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|  <div style="text-align: center;"> <h1 style="margin: 0;">Council Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div> | Date: June 25, 2012 |
| | Agenda Item No. MHGB3 Roll Call No. <u>12-0950</u> Communication No. <u>12-311</u> Submitted by: Douglas C. Romig, Housing Services Director |

AGENDA HEADING:

Approving Greater Des Moines Habitat for Humanity's development request to acquire four (4) public housing units within the Martin Luther King Jr. neighborhood and authorizing the Housing Services Director to seek U.S. Department of Housing and Urban Development approvals.

SYNOPSIS:

Approval of Greater Des Moines Habitat for Humanity's development request within the Martin Luther King Jr. neighborhood and authorizing the Housing Services Director to seek U.S. Department of Housing and Urban Development approvals.

FISCAL IMPACT:

Amount: \$23,000 (\$5,000 per parcel and \$3,000 change order to relocate RHF home).

Funding Source: Greater Des Moines Habitat for Humanity; deposited into Housing Services Department; Disposed Homes; SP350, HSG021500, page 118.

ADDITIONAL INFORMATION:

Lance Henning, Executive Director Greater Des Moines Habitat for Humanity, in conformance with the City of Des Moines, Community Development Department's revitalization efforts within the Martin Luther King Jr. Neighborhood has submitted a development proposal to the Des Moines Municipal Housing Agency (DMMHA) regarding the acquisition of four (4) disposition approved Public Housing units.

The City of Des Moines has selected the Martin Luther King Jr. Park neighborhood for its Neighborhood Revitalization Program. The program is a public/private partnership through which residents and stakeholders from each neighborhood work with City staff to create and implement a Neighborhood Plan. The plans identify goals, strategies and action steps for improving the quality of life in a neighborhood. Most plans focus on physical improvements to housing, parks, trails and open space, infrastructure, and commercial areas. Some look at other issues like crime and safety or neighborhood engagement.

Martin Luther King Jr. Park (MLK Park) is an urban core neighborhood located north-east of downtown. It is bounded on the north by Washington Avenue, on the south by I-235, on the west by East 14th Street, and on the east by the railroad tracks. 2,584 people live in MLK Park in 1,045 households. The median household income is \$32,024, below the Des Moines average of \$47,096.

The housing stock is classified as distressed, with 18% of homes listed in Below Normal, Poor, or Very Poor condition. The average assessed value per square foot is \$73, significantly lower than the city-wide value of \$95 per square foot. MLK Park also has a higher rate of foreclosures than the city as a whole, with 8.6% of properties foreclosed, compared to 5.5% for Des Moines. The neighborhood also fares below city averages in market place measures, scoring significantly lower than the city in percent of residences with less than 850 square feet, percent of residences with one (1) bathroom or less, and percent of residences with two (2) bedrooms or less.

The neighborhood is one of the more diverse in Des Moines, with almost 70% of the population classified as non-white, including 41% black and 11% Asian. Over 25% of the population is identified as Hispanic. Over 20% of the population speaks a language other than English at home. The population is also relatively young, with 30% of the residents 18 or younger.

The MLK Park Neighborhood Association identified many issues to address as part of the planning process, including repairs to street and sidewalk infrastructure, building organizational capacity and a sense of community, park improvements, and housing repairs and renovations. The Neighborhood Association is particularly concerned with the future of several currently vacant public housing units.

Currently the DMMHA has three (3) single family homes in an approved disposition (DDA0004274), Development Number IA20000006 located at:

1233 East 17th Street
1239 East 17th Street
1251 East 17th Street

and one (1) in an approved demolition, as a part of our Replacement Housing Factor redevelopment plan:

1227 East 17th Street

Four (4) of these units are located on 80' wide lots and there is a single family home located at 1245 East 17th Street, formerly a DMMHA 5h home that was sold to a low-income qualified homeowner; creating five (5) adjacent lots that Habitat is interested in redeveloping. Habitat's proposal is to acquire these five (5) adjoining parcels and re-parcel the site to create six (6) 60'+ wide lots for low-income home ownership opportunities. This redevelopment plan is more in conformance (lot sizes) with the character of the existing neighborhood and meets current City of Des Moines zoning regulations. In order for the Habitat development to move forward, the Des Moines Municipal Housing Agency as a part of this development effort would seek to demolish the unit at 1246 East 17th Street at Habitat's expense and relocate our RHF handicapped accessible home to this site. The Housing Agency would also seek additional compensation from Habitat for additional expenses incurred to the Agency through the relocation of this home (site design changes) and estimate that this cost would not exceed \$3,000.

In order to finance this low-income homeownership initiative; Habitat is requesting a reduced purchase price of \$5,000 per location as they would demolish the existing units in order to re-parcel and increase the number of available units for low-income homeownership. The existing units are slab on grade and the new development would include basements and energy efficient construction increasing the surrounding property values; expanding home-ownership opportunities for low-income qualified families and further expand DMMHA's de-concentration efforts.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S):

Board: Housing Services Board

Date: June 20, 2012

Resolution Number: N/A

Action: Approved recommendation of Greater Des Moines Habitat for Humanity's development proposal to acquire four public housing units.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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