Council Communication
February 8, 2021 City Council Meeting

Department: Community Development Case/Project No.: N/A	Ordinance No.: N/A Resolution No.: 21-	First Reading: N/A Second Reading: N/A Third Reading: N/A Public Hearing: N/A

Subject/Title

Resolution authorizing the Mayor to execute an agreement with the Pottawattamie County Development Corporation, D/B/A the 712 Initiative, for the use of HOME Investment Partnership (HOME) Program funds for a multi-family project located at 530 West Broadway

Location

530 West Broadway legally described as Lots J, K, L and M, Auditor's Subdivision, of Block 6, Mynster's Addition, and Block 2, Bayliss 1st Addition, City of Council Bluffs, Pottawattamie County, Iowa

Background/Discussion

Background

The U.S. Department of Housing and Urban Development (HUD) administers the HOME Program. The HOME Program is authorized by the HOME Investment Partnerships Act which is Title II of the Cranston-Gonzalez National Affordable Housing Act. This program is similar to the CDBG Program and involves funding to local governments and states for housing activities. The Cities of Omaha and Council Bluffs partner as a consortium as a metropolitan area in order to maximize available dollars to each community. The HOME Consortium is managed by the City of Omaha's Planning Department with approximately $200,000 per year earmarked for projects within Council Bluffs.

The Community Development Department currently utilizes its HOME allocation for multi-family projects to developers that commit to a set number of affordable units within newly constructed apartment buildings. Because of the small amount of dollars awarded to the city each year, these funds are typically "banked" in order to provide larger dollar amounts to new affordable developments.

Discussion

In 2018, Pottawattamie County Development Corporation (PCDC) D/B/A the 712 Initiative purchased the property located at 530 West Broadway as a new development project that would include first floor commercial space and mixed income apartments as part of its mission to revitalize Downtown Council Bluffs. The proposed project will create 19 new residential units and two commercial bays. The total project cost is $5,569,671 and is expected to be completed December 31, 2022.

On October 26, 2020, City Council approved Resolution 20-259 which adopted the FY2021 HOME budget and awarded the 712 Initiative $250,000 towards the project to support the three low-to-moderate income units constructed. Of the three units, two will be available to household at or below 80% of the median family income (MFI) and one for a household at or below 60% MFI. As part of this commitment, the developer will ensure the three units shall remain affordable for a period of 30 years as required by the HOME Program.

A development agreement between the 712 Initiative and the City of Council Bluffs has been prepared and is attached to this staff report for your review. The HOME agreement details the roles and responsibilities of each project participant.

Staff Recommendation

The Community Development Department recommends that City Council approve a resolution authorizing the Mayor to execute an agreement with the Pottawattamie County Development Corporation, D/B/A the 712 Initiative, for the use of HOME Investment Partnership (HOME) program funds for a multi-family project located at 530 West Broadway.

Attachments

Attachment A – HOME Agreement
Attachment B – Cohen Building Conceptuals

Submitted by: Courtney Harter, Housing & Economic Development Manager, Community Development Department