

 <div style="text-align: center;"> <h1 style="margin: 0;">Council Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div>	Date:	May 21, 2018
	Agenda Item No.	43
	Roll Call No.	<u>18-0885</u>
	Communication No.	<u>18-246</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Approve HOME Investment Partnership Program (HOME) funding for Birdland Vista, LLC to construct affordable housing in the Birdland area.

SYNOPSIS:

Birdland Vista, LLC, which is a wholly-owned subsidiary of Greater Des Moines Habitat for Humanity (Habitat), has approximately 3.69 contiguous acres of land located between E. Holcomb and Arthur Avenue, east of Oxford and west of Saylor Road in the Birdland area. The developer intends to construct 22 units of new single-family housing and rehabilitation of one (1) existing single-family house.

In September 2017, Council committed \$300,000 of CDBG funds with Birdland Vista, LLC to purchase the land and perform preliminary grading. The Council also received and filed the City Manager's recommendation for a commitment of HOME funds to individual houses within the Birdland Vista development once the City had been notified of its 2018 HOME allocation.

Now that the 2018 HOME allocation has been announced, this current Council action is for approval of \$500,000 in HOME funds for hard construction costs and down payment assistance for 16 new single-family homes to be built in Birdland Vista. These homes will ultimately be purchased by working families who meet HOME's income eligibility guidelines.

FISCAL IMPACT:

Amount: \$500,000

Funding Source: 2017 and 2018 allocations of HOME Funds

ADDITIONAL INFORMATION:

- By Roll Call No. 15-0043, on January 12, 2015, the City Council approved the Birdland Area Redevelopment Plan (Plan) which included a goal for redevelopment of low-density housing. The Plan recommended redevelopment on a site located between Arthur Avenue and E. Holcomb Avenue, west of Saylor Road and east of Oxford Street. In 2015, the site was comprised of numerous parcels, many landlocked, under several ownership entities.

- Habitat has succeeded in assembling this entire area including all the interior parcels and parcels with direct access to Saylor Road and Oxford Street. The development site totals approximately 3.69-acres of ground in which a wholly owned subsidiary of Habitat, Birdland Vista, LLC will create a unique pocket neighborhood.



- By Roll Call No. 17-0710, on April 17, 2017, the City Council approved the rezoning of the site to Planned Unit Development (PUD). The site will accommodate 22 units of single-family new construction and the rehabilitation of one (1) existing unit. The plan features an improved alley system for access and an east-west serpentine sidewalk between the houses on the north and south halves of the PUD.
- A house constructed by Habitat generally costs between \$160,000 to \$180,000, with an estimated appraised value of \$127,000 to \$144,000. Costs and value vary depending on size. Energy upgrades and sustainable materials add to the costs, which do not necessarily add more monetary value to the end appraisal.
- The HOME Program requires that all housing constructed for home buyers is sold to income verified households below 80% of median income. Habitat focuses its marketing to families between 30% and 60% of median income. For example, a family of four (4) earning \$40,000 per year would fit this criteria.

PREVIOUS COUNCIL ACTION(S):

Date: June 26, 2017

Roll Call Number: [17-1049](#)

Action: [Regarding](#) Preliminary Plat “Birdland Vista” on property in the vicinity of 2426 Saylor Road to allow 3.69-acres of land to be divided into 23 lots for single-family residential development. Moved by Hensley to receive and file. Motion Carried 6-1. Absent: Cownie.

BOARD/COMMISSION ACTION(S):

Board: Neighborhood Revitalization Board

Date: November 2, 2016

Resolution Number: N/A

Action: Recommend commitment of CDBG funds and preliminary commitment of HOME funds for new development in the Birdland area.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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