CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: January 21, 2020

ITEM: Approval of Revised Funding Allocations for City-wide Housing Programs – City Initiated
MOTION: Approval of Direction to Staff on How to Proceed

FINANCIAL IMPACT: The below programs would be funded from the Woodland Hills Tax Increment Financing (TIF) district. The Woodland Hills TIF began in FY 2014-15 and will end in FY 2024. As of today, there is a balance of $1,076,953 with anticipated expenses (between now and June 30, 2020) that total $1,135,977 (see table below for more detail) creating a deficit in funding. However, anticipated funding from the TIF amounts to $3,941,659 for fiscal years 2021-2024.

SYNOPSIS: A Housing Needs Assessment was completed for the City of West Des Moines by Western Economic Services and received by City Council on July 9, 2018. Using information from the Assessment, staff developed funding allocations for the programs in 2018, which were approved by City Council on August 20, 2018.

Since August 2018, the Woodland Hills TIF funded one round for Upper Story Housing. One program was removed from the allocation (housing transition program) due to unforeseen obstacles and was not utilized. The original allocated funds to that program ($1,000,000) have been reallocated to other programs. Additional funds, of $675,000, (funding 39 units rather than original 30 units at $75,000 each) have been added to the Upper Story Housing Program because of the success of Round 1 and 2 with more applications for units than expected. Specifically, in Round 2, the City Council had allocated enough funds for 15 units (15 units * $75,000 = $1,125,00), yet applications came in for 24 units ($1,800,000). These additional funds were added to the Down Payment Assistance Program based on the success of Neighborhood Finance Corporation's Project Reinvest.

Budget for 1-1-2020 to 6-30-2020

	Expenses	Revenue	
Balance as of 1-1-2020			1,076,953
Expenses expected between 1-1-2020 and 6-30-2020 Upper Story Housing Program Round 1 - $1,125,000 Other housing programs contributions – $10,976.68	1,135,977		(59,024)
Upper Story Housing Round 2 requests Originally budgeted - $1,125,000	1,800,000		(1,859,024)

Fund expected, based on estimates, to be received from Woodland Hills TIF:

6-30-2021	1,239,537
6-30-2022	1,239,537
6-30-2023	1,239,537
6-30-2024	223,048
	3,941,659

Budget for 6-30-2021 to 6-30-2024

Funds available in Woodland Hills TIF during this time - $2,082,635 ($3,941,659.00 – $1,859,024)

Other Housing Commitments (MHIP, DCLHTF, DMMHA Section 8) – 3 years of payments	$50,000
Upper Story Housing in Valley Junction – Round 3 – 20 units up to $75,000/unit	$1,500,000
Owner-Occupied Rehabilitation – 20 houses at $15,000/house	$300,000
Down payment Assistance – 20 low-moderate income homebuyers through Neighborhood Finance Corporation's Project Reinvest	$200,000
Unbudgeted funds to address possible needs as they arise	$32,635

This funding allocation was presented to the Finance & Administration Subcommittee (January 8, 2020) The subcommittee fully supports the allocation.

RECOMMENDATION: Staff is recommending that the City Council direct staff to proceed with implementation of the proposed programs and budget amendments necessary to carry out the programs.

Lead Staff Member **Christine Gordon, AICP, Housing Planner**

STAFF REVIEWS

Department Director	Clyde Evans, Community & Economic Development Director
Appropriations/Finance	Tim Stiles
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	Noticing not required
Date(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	January 8, 2020		
Recommendation	Yes X	No ☐	Split ☐