


COUNCIL COMMUNICATION

	Number:	21-234	Meeting:	May 24, 2021
	Agenda Item:	33	Roll Call:	21-0785
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Preliminary commitment of HOME funds to Anawim for rehabilitation of 4845 Merle Hay Road.

SYNOPSIS:

Anawim Housing is proposing to convert an existing 77 room hotel into a permanent residence at 4845 Merle Hay Road, which currently operates as a Days Inn. Anawim is requesting a preliminary commitment letter from the City to submit with other funding applications to the National Housing Trust Fund (NHTF) under the Iowa Finance Authority (IFA) and the Federal Home Loan Bank (FHLB).

FISCAL IMPACT:

Amount: Unknown

Funding Source: HOME Funds from the American Rescue Plan (ARP)

ADDITIONAL INFORMATION:

- The proposed site is currently operating as Days Inn Hotel. The building has had many facility updates already. Rehabilitation and conversion of the hotel will provide two (2) on-site residences for live-in staff, community spaces, secured entrances and cameras, and room to create a commercial kitchen.
- Acquisition and some capital modifications are estimated to be \$4,000,000, or \$55,000 per housing unit created.
- The target population would be unhoused individuals, couples, and families. The building allows separation divided into wings to serve different populations with varying level of needs. Some residents may need this as a permanent residence while others could achieve a level of self-sufficiency within a few months. It will not be a drop-in homeless shelter.

- Proposed on-site services would include:
 - Mental health counseling
 - Substance abuse counseling
 - Crisis intervention
 - Medical assistance and prevention
 - Job training
- The project will not be a homeless shelter. Rather, it will be permanent housing facility that is fully staffed and security monitored 24/7. “Camping” in the parking lot or near the building will not be permitted. The lease agreement with the residents will restrict panhandling. No sex offenders or violent offenders will be allowed.
- On April 28, 2021, the City received notification that it will receive \$3.5 million from the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships Program as appropriated by the American Rescue Plan (HOME-ARP).
- HOME-ARP funds must be used for individuals or families from the following qualifying populations: homeless; at-risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; other populations where providing assistance would prevent the family’s homelessness or would serve those with the greatest risk of housing instability; and veterans and families that include a veteran family member that meet one (1) of the preceding criteria.
- HOME-ARP funds can be used for four (4) eligible activities including:
 1. The production or preservation of affordable housing
 2. Tenant-based rental assistance
 3. Supportive services, including homeless prevention services and housing counseling
 4. The purchase or development of non-congregate shelter for individuals and families experiencing homelessness
- Anawim’s conversion and rehabilitation of the Days Inn at 4845 Merle Hay Road match the purpose, targeted populations, and eligible activities as required by the HOME-ARP funding restrictions.
- Anawim would like a preliminary letter of commitment to include with its other funding applications. Final HOME-ARP approval will be subject to environmental review clearance, subsidy layering and underwriting once other funding sources are determined, and HUD’s approval of an amendment to the 2021 Action Plan outlining the City’s proposed use of HOME-ARP funds.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

A final approval of the HOME-ARP agreement with Anawim will be on a future Council agenda in late 2021 or early 2022, if the project moves forward as planned.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.