



Date July 13, 2026

AMEND COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AGREEMENT WITH 615 EUCLID, LLC TO INCREASE AWARD FROM \$750,000 TO \$850,000 FOR THE HISTORIC REHABILITATION OF THE UNIVERSITY OF COMMERCE BUILDING AT 615 EUCLID AVENUE

WHEREAS, on May 22, 2025, The City of Des Moines, Neighborhood Services Department, Federal Funds Division Staff (Staff) received a signed Federal Funds Request from 615 Euclid, LLC (Developer) for \$750,000 of CDBG funding for the historic rehabilitation of the University of Commerce building at 615 Euclid Avenue; and

WHEREAS, on June 9, 2025, by Roll Call No. 25-0833, City Council approved a preliminary award of \$750,000 in CDBG funds contingent on the project passing an environmental assessment and underwriting process as well as The City receiving level funding of its entitlement grant from the U.S. Department of Housing and Urban Development (HUD) for fiscal year 2026 (FY26); and

WHEREAS, on September 2, 2025, Staff received a written request from the Developer to increase its initial Federal Funds Request from \$750,000 to \$850,000; and

WHEREAS, on December 19, 2025, Staff provided a written notice to the Developer that consideration of its request for additional funding would be postponed until after The City received its FY26 entitlement grant funding allocation from HUD; and

WHEREAS, on March 9, 2026, by Roll Call No. 26-0306, the City Council approved an award of \$750,000 in CDBG funds for the historic rehabilitation of the University of Commerce building at 615 Euclid Avenue, resulting in fourteen (14) residential rental units; and

WHEREAS, on April 10, 2026, The City received its entitlement grant allocation from HUD for FY26 with increased CDBG funding; and

WHEREAS, Staff completed the underwriting process and determined there is adequate CDBG funding available to support the additionally requested amount from the Developer for this project; and

WHEREAS, the project has received or anticipates receiving additional funding from a standard construction loan, private equity, Invest DSM, Grayfield Redevelopment Tax Credits, Federal Historic Tax Credits, State Historic Preservation Tax Credits, and State of Iowa Workforce Housing Tax Credits; and

WHEREAS, Disbursement of CDBG funds is contingent on the Developer demonstrating proof of successfully securing all remaining previously-identified sources of funding to complete the project; and

NOW, THEREFORE, BE IT RESOLVED,:



Roll Call Number

Agenda Item Number

22

Date July 13, 2026

- A. Once signed by all required parties, the amended CDBG Agreement, including the Promissory Note, Mortgage, and Restrictive Covenant between The City of Des Moines and 615 Euclid, LLC, for fourteen (14) residential rental units as part of the project at 615 Euclid Ave, in form on file with the City Clerk, is hereby approved.
- B. The Director of the Neighborhood Services Department is authorized and directed to sign said amended CDBG Agreement and related documents, and the Neighborhood Services Department is directed to record said amended CDBG Agreement and all related documents as applicable.
- C. The Neighborhood Services Director and his assignees are authorized and directed to administer the amended CDBG Agreement and related documents in accordance with the terms therein; to approve and execute minor amendments thereto; and to present substantive amendments to the City Council for consideration and approval.

(Council Communication No. 26-241)

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				
BARRON				
WESTERGAARD				
MANDELBAUM				
GATTO				
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