

Date December 7, 2009

**RESOLUTION APPROVING AMENDMENT TO HOME CONTRACT WITH  
COMMUNITY HOUSING DEVELOPMENT CORPORATION (CHDC) FOR  
DEVELOPMENT OF A SINGLE FAMILY HOME AT 1317 CLARK STREET  
AND USE OF HOME PROCEEDS FOR AFFORDABLE HOUSING**

WHEREAS, according to HOME rule 24 CFR 92.300(a), a Community Housing Development Organization (CHDO) may retain any or part of the proceeds resulting from the CHDOs use of its HOME funds for future HOME eligible activities if approved in a written agreement with the Participating Jurisdiction; and

WHEREAS, by Roll Call 06-1583 on August 7, 2006, the City Council approved a contract with CHDC to develop and construct a single family home at 1317 Clark Street as a CHDO; and

WHEREAS, the HOME contract included language that allowed CHDC to retain the proceeds of the sale of 1317 Clark to be reused for new construction of housing within the corporate limits of Des Moines, rehabilitation of housing acquired through the Tax Sale Certificate Program within the corporate limits of Des Moines, or rehabilitation of owner-occupied housing within the Forest Avenue urban Renewal Area; and

WHEREAS, CHDC built a single family home at 1317 Clark in 2006 and 2007 and sold the house to a low income homeowner in August of 2008 netting \$113,000 in CHDO proceeds; and

WHEREAS, CHDC used some of the CHDO proceeds on lawn care, utilities, insurance, and other holding costs for properties in the CHDC inventory beginning in October of 2008 and continued this practice until late summer 2009; and

WHEREAS, because all single family homes rehabilitated or built by CHDC took longer than anticipated to sell and had greater holding costs than anticipated CHDC cannot replace the CHDO funds to spend on the activities allowed by the existing contract; and

Whereas, holding costs for properties developed for affordable housing is an eligible HOME activity and can be paid for from CHDO proceeds if included in a written agreement with CHDC;


(Continued on next page)

Date December 7, 2009

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that:

1. The HOME Contract with CHDC be amended to allow up to \$64,000 of CHDO proceeds to be used for holding costs on CHDC owned properties; and
2. The City Manager shall administer the amended contract according to its terms and shall direct Community Development and Finance Department staff to ensure that all expenditures from HOME proceeds are HOME eligible and properly documented.

APPROVED AS TO FORM:

  
 Michael F. Kelley  
 Assistant City Attorney

MOVED BY \_\_\_\_\_ TO APPROVE

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
<b>TOTAL</b>				
MOTION CARRIED			APPROVED	

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
 Mayor

\_\_\_\_\_  
 City Clerk

## BY-LAWS OF HOME OPPORTUNITIES MADE EASY, INC.

(As Amended October 28, 2009)

## ARTICLE I

Name

The Name of this Corporation is Home Opportunities Made Easy, Inc.

## ARTICLE II

Purpose

The Corporation is organized exclusively for charitable and educational purposes, and will carry on the activities set out in the Articles of Incorporation, Article III, Objects and Purposes.

The purpose of Home Opportunities Made Easy, Inc. is to foster affordable housing and the access to it by developing, implementing, facilitating and coordinating programs throughout the State of Iowa and advocating on behalf of housing consumers and providers.

The Corporation may undertake the following activities:

- a) Provide counseling, education, research and advocacy to assist people in obtaining and retaining affordable housing in the State of Iowa;
- b) Provide services to develop and maintain affordable housing for low-income households in Polk, Dallas and Warren Counties in Iowa.
- c) Undertake housing development activities to aid in the revitalization and redevelopment of federally designated low income neighborhoods in Des Moines, Iowa.

## ARTICLE III: DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed by a Board of from six (6) to twenty-five (25) Directors which shall exercise all of the powers of the Corporation except such as are by law, Articles of Incorporation, or these By-Laws conferred upon or reserved to the members.

Section 2. Election and Tenure of Directors. The persons elected and qualified as Directors shall compose the Board until their respective terms expire or until their respective successors shall have been elected and shall have qualified. If a quorum exists, a majority of the Board members present and voting is necessary to elect new Board members and to elect the Officers.

