



Date October 7, 2024

PRELIMINARY COMMITMENT OF \$750,000 IN HOME INVESTMENT PARTNERSHIP (HOME) FUNDS FOR THE TOWNHALL FOOD HALL AND APARTMENTS RESULTING IN 29 TOTAL AFFORDABLE RESIDENTAL RENTAL UNITS

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 2020-2024 Consolidated Plan, which was approved by City Council for submission to HUD on November 4, 2019 by Roll Call 19-1792; and

WHEREAS, representatives of Townhall Associates, L.P. submitted a proposal to City Neighborhood Services staff and provided financial information regarding the project which will result in 29 residential rental units affordable to those from 30%-60% Area Median Income (AMI) at a site currently consisting of 1619, 1615, 1609, 1607, 1605, and 1601 6th Ave as well as 515 College Ave, Des Moines, Iowa; and

WHEREAS, Demolition of all buildings at the project site except North Des Moines Townhall at 1601 6th Avenue will take place to make way for a newly constructed mixed-use building which will include twenty four (24) affordable residential rental units, community space, and kitchens available to the public; and

WHEREAS, North Des Moines Townhall will be historically rehabilitated to include five (5) affordable residential rental units as well as a commercial space; and

WHEREAS, four (4) of the units set at 60% AMI will be City funded High HOME rental units and one (1) of the units set at 50% AMI will be a City funded Low HOME rental unit; and

WHEREAS, the Environmental Assessment is currently underway; and

WHEREAS, this project has received or is expected to receive additional funding from multiple sources including State of Iowa Historic Tax Credits, Low Income Housing Tax Credits, Polk County Housing Trust Fund Funds, and State of Iowa HOME Funds; and

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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 underwriting process, and the environmental assessment is still in progress.

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

1. The City of Des Moines preliminarily commits \$750,000 in HOME funds for The Townhall Food Hall and Apartments, conditional to agreed-upon loan terms, completion of project underwriting, and approval of an environmental assessment at a later date.
2. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary commitment letter as attached.

(Council Communication No. 24-386)

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
BOESEN				
SIMONSON				
VOSS				
COLEMAN				
WESTERGAARD				
MANDELBAUM				
GATTO				
TOTAL				
MOTION CARRIED			APPROVED	

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.

Mayor

City Clerk