COUNCIL COMMUNICATION				
CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	25-082	Meeting:	February 24, 2025
	Agenda Item:	34	Roll Call:	25-0274
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

#### **AGENDA HEADING:**

Resolution approving a 28E Agreement between the City of Des Moines; City of West Des Moines; Polk County; and Home Opportunities Made Easy, Incorporated (HOME, Inc.) for provision of services of a community land trust.

#### **SYNOPSIS:**

This roll call would approve entering into a one (1) year 28E Agreement with HOME, Inc. and provide funds for the initial incorporation and startup of a Community Land Trust (CLT). This agreement is in partnership with, and our funds are matched by Polk County (\$50,000) and the City of West Des Moines (\$25,000).

#### FISCAL IMPACT:

Amount: \$50,000 in Fiscal Year (FY) 2025

Funding Source: FY 2025, CM001000, 528005

# **ADDITIONAL INFORMATION:**

- CLTs are a community investment tool—especially when they are not developers themselves.
  While not a fit for all deals, by incorporating a CLT into developments, community partners and
  the City could preserve our City's investment in affordable housing longer than without a CLT.
  This agreement funds the incorporation and startup of a CLT to give us the option to preserve our
  investments.
- In December 2024, the CLT Advisory Committee voted on a <u>final report</u> of their recommendations and an initial Central Iowa Community Land Trust (CICLT) Board.
- The CICLT Board started to meet in January 2025. This board includes Chris Johansen, Neighborhood Services Director, on behalf of the City of Des Moines. It also includes multiple nonprofits such as Neighborhood Finance Corporation, Greater Des Moines Habitat for Humanity, and Polk County Housing Trust Fund.
- One (1) of the CLT Advisory Committee recommendations was to negotiate with HOME, Inc. for contracted services to stand up and initially operate the CICLT. Their expertise in housing counseling and affordable housing development were identified by our consultant as must have skills for the role.

- The 28E Agreement is with HOME, Inc. because the CICLT has not yet been incorporated. Incorporation and receipt of the 501c3 status are two (2) milestones outline within the scope of work of the agreement.
- Approval of bylaws and articles of incorporation are the agenda items for the February 20, 2025, CICLT Board meeting. If approved, it is anticipated that the incorporation and fillings will happen in March or April 2025.
- In the future, if the City wants to support the CICLT, the 28E Agreement would be directly with the CICLT. At that point, the CICLT would then contract HOME, Inc. to provide operational services. It is anticipated that HOME, Inc. will serve as the operations of the CICLT for the first five (5) years.
- The model of using an operational steward, such as HOME, Inc., has been used in other locations. For example, the Maggie Walker CLT in Richmond, Virginia, shared with City staff how they contracted for operational services for eight (8) years and then transitioned to a standalone organization.
- It is anticipated that when the CICLT does not need all its operational staffing to be administered by HOME, Inc., the two (2) organizations will have identified opportunities for partnership and shared contracting that is mutually beneficial. For example, continuing to contract for home buyer counseling. Identifying those efficiencies will come as the program design of the CICLT is finalized.
- HOME, Inc. has received a grant from the Greater Des Moines Community Foundation to enable them to contract with Canary Consulting to aid them in by completing an inventory of their current staffing and the staffing needs of the community land trust to develop a staffing and organizational plan that sets up both the CLT and HOME, Inc. for long-term success.
- In addition to organization incorporation, the scope of work details business plan, program design, and other startup work required to make the CICLT operational. This spring subcommittees that report to the Board will work.

# PREVIOUS COUNCIL ACTION(S): NONE

# ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The Agreement is for one year. The City, the Central Iowa Community Land Trust and HOME, Inc. will reevaluate the partnership later this year and will make a joint decision on continued operational funding. City Council will consider action as this existing agreement is coming to an end. It is also likely that later in 2025 initial opportunities for first homes into the CICLT will be brought as part of project specific opportunities to City Council.

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