


COUNCIL COMMUNICATION

	Number:	26-156	Meeting:	April 20, 2026
	Agenda Item:	22	Roll Call:	26-0500
	Submitted by:	Carrie Kruse, Economic Development Administrator		

AGENDA HEADING:

Resolution approving First Amended and Restated Urban Renewal Development Agreement with Market District Apartments, LP.

SYNOPSIS:

Market District Apartments, LP, (Gratus Development, LLC, 8375 East 96th Street #111, Indianapolis, IN 46256; (Danielle Welch Massey, Development Director) and Christensen Development, 215 East 3rd Street, Suite 300, Des Moines, IA 50309; (Jake Christensen, President)) is proposing the construction of Foundry Lofts, a 4-story, 46-unit apartment building at 509 Southeast 6th Street, located on a 1.04-acre infill site. Total project cost is estimated at \$15 million. Construction is anticipated to begin in the spring of 2026, with completion anticipated in late 2027.

A revision has been made to the structure of the \$189,000 forgivable loan for the Developer's acquisition of the 8,420 square-foot, city-owned parcel. The amendment to the promissory note changes the forgiveness from being automatic upon the certificate of completion to making it forgivable after the affordability provisions have been met. This is a developer financing request to reduce likelihood of unexpected taxable income imputation to the financing partner. There is no financial impact to the city with this revision.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The proposed \$15 million project is located south of East Martin Luther King, between Southeast 6th and Southeast 7th Street and will include a total of 46 dwelling units.
- The project granted an award from the Iowa Finance Authority's Low-Income Housing Tax Credit (LIHTC) Program in 2025.
- A minimum of 19 apartment units will be devoted to affordable housing by keeping the average rental rate of all units at no more than sixty percent (60%) rent limits as published by the United States Department of Housing and Urban Development under its LIHTC Rents for Polk County, Iowa, which limit corresponds to individuals who earn an average of sixty percent (60%) or less of the area median income. All units shall remain affordable units for a minimum of 30 years under the Iowa Low-Income Housing Tax Credit Program.

PREVIOUS COUNCIL ACTION(S):

Date: March 9, 2026

Roll Call Number: [26-0309](#)

Action: [Final](#) terms of an Urban Renewal Development Agreement with Market District Apartments, LP for the construction of Foundry Lofts, a 46-unit apartment building located at 509 Southeast 6th Street. ([Council Communication No. 26-092](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: February 2, 2026

Resolution Number: N/A

Action: Motion by Burnham to approval the final design. Motion was seconded by Hielkema. Yes – 9; No – 0; Abstain – 0; Absent – 2.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Certificate of Completion

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