



Be part of a **great neighborhood** filled with opportunity



City of Des Moines  
Polk County

**Drake** Special Investment District



# What are Des Moines' Special Investment Districts?

Special Investment Districts (or SIDs) are areas in the City of Des Moines where a unique combination of public and private resources are being focused to strengthen middle market neighborhoods. "Middle market" refers to neighborhoods that, as the term suggests, are in the middle of the housing market—neither the strongest neighborhoods in the city in terms of residential property conditions and levels of investment by homeowners, nor the weakest.

This emerging focus on Des Moines' middle began in 2018 following an evaluation of the city's housing market and its neighborhood revitalization programs. A key finding was that most neighborhoods in Des Moines were struggling to compete in the regional housing market and had property values that were eroding against inflation, threatening the City's fiscal health. It was also found that middle market neighborhoods were especially vulnerable to future disinvestment and that few existing programs were likely to aid in substantially boosting confidence and investment in those neighborhoods.

In response, the City of Des Moines designated four pilot areas—the SIDs—to focus and test strategies to strengthen middle neighborhoods. Plans were developed for each area in 2019 in coordination with local residents and stakeholders, and the City and Polk County both committed resources to **Invest DSM**—a new not-for-profit organization that is dedicated to spurring home investment in the SIDs.



## Four Special Investment Districts

### 1 Franklin Area

Charming homes on tree-lined streets with friendly neighbors; top-rated schools, convenient location; walk and bike to neighborhood icons including Snookie's, Waveland Cafe, the Franklin Avenue Library, and the re-activated Franklin Jr. High.

### 2 Drake

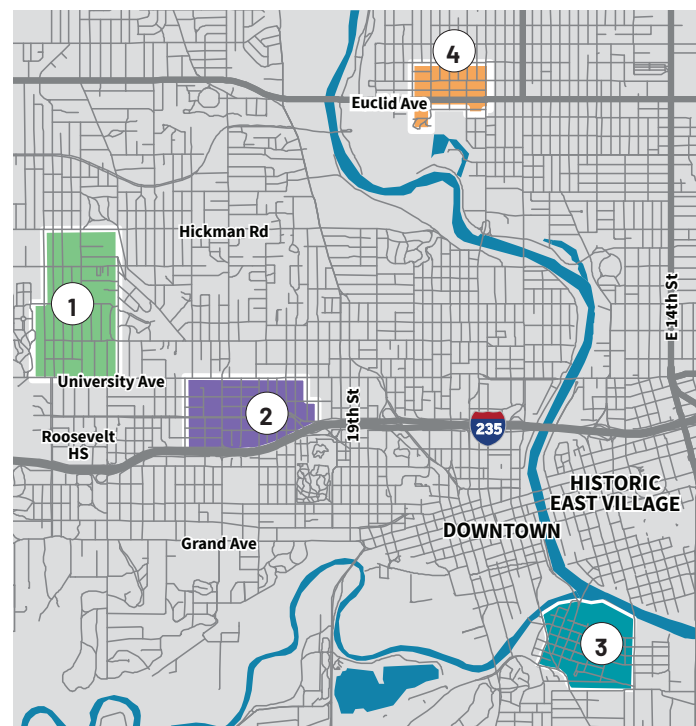
Beautiful historic homes on stately boulevards in an eclectic and diverse neighborhood, home to Drake University, friendly neighbors, and unique community events.

### 3 Columbus Park

Little Italy on the rivers, spectacular views of downtown, affordable single-family homes plus upscale, modern apartments.

### 4 Oak Park/Highland Park

Historic neighborhood business district surrounded by well-built homes plus beautiful McHenry Park overlooking the river – a great value close to downtown employment and amenities.



# The **Drake** Special Investment District: A Snapshot

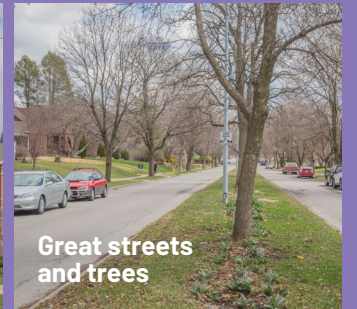


The Drake Neighborhood is one of the oldest, largest, and most diverse neighborhoods in Des Moines. Anchored by its namesake, Drake University, it is minutes from downtown Des Moines, home to beautiful boulevards, mature trees, established churches, and a unique mix of turn-of-the-century homes and apartments. Many amenities are within walking and cycling distance: a world-class university, locally owned restaurants and specialty shops, and downtown workplaces and amenities. Best of all, our neighbors come from all walks of life and take pride in our vibrant, friendly sense of community and fun events."

