

COUNCIL COMMUNICATION

	Number:	25-350	Meeting:	September 29, 2025
	Agenda Item:	77	Roll Call:	25-1351
	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 1227 41st Street.

SYNOPSIS:

HOME, Inc. is planning to construct one (1) single-family housing unit, or one (1) HOME unit, at 1227 41st Street. HOME program funding of \$199,000 will go toward construction costs incurred by HOME, Inc., of which up to 10%, or \$19,900, 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 home will be sold to income-eligible home buyers(s). 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. Home buyer(s) are also required to attend classes regarding credit counseling, financial literacy, and home buyer education. HOME, Inc. is a HUD-certified housing counseling agency to provide these classes.
- This lot, as well as the neighboring 1223 41st Street lot, are owned by Invest DSM. HOME, Inc. has requested that their HOME award for this address assist with acquisition costs of \$30,000. Acquisition is an eligible expense under the HOME program. The remainder of the funds will be used for construction, with up to 10% of the total award (\$19,900) to be reserved for downpayment assistance to an eligible home buyer.

- HOME, Inc. expects the house to appraise at \$295,000, similar to other comparable homes from the organization's recent builds. The estimated development cost is \$369,157 for a difference of \$74,157 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 \$296 per square foot.

PREVIOUS COUNCIL ACTION(S): NONE

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.

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.