

COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-471	Meeting:	November 18, 2024
	Agenda Item:	25	Roll Call:	24-1573
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Commitment of \$700,000 in Community Development Block Grant (CDBG) funds with Des Moines Film Center, LLC for Varsity Lofts at 1213-1215 25th Street, resulting in six (6) total affordable residential rental units.

SYNOPSIS:

Des Moines Film is a 501(c)3 nonprofit arts organization dedicated to growing a vibrant local film culture and community. This project will include acquisition and rehabilitation of the building located at 1213 and 1215 25th Street. The building currently contains six (6) vacant one (1)-bedroom apartment units on the second floor. Upon completion of the rehabilitation, all will be affordable to households with incomes at or below 80% Area Median Income (AMI) for a minimum of 15 years.

FISCAL IMPACT:

Amount: \$700,000

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

ADDITIONAL INFORMATION:

- The total project cost is anticipated to be approximately \$1.7 million.
- This project is not intended to be used for student housing.
- Other sources of funding for this project include Invest DSM funds, Polk County Housing Trust Fund, and owner equity.
- The project site is adjacent to Varsity Cinema. In 2020, Des Moines Film acquired and completed a \$5 million historic rehabilitation of the theater.
- Upon completion, all six (6) units will be affordable to households at or below 80% 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	80% AMI
1	\$63,300
2	\$72,350
3	\$81,400
4	\$90,400
5	\$97,650

PREVIOUS COUNCIL ACTION(S):

Date: October 7, 2024

Roll Call Number: [24-1352](#)

Action: [Preliminary](#) Commitment of \$700,000 in CDBG funds for Varsity Lofts resulting in six (6) total affordable residential rental units. ([Council Communication No. 24-385](#)) Moved by Coleman to adopt. Second by Simonson. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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