll Call Number 09-2192 on December 7, 2009, CHDC submitted a communication, dated November 23rd, that it did not intend to continue as a CHDO or a non-profit housing agency.

Since HOME, Inc. is now the City's designated CHDO, by the agreement and work program on file in the City Clerk's Department, the City will contract for the \$50,000 of HOME funds with HOME, Inc.

PREVIOUS COUNCIL ACTION(S):

Date: On December 7, 2009

Roll Call Number: 09-2191

Action: Resolution designating Home Opportunity Made Easy, Inc., (HOME, Inc.) as a Community Housing Development Organization (CHDO). (Council Communication No. 09-862) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: On December 7, 2009

Roll Call Number: 09-2193

Action: Communication from Community Housing Development Corporation. Moved by Vlassis to receive, file and refer to the Community Development Department. Motion Carried 7-0.

Date: On July 27, 2009

Roll Call Number: 09-1332

Action: Amending 2008 Program Allocations and adopting 2009 Program Allocations for the Home Investments Partnerships Program (HOME). (Council Communication No. 09-499) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: December 1, 2009

Board: Neighborhood Revitalization Board

Action: Recommend approval of HOME, Inc. as a CHDO, subject to review of all documents and verification of board structure by City Council and HUD.

Date: June 3, 2009

Board: Neighborhood Revitalization Board

Action: Update on status of CHDC.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Contracts for development of affordable housing with HOME, Inc., operating as a CHDO. Contract for use of 2010 HOME operating funds for HOME, Inc., once HOME funds are received.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.