



Roll Call Number

23-0106

Agenda Item Number

18

Date January 23, 2023

CLARIFYING THE AFFORDABILITY REQUIREMENTS FOR A GRANT AGREEMENT WITH STAR APARTMENTS, LLC FOR AFFORDABLE HOUSING AT 2701 INGERSOLL DES MOINES

WHEREAS, Star Apartments, LLC (Molly and Scott Cutler, Partners, 1307 50th Street, West Des Moines, IA 50266) is proposing the construction of a new 3-floor mixed-use building at 2701 Ingersoll Avenue, currently the site of a Star Gas Station, which will be demolished to make way for the project. The project ("Project") will consist of 20 multi-family units on the 2nd and 3rd floors as well as 6,500 square feet of commercial space on the first floor; and,

WHEREAS, on November 21, 2022, by Roll Call No. 22-1804, the Des Moines City Council authorized the City Manager to negotiate and execute a grant agreement for the financial grant of \$370,000 in support of the Project upon completions and issuance of a certificate of occupancy; and,

WHEREAS, at that time, the Developer committed to providing 100% of the residential units at an affordable rent structure with 20% of the units at 30% of the Area Median Income (AMI), 20% of the units at 60% AMI, and 60% of the units at the 80% AMI; and,

WHEREAS, the Developer has since clarified that the Developer's commitment to having 20% of the units at 60% AMI is only for the initial occupancy, and, following the initial occupancy, the affordability limits for those units will increase to 80% AMI; and

WHEREAS, even with such affordability clarification, City staff remains supportive of the Project, as it will serve a public purpose of providing affordable housing in an area that needs affordable housing and will remove a building for a higher and better use.

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

1. A Grant Agreement between the City and Star Apartments, LLC should be negotiated by the City Manager for a grant not to exceed \$370,000 and upon the updated affordability requirements set forth above is hereby approved and, subject to the Legal Department's approval and the Finance Department approval of the Agreement as to form, the City Manager is hereby authorized and directed to sign said Agreement.



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23-D1D6

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MOVED by Gatto to adopt. Second by Boesen.

FORM APPROVED:

/s/ Lisa A. Wieland
Lisa A. Wieland
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, MANDELBAUM, SHEUMAKER, VOSS, WESTERGAARD, and TOTAL (7).

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.

J. M. Franklin Cowrie Mayor

Laura Baumgartner City Clerk