| COUNCIL COMMUNICATION | | | | |
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| CITY OF DES MOINES CITY MANAGER'S OFFICE | Number: | 25-351 | Meeting: | September 29, 2025 |
| | Agenda Item: | 80 | Roll Call: | 25-1354 |
| | Submitted by: | Chris Johansen, Neighborhood Services Department Director | | |

AGENDA HEADING:

Resolution approving amendment of 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 (CLT).

SYNOPSIS:

This roll call would approve a six (6) month amendment to the 28E Agreement with HOME, Inc. and provide a pro-rated amount of funds for the initial incorporation and start-up of a CLT. This agreement is in partnership with, and our funds are matched by, Polk County (\$25,000) and the City of West Des Moines (\$12,500).

FISCAL IMPACT:

Amount: \$25,000

Funding Source: Fiscal Year (FY) 2025 CM001000/528005

ADDITIONAL INFORMATION:

- CLTs are a community investment too 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 convened by the City of Des Moines voted on a final report 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 of the CLT Advisory Committee recommendations was to have HOME, Inc. provide 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.
- Within the first nine (9) months of the CICLT board existing, there has been significant progress made in standing up the CICLT including but not limited to:
 - o The CICLT board adopted their bylaws and incorporated as a nonprofit with the State of Iowa.
 - They have filed for their 501c3 tax exempt status. It is anticipated that receipt of the 501c3 can take between three (3) to nine (9) months after filling.
 - O Development of a portion of necessary policies, procedures, and foundational documents. More work will be coming on this in the next six (6) to eight (8) months.
 - o Dedication of a CICLT program manager within the HOME, Inc. staff as well as a staffing alignment process completed to share multiple roles within HOME, Inc.
 - Identification of the first two (2) homes coming into the CICLT portfolio and the first two (2) home buyers. They anticipate these homes coming into the CICLT this winter or very early spring.
- The 28E Agreement was originally drafted with HOME, Inc. because the CICLT had not yet been incorporated. Incorporation and receipt of the 501c3 status are two (2) milestones outlined within the scope of work of the agreement.
- The amendment would get the agreement to match a fiscal year cycle and assist all parties in better anticipating future requests and outcomes. The amendment also allows more flexibility in receipt of the 501c3 status prior to an agreement with the CICLT directly. In the future, the CICLT is hopeful to have a 28E with the various government partners and a separate subcontract with HOME, Inc. to continue to provide operations.
- HOME, Inc. providing operations has substantially increased the speed of the CICLT's work that a party without the housing expertise could not have been followed. The first two (2) homes coming into the CICLT portfolio are developed by HOME, Inc. It is anticipated that an additional two (2) to four (4) homes will be developed and join the CICLT portfolio in 2026 that are developed by HOME, Inc. This matching of HOME, Inc., CICLT, and City of Des Moines affordable housing programs extends the collective impact through the ground lease model. In addition, sharing staffing, office space and other resources has been critical to help the work move forward quickly.

PREVIOUS COUNCIL ACTION(S):

Date: February 24, 2025

Roll Call Number: 25-0274

Action: <u>28E</u> Agreement with the City of West Des Moines, Polk County, and HOME, Inc. for provision of services to establish a community land trust. <u>(Council Communication No. 25-082)</u> Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTIONS: NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

It is anticipated that the CICLT will approach the City for a direct 28E Agreement to start in July 2026. Requests for funds and sale of property from the City to the CICLT will come to the Council for consideration.

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