

Date March 12, 2012

AMEND HOME AGREEMENTS WITH HOME OPPORTUNITIES MADE EASY,
INCORPORATED. (HOME, INC.) TO ALLOW COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION (CHDO) PROCEEDS TO BE USED FOR ACQUISITION AND
REHABILITATION OF FORECLOSED PROPERTIES AND PAYMENT OF LIMITED
ADMINISTRATIVE COSTS

WHEREAS by Roll Call 09-2191 on December 7, 2009, the City Council approved HOME, Inc. as a CHDO and forwarded all information to HUD;

WHEREAS, HOME, Inc. is a certified CHDO recognized by HUD and under HOME regulations set forth at 24 CFR 92.300(a)(2), CHDOs may retain any or part of the proceeds resulting from the CHDOs investment or use of its HOME funds; and

WHEREAS, City staff annually certifies that HOME, Inc. qualifies under 24 CFR 92 as a CHDO and is the City's only operating CHDO; and

WHEREAS, by Roll Calls 10-525 and 10-1277 on April 12, 2010 and August 9, 2010, the City of Des Moines entered into agreements with HOME, Inc. to provide construction financing for new owner-occupied housing and to reuse any proceeds from the sale of the houses for certain activities related to the construction or renovation of affordable housing in Des Moines; and

WHEREAS, HOME, Inc. has requested to expand the stated uses included in the approved CHDO proceeds agreements to include acquisition and rehabilitation of foreclosed properties and for payment of limited administrative costs, both of which are approved uses under the HOME program;

WHEREAS, foreclosed residential properties are having a negative impact on Des Moines Neighborhoods and HOME, Inc. proposes to acquire and renovate such properties using CHDO proceeds; and

WHEREAS, since 2009 the City of Des Moines has committed 5% of its HOME administrative allocation for CHDO operating costs, not to exceed \$50,000, as allowed by 24 CFR 92.208 but will no longer provide that funding because of a decrease in the allocation of HOME funds to the City of Des Moines; and

WHEREAS, administrative costs for affordable housing are an allowed use for CHDO proceeds and HOME, Inc. can use a limited amount of CHDO proceeds to make-up the loss in HOME administrative funds in 2012;

★ **Roll Call Number**

12-0396

Agenda Item Number

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Date March 12, 2012

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, that the Community Development Director or his designee is hereby authorized to execute on behalf of the City an amendment to the HOME Agreements with HOME, Incorporated for 1622 Forest Avenue, 1351 Forest Avenue and 453 Hillside to include the use of CHDO proceeds for acquisition and rehabilitation of foreclosed properties and up to 10% of the proceeds from each project for administrative costs related to the affordable housing program.

(City Council Communication No. 12-121)

MOVED BY Hensley TO ADOPT.

FORM APPROVED:

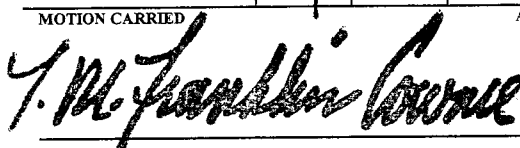

 Michael F. Kelley
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

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.

MOTION CARRIED APPROVED

 Mayor


 City Clerk