

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: March 28, 2011
	Agenda Item No. 30 Roll Call No. <u>11-0527</u> Communication No. <u>11-191</u> Submitted by: Phil Delafield, Community Development Director

AGENDA HEADING:

Approve and authorize the Mayor to sign Major Amendment #6 of the Community Development Block Grant Housing Disaster Recovery (CDBG-DR) Fund Contract with Iowa Department of Economic Development—IDED (Contract Number 08-DHR-209).

SYNOPSIS:

Approve and authorize the Mayor to sign Major Amendment #6 to a contract with IDED for CDBG disaster funds. This Amendment awards funds to the City of Des Moines for the new construction of 21 single-family homes and for the conversion part of 322 SW 3rd Street (the Des Moines Brewery/Green Foundry Building) into 25 rental units. This action amends funds for these activities into an existing contract held between the City of Des Moines and IDED.

FISCAL IMPACT:

Amount: \$2,772,727

Funding Source: 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:

Single Family New Construction:

In a communication received August 19, 2010, the Iowa Department of Economic Development made available up to \$732,727 for the construction of single-family owner-occupied homes and/or to build infrastructure to support the construction of these homes to replace units lost during the natural disasters of 2008.

In September, the City issued a Request for Proposals to solicit interest from the housing development community to build these replacement homes. Proposals for the development of 32 homes were submitted. On November 8, 2010, City Council approved a Development Plan recommending funding for 20 of those proposed homes (Roll Call # 10-1850).

The final Development Plan included the construction of 21 new homes throughout the city by two developers, Greater Des Moines Habitat for Humanity, and Madden Construction. The original Development Plan had to be adjusted because the project proposed by one of the developers turned out to

be financially infeasible. Below is a list of the projects that were included in the final Development Plan submitted to IDED:

Developer	Address	Total Development Cost	Subsidy Requested	Project Delivery Costs	Total Subsidy
Greater Des Moines Habitat for Humanity	1216 13th ST.	\$144,400	\$31,000	\$4,500	\$35,500
	1230 13th St.	\$147,600	\$31,000	\$4,500	\$35,500
	1232 13th ST.	\$147,040	\$31,000	\$4,500	\$35,500
	1433 5th Ave.	\$141,430	\$31,000	\$4,500	\$35,500
	1435 5th Ave.	\$142,020	\$31,000	\$4,500	\$35,500
	1445 5th Ave.	\$138,750	\$15,000	\$4,500	\$19,500
	1959 Francis	\$151,015	\$31,000	\$4,500	\$35,500
	1539 10th St.	\$141,050	\$31,000	\$4,500	\$35,500
	1819 12th St.	\$143,040	\$31,000	\$4,500	\$35,500
	1247 Hutton	\$144,960	\$31,000	\$4,500	\$35,500
	1364 E. 15th St.	\$142,530	\$31,000	\$4,500	\$35,500
	2208 Garfield	\$142,580	\$31,000	\$4,500	\$35,500
	2810 Des Moines St.	\$142,100	\$31,000	\$4,500	\$35,500
	1423 23nd St.	\$142,200	\$31,000	\$4,500	\$35,500
	1320 21st St.	\$140,400	\$31,000	\$4,500	\$35,500
	1444 4th St.	\$140,840	\$31,000	\$4,500	\$35,500
	1448 4th St.	\$140,310	\$31,000	\$4,500	\$35,500
1910 1st. St.	\$140,825	\$31,000	\$4,500	\$35,500	
1144 17th St.	\$142,654	\$13,744	\$4,500	\$18,244	
Madden Construction	1096 Buchanan	\$149,075	\$32,796	\$4,500	\$37,296
	1100 Buchanan	\$159,240	\$35,032	\$4,500	\$39,532
Construction Total		\$3,024,059	\$623,572	\$94,500	
Project Delivery Costs			\$94,500		
Administrative Expense			\$14,655		
Request Total			\$732,727		
Total Allocation			\$732,727		
Remainder			\$0		

IDED has approved the Development Plan and this Council Action amends the funds for these projects into an existing contract with IDED.

Des Moines Brewery/Green Foundry Building (Adaptive Reuse for Residential Rental Housing): CDBG-DR funds, administered by the Iowa Department of Economic Development, were made available statewide by competitive application for the new construction (including adaptive reuse) of rental housing units. A request for letters of interest was sent out and seven proposals were received.

City staff evaluated the proposals received based on the priorities outlined in the application from IDED and the in the request for letters of interest. On November 8, 2010 City Council approved a grant application to IDED for \$2 million for a project consisting of twenty five units of housing at 322 SW 3rd Street in a building undergoing an historic rehabilitation and conversion into a mixed use commercial and residential project.

IDED has reviewed the applications received and fully funded this project. This Council action will amend the funds for this project into an existing contract with IDED.

PREVIOUS COUNCIL ACTION(S):

Date: November 8, 2010

Roll Call Number: 10-1850

Action: [Des](#) Moines Community Development Block Grant – Disaster Recovery (CDBG-DR) Development Plan to build owner-occupied single-family homes to replace homes destroyed during heavy rains and flooding of 2008. ([Council Communication No. 10-678](#)) **Moved by Hensley to approve. Motion Carried 7-0.**

Date: November 8, 2010

Roll Call Number: 10-1852

Action: [Funding](#) request to Iowa Department of Economic Development on behalf of Green Ltd. L.C. for \$2,000,000 of CDBG-DR funding for 25 units of housing and City commitment of \$400,000 in matching funding through HOME funds, Tax Increment Financing (TIF) or Tax Abatement. ([Council Communication No. 10-686](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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