The annual meeting of the Board shall be held in the month of October for both outgoing and incoming members unless otherwise directed by the President. New officers shall be installed, and written reports of the year's work shall be presented.

No employee of the Corporation shall be eligible to serve as a Director, but the Executive Director shall be a non-voting attendee at meetings of the Board unless excused by the Board.

Section 3. Nominations. It shall be the duty of the Board to appoint a committee on nominations consisting of not fewer than three (3) nor more than five (5) Board members.

The committee shall present its report on nominations at the meeting at which the directors are to be elected. The chair shall call for additional nominations from the floor and nominations shall not be closed until at least one (1) minute has passed during which no additional nominations has been made.

Section 4: Composition of Board of Directors: Of the total number of Directors, at least one-third (1/3) of the Directors shall at all times be comprised of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low income neighborhood organizations. The determination of income level shall be made by reference to the U.S. Department of Housing and Urban Development income guidelines. The remaining Directors, if any, shall include those individuals selected and nominated by the Board of Directors, but in no event shall More than one-third (1/3) of the total number of directors be comprised of public officials.

A. Removal of Directors by Members.

Section 5. Resignation by Implication. Any Director who shall be absent from three (3) consecutive meetings of the Board of Directors without excuse satisfactory to the Board of Directors may be deemed to have resigned from the Board of Directors. Such director shall be informed in writing by the Secretary of the Corporation of the implied resignation at least ten (10) days prior to the meeting of the Board of Directors at which the resignation shall be considered, and the said Director shall have an opportunity at the meeting of the Board of Directors to be heard in person or by counsel, and to present evidence in respect to the implied resignation. The question of the resignation of such Director shall be considered and voted on by the Board of Directors. Any vacancy created by such resignation may be filled for the balance of said Director's term by vote of the remaining members of the Board of Directors at such meeting without the foregoing provisions with respect to nominations.

Section 6. Vacancies. Subject to the provisions of these By-Laws with respect to the filling of vacancies caused by the removal of a Director, a vacancy occurring in the Board shall be filled by the affirmative vote of the majority of the remaining Directors for the unexpired portion of the term. Provided, however, that in the event the vacancy is not filled by the Board within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without need for compliance with the foregoing provisions with respect to nominations.

Section 7. Compensation. Directors shall receive reimbursement for expenses incurred in attending or participating in any function approved by the Board of Directors outside of the City of Des Moines, Iowa. No other compensation or reimbursement shall be allowed to any Director.

Section 8. Honorary Directors. Honorary Directors shall be persons or entities of stature in the community who will enhance the possibilities of obtaining sizeable contributions for use of the Corporation. Said Honorary Directors shall

- A. Be selected by majority vote of the Board of Directors present and voting at any regularly scheduled meeting of the said Board of Directors for a term of one (1) year from the date of the election as Honorary Director;
- B. Not be by virtue of this election or become a member of the Board of Directors;
- C. Agree to comply with and be bound by the Articles of Incorporation and By-Laws of the Corporation and any rules and regulations adopted by the Board of Directors.

#### ARTICLE IV: MEETINGS OF THE DIRECTORS

Section 1. Regular Meetings. The Directors of the Corporation shall constitute its governing Board. Other regular meetings shall be held upon notice at such time and place in Polk County, Iowa, as the Board may direct.

Section 2. Special Meeting. A special meeting of the Board may be called by the President or by any three Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The president or the Directors calling the meeting shall fix the time and place in Polk County, Iowa, for the meeting.

Section 3. Notice of Meetings. Written or oral notice of the time, place and purpose of any regular or special meeting of the Board shall be given to each Director either personally, via e-mail or by mail. Notice shall be provided at least ten days in advance of the meeting, except in situations of legitimate emergency. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the Director at his address as it appears on the records of the Corporation with postage thereupon prepaid.

Section 4. Quorum. Three members of the Board present in person shall constitute a quorum. The act of a majority of the directors present in person at a meeting which a quorum is present shall be the act of the Board.

#### ARTICLE V: OFFICERS

Section 1. Number. The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time.

