

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> July 27, 2015
	<b>Agenda Item No.</b> 33 <b>Roll Call No.</b> <u>15-1260</u> <b>Communication No.</b> <u>15-404</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Authorization to initiate a Request for Proposal (RFP) process for housing rehabilitation in the East Bank neighborhoods.

**SYNOPSIS:**

Authorizing the Community Development and Legal Departments to work together to develop and initiate an RFP process to select a developer(s) to acquire, rehabilitate, and resell homes within the three (3) East Bank neighborhoods, with gap financing provided by the City.

**FISCAL IMPACT:**

Amount: \$100,000

Funding Source: Fiscal Year (FY) 2015 and (FY) 2016 Capital Improvements Program, Miscellaneous Improvements, Vacant/Abandoned Residential Property Redevelopment, Page 14.

**ADDITIONAL INFORMATION:**

The City of Des Moines has a significant number of vacant and blighted residential properties. Over the past several years, taking a more proactive approach to this issue has been recommended within the context of neighborhood revitalization work by the Capital Crossroads Neighborhood Improvement Plan, endorsed by City Council. The City allocated funds in the FY 2015 and FY 2016 Capital Improvements Program (CIP) for the purpose of redeveloping vacant and blighted properties. Improving the condition of the housing stock is also an explicit goal listed in three (3) active neighborhood plans, Capitol Park, Capitol East, and Martin Luther King Jr. Park, approved by Council, where one (1) in five (5) properties are in below normal or worse condition. These three (3) plans are being implemented under the umbrella initiative known as Viva East Bank!

A number of partners in Viva East Bank! are undertaking housing redevelopment work, offering owner-occupied repair resources, acquiring and rehabilitating existing homes, demolishing public nuisance properties, and constructing new housing. The majority of the work to date has been completed by non-profits with an affordable housing mission and funded by sources that restrict the income level of the end purchaser. While these strategies are valuable and necessary, a complementary strategy currently missing is an incentive to attract more upper-middle-income families to the East Bank neighborhoods, resulting in a healthier mix of income levels. The challenge for this work is that costs to acquire and rehabilitate existing homes exceed the resale values possible in the current market.

Thus, City funds will be used to cover this gap, which is expected to decrease over time as higher comparable sales are established. The program will contribute to improvements in both home conditions and home values.

It is intended that an RFP will be released in the summer of 2015 to interested developers, seeking proposals to acquire, rehabilitate, and resell homes in the East Bank neighborhoods. The RFP will establish a scoring and evaluation criteria to ensure quality rehabilitation by capable developer(s), as well as a minimum number of units/maximum dollar amount per unit as a production requirement. Developer selection will come back to City Council for approval.

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

Date: August 11, 2014

Roll Call Number: [14-1225](#), [14-1226](#), and [14-1227](#)

Action: Items regarding Martin Luther King Jr. Park Neighborhood Revitalization Plan: ([Council Communication No. 14-378](#)):

- (A) [Receive](#) and file recommendation from the Plan and Zoning Commission. Moved by Mahaffey to receive and file. Motion Carried 7-0.
- (B) [Receive](#) and file recommendation from the Neighborhood Revitalization Board. Moved by Mahaffey to receive and file. Motion Carried 7-0.
- (C) [Resolution](#) adopting the Martin Luther King Jr. Park Neighborhood Revitalization Plan as an element, including the following revisions to the future land use designations: Moved by Mahaffey to approve. Motion Carried 7-0.
  - 1) Amend from Low/Medium Density Residential to High Density Residential for property located at 1731 Cleveland Ave (Logan Park Apartments).
  - 2) Amend from Low/Medium Density Residential to Public/Semi-Public for property located at 1740 East 17th Court (Joshua Christian Academy).
  - 3) Amend from Low/Medium Density Residential to Park/Open Space for Crowley Park property fronting Garfield Avenue between East 17th Court and Stewart Street.
  - 4) Amend from Commercial: Auto-Oriented Small-Scale Strip Development to Public/Semi-Public for property located on the south side of Walker Street between East 14th Street and Johnson Court.
  - 5) Amend Public/Semi-Public to Commercial: Auto-Oriented Small-Scale Strip Development for property located on the north and south sides of Buchanan Street from East 14th Street to Johnson Court.
  - 6) Amend future land use designation on the north side of East University Avenue from East 15th Street to Easton Boulevard from Low/Medium Density Residential and Commercial: Auto-Oriented Small-Scale Strip Development to Mixed Use and Density Residential.

Date: May 5, 2014

Roll Call Number: [14-0734](#)

Action: [Resolution](#) of Support endorsing the Capital Crossroads: Capital Core Neighborhood Improvement Implementation Plan. ([Council Communication No. 14-212](#)) Moved by Hensley to adopt, and request that two (2) Council Members be on the committee. Motion Carried 7-0.

Date: April 21, 2014

Roll Call Number: [14-0607](#)

Action: [Adopting](#) the Capital Park Neighborhood Plan Update. ([Council Communication No. 14-180](#)) Moved by Hensley to approve. Motion Carried 7-0.

Date: April 21, 2014

Roll Call Number: [14-0606](#)

Action: [Adopting](#) the Capitol East Neighborhood Plan Update. ([Council Communication No. 14-177](#)) Moved by Hensley to approve. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approving developer selection.

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