



Roll Call Number

23-1174

Agenda Item Number

16

Date August 21, 2023

**PRELIMINARY COMMITMENT OF \$500,000 IN COMMUNITY DEVELOPMENT  
BLOCK GRANT (CDBG) FUNDS FOR REHABILITATION OF THE KLEIN  
BUILDING AT 3614 6<sup>th</sup> AVENUE, RESULTING IN UPPER-STORY AFFORDABLE  
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**, 36 on 6<sup>th</sup> LLC, has applied for Community Development Block Grant (CDBG) funds to be used for the creation of three affordable and one market rate single unit apartments through rehabilitation of 3614 6<sup>th</sup> Avenue; 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**, after rehabilitation, the three single unit apartments will be affordable to households at or below 80% of the area median income (AMI) and rents will be less than or equal to Fair Market Rents for the Des Moines-West Des Moines, IA Metropolitan Statistical Area (MSA) as determined by the U.S. Department of Housing and Urban Development (HUD) for a period of ten (10) years; and

**WHEREAS**, an environmental review, including consultation with the State Historic Preservation Office (SHPO), was completed on August 8, 2023; and

**WHEREAS**, a preliminary commitment is required at this time, in lieu of a full agreement, because exact loan terms have not been agreed upon, outstanding documents are still needed in order to complete the project underwriting process, and the developer requests a preliminary commitment in order to potentially secure additional grant funding

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

1. The City of Des Moines preliminarily commits \$500,000 in CDBG funds for the rehabilitation of 3614 6<sup>th</sup> Avenue, which will result in three affordable rental units, conditional to agreed upon loan terms and completion of project underwriting at a later date.

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

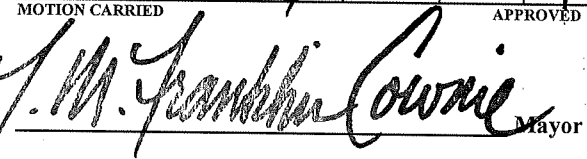
(Council Communication No. 23-391)

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
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