



Roll Call Number

23-0499

Agenda Item Number

30

Date April 10, 2023

AUTHORIZING CITY MANAGER TO NEGOTIATE AND EXECUTE A GRANT AGREEMENT WITH ALLEY LANDING LIMITED PARTNERSHIP FOR CONSTRUCTION OF A NEW AFFORDABLE HOUSING PROJECT

WHEREAS, on March 11, 2021, Congress enacted the American Rescue Plan Act of 2021 (“ARPA”) to provide relief to combat the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, the City has received ARPA funding from the Coronavirus State and Local Fiscal Recovery Funds and the City desires to aid nonprofit organizations to address the disparate inequities that impacted the Des Moines community; and

WHEREAS, Alley Landing Limited Partnership (the “Agency”) is currently under contract to purchase approximately three (3) acres of the property locally known as 2701 Douglas Avenue and certain adjoining properties to the east (collectively the “Site”); and

WHEREAS, said Site was formerly the site of Plaza Lanes, which was severely damaged in a fire; and

WHEREAS, the Agency proposes to construct two (2) 40-unit residential buildings, which will include affordable unit mix of each phase will consist of (4) 1-bedroom units, (21) 2-bedroom units, and (15) 3-bedroom units (“Project”); and

WHEREAS, construction of the Project shall be divided in to two (2) phases; and

WHEREAS, the Agency shall provide 100% of the units at an affordable rent structure with one unit at 40% of Area Median Income (AMI), 39 units at 60% of AMI; and

WHEREAS, 6 of the 39 units at 60% will be set-aside for Veteran’s experiencing homelessness, whom shall be referred to the Agency by the Veterans Administration; and

WHEREAS, the total project cost is estimated to be \$12,700,000; and

WHEREAS, construction of the Project is expected to begin late 2023 with completion of Phase 1 in late 2024; and

WHEREAS, said affordability shall be in place for a period of fifteen (15) fifteen years, however, alternate project funding sources such as state or federal grants and other programs may have terms that extend the affordability term beyond 15 years; and



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WHEREAS, the Project will serve the public purposes of improving the quality of affordable housing units within the City, increase the supply of affordable housing units within the City, preserve the supply of current affordable housing units within the City, and reduce homelessness within the City, specifically within the Veteran community; and

WHEREAS, the City desires to enter in to a Grant Agreement (“Agreement”) to provide a financial grant in the amount of \$175,000 in support of Phase 1 of the Project; and

WHEREAS, on November 21, 2022, by Roll Call No. 22-1817, the City Council authorized the City Manager to apply American Rescue Plant Act (ARPA) funds in an amount not to exceed \$3,000,000 to the expenses for the Affordable Housing-Moderate to Low Income, assuring that the City funds shall be used for public purposes; and

WHEREAS, due to the Agreement, \$175,000 of said ARPA funds will be reallocated for the provision of government services within the general fund.

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

1. The Finance Director is hereby authorized and directed to reallocate the funds from Roll Call No. 22-1817 for the provision of government services within the general fund.
2. A Grant Agreement between the City and the Agency should be negotiated by the City Manager for a grant not to exceed \$175,000 is hereby approved and, subject to the Legal Department’s approval of the Agreement as to form, the City Manager is hereby authorized and directed to sign said Agreement, and the City Clerk is hereby authorized and directed to sign said Agreement.

(Council Communication No. 23-194)

MOVED by Gatto to adopt. Second by Voss.

FORM APPROVED:

/s/ Lisa A. Wieland

Lisa A. Wieland, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
MANDELBAUM	✓			
SHEUMAKER				✓
VOSS	✓			
WESTERGAARD	✓			
TOTAL	6			1
MOTION CARRIED		APPROVED		
<u>T. M. Frankhu Cownie</u> 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.

Laura Baumgartner

City Clerk