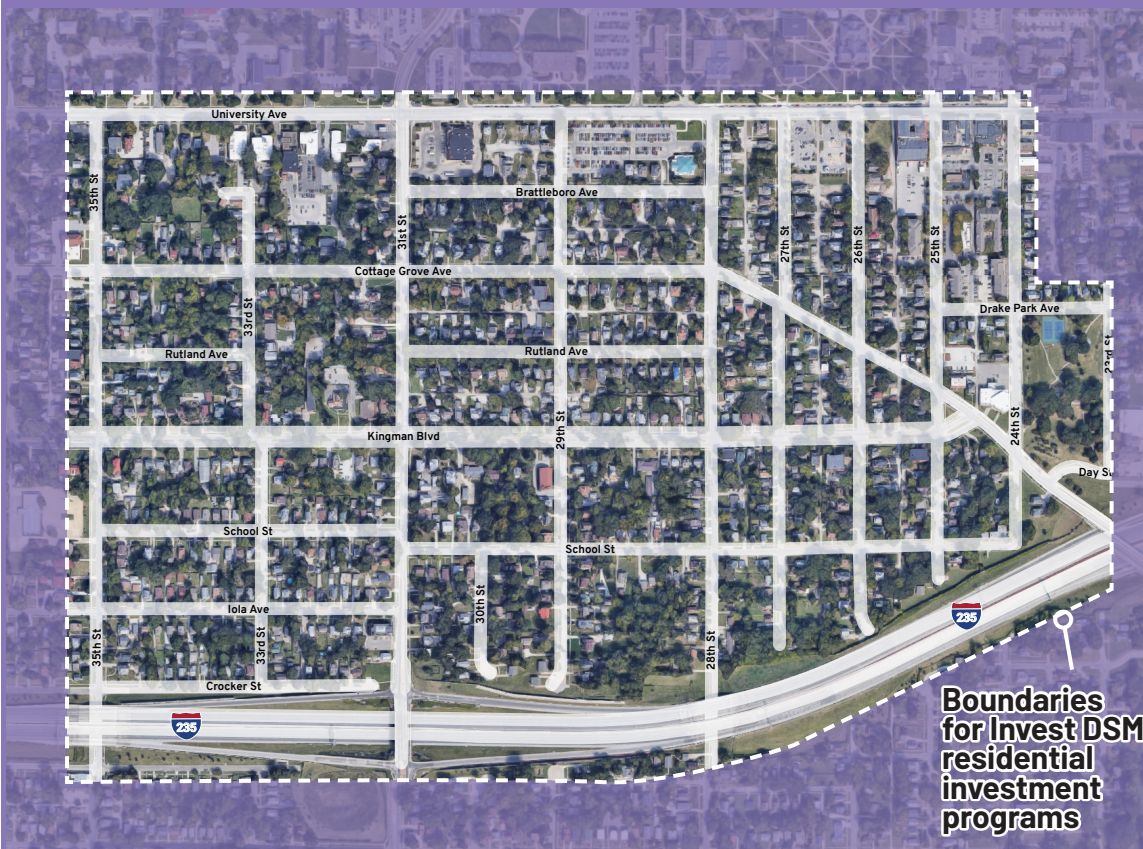
Brand and vision statement from July 2019  
Franklin Area SID Plan



