

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-470	Meeting:	October 23, 2023
	Agenda Item:	35	Roll Call:	23-1433
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of \$500,000 of Community Development Block Grant (CDBG) funds for the infrastructure and site improvements associated with Habitat for Humanity (Habitat) Carter Circle project and development of 14 affordable homeownership units.

SYNOPSIS:

Greater Des Moines Habitat is building a new development on the lot located at 4320 E 46th Street, called Carter Circle. Habitat applied for CDBG funds for the purpose of assisting with the infrastructure costs associated with the site. This construction will include sitework, sanitary sewer, water main, storm sewer, and pavement. At the end of development, Carter Circle will contain 14 single-family households, with at least eight (8) affordable to households at or below 80% of the Area Median Income (AMI), sold through Habitat's programming.

FISCAL IMPACT:

Amount: \$500,000

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

ADDITIONAL INFORMATION:

- The project cost is estimated to be \$1,016,863, plus \$175,069 for the construction of a stub road. This is the cost for infrastructure only and does not include the costs to construct single-family homes.
- Other sources of funding will be through Habitat contributions. CDBG funding will constitute approximately 42% of the funds.
- This activity will be subject to Davis-Bacon Labor Act requirements, which ensures contractors are paid federal wage rates. Habitat has complied with contract language requirements and will work with the City on reporting during the activity.
- After construction, at least eight (8) of the 14 houses will be affordable to households earning 80% AMI or less. Habitat will provide income determination confirming this, and it is expected that all houses will meet this threshold. For example, a household of two (2) earning \$66,800 or less would

be eligible based on income. See below for the 2023 HUD Median Family Income for Des Moines-West Des Moines, IA area, effective 6/15/2023.

Household Size	80% AMI
1	\$58,450
2	\$66,800
3	\$75,150
4	\$83,450
5	\$90,160

- Home Investment Partnerships Program (HOME) development and downpayment assistance funds may be applied for on an individual basis for the houses in the future.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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