



Roll Call Number

25-0833

Agenda Item Number

32

Date June 9, 2025

PRELIMINARY AWARD OF \$750,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE REHABILITATION OF THE UNIVERSITY OF COMMERCE BUILDING AT 615 EUCLID AVENUE, RESULTING IN FOURTEEN (14) AFFORDABLE RESIDENTIAL RENTAL UNITS

WHEREAS, on November 4, 2019, by Roll Call No. 19-1792, the City Council approved the 2020-2024 Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan; and

WHEREAS, one of the primary components of the 2020-2024 Consolidated Plan is the increase of affordable housing stock; and

WHEREAS, representatives of 615 Euclid LLC submitted a proposal to City Neighborhood Services staff and provided financial information regarding the project which will result in eight (8) residential rental units affordable to those at or below 60% Area Median Income (AMI) and six (6) residential rental units affordable to those at or below 80% AMI at 615 Euclid Avenue, Des Moines, Iowa; and

WHEREAS, the use of CDBG funds to rehabilitate housing is an eligible activity if it meets the national objective of the CDBG Program by benefitting low- or moderate-income residents; and

WHEREAS, an Environmental Assessment is still needed; and

WHEREAS, this project has received or is expected to receive additional funding from a standard construction loan, Grayfield Tax Credits, State of Iowa Workforce Housing Tax Credits, and Invest DSM; and

WHEREAS, a preliminary award is required at this time, in lieu of a full agreement, because exact loan terms have not been agreed upon and outstanding documents are still needed in order to complete the underwriting process; and

WHEREAS, a final agreement is contingent on the City receiving level funding of its entitlement grant from HUD in Fiscal Year (FY) 2026.

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

1. The City of Des Moines preliminarily awards \$750,000 in CDBG funds for the rehab project at 615 Euclid Avenue, conditional to agreed-upon loan terms, a passed environmental assessment, completion of project underwriting, and level entitlement grant funding from HUD in FY 2026.



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2. The Director of the Neighborhood Services Department is authorized and directed to sign said preliminary award letter as attached.

(Council Communication No. 25 - 238)

Moved by Gatto to adopt.
Second by Voss.

FORM APPROVED:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr.
Assistant City Attorney

*Council Member Simonson declares a conflict of interest and abstains from voting.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
* SIMONSON				
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	6			

MOTION CARRIED

APPROVED

Connie Boesen

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