



Date **February 10, 2025**

PRELIMINARY AWARD OF \$1,000,000 OF HOME INVESTMENT PARTNERSHIP PROGRAM, AS AUTHORIZED UNDER THE AMERICAN RESCUE PLAN (HOME-ARP), TO STARTS RIGHT HERE FOR THE CONSTRUCTION OF STAY AT 525 E 9TH STREET

WHEREAS, the City has entered into an Agreement with United States Department of Housing and Urban Development (HUD) for funding of its HOME Investment Partnerships Program as authorized under the America Rescue Plan (HOME-ARP); and

WHEREAS, the HOME-ARP funds are intended to target individuals or families from the following qualifying populations: homeless; at-risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; other populations where providing assistance would prevent the family’s homelessness or would serve those with the greatest risk of housing instability; and veterans and families that include a veteran family member that meet one of the preceding criteria; and

WHEREAS, HOME-ARP funds can be used for four eligible activities including:

1. The production or preservation of affordable housing;
2. Tenant-based rental assistance;
3. Supportive services, including homeless prevention services and housing counseling; and
4. The purchase or development of non-congregate shelter for individuals and families experiencing homelessness; and

WHEREAS, representatives of Starts Right Here submitted a proposal to City Neighborhood Services staff regarding the adaptive reuse and rehabilitation of 525 E 9th Street, also known as STAY, which will result in 18 (eighteen) residential rental units, accessible and affordable to persons who meet the description of a qualifying population, as defined above and further defined in Community Planning and Development (CPD) Notice 21-10; and

WHEREAS, the conversion and rehabilitation to create affordable housing units is consistent with the HOME-ARP requirements and the City's Consolidated Plan; and

WHEREAS, Starts Right Here has requested \$1,000,000 of HOME-ARP funds to be utilized for program eligible costs associated with construction; and

WHEREAS, a preliminary award is required at this time, in lieu of a full agreement, because the HUD environmental assessment, as conducted by the State of Iowa for its funding sources, must be completed prior to the City and Starts Right Here entering an agreement for HOME-ARP funds to avoid any choice-limiting actions.



Date February 10, 2025

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

1. The City of Des Moines preliminarily approves \$1,000,000 of HOME-ARP funds for the development of STAY, conditional to completion of the HUD Environmental Assessment.
2. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary award letter as attached.

(Council Communication No. 25 - *051*)

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

February 10, 2025

Starts Right Here
Attn: Will Keeps
455 SW 5th Street, Suite A
Des Moines, IA 50309

Dear Mr. Keeps,

This letter serves as a preliminary award of funding to support Starts Right Here's development of STAY at 525 E 9th Street in Des Moines. This is not a final commitment of funding.

The City of Des Moines anticipates awarding \$1,000,000 of HOME Investment Partnerships Program funding, as authorized under the American Rescue Plan (HOME-ARP), from the United States Department of Housing and Urban Development (HUD).

After reviewing your application, staff recommended to Council \$1,000,000 in HOME-ARP funds in the form of a 15-year, forgivable loan secured as a mortgage against the property. There will be no interest. No payment will be due unless the project falls out of compliance with the HOME Program.

This activity will create one property manager unit and 18 affordable residential rental units to be rented to qualifying populations, as defined by the Community Planning and Development (CPD) Notice 21-10. The City and HUD have also approved a tenant preference for homeless youth in its HOME-ARP Allocation Plan.

The City of Des Moines' final Council approval of a HOME-ARP agreement is contingent upon an approved environmental assessment completed by the State of Iowa. If you have any questions, please contact me by email at CMJohansen@dmgov.org.

Sincerely,

Chris Johansen, Neighborhood Services Director
City of Des Moines