

★ Roll Call Number

26-0306

Agenda Item Number

22

Date March 9, 2026

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

WHEREAS, on June 9, 2025, by Roll Call No. 25-0863, the City Council approved the 2025-2029 Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan; and

WHEREAS, one of the primary components of the 2025-2029 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 includes rehabilitating the University of Commerce building at 615 Euclid Ave, Des Moines, Iowa; and

WHEREAS, the project will result in the creation of fourteen (14) total residential rental units and one (1) commercial unit; and

WHEREAS, the project proposes eight (8) units reserved for households earning 60% of the area median income (AMI), four (4) units reserved for households earning 80% AMI, and two (2) market rate units; and

WHEREAS, the project proposes rent for the affordable units will be less than or equal to Fair Market Rents (FMR) for the Des Moines-West Des Moines, IA Metropolitan Statistical Area (MSA); 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 households; and

WHEREAS, the project has received or anticipates receiving additional funding from a standard construction loan, private equity, Invest DSM, Grayfield Redevelopment Tax Credits, Federal Historic Tax Credits, State Historic Preservation Tax Credits, and State of Iowa Workforce Housing Tax Credits; and

WHEREAS, City staff have completed project due diligence and determined that CDBG funds are eligible and needed for this project; and

WHEREAS, Disbursement of CDBG funds is contingent on the developer demonstrating proof of successfully securing any and all sources of funding to complete the project; and

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

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Date March 9, 2026

1. Once signed by all required parties, the CDBG Agreement, including the Promissory Note, Mortgage, and Restrictive Covenant between the City and 615 Euclid, LLC, for fourteen (14) residential rental units as part of the project at 615 Euclid Ave, in form on file with the City Clerk, is hereby approved.
2. Once the City has received all documents properly executed by all necessary parties, the Director of the Neighborhood Services Department is authorized and directed to sign said Agreement and related documents, and the Neighborhood Services Department is directed to record said Agreement and all related documents as applicable.
3. The Neighborhood Services Director and his assignees are authorized and directed to administer the CDBG Agreement and related documents in accordance with the terms therein; to approve and execute minor amendments thereto; and to present substantive amendments to the City Council for consideration and approval.

(Council Communication No. 26- 084)

Moved by Gatto to adopt. Second by Voss

FORM APPROVED:

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
BARRON	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
<u>PTAL</u>	✓			
MOTION CARRIED	APPROVED			
<u>Connie Bosen</u>	Mayor			

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
Laura Baumgartner, City Clerk