COUNCIL COMMUNICATION

CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	**26-084**	Meeting:	**March 9, 2026**
	Agenda Item:	**22**	Roll Call:	**26-0306**
	Submitted by:	**Chris Johansen, Neighborhood Services Department Director**		

AGENDA HEADING:

Award of $750,000 in Community Development Block Grant (CDBG) Funds for the Historic Rehabilitation of the University of Commerce building at 615 Euclid Avenue, Resulting in 14 Residential Rental Units

SYNOPSIS:

615 Euclid, LLC (Brian Clark, manager) proposes to complete the historic rehabilitation of the two-story building at 615 Euclid Avenue previously known as the University of Commerce. There will be a total of 14 residential rental units. The project proposes eight (8) units reserved for households earning 60% of the Area Median Income (AMI), four (4) units reserved for households earning 80% AMI, and two (2) market rate units. Rents for the affordable units will be less than or equal to Fair Market Rents (FMR) for the Des Moines-West Des Moines, IA Metropolitan Statistical Area (MSA) as determined by the U.S. Department of Housing and Urban Development (HUD) for a period of 15 years. There will also be one (1) commercial unit on the first floor.

FISCAL IMPACT:

Amount: $750,000

Funding Source: CDBG from the HUD

ADDITIONAL INFORMATION:

- The total project cost is anticipated to be approximately $5.75 million.
- Aside from developer equity and a standard construction loan, other sources of funding for this project include or are expected to include Invest DSM, Grayfield Redevelopment Tax Credits, State of Iowa Workforce Housing Tax Credits (WHTC), State Historic Preservation Tax Credits, and Federal Historic Tax Credits. Disbursement of CDBG funds is contingent on the developer demonstrating proof of successfully securing any and all sources of funding to complete the project.
- The environmental assessment is complete.
- The rehabilitation will maintain the historic nature of the building through continued consultation with the State Historic Preservation Office (SHPO).

- The project proposes twelve (12) one-bedroom units and two (2) two-bedroom units.

- See below for the FMR by unit size effective 4/28/2025.

Unit Size	FMR
Efficiency	$954
1 Bedroom	$1,017
2 Bedroom	$1,216
3 Bedroom	$1,632
4 Bedroom	$1,638

- See below for the 2025 HUD Median Family Incomes for Des Moines-West Des Moines, IA MSA effective 6/1/2025.

Household Size	60% AMI	80% AMI
1	$48,113	$64,150
2	$54,975	$73,330
3	$61,838	$82,450
4	$68,700	$91,600
5	$74,213	$98,950

PREVIOUS COUNCIL ACTION(S):

Date: June 9, 2025

Roll Call Number: 25-0833

Action: Preliminary award of $750,000 in CDBG Funds for the rehabilitation of the University of Commerce Building at 615 Euclid Avenue, resulting in 14 affordable residential rental units. (Council Communication No. 25-238) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-0. Council Member Simonson declares a conflict of interest and abstains from voting.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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