


COUNCIL COMMUNICATION

	Number:	25-086	Meeting:	March 10, 2025
	Agenda Item:	25	Roll Call:	25-0357
	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 Greater Des Moines Supportive Housing for \$1,250,000 and \$1,250,000 of Community Development Block Grant (CDBG) funds for the acquisition and rehabilitation of the Greater Des Moines Supportive Housing Campus at 1050 6th Avenue.

SYNOPSIS:

Greater Des Moines Supportive Housing plans to acquire and undergo rehabilitation of 1050 6th Avenue, turning the former Holiday Inn Hotel into permanent supportive housing for households who meet the Qualifying Populations eligibility requirements for HOME-ARP funding. The renovation will result in 160 single room occupancy units. The City of Des Moines intends to provide \$1,250,000 HOME-ARP funds and \$1,250,000 CDBG funds in the form of forgivable loans, and each with terms of 15 years.

FISCAL IMPACT:

Amount: \$2,500,000 (\$1,250,000 HOME-ARP; \$1,250,000 CDBG)

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 (1)-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, 	<ul style="list-style-type: none"> • First-time homebuyers at or below 80% Area Median Income (AMI) • Tenants at or below 60% AMI

	<ul style="list-style-type: none"> • Other populations who may be low-income and cost-burdened by housing, 	
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 • Starts Right Here STAY 	<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 US Department of Treasury for a variety of uses at the City’s discretion.
- Greater Des Moines Supportive Housing plans to use HOME-ARP funds for rehabilitation of 1050 6th Avenue, the former site of the Holiday Inn Hotel. The project will contain 160 single room occupancy units. Seven (7) 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 Greater Des Moines Supportive Housing Campus 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.
- On-site services will include treatment and behavioral health, coordination of physical health needs, education programs, employment support, asset building education transportation, onsite food pantry and nutritious food, hygiene/clothing pantry, resident life and community volunteer programs, brain-injury and aging-in-place services, and more.
- The HOME-ARP award requires the seven (7) HOME-ARP units to remain affordable to persons in qualifying populations for 15 years.
- Units at the Greater Des Moines Supportive Housing Campus will be repurposed from hotel units into single room occupancy units. Every unit will have a bathroom and kitchen.
- As a condition of federal funds, lead-based paint remediation will be a part of the construction scope of a work.

- Rehabilitation is expected to be completed within 12 months of the agreement; however, the agreement allows for up to three (3) years for project completion, which includes lease up.
- Other funders include private donations, Polk County Housing Trust Fund Revolving Loan Program, Polk County Emergency Rental Assistance Program (ERAP), and Iowa Finance Authority (IFA) HOME-ARP funds. The project is expected to be approximately \$33.8 million.

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: November 18, 2024

Roll Call Number: [24-1572](#)

Action: [CoC](#) Builds application to the HUD. ([Council Communication No. 24-470](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-1. Nays: Coleman.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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.