

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 27, 2016
	<b>Agenda Item No.</b> 38 <b>Roll Call No.</b> <u>16-1055</u> <b>Communication No.</b> <u>16-340</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Approval of HOME Investment Partnership Program (HOME) Agreements with Home Opportunities Made Easy, Incorporated (HOME, Inc.) for development of six (6) single-family homes using Community Development Organization Set-Aside Funds.

**SYNOPSIS:**

- This action approves \$210,000 of HOME funds for HOME, Inc. to develop six (6) single-family houses to be sold to income-eligible home buyers.
- HOME Inc. is a nonprofit housing organization located at 1111 9<sup>th</sup> Street, Des Moines, IA Executive Director, Pam Carmichael. Of the houses, five (5) will be built in the Birdland Area on lots purchased from the City of Des Moines.
- The other house will be built at 1355 Pennsylvania in the Capitol Park Neighborhood on a lot purchased from the City of Des Moines acquired through the Tax Sale Certificate Process.

**FISCAL IMPACT:**

Amount: \$210,000

Funding Source: Federal Funds HOMO2015

**ADDITIONAL INFORMATION:**

- Home, Inc. is a certified Community Housing Development Organization (CHDO) under the City’s HOME program entitled to use HOME set-aside funds and operating funds.
- Home, Inc. has been a valuable partner with the City in building and renovating affordable housing for qualified home buyers.
- The Birdland Area Redevelopment Plan was developed by the City of Des Moines and MSA Professional Services with a planning committee composed of neighborhood residents and businesses.
- The plan, adopted by City Council by Roll Call 15-0043 on January 12, 2015, included a goal for redevelopment of low density housing including on several lots owned by the City of Des Moines.
- HOME, Inc. responded to a City issued request for proposal (RFP) for redevelopment of housing in Birdland and on October 26, 2015, by Roll Call 15-1811, the City Council held a public hearing to sell land in Birdland to Home, Inc.

- HOME Inc. is also working with the City sponsored initiative, Viva East Bank, to build new housing on vacant lots in the Capitol Park Neighborhood.
- Home Inc. has proposed using \$210,000 of CHDO set-aside HOME funds to build and market six (6) new houses on vacant lots to income-eligible home buyers in the Birdland area and Capital Park Neighborhood.
- The new houses will be located at 205 E. Holcomb Avenue, 211 E. Holcomb Avenue, 217 E. Holcomb Avenue, 219 E. Holcomb Avenue, 219 Watson Avenue and 1355 Pennsylvania Avenue.
- Construction estimates are \$205,000 to \$220,000 to build each unit with an estimated appraised value of \$130,000 to \$155,000. The City/HUD requires energy upgrades, all appliances, and cement board siding.
- Funding Sources and Cost of Total Project:

Funding Source	Total	Per Unit
PCHTF	\$210,000	\$35,000
City HOME/CHDO	\$210,000	\$35,000
HOME, Inc.	\$150,000	\$25,000
Bankers Trust Loan	\$750,000	\$125,000
Total	\$1,320,000	\$220,000

- The homes will be sold to households below 80% of median income. For a family of four (4), that is \$61,400.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 26, 2015

Roll Call Number: [15-1811](#)

Action: [On](#) conveyance of multiple City-owned properties in the Birdland Project Area to Home Opportunities Made Easy, Inc. (HOME, Inc.), \$34,000 and approving acquisition agreement. ([Council Communication No. 15-560](#)) Moved by Moore to adopt. Motion Carried 6-1. Absent: Mahaffey.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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