

COUNCIL COMMUNICATION

	Number:	26-138	Meeting:	April 20, 2026
	Agenda Item:	18	Roll Call:	26-0496
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Preliminary Award of Home Investment Partnerships Program (HOME) funds for Kingman Place Townhomes, 3125 Kingman Boulevard

SYNOPSIS:

Home Opportunities Made Easy, Incorporated (HOME, Inc.), Invest DSM, and Cutler Development are partnering to build a new townhome development at 3125 Kingman Boulevard. This action is a preliminary award of 2027 and 2028 HOME funds for the project.

FISCAL IMPACT:

Amount: \$640,000 in HOME funds

Funding Source: US Department of Housing and Urban Development (HUD)

ADDITIONAL INFORMATION:

- The Kingman Place Townhomes is a 20-unit residential project located in the Drake Neighborhood of Des Moines. There will be a mix of one (1)-bedroom/ one (1) bath and two (2)-bedroom/two (2)-bath units.
- Of the 20 units, four (4) will be reserved for individuals earning at or below 60% Area Median Income (AMI) and 16 will be reserved for individuals earning at or below 80% AMI. There are additional set asides for individuals with special needs and for veterans. For reference, a single person earning \$64,150 annually is at 80% AMI; a single person earning \$48,120 annually is at 60% AMI.
- The townhomes will be constructed using a hybrid mass timber-wood frame approach. Other low carbon materials will be considered and sourced where possible or appropriate. An emphasis will be placed on selecting high efficiency mechanical, electrical and plumbing systems to reduce operational energy consumption.
- All 20 townhomes will be put into the newly formed Central Iowa Community Land Trust to ensure ongoing affordability.

- The total project cost is anticipated to be approximately \$7,099,120, of which \$640,000 will be HOME funds from the City of Des Moines. HOME funds will be utilized for the construction costs of the activity.
- In the past, HOME, Inc. received approximately \$400,000 per year for scattered site homeownership projects. This preliminary award for Kingman Place Townhomes will be the only City-funded HOME award in 2027 and 2028 for HOME, Inc.
- There are several caveats before a HOME agreement can be finalized. Primarily, they include the completion of an environmental assessment and full underwriting of the project and developer capacity.
- In addition, fiscal years 2027 and 2028 funding have not been appropriated by Congress to HUD. As a result, the City's funding for these years is conditional on receiving HOME allocations from HUD for these grant years. The final HOME agreement will need to have provisions regarding:
 - Termination of the funding obligation to the project if the City does not receive HOME allocations in 2027 or 2028;
 - Expenditure and reimbursement timing in relationship to when the City has its 2027 or 2028 HOME funds available to disburse; and
 - Change in funding level—dependent on an unexpected increase or decrease in the HOME allocation from HUD—and how that may impact funds available for the award.
- Other sources of funding that have been secured include grants from the Federal Home Loan Bank and Wells Fargo. A construction loan is also available to assist with cash flow throughout construction.
- Three (3) cross-cutting regulations related to HUD programs may apply. These are 1.) the Build America Buy America Act (BABA), 2.) Davis Bacon and Related Acts (DBRA), and 3.) Section 3 labor hour tracking.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- A final HOME agreement will be brought back to Council several months from now once the environmental assessment and underwriting have been completed.

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 second floor of T.M. Franklin Cowmie City Administration Building, 1200 Locust Street. 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.