



Date August 18, 2025

PRELIMINARY AWARD OF HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) AGREEMENT FOR \$100,000 AND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AGREEMENT FOR \$650,000 TO THE BEACON VILLAGE LLC FOR THE BEACON VILLAGE PHASE II RENOVATION OF 1348 E EUCLID AVENUE FOR 32 UNITS.

WHEREAS, the City has entered into Agreements 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 Community Development Block Grant (CDBG), authorized under title I of the Housing and Community Development Act of 1974, as amended; and

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

WHEREAS, adaptive reuse of existing buildings into 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 The Beacon submitted a proposal to City Neighborhood Services staff and provided financial information regarding the project, which will result in the rehabilitation of the Village Inn Motel located 1348 E Euclid Ave, Des Moines, and creation of thirty two (32) efficiency units of rental housing, accessible and affordable to residents earning 50% area median income (AMI) or less; and

WHEREAS, one (1) of the units will be designated as a HOME/CDBG unit; and

WHEREAS, sixteen (16) of the units will be designated as CDBG units; and

WHEREAS, two (2) of the units will be units built to the standards of the Americans with Disabilities Act (ADA), and one (1) of the units will be retrofitted for the visual or hearing impaired; and

WHEREAS, the Environmental Review Record has not yet been completed and is currently under review by HUD; and

WHEREAS, The Beacon Village LLC has provided all necessary documents for City staff to review and make a determination of funding, including financial projections, appraisal value, building specifications, developer financials, populations served; and

WHEREAS, The Beacon Village LLC will receive a \$1,000,000 grant from Polk County; and



Roll Call Number

Agenda Item Number

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WHEREAS, a preliminary award has been requested at this time, in lieu of a full agreement, because the environmental review must be completed and outstanding documents are still needed in order to complete the underwriting process.

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

1. The City of Des Moines preliminarily awards \$100,000 in HOME funds for The Beacon Village LLC conditional to agreed-upon loan terms, staff completion of project underwriting, and approval of a loan agreement and related documents by the parties.
2. The City of Des Moines preliminarily awards \$650,000 in CDBG funds for The Beacon Village LLC conditional to agreed-upon loan terms, staff completion of project underwriting, and approval of a loan agreement and related documents by the parties.
3. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary award letter, as attached.

(Council Communication No. 25 - 316)

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



August 18, 2025

The Beacon
Attn: Amy Landrigan
1717 Woodland Ave
Des Moines, IA 50309

Dear Ms. Landrigan,

This letter serves as a preliminary award of funding to support The Beacon's development of Beacon Village, Phase II, at 1348 E. Euclid Avenue in Des Moines. This is not a final commitment of funding.

The City of Des Moines anticipates awarding \$100,000 of HOME Investment Partnerships Program funding, pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act, and \$650,000 of Community Development Block Grant (CDBG), authorized under title I of the Housing and Community Development Act of 1974, as amended

After reviewing your application, staff will recommend to Council that the funds are 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 or CDBG Programs.

The City of Des Moines' final Council approval of both HOME and CDBG agreements are contingent upon an approved environmental assessment, signified by a Authorization to Use Grant Funds (AUGF) from HUD. The AUGF is anticipated to be signed in August 2025. If you have any questions, please contact me by email at CMJohansen@dmgov.org.

Sincerely,

Chris Johansen, Neighborhood Services Director
City of Des Moines