

COUNCIL COMMUNICATION

	Number:	26-148	Meeting:	April 20, 2026
	Agenda Item:	19	Roll Call:	26-0497
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Preliminary Award of Community Development Block Grant (CDBG) funds for Cynergy, 1230 Oakridge Drive

SYNOPSIS:

Oakridge Neighborhood intends to acquire 1230 Oakridge Drive, a nearby parcel. This action is a preliminary award of \$25,000 toward the total acquisition cost.

FISCAL IMPACT:

Amount: \$25,000 of CDBG funds

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

ADDITIONAL INFORMATION:

- Oakridge Neighborhood intends to acquire a nearby parcel as the first step in its development named Cynergy.
- Cynergy will be a welcoming urban neighborhood center featuring a mixed-use development with a wellness hub on first floor and three (3) or four (4) floors of multifamily workforce housing above. It transforms a former parking lot into affordable, stable and quality housing with an emphasis on three (3)- and four (4)-bedroom units.
- The site is 1.109 acres. Acquisition is approximately \$966,000. The City intends to contribute \$25,000 toward acquisition costs.
- The total project cost is anticipated to be between \$15 million and \$16 million.
- 60% of units will income restricted. Details regarding exact number of units and income level restrictions are still being determined.
- Real estate acquisition by a nonprofit for a public purpose is an eligible use of CDBG funds if it can meet a national objective. Affordable housing is a public purpose, and the CDBG national

objective to be met is serving a low- or moderate-income area (LMA), Census Tract 27.00, Block Group 3.

- There are several caveats before a CDBG agreement can be finalized. Primarily, they include the completion of an environmental assessment and full underwriting of the project and developer capacity.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- A final CDBG 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 Cownie 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.