Section 2. Election and Term of Office. The officers shall be elected annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and have qualified. Except as otherwise provided in these By-Laws, the vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 3. Removal of Officers, Agents, and Employees by Directors. Any officer, agent, or employee of the Corporation may be removed by the Board whenever in its judgement the best interest of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against any officer, agent, or employee by filing with the Secretary such

charges in writing together with a petition signed by ten percent of the members or two hundred (200) members, whichever is the lesser. The person against whom such charges shall have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges. The person or persons bringing the charges shall have the same opportunity. In the event the Board does not remove such officer, agent, or employee the question of removal shall be considered and voted upon at the next annual meeting of the members.

Section 4. President. The President shall

- A. Be the principal executive officer of the Corporation, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board; and
- B. In general perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the President or by the Board.

Section 6. Secretary. The Secretary shall

- A. Keep the minutes of the meetings of the members and of the Board;
- B. See that all notices are duly given in accordance with these By-Laws or as required by law;
- C. Have a general charge of the corporate records;
- D. Keep a register of the names and post office addresses of all members;
- E. Have a general charge of the books of the Corporation;
- F. Keep on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Corporation containing all amendments thereof, which copy shall always be open to the inspection of any member; and
- G. In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

Section 7. Treasurer. The Treasurer shall

- A. Have charge and custody of and be responsible for all funds and securities of the Corporation;

- B. Be responsible for the receipt of and the issuance of receipts for all money due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such financial institutions as shall be selected in accordance with the provision of these By-Laws; and
- C. In general perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned by the President or the Board.

Section 8. Executive Director. The Board may appoint an Executive Director who may be, but who shall not be required to be, a member of the Corporation. The Executive Director shall perform duties and shall exercise such authority as the Board may from time to time vest.

Section 9. Bond of Officers. The Board in its discretion may require any officer, agent, or employee of the Corporation to give bond in such amount with such surety as it shall determine.

Section 10. Compensation. The powers, duties and compensation of the officers, agents and employees shall be fixed by the Board, subject to the provisions of these By-Laws with respect to compensation for the Directors.

#### ARTICLE VI: COMMITTEES

Section 1. The Executive Committee: The Executive Committee shall be composed of the officers of the Board and the most recent past President of the Board. A quorum of the Executive Committee shall be a majority of its members. The Executive Committee shall have the power to act between meetings of the Board, to make recommendations to the Board, and to carry out such other special responsibilities as may be assigned to it by the Board. Any interim action taken by the Executive Committee must be ratified by the Board at its next meeting. Meetings of the Executive Committee may be called by the Chairperson of the Board or at the request of any other member of the Executive Committee.

Section 2. Committees. Committees not having or exercising authority of the Board of Directors in the management to the Corporation may be designated by the President at any meeting of the Board at which a quorum is present. Any members thereof may be removed by the person or persons authorized to appoint such members whenever in their judgement the best interest of the Corporation shall be served by such removal.

- A. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the members of the Corporation until his successor is appointed, unless the committee shall be sooner terminated, or unless such member shall cease to qualify as a member thereof.
- B. Chair. One (1) member of each committee shall be appointed Chair by the President.
- C. Vacancies. Vacancy in the membership of any committee may be filled by appointments made in the same manner as provided in the case of original appointments.
- D. Quorum. A majority of the whole committee shall constitute a quorum. The act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

E. Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with rules adopted by the Board of Directors.

#### ARTICLE VII: SEAL

There shall be no corporate seal of the Corporation.

#### ARTICLE VIII: FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board may authorize any officer or officers, agent or agents, employee or employees to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agents, or employees of the Corporation and in such manner as shall from time to time be determined by the Board.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such financial institutions as the Board may select.

Section 4. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July of each year and shall end on the 30<sup>th</sup> day of June of the following year.

#### ARTICLE IX: MISCELLANEOUS

Section 1. Waiver of Notice. Any Director may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a member or Director at any meeting shall constitute a waiver of notice of such meeting by such member or Director, except in case of a member or Director who attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

Section 2. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management of the business and affairs of the Corporation.

