



Roll Call Number

24-1729

Agenda Item Number

33

Date December 23, 2024

PRELIMINARY COMMITMENT OF \$500,000 IN HOME INVESTMENT PARTNERSHIP (HOME) FUNDS FOR THE ACQUISITION OF GOLDFINCH LOFTS MULTIFAMILY BUILDING SITE RESULTING IN TWENTY-EIGHT (28) AFFORDABLE RESIDENTIAL RENTAL UNITS

WHEREAS, the City has entered into an Agreement 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

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

WHEREAS, the construction of new 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 Cutler Development. submitted a proposal to City Neighborhood Services staff and provided financial information regarding the project which will result in twenty-eight (28) residential rental units, affordable to households earning between 30-80% area median income (AMI) currently addressed at 3422 Ingersoll Ave to be known as "Goldfinch Lofts"; and

WHEREAS, the site consists of three lots and is currently occupied by a vacant Bank of America building as well as the adjacent parking lots; and

WHEREAS, HOME funds are expected to be utilized for acquisition of the property, for which the closing is currently schedule to take place on or about June 1, 2025.

WHEREAS, two (2) units will be set aside for households experiencing homelessness or that are considered very low-income (30% AMI); and

WHEREAS, the Environmental Assessment is currently underway; and

WHEREAS, this activity is expected to receive a multitude of other funding sources, including Iowa Finance Authority HOME funds resulting in two additional affordable units, a first mortgage, low income housing tax credits (LIHTC), and Polk County Housing Trust Fund Rental Development funds; and

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WHEREAS, a preliminary commitment is required at this time, in lieu of a full agreement, because exact loan terms have not been agreed upon, a few outstanding documents are still needed in order to complete the underwriting process, and the HUD environmental assessment must be completed prior to acquisition of the property using federal funds.

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

1. The City of Des Moines preliminarily commits \$500,000 in HOME funds for Goldfinch Lofts subject to agreed-upon loan terms, staff completion of project underwriting, and completion of the HUD Environmental Assessment.
2. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary commitment letter as attached.

(Council Communication No. 24-528)

Moved by Coleman to adopt.
Second by Gatto.

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	6			1

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.

Connie Boesen Mayor

Laura Baumgartner City Clerk