

COUNCIL COMMUNICATION

	Number:	25-051	Meeting:	February 10, 2025
	Agenda Item:	24	Roll Call:	25-0188
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Preliminary award of \$1,000,000 of HOME Investment Partnership Program, as authorized under the American Rescue Plan (HOME-ARP), to Starts Right Here for the construction of STAY at 525 E. 9th Street.

SYNOPSIS:

Starts Right Here intends to rehabilitate the former Hope Elim Church at 525 E. 9th Street and convert it into 18 housing units with a preference for housing homeless youth.

FISCAL IMPACT:

Amount: \$1,000,000

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

ADDITIONAL INFORMATION:

- HOME-ARP is a one (1)-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	<ul style="list-style-type: none"> • Monarch Apartments at 4845 Merle Hay Road 	<ul style="list-style-type: none"> • 10-12 single-unit homes for first time homebuyers • Five (5) rental units constructed every other year
Other Information	HOME-ARP funds overall are intended for permanent housing but allows 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 or 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 U.S. Department of Treasury for a variety of uses at the City’s discretion.
- HOME-ARP awards include an extensive process of reviewing project documentation, including environmental impacts, compliance with rent and income requirements, tenant selection criteria, understanding of supportive services, and overall developer or organizational capacity. This application and coordination with the State’s HOME-ARP process has been underway since 2023.
- The State of Iowa approved \$3,625,000 of HOME-ARP funds for the project at its January 8, 2025, board meeting. This includes \$2,500,000 for housing development costs, \$750,000 in Supportive Services funds, \$187,500 for Non-Profit Operations, and \$187,500 for Non-Profit Capacity Building.
- HOME-ARP awards are on a reimbursement basis, whereas funding is expended to the developer once it demonstrates eligible expenses through documentation and inspections.
- Once a HOME-ARP project has been completed, compliance is reviewed annually—both by the City and the State in this instance—where rent amounts and the rent roll are submitted to staff. In addition, file review and on-site inspections are performed on a schedule. On-site inspections are completed for the grant funds and City rental code.

PREVIOUS COUNCIL ACTION(S):

Date: December 9, 2024

Roll Call Number: [24-1666](#)

Action: On approval of HUD substantial amendment to the HOME-ARP Allocation Plan. ([Council Communication No. 24-503](#)) Moved by Gatto to adopt. Second by Mandelbaum. Motion Carried 7-0.

Date: February 19, 2024

Roll Call Number: [24-0274](#)

Action: On a request from Elim Christian Fellowship of Des Moines (Michael K. Hurst, Officer) to amend the PlanDSM: Creating Our Tomorrow Comprehensive Plan to revise the future land use classification from Public/Semi-Public to Downtown Mixed Use and to rezone the property located at 525 E. 9th Street from “P2” Public, Civic, and Institutional District to “DXR” Downtown District, to allow renovation of an existing church building for a school and multiple-household residential use. Moved by Voss to adopt. Second by Mandelbaum. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Once the State’s environmental review has been completed, an award with a developer agreement will come back to the City Council.

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.