



Roll Call Number

22-1732

Agenda Item Number

24

Date November 7, 2022

APPROVAL OF \$80,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR REHABILITATION COSTS INCLUDING FOUNDATION AND EXTERIOR REPAIRS, AT 1065 AND 1067 21ST STREET

WHEREAS, the City of Des Moines is considered an Entitlement City and receives Community Development Block Grant (CDBG) funds annually under 24 Code of Federal Regulations (CFR) Part 570; and

WHEREAS, on November 4, 2019 by Roll Call No. 19-1792, the 2020-2024 Consolidated Plan, which includes how the City intends to use its CDBG funds from the US Department of Housing and Urban Development (HUD), was approved; and

WHEREAS, one of the primary components of the 2020-2024 Consolidated Plan includes improvements, such as emergency repairs and rehabilitation, to the existing affordable housing stock; and

WHEREAS, Professor Holdings LLC, an Ames-based owner with multiple recently-acquired multifamily properties in Des Moines, approached the City in August 2022 for assistance to address the repair of its buildings, starting with two adjacent dwellings at 1065 and 1067 21st St; and

WHEREAS, the proposed repairs and rehabilitation, including foundation repairs, are eligible CDBG activities and the residents of 1065 and 1067 21st St. are eligible beneficiaries of CDBG funds; and

WHEREAS, the proposed repairs and rehabilitation of 1065 and 1067 21st St are consistent with the City's 2020-2024 Consolidated Plan; and

WHEREAS, the City's Neighborhood Services Department has performed an analysis of available information about the site—which included consultation with Professor Holdings about the scope of work, review of bids obtained for foundation work, contractor estimates, income and rental information of the residents, financial analysis of the ongoing rental operations of the buildings, and a review of environmental factors—and it has been determined that Professor Holdings needs financial assistance to address the proposed repairs; and

WHEREAS, the awardee will be considered a borrower, and must follow all formal procedures related to financial draws, reporting, and ongoing monitoring as required by the CDBG program and Neighborhood Services Department; and

WHEREAS, the project cost is estimated to be \$80,000, including hard rehabilitation costs, which will be provided as a deferred payment loan, and prorated and secured by a mortgage and restrictive covenant against the property for fifteen years.

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



Roll Call Number

22-1732

Agenda Item Number

24

Date November 7, 2022

- The Neighborhood Services Director is hereby authorized to execute and administrator, on behalf of the City, a CDBG Agreement with the Professor Holdings up to \$80,000 following approval as to form by the Legal Department, and to execute any other document necessary to implement the Agreement and to fund the above-described project.

(Council Communication No. 22-511)

MOVED BY Gatto TO ADOPT.
 SECOND BY Boesen

FORM APPROVED:

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

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|----------|------|--------|
| COWNIE | | | | ✓ |
| BOESEN | ✓ | | | |
| GATTO | ✓ | | | |
| MANDELBAUM | ✓ | | | |
| SHEUMAKER | ✓ | | | |
| VOSS | ✓ | | | |
| WESTERGAARD | ✓ | | | |
| TOTAL | 6 | | | 1 |
| MOTION CARRIED | | APPROVED | | |

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.

[Signature]
 MAYOR PRO TEM

[Signature] City Clerk