



Date May 6, 2019

RESOLUTION APPROVING LETTER OF SUPPORT AND PRELIMINARY COMMITMENT OF HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS FOR CENTRAL IOWA SHELTER AND SERVICES (CISS)

WHEREAS, Central Iowa Shelter and Services (CISS) provides housing and enhanced health care services to homeless individuals at its downtown Des Moines shelter located at 1420 Mulberry Street; and

WHEREAS, on June 13, 2016, by Roll Call No. 16-0965, the City Council approved a funding agreement between the City and CISS whereby the City agreed to provide annual financial assistance to CISS for fiscal years 2017 and 2018 to provide additional security services at the CISS shelter; and

WHEREAS, on June 25, 2018, by Roll Call No. 18-1118, the City Council approved the conveyance of excess City-owned property located south of and adjoining 1330 and 1420 Mulberry Street to CISS for \$1,000, subject to various City utility easements, for incorporation into the adjoining CISS shelter property at 1420 Mulberry Street; and

WHEREAS, CISS proposes to construct additional housing for chronically homeless individuals on the aforementioned property to be conveyed by the City, with the construction of any such improvements upon the property being subject to approval of a development plan by the City Council and approval of all construction plans by the City Engineer to ensure that the storm water detention function of the property is not affected; and

WHEREAS, on June 25, 2018, by Roll Call No. 18-1119, the City Council approved submission of a Letter of Support on behalf of CISS for its grant application to the National Housing Trust Fund, however, said grant was not approved for CISS for the 2018 grant award year; and

WHEREAS, the City has entered into an Agreement with United States Department of Housing and Urban Development ("HUD") for funding of its Home Investment Partnership (HOME) Program pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act; and

WHEREAS, the City's HOME Program is designed to provide affordable rental and home ownership opportunities for low- and very-low income households through acquisition, rehabilitation, and new construction; and

WHEREAS, the construction of new affordable housing is consistent with the City's 2015-2019 Consolidated Plan, which was approved by City Council for submission to HUD on November 3, 2014 by Roll Call 14-1730; and

WHEREAS, representatives of CISS submitted an application to City Community Development staff and provided financial information regarding the proposed project to be built at property located south of and adjoining 1330 and 1420 Mulberry Street, composed of 24 permanent-supportive housing units for chronically homeless individuals who are very low-income; and

WHEREAS, City staff has determined that HOME funds are needed to fill a gap in the sources and uses of the development to serve the targeted income populations and to provide a satisfactory Debt



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Coverage Ratio (DCR), and that the project is eligible for HOME funds dependent on completion of a final Environmental Review Record; and

WHEREAS, CISS further intends to submit a grant application to the National Housing Trust Fund for grant funding for said construction for the 2019 grant award year; and

WHEREAS, CISS has requested that the City approve and execute a Letter of Support for said grant application for the 2019 grant award year, in form on file with the City Clerk.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that:

- 1. A preliminary allocation of HOME funds, in the forgivable loan amount of \$400,000, is hereby approved and reserved for the above-listed development based on the project underwriting as submitted, conditional to completion of an Environmental Review Record per U.S. Department of Housing and Urban Development (HUD) requirements.
2. The City of Des Moines does hereby express its support for the grant application to be submitted by CISS to the National Housing Trust Fund for the 2019 grant award year.
3. The Letter of Support for CISS toward the grant application to the National Housing Trust Fund is hereby approved; the Mayor is authorized and directed to execute said Letter on behalf of the City of Des Moines; and the City Manager is authorized to submit said Letter as required.

(Council Communication No. 19- 188)

MOVED BY _____ TO ADOPT

FORM APPROVED:

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, COLEMAN, GATTO, GRAY, MANDELBAUM, WESTERGAARD, TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk



May 6, 2019

Iowa Finance Authority
1963 Bell Avenue, Suite 200
Des Moines, IA 50315

RE: Letter of Support and Financing Commitment for CISS' development of 24 new housing units

To Whom It May Concern:

On June 25, 2018, the City of Des Moines City Council unanimously approved selling City property to Central Iowa Shelter & Services (CISS) for a proposed 24-unit permanent supportive housing project adjacent to its current facility at 1420 Mulberry Street. Furthermore, the City Council approved supporting CISS' National Housing Trust Fund grant application and contributing \$400,000 in funding from the City's HOME program.

The project will contribute to the goal of ending chronic homelessness in Central Iowa. This is a goal of the Polk County Continuum of Care Board, the Homeless Coordinating Council, and the City of Des Moines. This location is ideal because of the proximity and availability of supportive services on site.

The City intends to contribute \$400,000 in HOME funds to the project. The HOME funds will be a forgivable loan with 0 percent interest. The term and affordability period will be 20 years, and there are no fees. HOME funds would be used for eligible development costs. The City anticipates it will be in third lien position. CISS would have 12 months to begin construction after entering into a contract with the City, and construction would need to be completed within three years. After construction is complete, the 24 units would need to be leased within six months. This preliminary commitment is valid through June 1, 2020.

Thank you for your consideration of this project. We are eager to advocate for homelessness solutions at every opportunity. If you have any questions, please contact Community Development Director Chris Johansen by calling (515) 323-8976 or emailing cmjohansen@dmgov.org.

Sincerely,

T.M. Franklin Cownie
City of Des Moines