

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	October 12, 2015
	<b>Agenda Item No.</b>	<b>33</b>
	<b>Roll Call No.</b>	<b><u>15-1706</u></b>
	<b>Communication No.</b>	<b><u>15-550</u></b>
	<b>Submitted by:</b>	<b>Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Approving Agreement with Community Housing Initiatives and Neighborhood Finance Corporation (NFC) Properties, LLC for rehabilitation of housing in the East Bank neighborhoods.

**SYNOPSIS:**

By Roll Call No. 15-1260, City Council authorized the Community Development and Legal Departments to initiate a Request for Proposals (RFP) 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. Staff received one response to the RFP and is recommending the selection of Community Housing Initiatives (CHI) and NFC Properties, working in collaboration, as the developers.

**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!

On July 27, 2015 by Roll Call No. 15-1260, City Council authorized the Community Development and Legal Departments to initiate a Request for Proposals to select a developer(s) to acquire, rehabilitate, and resell vacant and/or blighted homes within the three (3) East Bank neighborhoods. Anticipating that the costs to acquire and rehabilitate homes will exceed possible resale values, City funds will be granted to the developer as gap financing to help cover any losses and improve the conditions and values of the homes. City staff distributed a RFP to 16 developers on August 19, 2015.

On September 11, 2015, one (1) proposal was submitted for the rehabilitation of homes in the East Bank neighborhoods. A committee of City staff reviewed the proposal and determined that it met all criteria established in the RFP. Staff is recommending the selection of a collaborative proposal from Community Housing Initiatives (CHI) and NFC Properties. An agreement will be executed between the City and CHI and NFC Properties.

**PREVIOUS COUNCIL ACTION(S):**

Date: July 27, 2015

Roll Call Number: [15-1260](#)

Action: [Request](#) for Proposal (RFP) to promote housing rehabilitation in the East Bank Neighborhoods. ([Council Communication No. 15-404](#)) Moved by Gatto to approve. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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