

★ Roll Call Number
09-2192

Agenda Item Number
30

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)

★ Roll Call Number
09-2192

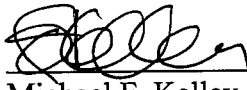
Agenda Item Number
30

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:

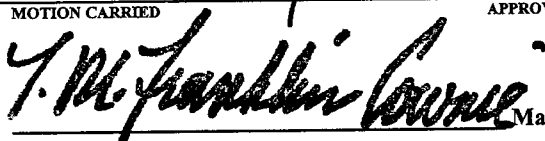

Michael F. Kelley
Assistant City Attorney

MOVED BY Vlassis TO APPROVE.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
HENSLEY	✓			
KIERNAN	✓			
MAHAFFEY	✓			
MEYER	✓			
VLASSIS	✓			
TOTAL	7			

MOTION CARRIED

APPROVED


T. M. Franklin
Mayor

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.


Diane Rauh
City Clerk