



**Roll Call Number**

23-1089

**Agenda Item Number**

32

**Date** August 7, 2023

**APPROVING GRANT AGREEMENT WITH 13<sup>TH</sup> & MULBERRY, LLC AND 13<sup>TH</sup> & MULBERRY MULTIFAMILY, LLC FOR A REDEVELOPMENT PROJECT WITH AFFORDABLE HOUSING**

WHEREAS, on March 11, 2021, Congress enacted the American Rescue Plan Act of 2021 (“ARPA”) to provide relief to combat the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, the City has received ARPA funding from the Coronavirus State and Local Fiscal Recovery Funds and the City desires to aid nonprofit organizations to address the disparate inequities that impacted the Des Moines community; and

WHEREAS, 13<sup>th</sup> & Mulberry, LLC and 13<sup>th</sup> & Mulberry Multifamily, LLC (collectively the “Grantee”) are working to construct the 13<sup>th</sup> & Mulberry Project (“Project”), which includes construction of a mixed-use building on Parcel/District No. 020/01692-001-000 with a minimum of five stories, including a minimum of 3,000 square feet of commercial space on the ground floor level; and a minimum of 70 apartment units on the upper stories, of which at least 12 units shall be committed to affordable housing for fifteen years by keeping rent structures at rates at or below 60% Area Median Income (“AMI”) for initial occupancy and at least 18 units shall be committed to affordable housing for fifteen years by keeping rent structures at or below 80% AMI, both with AMI determined by household size, as established annually by the Department of Housing and Urban Development for Polk County, Iowa and published by the Iowa Finance Authority; and

WHEREAS, the Project will serve the public purposes of providing affordable housing units within the City and developing property for a higher and better use in Des Moines; and

WHEREAS, the City desires to enter in to a Grant Agreement (“Agreement”) to provide a financial grant in the amount of \$300,000 in support of the Project, which grant is explicitly contingent upon Grantee commencing construction of the Project on or before December 31, 2023; and

WHEREAS, on November 21, by Roll Call No. 22-1817, the City Council authorized the City Manager to apply American Rescue Plant Act (ARPA) funds in an amount not to exceed \$3,000,000 to Affordable Housing – Moderate to Low Income – New Construction, assuring that the City funds shall be used for public purposes; and

WHEREAS, due to the Agreement, said ARPA funds will be reallocated for the provision of government services within the general fund.

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



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- The Grant Agreement between the City and Grantee for the Project for a grant not to exceed \$300,000 is hereby approved and, subject to the Legal Department's approval of the Agreement as to form, the Mayor is hereby authorized and directed to sign said Agreement, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.

(Council Communication No. 23-355)

MOVED by Gatto to adopt. Seconded by Boesen.

FORM APPROVED:

/s/ Lisa A. Wieland
Lisa A. Wieland
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
MANDELBAUM	✓			
SHEUMAKER				✓
VOSS	✓			
WESTERGAARD	✓			
TOTAL	6			1

MOTION CARRIED

APPROVED

J.M. Franklin Cownie 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