

# COUNCIL COMMUNICATION

	Number:	<b>25-117</b>	Meeting:	<b>March 24, 2025</b>
	Agenda Item:	<b>33</b>	Roll Call:	<b>25-0445</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## 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:

- CDBG funds will be used for acquisition. The project meets CDBG requirements because most of the proposed units will presumably house a low- or moderate-income population. The project also fits within one of the City's and HUD's goals to address homelessness and provide affordable housing.
- 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:

	<b>HOME-ARP</b>	<b>HOME</b>
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"> <li>• Homeless</li> <li>• At-risk of homelessness</li> <li>• Victims of domestic violence</li> <li>• Other populations who may be low-income and cost-burdened by housing</li> </ul>	<ul style="list-style-type: none"> <li>• First-time homebuyers at or below 80% Area Median Income (AMI)</li> <li>• Tenants at or below 60% AMI</li> </ul>
Eligible Projects	<ul style="list-style-type: none"> <li>• Rental housing new construction</li> <li>• Rental housing rehab</li> <li>• Tenant-based Rental Assistance (TBRA)</li> <li>• Non-Congregate Shelter</li> </ul>	<ul style="list-style-type: none"> <li>• Rental housing new construction</li> <li>• Rental housing rehab</li> <li>• TBRA</li> <li>• Homeownership new construction</li> <li>• Homeownership acquisition and rehab</li> <li>• Homebuyer assistance</li> </ul>
Typical Projects Funded	<ul style="list-style-type: none"> <li>• Monarch Apartments</li> <li>• Starts Right Here STAY</li> </ul>	<ul style="list-style-type: none"> <li>• 10-12 single-unit homes for first time homebuyers</li> <li>• Five (5) rental units constructed every other year</li> </ul>
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.
- 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, if applicable, will be a part of the construction scope of a work.
- The agreements allow 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 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. ([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**

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