


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-489	Meeting:	November 6, 2023
	Agenda Item:	28	Roll Call:	23-1543
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of \$500,000 of Community Development Block Grant (CDBG) funds for the infrastructure and site improvements associated with Habitat for Humanity Carter Circle project and development of 14 affordable homeownership units.

SYNOPSIS:

Greater Des Moines Habitat for Humanity (Habitat) is building a new development on the lot located at 4320 E 46th Street, called Carter Circle. Habitat applied for CDBG funds for the purpose of assisting with the infrastructure costs associated with the site. This construction will include sitework, sanitary sewer, water main, storm sewer, and pavements. At the end of development, Carter Circle will contain 14 single-family households, with at least eight (8) affordable to households at or below 80% of the area median income (AMI), sold through Habitat's programming.

FISCAL IMPACT:

Amount: \$500,000

Funding Source: CDBG from the U.S. Department of Housing and Urban Development (HUD)

ADDITIONAL INFORMATION:

- The project cost is estimated to be \$1,016,863, plus \$175,069 for the construction of a stub road, as required by City of Des Moines Neighborhood Services.
- Other sources of funding will be through Habitat contributions. CDBG funding will constitute approximately 42% of the funds.
- This activity will be subject to Davis Bacon Labor Act, or federal wage requirements. Habitat has complied with contract language requirements and will work with the City on reporting during the activity.
- CDBG funds require at least 51% of beneficiaries, i.e., households, are considered low- or moderate-income. After construction, at least eight (8) of the 14 houses will be affordable to households earning 80% AMI or less. Habitat will provide income determination confirming this, and it is expected that all houses will meet this threshold. For example, a household of two (2)

earning \$66,800 or less would be eligible based on income. See below for the 2023 HUD Median Family Income for Des Moines-West Des Moines, IA MSA effective 6/15/2023.

Household Size	80% AMI
1	\$58,450
2	\$66,800
3	\$75,150
4	\$83,450
5	\$90,160

- HOME development and downpayment assistance funds may be applied for on an individual basis for the houses in the future.
- An initial proposed preliminary plat that showed a dead-end cul-de-sac street was approved by Planning and Zoning. However, Habitat requested CDBG funds for infrastructure from the City, and City staff recommended the plat design include a street connection to the adjoining property to the south. Having a stubbed road rather than a cul-de-sac will promote future development and additional tax base.
- The revised plat shows 14 lots, which are 50 feet wide. It has a stormwater detention basin on the northeast corner of the plat, and Habitat has agreed to include the street extension to the south in place of the cul-de-sac.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.