

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> July 13, 2015
	<b>Agenda Item No.</b> 34 <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>15-368</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Resolution Approving Amendment #15 to the Des Moines Community Development Block Grant -- Disaster Recovery (CDBG-DR) Contract Number 08-DRH-009 with the Iowa Economic Development Authority (IEDA) for the Eagle View Lofts Project.

**SYNOPSIS:**

On April 24, 2015, the City of Des Moines received notice from IEDA that it would be awarded \$3,000,000 in supplemental CDBG-DR funds for development of the 120-unit Eagle View Lofts project plus an additional \$225,000 for stormwater improvements on the site above and beyond the State Green Streets requirements. The contract amendments also award an additional \$61,224 for City administration, “claw back” \$14,072 of funds originally awarded for single-family new production, and extend the date for contract 08-DRH-009 to March 15, 2016.

Eagle View Lofts is being developed by Hansen Real Estate Services, Inc., 5665 Greendale Road, Suite A, Johnston, IA 50131, Troy Hansen. It will consist of 120 units of housing, 62 of which will be affordable to households below 80% of median income.

**FISCAL IMPACT:**

Amount: \$3,000,000 CDBG-DR award  
\$ 225,000 Stormwater funds  
\$ 61,224 City Administration  
\$ (14,072) unused Single-Family New production

Funding Source: IEDA – The funding is reimbursed to the City. The City did not receive the \$14,072 for single-family new production so the money does not need to be repaid.

**ADDITIONAL INFORMATION:**

On October 13, 2008, by Roll Call No. 08-1809, the IEDA entered into a contract with the City of Des Moines to award CDBG Housing Disaster Recovery Funds, (08-DRH-009). The contract has been amended 14 previous times in order to add or delete funding for owner-occupied and rental development and adjust requirements of individual projects.

On August 25, 2014, by Roll Call No. 14-1327, City Council approved the submittal of two (2) applications for Multi-family Housing Projects to the IEDA for CDBG-DR Round VI Funding. The

Eagle View Lofts was submitted as the City's first priority, and The Edge at Grey's Landing was submitted as the City's second priority.

On January 8, 2015, the City was notified that The Edge at Gray's Landing, 406 SW 9<sup>th</sup> Street, developer Sherman Associates, had received an award of \$3,000,000 for construction plus funding for stormwater management on the site. The Eagle View Lofts project was not funded, because of the large number of projects that were submitted.

IEDA awarded funding for "shovel ready" projects with financing commitments and an option or ownership commitment for the site. Although the projects were carefully vetted and reviewed, one (1) project in another Iowa city was unable to secure ownership of the proposed project. As a result, that municipality had to refuse the funding and IEDA awarded the funding to the Eagle View Lofts development.

The Eagle View Lofts will be a 120-unit affordable and market rate housing development. The structure is six (6) stories tall with dwelling units located on six (6) of those floors and 35 sheltered parking spaces located at the ground level. Each floor plate is approximately 12,562-square-foot and there are two (2) common balconies located at the north and south ends of the structure. There will be 20 units per floor consisting of nine (9) 1-bedroom, seven (7) "shotgun" studios and four (4) studios.

The building will consist of 66 efficiency units and 54 1-bedroom units. Of the 120 units, 62 will be affordable to households at or below 80% of the area median income for a period of 10 years from completion. The other 58 units will be market rate. Under the terms of the CDBG-DR agreement the affordable units must rent for less than the 65% HOME rent minus any tenant paid utilities.

Hansen Real Estate Services, Inc. has been working through the environmental review process required for federally assisted projects. Archaeologists from the Office of the State Archaeologist were on site last week and did not find undisturbed ground that would need additional exploration or excavation. That information has been submitted and the city is waiting for the concurrence of the State Historic Preservation Office. It is expected that the Environmental Review Record and required publications will be completed by approximately September 15, 2015.

IEDA and the City are excited to collaborate on this project. The project has several innovative proposals for managing stormwater, including working with the relocated Allen Park to save water for community gardens and building bioswales on the eastern edge of the site. Its unique architecture, connectivity to the East Village and bike trails, and location near the new Martin Luther King Jr. Parkway will help to promote the market district as a key entrance to the downtown.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: August 25, 2014

Roll Call Number: [14-1327](#)

Action: [Submittal](#) of two applications for multi-family housing projects to the IEDA for CDBG-DR Round VI Funding. ([Council Communication No. 14-426](#)) Moved by Gatto to adopt and to select the following projects for submittal to the IEDA for approval of CDBG-DR Round VI funding: 1st Priority, Eagle View Lofts project by Hansen Real Estate Services. Motion Carried 7-0. 2nd Priority, The Edge

at Gray's Landing project by Sherman and Associates was moved by Moore to adopt. Motion Carried 5-2. Nays: Gatto and Hensley

Date: January 30, 2015

Roll Call Number: [15-0160](#)

Action: Approving support for Workforce Housing Tax Credit Benefit Applications to be submitted to the IEDA for the following: ([Council Communication No. 15-043](#))

(B) [Eagle View Lofts, LLC](#) (Troy Hansen, Hansen Real Estate Services, 5665 Greendale Road Suite A, Johnston, IA 50131) for a \$1,600,000 project constructing 120 housing units at SE 6<sup>th</sup> and Shaw. Moved by Hensley to approve, subject to the projects being required to meet all other City requirements, including without limitation, local funding and zoning; and acknowledging that the Council had to act without the normal detailed review, but did so in an effort to aid the applicants and improve the quality of life in Des Moines and further did so with the understanding that the process will be more refined and complete prior to additional submissions for the program. Motion Carried 7-0.

Date: October 13, 2008

Roll Call Number: [08-1809](#)

Action: [Approving](#) CDBG Housing Disaster Recovery Fund Contract with Iowa Department of Economic Development. Sponsor: Mahaffey. ([Council Communication No. 08-628](#)) Moved by Mahaffey to adopt. Motion Carried 6-1. Absent: Cownie.

### **BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: June 23, 2015

Resolution Number: NA

Action: Review preliminary design.

### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Approval of Contract documents for Eagle View Lofts when Environmental Review is completed.

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