



Agenda Item:

35B

COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

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No.:

Roll Call

Submitted by: Larry D. Hulse, Director, Community Development Department

SUBJECT—

Renew Approval Forms of Agreement for HOME funds, and Authorize Use for the 2005 New Construction Program by the Neighborhood Conservation Services (NCS) Division.

SYNOPSIS—

Renew the Approval Forms of Agreement for HOME funds and authorize the Community Development Department Neighborhood Conservation Services Division (NCS) to utilize the forms for any developer for the 2005 New Construction Program. City Council will receive and file the proposed list of 2005 New Construction projects, contingent upon the ability of the developers to fully meet the program criteria for these locations.

FISCAL IMPACT—

Commitment of HOME funds totaling \$329,348.

RECOMMENDATION—

Approval

BACKGROUND—

The NCS Division has historically operated a single-family New Construction housing program using Home Investment Partnership (HOME) funds. The subsidy is in the form of gap financing, which covers the difference between the cost to construct a home and the after construction appraised value (sale price). The Infill Program is listed as Component One (1) of the NCS New Construction Program that has been approved as part of the 2005 Action Plan for the 2005-2009 HUD Consolidated Plan for Des Moines.

During the 2005 program year, the NCS Division solicited proposals for the construction of infill houses on City-owned, County-owned, and privately owned lots within the boundaries of Des Moines. The determination to concentrate development proposals in the King Irving Neighborhood was made because of King Irving's newly designated neighborhood status and the number of vacant parcels for redevelopment.

In 2005 the NCS and Neighborhood Development staff developed a Request for Proposals (RFP) for the 2005 New Construction Program for affordable single-family housing. The RFP gave priority to goals adopted by City Council to Support and Create Affordable Housing in the 2005-2009 HUD Consolidated Plan for Des Moines. These goals support the development of homeownership opportunities for large families in the low- to moderate-income ranges, and targets residential development within designated Neighborhood Revitalization areas within the City. Staff distributed the RFP to interested developers on February 15, 2005.

The review committee established scoring criteria that evaluated each project according to additional funds leveraged, total square footage & number of bedrooms, economic feasibility, design and quality of construction, developer qualifications, landscaping and amenities, and location. Six Developers submitted requests for assistance to 37 single-family houses. Five (5) developers and 29 units met the minimum evaluation threshold of 60 points based upon the overall quality of the responses and the limited funds available. The Habitat for Humanity projects are two points under the 60-point threshold but are under consideration because they serve clients that are at 50% of the area Median Family Income (MFI), and the NCS Program wants to provide a range of affordable housing units accessible to households within the 50-80% MFI income group. Constraints within the construction program administered by Habitat for Humanity do not permit them to accommodate certain changes in building specifications prior to placing a family in a home.

Upon Council's motion to receive and file this communication, final plans, specifications, and bids for the selected proposals will be submitted for approval before construction. It is anticipated that construction would begin in the summer of 2005.