


COUNCIL COMMUNICATION

	Number:	23-291	Meeting:	June 12, 2023
	Agenda Item:	33	Roll Call:	23-0833
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of HOME Investment Partnerships Program funding as authorized under the American Rescue Plan (HOME-ARP) Agreement with Anawim Housing for \$1,000,000 for the rehabilitation of Monarch Apartments at 4845 Merle Hay Road.

SYNOPSIS:

Anawim Housing plans to undergo rehabilitation of 4845 Merle Have Road, turning the former Days Inn Hotel into permanent supportive housing for households experiencing homelessness. The renovation will result in 40 one (1)-bedroom units. The City of Des Moines intends to provide \$1,000,000 of HOME-ARP funds in the form a forgivable loan with a term of 15 years.

FISCAL IMPACT:

Amount: \$1,000,000

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

ADDITIONAL INFORMATION:

- HOME-ARP is a one-time HUD funding source allocated to participating jurisdictions, such as the City of Des Moines, who also receive a HOME Program annual allocation. HOME-ARP closely follows the model of the existing HOME program, with slight differences in program administration due to the targeted populations and activities. Below is a table showing the primary differences between the annual HOME program and HOME-ARP:

	HOME-ARP	HOME
Award Frequency	One-time allocation	Annual allocation since 1992
Amount	\$3.5 million	Between \$750,000 and \$1 million each year
Populations Assisted	<ul style="list-style-type: none"> • Homeless • At-risk of homelessness • Victims of domestic violence • Other populations who may be low-income and cost-burdened by housing 	<ul style="list-style-type: none"> • First-time homebuyers at or below 80% Area Median Income (AMI) • Tenants at or below 60% AMI

Eligible Projects	<ul style="list-style-type: none"> • Rental housing new construction • Rental housing rehab • Tenant-based Rental Assistance (TBRA) • Non-Congregate Shelter 	<ul style="list-style-type: none"> • Rental housing new construction • Rental housing rehab • TBRA • Homeownership new construction • Homeownership acquisition and rehab • Homebuyer assistance
Typical Projects Funded	None funded so far	<ul style="list-style-type: none"> • 10-12 single-unit homes for first time homebuyers • 5 rental units constructed every other year
Other Information	HOME-ARP funds overall are intended for permanent housing but allow some flexibility for temporary shelter. It merges traditional HOME requirements with homeless programs, such as Emergency Solutions Grant (ESG) or Continuum of Care (CoC) grant, requirements	HOME funds are intended for permanent housing, either rental units with leases for 12 or more months and homeownership units.

- The HOME-ARP funds, awarded through HUD to help to address and end homelessness in entitlement communities, is not to be confused with the sizable American Rescue Plan Act (ARPA) Coronavirus Local Fiscal Recovery Funds, awarded through the US Department of Treasury for a variety of uses at the City’s discretion.
- Anawim Housing plans to use HOME-ARP funds for rehabilitation of 4845 Merle Hay Road, the former site of a Days Inn Hotel. The project will contain 40 one (1)-bedroom apartments. Five (5) of the units will be designated as City-funded HOME-ARP units.
- In an effort to align with both HUD homeless service goals, as well as local best practice among homelessness service providers, the Monarch will operate under the Housing First model, which seeks to remove barriers to housing and is determined to be the best practice in serving people experiencing homelessness. The Centralized Intake referral process, administered by Primary Health Care, will be utilized for all referrals to triage and refer people into housing.
- On-site services will include mental health counseling, substance abuse counseling, crisis intervention, medical assistance and prevention, job training, and more.
- The HOME-ARP award requires the five (5) HOME-ARP units to remain affordable to persons experiencing homelessness for 15 years.
- Units at the Monarch will be repurposed from hotel units into one (1)-bedroom. Every unit will have a bathroom and kitchen. They are not Single-Room Occupancy (SRO) units.
- There are two (2) additional market rate units on site and are intended to house Anawim staff so that there are 24-hour staff at the building.

- As a condition of federal funds, lead-based paint and asbestos remediation will be a part of Anawim's construction scope of a work.
- Rehabilitation is expected to be completed within 12 months of the agreement, but the agreement allows for up to three (3) years for project completion, which includes lease up.
- Other funders include the Polk County Housing Trust Fund's Rental Program, Polk County ARPA, Prairie Meadows Legacy Grant, permanent financing through Fortress Bank, and Iowa Finance Authority (state) HOME funds. The project is expected to be approximately \$6.5 million.

PREVIOUS COUNCIL ACTION(S):

Date: May 9, 2022

Roll Call Number: [22-0730](#)

Action: [On](#) approval and submission of HOME Investment Partnerships Program supplemental funding, as authorized under the HOME-ARP, Allocation Plan as an amendment to the 2021 Annual Action Plan to the HUD. (Continued from April 18, 2022, Council Meeting). ([Council Communication No. 20-211](#)) Moved by Gatto to adopt. Second by Sheumaker. Motion Carried 7-0.

Date: May 24, 2021

Roll Call Number: [21-0785](#)

Action: [Preliminary](#) commitment of HOME funds to Anawim for rehabilitation of 4845 Merle Hay Road. ([Council Communication No. 21-234](#)) Moved by Boesen to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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