



Roll Call Number

25-0122

Agenda Item Number

29

Date January 27, 2025

PRELIMINARY AWARD OF HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS TO MARKET DISTRICT APARTMENTS, LP FOR THE CONSTRUCTION OF FOUNDRY LOFTS AT 509 SE 6TH STREET RESULTING IN FORTY-SIX (46) AFFORDABLE HOUSING 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 Market District Apartments LP submitted a proposal to City Neighborhood Services staff and provided financial information regarding the project which will result in forty-six (46) residential rental units, affordable to seniors earning 60% area median income (AMI) currently addressed at 509 SE 6th St.; and

WHEREAS, HOME funds are expected to be utilized for program eligible costs associated with construction; and

WHEREAS, one (1) unit will be set aside for households earning up to 60% AMI; and

WHEREAS, one (1) unit will be set aside for households earning up to 50% AMI; and

WHEREAS, the Environmental Assessment is currently underway; and

WHEREAS, the parcels to house the site are currently owned by the associated 509 SE 6th LLC, while the other parcel to be included will be acquired after the completion of the Environmental Assessment; 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), Polk County Housing Trust Fund Rental Development funds; and

WHEREAS, a preliminary award is required at this time, in lieu of a full agreement, because a commitment letter was requested for Market District Apartment LP's upcoming LIHTC



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application, exact loan terms have not been agreed upon, 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 approves \$400,000 of HOME funds for Market District Apartments, LP conditional 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 award letter as attached.

(Council Communication No. 25-035)

Moved by Gatto to adopt.

Second by Voss.

FORM APPROVED:

/s/ Gary D. Goudelock Jr.
Gary D. Goudelock Jr.
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, SIMONSON, VOSS, COLEMAN, WESTERGAARD, MANDELBAUM, GATTO, and TOTAL. Includes MOTION CARRIED and APPROVED labels.

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