

COUNCIL COMMUNICATION

	Number:	25-337	Meeting:	September 8, 2025
	Agenda Item:	38	Roll Call:	25-1219
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approve HOME Investment Partnerships Program (HOME) Community Housing Development Organization (CHDO) Funding for Home Opportunities Made Easy, Incorporated (HOME, Inc.) to construct an affordable single-family home at 913 Douglas Avenue.

SYNOPSIS:

HOME, Inc. is planning to construct one (1) single-family housing unit, or one (1) HOME unit, at 913 Douglas Avenue. HOME program funding of \$199,000 will go toward construction costs incurred by HOME, Inc., of which up to 10%, or \$19,000, will be available to the home buyer(s) who are low-income, or earning 80% or less of the Area Median Income (AMI), to assist with loan costs.

FISCAL IMPACT:

Amount: \$199,000

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

ADDITIONAL INFORMATION:

- The City receives an annual allocation between \$750,000 and \$1 million in HOME funds from HUD. HOME funds are designated to either construct or rehab affordable homeownership and rental housing.
- The homes will be sold to income-eligible homebuyers. To be eligible, buyers must earn below 80% of the area median income. For example, a family of four (4) earning less than \$90,400 would be income eligible. Homebuyers are also required to attend classes regarding credit counseling, financial literacy, and homebuyer education. HOME, Inc. is HUD-certified to provide these classes.
- This project's pre-construction appraisal estimate is \$295,000, and the estimated development cost is \$369,843 for a difference of \$74,843 between costs and expected market value. This gap is typical of HOME, Inc. projects.

- The house will have 1,339 finished square feet. It will have three (3) bedrooms and two (2) bathrooms. The cost is estimated at approximately \$263 per square foot.

PREVIOUS COUNCIL ACTION(S):

Date: March 10, 2025

Roll Call Number: [25-0368](#)

Action: [On](#) conveyance of City-owned property at 913 Douglas Avenue to HOME, Inc. for redevelopment of housing. ([Council Communication No. 25- 087](#)) Moved by Westergaard to adopt. Second by Voss. Motion Carried 7-0.

Date: March 23, 2020

Roll Call Number: [20-0526](#)

Action: Allocation of HOME funds for development of affordable housing to the following:

- (A) [HOME, Inc.](#) using CHDO Set-Aside funds. ([Council Communication No. 20-134](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Additional HOME, Inc. housing projects will come before the Council as requested by the nonprofit developer. In 2025, HOME Inc has been awarded one (1) HOME award. This is the second for 2025. Future awards will require similar approval through the Council.

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