


COUNCIL COMMUNICATION

	Number:	25-181	Meeting:	May 5, 2025
	Agenda Item:	32	Roll Call:	25-0661
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of \$500,000 in Home Investment Partnership Program (HOME) Funds for Land Acquisition to Construct the Goldfinch Lofts Multifamily Building, resulting in 28 Affordable Residential Rental Units.

SYNOPSIS:

Cutler Development plans to construct a two (2)-story multifamily residential building on the site of 3422, 3416, and 3404 Ingersoll Avenue. The building will include 28 residential units affordable to households earning between 30-80% area median income (AMI). Of these units, the City will be designating two (2) units which will be affordable to households earning 60% AMI. These units will have this designation for 20 years.

FISCAL IMPACT:

Amount: \$500,000

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 \$12.5 million.
- Cutler Development is the developer, with the partnership for this activity organized under Goldfinch Lofts, LP.
- HOME funds will be utilized for the acquisition costs of a site consisting of 3422, 3416, and 3404 Ingersoll Avenue. The lot is currently the site of a vacant Bank of America branch building. HOME regulations and long-term compliance will apply regardless of the funds being used for acquisition vs. construction.
- The environmental assessment was completed by Neighborhood Services staff. An Authority to Use Grant Funds was signed by HUD in February 2025.

- The majority of other funds will be from 9% Low-Income Housing Tax Credit (LIHTC) program. Other sources in order of magnitude include bank debt, owner equity, Polk County Housing Trust Fund Rental Development funds, State of Iowa HOME Funds, deferred developer fees, and the City of Des Moines Sustainability grant under the Office of Economic Development (OED).
- Based on communications and the schedule provided by the developers, acquisition is set to close in June 2025. Construction will begin in September 2025, with completion and lease-up in November 2026. The HOME Agreement will specify that construction must be complete within three (3) years of the agreement execution date.
- Anawim Housing has been identified as the supportive services provider for these units, as well as property management as Alterra Property Management Division.
- Two (2), two (2)-bedroom units will be reserved for households earning 60% AMI or below and this will be the minimum requirement under HOME regulations. The developers have offered to further reserve these units for households experiencing homelessness or earning at or below 30% AMI.
- In a separate agreement, Iowa Finance Authority will be designating an additional four (4) units, bringing the total of reserved units to six (6).
- This 30% AMI designation is voluntary by the developer. At a minimum, under a HOME award, units must be affordable to households earning 60% AMI. See below for the 2025 HUD Median Family Income for Des Moines-West Des Moines, IA metropolitan statistical area (MSA) effective April 1, 2025.

Household Size	30% AMI	60% AMI
1	\$24,050	\$48,113
2	\$27,500	\$54,975
3	\$30,950	\$61,838
4	\$34,350	\$68,700
5	\$37,650	\$74,213

- HUD also sets High and Low HOME rents. For Goldfinch Lofts, all HOME units will have rents of \$1,080. See below for the 2024 HUD rent limits for HOME units for Des Moines-West Des Moines, IA MSA effective June 1, 2024.

Unit Size	Low HOME Rent Limit	High HOME Rent Limit
Efficiency	\$833	\$833
1 Br	\$899	\$899
2 Br	\$1,080	\$1,080
3 Br	\$1,469	\$1,477

PREVIOUS COUNCIL ACTION(S):

Date: December 23, 2024

Roll Call Number: [24-1729](#)

Action: [Preliminary](#) commitment of \$500,000 in HOME Funds for the acquisition of the Goldfinch Lofts multifamily building at 3422 Ingersoll Avenue resulting in 28 affordable residential rental units. ([Council Communication No. 24-528](#)) Moved by Coleman to adopt. Second by Gatto. Motion Carried 6-0. Absent: Voss.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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