


# COUNCIL COMMUNICATION

	Number:	<b>22-450</b>	Meeting:	<b>October 3, 2022</b>
	Agenda Item:	<b>33</b>	Roll Call:	<b>22-1524</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## AGENDA HEADING:

Approval of HOME Investment Partnerships Program (HOME) Agreement with Star Lofts, LLC (Cutler Development) for \$350,000.

## SYNOPSIS:

Cutler Development plans to construct a mixed-use building on the site of the current Star Gas Station at 2701 Ingersoll Avenue. The building will include 20 residential units on the second and third floors, with 6,000 sq. ft. of ground floor commercial space. All dwelling units are affordable, ranging from 30%-80% area median income (AMI). The City of Des Moines intends to provide \$350,000 in HOME funds in the form of a forgivable loan with a term of 20 years.

## FISCAL IMPACT:

Amount: \$350,000

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

## ADDITIONAL INFORMATION:

- Cutler Development, in partnership with Anawim, plans to construct a mixed-use building at 2701 Ingersoll Avenue. The building will include commercial space on the first floor and 20 residential units on the second and third floors. Two (2) of the units will be designated as City-funded HOME units, affordable to those earning 30% or less of the AMI.
- Once completed, the Star Lofts project will be managed by Anawim Housing, which will include supportive services and participation in “Centralized Intake”.
- All units are affordable to low- or moderate-income residents. Unit mix is as follows:

Unit Type	Studio	1-Bedroom	2-Bedroom	Total
30% AMI	1	2	1	4
60% AMI	0	4	0	4
80% AMI	2	8	2	12
Total	3	14	3	20

- The current applicable rent limit, as defined by HUD, for the City-funded HOME units are as follows:
  - \$658 per month for a studio
  - \$770 for a 1-bedroom
  - \$935 for a 2-bedroom
- The HOME units must remain affordable to individuals with 30% AMI for 20 years. Set asides are committed through other funding source agreements, including:
  - Four (4) units set aside for residents with disabilities
  - Four (4) units set aside for elderly residents
  - Four (4) units set aside for residents experiencing homelessness
  - Two (2) units set aside for residents who were previously incarcerated
- The project has the goal to transform the carbon emitting gas station into Iowa’s first certified “zero carbon” building, using mass timber construction for the building’s structure.
- Construction is expected to begin in November 2022. Full lease-up of units is expected by November 2023.
- The City’s Office of Economic Development is currently determining the possibility and need for further assistance.
- Cutler Development has entered into an Unlimited Access agreement with DART to provide free bus passes for residents.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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