Section 3. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system. The Board shall also, after the close of each fiscal year, cause to be made a complete audit of the accounts, books, and financial condition of the Corporation as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

#### ARTICLE X: AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the voting Directors present in person at any annual meeting of the Directors or at



any special meeting of Directors if at least ten (10) days written notice is given of the intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

**HOME, Inc. Program Activities**  
**Adopted by Board of Directors on November 18, 2009**

The purpose of Home Opportunities Made Easy, Inc. is to foster affordable housing and the access to it by developing, implementing, facilitating and coordinating programs throughout the State of Iowa and advocating on behalf of housing consumers and providers. The Corporation may undertake the following activities:

- a) Provide counseling, education, research and advocacy to assist people in obtaining and retaining affordable housing in the State of Iowa;

*Allows HOME, Inc. to continue to provide the existing services through the Community Housing Services Program which include landlord/tenant rental housing counseling, homeless prevention counseling, public education and outreach on housing, pre-purchase and post-purchase homeownership counseling, mortgage default counseling, and affordable housing advocacy.*

- b) Provide services to develop and maintain affordable housing for low-income households in Polk, Dallas and Warren Counties in Iowa.

*Allows HOME, Inc. to continue the existing Property Program services which are targeted to households below 80% of median income. The Property Program is income driven.*

*The existing development activities include acquisition, rehabilitation and construction of housing for homeownership through turn key, lease/purchase, and contract sales. Currently these activities take place only in Polk County. This would allow expansion to Dallas and Warren counties.*

*General contracting services may be provided for a fee to local governments or non-profit entities in the development or maintenance of housing for low income people. Currently general contracting is provided through Metro Home Improvement program which serves 11 suburban communities in Polk County and several cities in Dallas County. This would allow us to expand the services to Warren county.*

- c) Undertake housing development activities to aid in the revitalization and redevelopment of federally designated low income neighborhoods in Des Moines, Iowa.

*This is the new CHDO program. It concentrates on property development activities which are location driven -- low income target neighborhoods in Des Moines.*

*As a CHDO, HOME, Inc. would receive an allocation from the City of Des Moines. A contract would be negotiated that outlines the activities to be undertaken with the allocation. The allocation is Home Funding from the federal government which is income targeted (below 80% of median income). HOME, Inc. currently uses Home Funding in our Property Program. Though an allocation, HOME, Inc. would have more flexibility in the*

*use of the funding. In addition HOME, Inc. may receive up to \$50,000 toward administrative (staffing) expenses of CHDO projects.*

*The biggest incentive for the use of Home funds as a CHDO is that a non-profit can self-finance property development. When sold the cash received from the sale becomes CHDO proceeds. The HUD rules governing proceeds are less restrictive than the original Home funding rules; ie. can serve people from 80% to 100% of median income and no lead based paint requirements. Attached is an example funding/financing of a current property program project compared the same project under through the CHDO program.*

*Through the CHDO program HOME, Inc. can provide the following types of activities:*

***Acquisition, rehabilitation and resale of housing to low income people.*** *Recommend we used CHDO proceeds for lease/purchase (no time limitation on resale) and turn key sales (up to 100%) of median.*

***Construction of in-fill housing for sale to low income buyers.*** *Recommend that we use Home funds allocation to self finance construction, which would reduce development costs, generate proceeds, and be the most efficient and effective use of CHDO admin funds.*

***Low income neighborhood based development/planning.*** *Recommend that HOME, Inc. work with a selected a low income neighborhood and provide concentrated revitalization/development work. The neighborhood could be selected by the Board or recommended by the City. HOME, Inc. would work with the neighborhood/City to identify an area and develop a plan, which would help us meet the neighborhood outreach requirement for CHDO. HOME, Inc.'s involvement would be limited in both funding and time period. HOME, Inc. could use both Home allocated funds and program proceeds. The specifics of the activity would be approved by the Board. The specifics would not necessarily be included in the agreement with the City. (Examples include 1) our former Walnut Street Redevelopment project 2) HOME, Inc.'s current involvement with in Thrivent Builds neighborhood process and 3 ) the potential South Lawn project)*

***Owner Occupied Repairs:*** *Recommend that HOME, Inc. provide general contracting services to low income owners. The services would only be provided as a part of the low income neighborhood based development/planning. In addition, CHDO proceeds could be used to leverage governmental and private programs. A leveraged program such as this would less restrictive than current funding source (CDBG, weatherization).*