

COUNCIL COMMUNICATION

	Number:	25-203	Meeting:	May 19, 2025
	Agenda Item:	23	Roll Call:	25-0740
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of \$750,000 in Home Investment Partnership (HOME) Funds for Townhall Food Hall and Apartments Resulting in 29 Total Affordable Residential Rental Units.

SYNOPSIS:

Townhall Associates, L.P. is an entity consisting of Ntontan, LLC, Newbury Management Company, and their Low-Income Housing Tax Credit partner, National Equity Fund. It was created specifically to execute the completion of Townhall Food Hall and Apartments. The project will include the acquisition of 1619, 1615, 1609, 1607, 1605, and 1601 6th Avenue as well as 515 College Avenue. Demolition of all buildings except North Des Moines Townhall at 1601 6th Avenue will take place. The demolition will make way for a newly constructed mixed-use building which will include 24 affordable residential rental units, community space, and kitchens available to the public. North Des Moines Townhall will be historically rehabilitated to include five (5) affordable residential rental units as well as a commercial space. Upon completion of the overall project, three (3) units will be affordable to households at or below 30% area median income (AMI) and all other units will be affordable to households at or below 60% AMI for a minimum of 20 years.

FISCAL IMPACT:

Amount: \$750,000

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 \$13 million.
- Aside from a standard mortgage, other sources of funding for this project include or are expected to include Federal and State of Iowa Historic Tax Credits, Low-Income Housing Tax Credits, Polk County Housing Trust Fund Funds, and City of Des Moines Tax Increment Financing (TIF) Funds.
- The newly constructed building will consist of seven (7) studio units, 15 one (1)-bedroom units, and two (2) two (2)-bedroom units. The North Des Moines Townhall building will consist of four (4) studio units, and one (1) one (1)-bedroom unit.

- Upon completion of the overall project, three (3) units will be affordable to households at or below 30% AMI and all other units will be affordable to households at or below 60% AMI for a minimum of 20 years. See below for the 2025 HUD Median Family Income for Des Moines-West Des Moines, IA Metro Statistical Area (MSA) effective 4/1/2025.

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

- Upon completion of the overall project, three (3) units will be City funded High HOME rental units and one (1) will be a City funded Low HOME rental unit. These will be floating HOME units but at least half of the five (5) units in the North Des Moines Townhall building will be designated as HOME units. See below for the 2024 HOME Rent Limits for Des Moines-West Des Moines, IA MSA effective 6/1/2024. High and Low HOME rent limits are the same for these unit sizes.

	Efficiency	1 Bedroom	2 Bedroom
2024 Low HOME Rent Limit	\$833	\$899	\$1,080
2024 High HOME Rent Limit	\$833	\$899	\$1,080

PREVIOUS COUNCIL ACTION(S):

Date: October 7, 2024

Roll Call Number: [24-1353](#)

Action: [Preliminary Commitment](#) of \$750,000 in Home Investment Partnership (HOME) Funds for The Townhall Food Hall and Apartments resulting in 29 total affordable residential rental units. ([Council Communication No. 24-386](#)) Moved by Coleman to adopt. Second by Simonson. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Final Terms of TIF Agreement

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.