



Date August 21, 2023

**PRELIMINARY COMMITMENT OF \$500,000 IN COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) FUNDS FOR REHABILITATION OF THE KLEIN
BUILDING AT 3614 6th AVENUE, RESULTING IN UPPER-STORY AFFORDABLE
RENTAL UNITS**

WHEREAS, on November 4, 2019, by Roll Call No. 19-1792, the City Council approved the 2020-2024 Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan; and

WHEREAS, one of the primary components of the 2020-2024 Consolidated Plan is the increase of affordable housing stock; and

WHEREAS, 36 on 6th LLC, has applied for Community Development Block Grant (CDBG) funds to be used for the creation of three affordable and one market rate single unit apartments through rehabilitation of 3614 6th Avenue; and

WHEREAS, the use of CDBG funds to rehabilitate housing is an eligible activity if it meets the national objective of the CDBG Program by benefitting low- or moderate-income residents; and

WHEREAS, after rehabilitation, the three single unit apartments will be affordable to households at or below 80% of the area median income (AMI) and rents will be less than or equal to Fair Market Rents 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 ten (10) years; and

WHEREAS, an environmental review, including consultation with the State Historic Preservation Office (SHPO), was completed on August 8, 2023; and

WHEREAS, a preliminary commitment is required at this time, in lieu of a full agreement, because exact loan terms have not been agreed upon, outstanding documents are still needed in order to complete the project underwriting process, and the developer requests a preliminary commitment in order to potentially secure additional grant funding

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

1. The City of Des Moines preliminarily commits \$500,000 in CDBG funds for the rehabilitation of 3614 6th Avenue, which will result in three affordable rental units, conditional to agreed upon loan terms and completion of project underwriting at a later date.



Roll Call Number

Agenda Item Number

16

Date August 21, 2023

- 2. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary commitment letter as attached.

(Council Communication No. 23-391)

Moved by _____ to adopt.

Second by _____.

FORM APPROVED:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr., Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|----------|--------|
| COWNIE | | | | |
| BOESEN | | | | |
| GATTO | | | | |
| MANDELBAUM | | | | |
| SHEUMAKER | | | | |
| VOSS | | | | |
| WESTERGAARD | | | | |
| TOTAL | | | | |
| MOTION CARRIED | | | APPROVED | |
| _____ Mayor | | | | |

CERTIFICATE

I, LAURA BAUMGARTNER, 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.

_____ City Clerk