

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> January 23, 2012
	<b>Agenda Item No.</b> 41 <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>12-028</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director and Jeb Brewer, City Engineer

**AGENDA HEADING:**

Hold Public Hearing on Conveyance of 1512 13th Street to Home Opportunities Made Easy, Incorporated. (HOME, Inc.), Approving Development Agreement for 1512 13th Street and Assignment and Amendment to Special Warranty Deed for 1307 Clark to facilitate development of five units of permanent-supportive rental housing by HOME, Inc.

**SYNOPSIS:**

These actions facilitate development of permanent-supportive rental housing to be located on 13th Street between Clark and Norton in the King Irving Neighborhood. Home Opportunities Made Easy, Incorporated (HOME, Inc.) has proposed a development of five rental housing units in the 1500 block of 13th Street which will have permanent-supportive services provided to the renters. The agency has secured funding from the Federal Home Loan Bank of Des Moines and is applying for State HOME funding from the Iowa Finance Authority as well as Polk County Housing Trust Fund.

**FISCAL IMPACT:**

Amount: \$19,000 plus closing and relocation costs for 1352 13th Street and \$37,000 plus closing and relocation costs for 1307 Clark Street.

Funding Source: FY 2011-12 Operating Budget, Page 104, Community Development Block Grants, CDBG2006018, CDD-King Irving Housing Con.

**ADDITIONAL INFORMATION:**

These actions for redevelopment will further the goals of the Forest Avenue Urban Renewal Plan. By Roll Call 05-2584 on October 24, 2005, the City Council approved the Forest Avenue Urban Renewal Plan which contained as a goal the acquisition of underutilized lots and properties for redevelopment. By Roll Call 06-1810 on September 11, 2006, the City Council amended the Forest Avenue Urban Renewal Plan to allow for the acquisition of scattered vacant lots and voluntary acquisition of properties for redevelopment of affordable, single-family and low density multi-family housing.

By Roll Call 07-636 on April 9, 2007, the City Council established fair market value and authorized voluntary acquisition of the property at 1307 Clark Street for the Forest Avenue Urban Renewal Project. By Roll Call 07-2020 on October 22, 2007 the City Council established fair market value and authorized

acquisition of property located at 1512 13th Street for the Forest Avenue Urban Renewal Project.

HOME, Inc. has proposed assembling the lots between Clark and Norton on 13th Street for development of permanent supportive rental housing. Support services depend on the needs of the residents, but usually include health care, education, independent living skills, social support, transportation, 24-hour emergency services, referrals, and job training programs.

HOME, Inc. is a nonprofit agency located at 1111 9th Street in the United Way Building, Pam Carmichael Executive Director. HOME, Inc. is proposing five units of housing arranged as two duplexes and one single family unit which will require acquisition of parcels owned by the City of Des Moines and Jack DeLeon Construction, Inc. The agency has received a funding commitment of \$150,000 from the Federal Home Loan Bank and is requesting State HOME funding through IFA. The City can provide a partial construction loan through a grant from Thrivent Builds Neighborhoods and may be able to provide HOME funding for long term affordability. HOME, Inc. has presented the development proposal to the King-Irving Neighborhood Association.

By Roll Call 07-2333 on December 3, 2007, the City Council entered into a development agreement with Jack DeLeon Construction, Inc. for the transfer of 1307 Clark Street. The Construction Company was to combine adjacent land already in its ownership and build two single-family houses to be sold to owner-occupants at or below 80% of affordable housing. The property was transferred by Special Warranty Deed in March of 2008 but DeLeon Construction was not able to secure construction financing for the property and in the current housing market it is very difficult for low-income buyers to secure mortgages for single family homes. The development agreement for the property between the City and DeLeon Construction requires City Council approval before ownership of the lot can be transferred.

HOME, Inc. will purchase two parcels from Jack DeLeon Construction currently addressed as 1303 and 1305 Clark; (A portion 1305 Clark includes the 3040 sq. ft. parcel of land formerly addressed as 1307 Clark which the City sold DeLeon Construction under a Special Warranty Deed) To facilitate the development, the Council action will approve the re-assignment of the small lot formerly addressed as 1307 Clark Street to HOME, Inc. and amend the development agreement to allow for duplex development of affordable rental housing. Attachment A of the development agreement which included Minimum Requirements for single family owner-occupied housing and time frames will be released. Attachment B of the development agreement which included standards and guidelines for architectural design will remain a part of the agreement.

HOME, Inc. has also proposed purchasing and entering into a development agreement for the adjacent City owned lot at 1512 13th Street. The City purchased the site with a house that has since been torn down because of its condition. The lot is quite small and measures 44' by 105' for 4,620 sq. ft. It needs to be combined with additional lots for reuse. The action will set a public hearing for sale of the property to HOME, Inc. to develop in conjunction with the lots adjacent to the south.

HOME funds require environmental clearance prior to actual purchase of land. To facilitate the environmental review required. At such time as clearances are achieved and all funding secured the lot will be transferred to HOME, Inc.

**PREVIOUS COUNCIL ACTION(S):**

Date: January 9, 2012

Roll Call Number: 12-0032

Action: [On](#) conveyance of 1512 13<sup>th</sup> Street to Home Opportunities Made Easy, Inc. (HOME, Inc.), \$1, (1-23-12). Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 3, 2007

Roll Call Number: 07-2333 and 07-2334

Action: [Residential](#) Development Agreement with Jack DeLeon Construction, Inc. at the northwest corner of 13<sup>th</sup> and Clark Streets, in conjunction with the Forest Avenue Urban Renewal Project. **Moved by Vlassis to adopt. Motion Carried 7-0.** [Hearing](#) on conveyance of 1307 Clark Street to Jack DeLeon Construction, \$1. ([Council Communication No. 07-725](#)) **Moved by Vlassis to adopt. Motion Carried 7-0.**

Date: October 22, 2007

Roll Call Number: 07-2020

Action: [Establishing](#) fair market value and authorizing acquisition of property at 1512 13<sup>th</sup> Street for the Forest Avenue Urban Renewal Project. ([Council Communication No. 07-636](#)) **Moved by Vlassis to adopt. Motion Carried 7-0.**

Date: April 9, 2007

Roll Call Number: 07-636

Action: [Establishing](#) fair market value and authorizing voluntary acquisition of property at 1307 Clark Street for the Forest Avenue Urban Renewal Project, \$37,000. ([Council Communication No. 07-187](#)) **Moved by Vlassis to adopt. Motion Carried 7-0.**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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