

COUNCIL COMMUNICATION

	Number:	26-197	Meeting:	June 8, 2026
	Agenda Item:	28	Roll Call:	26-0675
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Award of \$284,181 to Urban Dreams LLC for the Site Infrastructure and Public Improvements Supporting the Construction of six (6) Residential Rental Units at 1411-1419 7th Street.

SYNOPSIS:

Urban Dreams is a local non-profit planning to redevelop the parcels at 1411-1419 7th Street into six (6), two (2)-story townhomes rented as workforce housing. The project proposes that all units will be reserved for households earning 50% of the Area Median Income (AMI). 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.

FISCAL IMPACT:

Amount: \$173,181 in Community Development Block Grant (CDBG) funds; \$111,000 in Local Option Sales and Service Tax (LOSST)

Funding Source: FY2026 Operating Budget, Neighborhood Services Department, Special Revenues and Other Funds, Community Development Block Grants, CDB01726.
FY2026 Operating Budget, Finance Department, Local Option Sales and Services Tax (LOSST), ND414000, 526225, LT206

ADDITIONAL INFORMATION:

- The total project cost is anticipated to be approximately \$2.18 million.
- Sources of funding for this project include Polk County Emergency Rental Assistance (ERA) 2, Prairie Meadows Grant, construction loan, capital campaign funds, and owner equity.
- The environmental assessment, as required by the HUD, is complete.
- CDBG will not be used to reimburse the vertical construction activities and be reserved for the hard costs associated with site improvements and surrounding public infrastructure. The CDBG program requires at least 51% of the completed units will be occupied by households earning 80% AMI or below. Urban Dreams, LLC proposes all units will be occupied by households earning 50% AMI.

- For example, a household of four earning \$93,100 or below per year would be eligible at 80% AMI. A household of four earning \$58,200 or below per year would be the target income level at 50% AMI for this project.
- The project proposes two (2), four-bedroom units and four (4), two-bedroom units.
- See below for the FMR by unit size effective 10/1/2025.

Unit Size	FMR
Efficiency	\$1,063
1 Bedroom	\$1,109
2 Bedroom	\$1,318
3 Bedroom	\$1,794
4 Bedroom	\$1,841

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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