


COUNCIL COMMUNICATION

	Number:	24-386	Meeting:	October 7, 2024
	Agenda Item:	25	Roll Call:	24-1353
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Preliminary Commitment of \$750,000 in Home Investment Partnership (HOME) Funds for The Townhall Food Hall and Apartments Resulting in 29 Total Affordable Residential Rental Units.

SYNOPSIS:

Townhall Associates, L.P. is an entity consisting of a Low-Income Housing Tax Credit (LIHTC) partner, Ntontan, LLC, and Newbury Management. It was created to complete Townhall Food Hall and Apartments. The project will include the acquisition of 1619, 1615, 1609, 1607, 1605, and 1601 6th Avenue as well as 515 College Avenue. Demolition of all buildings except North Des Moines Townhall at 1601 6th Avenue will take place. The demolition will make way for a newly constructed mixed-use building which will include 24 affordable residential rental units, community space, and kitchens available to the public. North Des Moines Townhall will be historically rehabilitated to include five (5) affordable residential rental units as well as a commercial space. Upon completion, three (3) units will be affordable to households at or below 30% area median income (AMI) and all other units will be affordable to households at or below 60% AMI for a minimum of 15 years.

FISCAL IMPACT:

Amount: \$750,000

Funding Source: HOME funds from the U.S. Department of Housing and Urban Development (HUD)

ADDITIONAL INFORMATION:

- The total project cost is anticipated to be approximately \$12.2 million.
- This is a preliminary commitment only. A full agreement has not been completed, at this time. Exact loan terms have not been finalized, outstanding documents are still needed in order to complete the underwriting process, and the environmental assessment is still in progress.
- Aside from a standard mortgage, other sources of funding for this project include State of Iowa Historic Tax Credits, Low Income Housing Tax Credits, Polk County Housing Trust Fund Funds, and State of Iowa HOME Funds.

- The newly constructed building will consist of seven (7) studio units, 15 one (1)-bedroom units, and two (2) two (2)-bedroom units. North Des Moines Townhall will consist of four (4) studio units, and one (1) one (1)-bedroom unit.
- Upon completion, three (3) units will be affordable to households at or below 30% AMI and all other units will be affordable to households at or below 60% AMI for a minimum of 15 years. See below for the 2024 HUD Median Family Income for Des Moines-West Des Moines, IA MSA effective June 1, 2024.

Household Size	30% AMI	60% AMI
1	\$23,750	\$47,460
2	\$27,150	\$54,240
3	\$30,550	\$50,850
4	\$33,900	\$61,050
5	\$36,650	\$65,550

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Final Terms of HOME Agreement
- City Council – Final Terms of Tax Increment Financing (TIF) Agreement

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