

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	October 24, 2016
	Agenda Item No.	31
	Roll Call No.	<u>16-1828</u>
	Communication No.	<u>16-605</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Approve Multi-Year Allocation of Home Investment Partnership Program (HOME) Funds to Home Opportunities Made Easy, Incorporated (HOME, Inc.) for Development of Affordable Housing Using Community Housing Development Organization (CHDO) Set-Aside Funds.

SYNOPSIS:

Resolution to allocate HOME funds to HOME, Inc. in future calendar year in order to develop affordable housing. Such funding is dependent on the City receiving HOME funds, on-going certification of HOME, Inc. as a CHDO, and completion of all federal regulations of the HOME program.

FISCAL IMPACT:

Amount: \$1,040,000 total amount over four (4) year period.

Funding Source: Future HOME allocations

ADDITIONAL INFORMATION:

- HOME, Inc. is the City’s designated CHDO under the HOME program. A CHDO is a private, non-profit community based organization with qualified development staff. To be a CHDO, an organization must meet requirements pertaining to its Board, its Legal Structure, its independence from the City, accountability to the low-income community and its staff and board capacity and experience.
- The HOME program requires that 15% of the HOME funds be allocated to a CHDO each and every program year. In addition, City receiving HOME funds may commit up to 5% of its annual allocation to CHDO’s for operating expenses (Rent, salaries, equipment, employing training and communication).
- HOME, Inc. is currently undertaking a capital campaign for operating and projects funding. The Board believes that a council resolution for a multi-year commitment of City HOME funds would be helpful in raising funds from other sources. The Board is asking for approximately 30% of the City’s annual allocation rather than 15% required under HOME regulations.

HOME, Inc. produces affordable, high-quality housing by working closely with neighborhood residents on the needs of their community.

- It is important to both the City and to HOME Inc. that the City's designated CHDO maintain a pipeline of projects that fulfill the CHDO's mission, support neighborhood revitalization, and expend HOME funds within the community.
- The allocation of HOME funds can only be a "soft commitment" because a city cannot contract with a CHDO under the address of a property is known and all the environmental, budget, timeline, and subsidy layering review are completed.
- The City Manager recommended the following allocation of funds to HOME, Inc.:

Calendar Year	Project Funding	Operating Funding	# of HOME units
2017	\$290,000	\$35,000	5 ≤
2018	\$250,000	\$35,000	4 ≤
2019	\$250,000	\$35,000	4 ≤
2020	\$250,000	\$35,000	4 ≤

- The Neighborhood Revitalization Board (NRB) reviewed and approved the multi-year funding request from HOME, Inc. at its October 5, 2016 meeting.
- The Manager also recommended that HOME, Inc. be able to retain some CHDO proceeds on homebuyer projects amount to be negotiated on individual projects.

PREVIOUS COUNCIL ACTION(S):

Date: June 27, 2016

Roll Call Number: [16-1055](#)

Action: [Home](#) Investment Partnership Program (HOME) Agreements with Home Opportunities Made Easy, Incorporated (HOME, INC.) for development of six single-family homes using Community Housing Development Organization set-aside funds. ([Council Communication No. 16-340](#)) Moved by Westergaard to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Neighborhood Revitalization Board

Date: October 5, 2016

Resolution Number: NA

Action: Approved multi-year allocation.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

A final commitment of HOME funds to HOME, Inc. will need to be made annually.

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