

# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-091</b>	Meeting:	<b>February 20, 2023</b>
	Agenda Item:	<b>31</b>	Roll Call:	<b>23-229</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## AGENDA HEADING:

Approval of HOME Investment Partnerships Program (HOME) Agreement with Community Housing Initiatives, Inc. for \$280,000 for Evergreen Trail Rehabilitation.

## SYNOPSIS:

Community Housing Initiatives, or CHI, plans to undergo scattered site rehabilitations on multiple currently owned and managed rental properties. The renovation will include 26 units, split between three (3) sites and five (5) addresses. All units are currently and will remain affordable at 60% Area Median Income (AMI) or lower. The City of Des Moines intends to provide \$280,000 of HOME funds in the form a forgivable loan with a term of 15 years.

## FISCAL IMPACT:

Amount: \$280,000

Funding Source: U.S. Department of Housing and Urban Development (HUD).

## ADDITIONAL INFORMATION:

- CHI will use these funds for rehabilitation at multiple addresses. Six (6) of the units will be designated as City-funded HOME units. Two (2) of the units will be reserved for households earning 50% AMI or under, while the remaining four (4) will be reserved for those earning 60% AMI. The City designated HOME units will all be within the 3716 Indianola address.
- The project is underwritten as Evergreen Trail, and is comprised of the following addresses:
  - 1417 Forest Avenue
  - 5208-5210 SE 6th Street
  - 5209-5211 SE 6th Street
  - 5214-5216 SE 6th Street
  - 3716 Indianola Avenue (City HOME Units)
- All 26 units within the project are and will remain affordable to low- or moderate-income residents. Additionally, the duplexes at 6th are marketed towards families, while the Indianola and Forest Avenue apartments are for seniors.

- CHI is a past and well performing partner of the HOME program. 1417 Forest Avenue currently contains two (2) HOME units, of which the period of affordability ends in 2025.
- CHI is Iowa's largest non-profit housing development and consulting group. Currently they are designated as a Community Housing Development Organization (CHDO) with Iowa Finance Authority (IFA). The non-profit offers inhouse resident and supportive services as part of their programming.
- The current applicable rent limit, as defined by HUD, for the City-funded HOME units are as follows:
  - \$770 for a 1-bedroom
  - \$935 for a 2-bedroom
  - \$1,280 for a 3-bedroom
- The HOME units must remain affordable to individuals with 50% or 60%, as designated, for 15 years.
- Rehabilitation is expected to be complete within 12-months of the agreement.
- Other funders include the Polk County American Rescue Plan Act (ARPA) funds, as designated by the Polk County Housing Trust Fund, and IFA HOME funds.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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