

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> April 22, 2013
	<b>Agenda Item No.</b> 26 <b>Roll Call No.</b> <u>13-0649</u> <b>Communication No.</b> <u>13-194</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Approving HOME Loan and Execution of Contracts for \$378,000 with Home Opportunities Made Easy, Incorporated (HOME, Inc.) for the construction of five (5) rental units at the intersection of 13th and Clark Streets.

**SYNOPSIS:**

The City of Des Moines assembled a parcel of land through voluntary acquisition of property on the northwest corner of 13<sup>th</sup> and Clark Streets in the Mondamin/Presidential Neighborhood. Approval of the HOME Loan will facilitate development of permanent supportive rental housing on this now vacant site. HOME, Inc. has also secured grant funding from the Federal Home Loan Bank of Des Moines and Polk County Housing Trust Fund. The Neighborhood Finance Corporation will provide a permanent loan for the project. The housing will be configured as two duplex structures and a single family house. Preference for renters will be given to those families completing services at the House of Mercy and looking for affordable rental housing.

**FISCAL IMPACT:**

Amount: \$378,000

Funding Source: FY2014 Operating Budget, Community Development Department, Special Revenue Fund, HOME2012000, SP036, CDD049900, page 57

**ADDITIONAL INFORMATION:**

The approval of a \$378,000 HOME loan for construction of five (5) units of rental housing will further the goals of the Forest Avenue Urban Renewal Plan. By Roll Call No. 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 No. 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 No. 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 No. 07-2020 on October 22, 2007, the City Council established fair market value for the acquisition of property located at 1512 13th Street for the Forest Avenue Urban Renewal Project.

HOME, Inc. is proposing to develop five (5) units 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. For the development of the project, the agency has received a funding commitment from the Federal Home Loan Bank of Des Moines and the Polk County Housing Trust Fund. HOME, Inc. has presented the development proposal to the King-Irving Neighborhood Association and the Mondamin Presidential Neighborhood.

The development will be arranged as two (2) duplexes and one (1) single family unit. The site has been rezoned to multi-family and the plans have been determined to be consistent with the Plan and Zoning Commission's housing design standards. The development requires acquisition of parcels owned by the City of Des Moines, Jack DeLeon Construction, and Triston Frank. The City Council approved purchase and development agreements with HOME, Inc. for the City purchased lots at 1307 Clark and 1312 13<sup>th</sup> Street on January 23, 2012, by Roll Call No. 12-1027, 12-0128, and 12-0129. HOME, Inc. has options on the properties owned by Deleon Construction and Triston Frank.

Uses of Funds	\$ Amount	%		Sources	\$ Amount	Type
Land Acquisition	\$20,000	3%		FHLB Des Moines	\$150,000	Grant
Construction	\$643,696	83%		Polk County Trust	\$133,595	Grant
Const. Contingency	\$10,000	1%		City HOME	\$378,000	Loan
Architect	\$20,000	3%		City CDBG	\$15,600	Grant
Fees/Interest	\$3,000	0%		NFC	\$95,000	Loan
Real Estate Taxes	\$1,500	0%		Bankers Trust	\$5,000	Grant
Survey/Appraisal	\$4,700	1%				
Title Work/Recording	\$5,000	1%				
Insurance	\$3,000	0%				
Developer Fee	\$66,299	9%				
Total	\$777,195	100%		Total	\$777,195	

HOME, Inc. may also be able to utilize a sales tax rebate from its location in an Enterprise Zone. That funding of approximately \$10,000 will be added to the developer fee.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: April 23, 2012

Roll Call Number: [12-0634](#), [12-0635](#), [12-0636](#), [12-0637](#)

Action: Items regarding request from HOME Inc. for property at 1303 and 1305 Clark Street and 1512 and 1516 13<sup>th</sup> Street:

- (A) [Amending](#) the Des Moines 2020 Community Character Plan to revise the existing future land use designation from Low-Density Residential to Low/Medium-Density Residential. Moved by Griess to adopt, and approve the proposed amendment. Motion Carried 7-0.
- (B) [Hearing](#) on rezoning the property from “R1-60” (One-Family Low Density Residential) to Ltd. “R-3” (Multiple-Family Residential) to allow development of two small-lot two-family dwellings, and one small-lot single-family dwelling. Moved by Griess to adopt and approve the rezoning, subject to final passage of the rezoning ordinance. Motion Carried 7-0.
- (C) [First](#) consideration of ordinance above. Moved by Griess that this ordinance be considered and given first vote for passage. Motion Carried 7-0.
- (D) [Final](#) consideration of ordinance above, (waiver requested by applicant), requires 6 votes. Moved by Griess that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,101](#). Motion Carried 7-0.

Date: March 26, 2012

Roll Call Number: [12-0457](#)

Action: [Set](#) Date of Public Hearing on request from HOME, Inc. to rezone 1303 and 1305 Clark Street and 1512 and 1516 13<sup>th</sup> Street from “R1-60” (One-Family Low-Density Residential) to Ltd. “R-3” (Multiple-Family Residential) to allow development of two small-lot two-family dwellings and one small-lot single-family dwelling, (4-9-12). Moved by Hensley to adopt. Motion Carried 7-0.

Date: January 23, 2012

Roll Call Number: [12-0127](#), [12-0128](#), [12-0129](#)

Action: [On](#) conveyance of 1512 13th Street to Home Opportunities Made Easy, Inc. (HOME, Inc.), \$1. ([Council Communication No. 12-028](#)) Moved by Griess to adopt. Motion Carried 7-0.

- (A) [Approving](#) Rental Development Agreement in conjunction with Forest Avenue Urban Renewal Project. Moved by Griess to adopt. Motion Carried 7-0.
- (B) [Approving](#) assignment and amendment to Special Warranty Deed for 1307 Clark Street for Home Opportunities Made Easy, Inc. (HOME, Inc.) Moved by Griess to adopt. Motion Carried 7-0.

Date: January 9, 2012

Roll Call Number: [12-0032](#)

Action: [On](#) conveyance of 1512 13th 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 13th and Clark Streets, in conjunction with the Forest Avenue Urban Renewal Project. Moved by Vlassis to adopt. Motion Carried 7-0.

(A) [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 13th 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):**

Board: Plan and Zoning Commission

Date: March 15, 2012

Resolution Number: Zon2012-00019

Action: Recommend Amendment to 2020 Community Character Plan and rezoning the property from “R1-60” (One-Family Low Density Residential) to Ltd. “R-3” (Multiple-Family Residential) to allow development of two small-lot two-family dwellings, and one small-lot single-family dwelling.

## **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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