

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 13, 2012
	Agenda Item No. 33 Roll Call No. [] Communication No. <u>12-060</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approve the 2012 Des Moines Community Development Block Grant--Disaster Recovery (CDBG-DR) Development Plan to build Owner-Occupied Single-Family Homes to Replace Homes Destroyed during the Heavy Rains and Flooding of 2008 and authorize contract extension request though December 31, 2014 (Contract Number 08-DHR-209) to provide adequate time to implement the Development Plan.

SYNOPSIS:

Up to \$932,727 in CDBG-DR funding has been allocated to the City of Des Moines by the Iowa Economic Development Authority, IEDA (formerly Iowa Department of Economic Development) to build single-family owner-occupied homes to replace homes destroyed during the heavy rains and flooding of 2008. A Development Plan outlining the anticipated use of those funds is required by IEDA. This action approves the Development Plan which includes the construction of 31 new single family owner occupied homes throughout the City of Des Moines by two local nonprofit home builders. The funds will be amended into an existing contract with IEDA. This action also requests an extension of that contract through December 31, 2014 to provide adequate time to build and sell the home proposed in the Development Plan.

FISCAL IMPACT:

Amount: \$932,727

Funding Source: The Iowa Economic Development Authority is administering the Federal Community Development Block Grant Disaster Recovery (CDBG-DR) Funds per a statewide allocation plan approved by the Department of Housing and Urban Development. Funds will be amended into an existing contract between IDED and the City of Des Moines.

ADDITIONAL INFORMATION:

In a communication received December 13, 2011 the Iowa Department of Economic Development made available up to \$932,727 for the construction of single-family owner-occupied homes to replace units lost during the natural disasters of 2008.

The Development Plan includes the construction of 31 new homes throughout the City of Des Moines. Twenty-six of these homes will be built by Greater Des Moines Habitat for Humanity and another five units will be built by HOME, Inc. Both Greater Des Moines Habitat for Humanity and HOME, Inc are

local nonprofit organizations and these homes will be sold to people at or people 80% Area Median Income or about \$60,000 annually for a family of four.

In accordance with the regulations of the program, each home built under this Development Plan will be eligible for up to \$25,000 in Down Payment Assistance subsidy. Funds awarded to a property will be provided as Down Payment Assistance and will be secured with a lien that is forgiven over 5 years.

Buyers will be pre-selected for the twenty-six Habitat homes. For the remaining six home, the City of Des Moines Community Development Department plans to work proactively with the HOME, Inc and area lenders to identify and pre-qualify buyers, making the final sale of these properties more efficient.

Below is a chart outlining the proposed budget within the Development Plan:

Des Moines Proposed Budget (Up to \$932,727)	
Administrative (<i>City of Des Moines</i>)	\$18,655
Project Delivery (<i>City of Des Moines</i>)	\$155,000
Down Payment Assistance—31 Homes (<i>2 Non Profit Developers</i>)	\$759,072
TOTAL	\$932,727

The funds for these activities will be amended into an existing contract (Contract # 08-DHR-209) held between the City of Des Moines and IEDA. In addition to approving the Development Plan, this action also requests an extension of that existing contract through December 31, 2014 to allow adequate time to build and sell the homes outline in the development plan.

PREVIOUS COUNCIL ACTION(S):

Date: April 20, 2009

Roll Call Number: 09-645

Action: [Iowa](#) Department of Economic Development (IDED) Community Development Block Grant (CDBG) Housing Disaster Recovery Fund Contract (08-DHR-209). ([Council Communication No. 09-254](#)) Moved by Vlassis to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If the Development Plan and contract extension are approved by IEDA, the contract amendment including the additional funds and extended contract expiration date will be brought back to City Council for approval.

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