Drake Landmarks and Assets



Active, engaged, and diverse residents





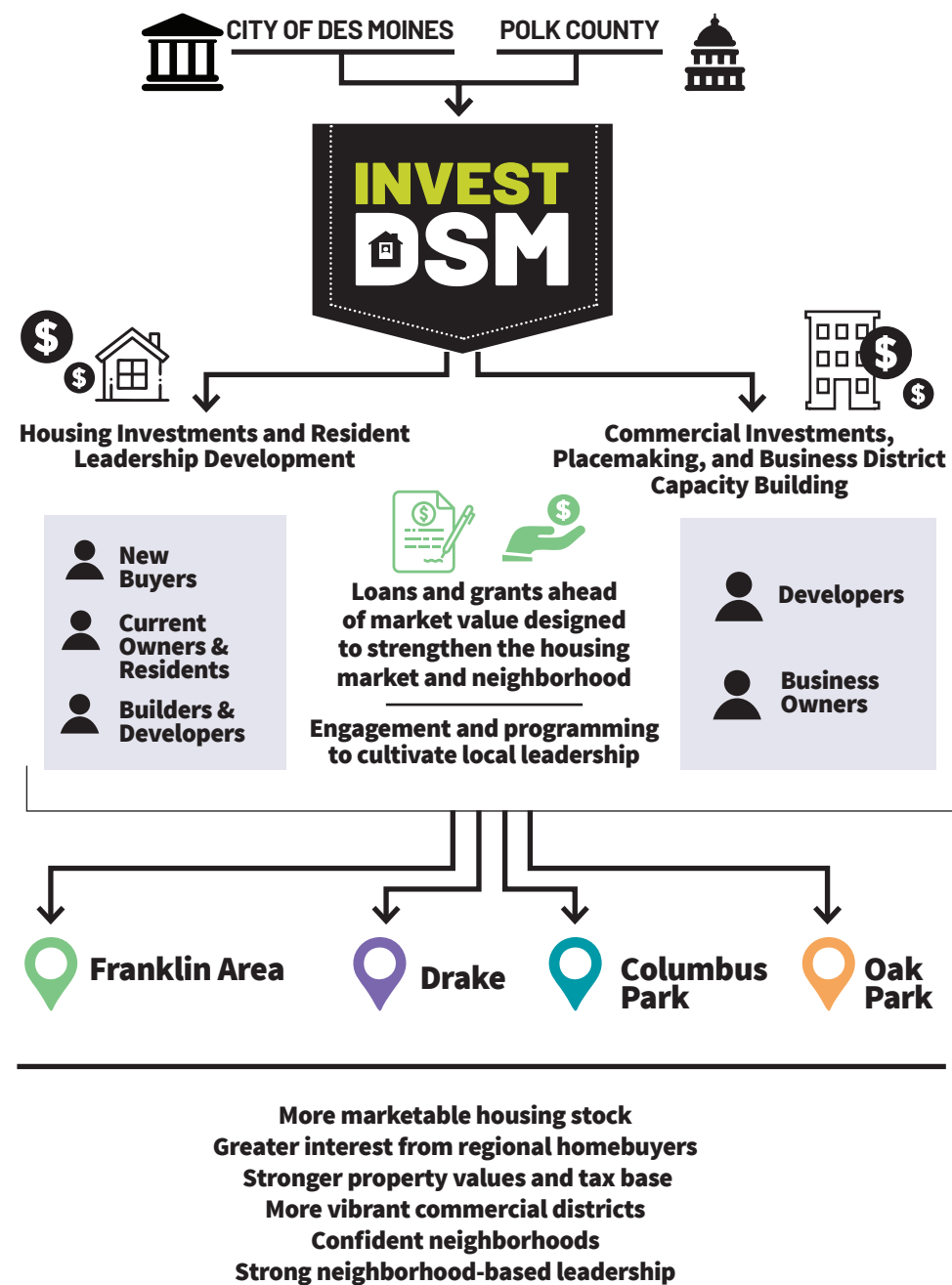
# What is Invest DSM, and what role will it play in the Special Investment District?

Des Moines' updated approach to neighborhood revitalization—with a new focus on middle-market neighborhoods—required a commitment of new resources and an organization specially designed to do the work.

Invest DSM was established in June 2019 as the new not-for-profit corporation that will help guide the implementation of the Special Investment District plans. Working with resources provided by the City of Des Moines, Polk County, and other partners, Invest DSM will play a direct role with the following:

- Promoting and financing home renovation projects in the SIDs that will make the housing stock more marketable and competitive
- Providing financing to support investments in neighborhood commercial districts within or adjacent to the SIDs
- Marketing the SIDs to ensure a steady stream of strong homebuyers
- Supporting efforts to grow the leadership capacity of neighborhood residents and stakeholders

The City of Des Moines and Polk County have made strong funding commitments to Invest DSM and will have equal representation on the organization's board of directors.



Invest DSM's primary function is to support **market-leading investments** in the housing stock, including a wide range of high-quality improvements that are unlikely to be rewarded under current market conditions but are necessary for long-term neighborhood health.

### For example:

For example: A single-family home worth \$110,000 in the Drake area today is likely to have endured several decades of deferred maintenance. Obsolete systems, an outdated kitchen, the presence of only one bathroom, and many other features limit the home's desirability, putting it near the bottom of the market.

	TODAY	EXAMPLE → IN 2029	
		WITHOUT INTERVENTION	VS WITH INVEST DSM INTERVENTION
HOME VALUE	\$110,000	\$122,000	\$230,000
CONDITION	Decades of deferred maintenance	Deferred maintenance continues; only superficial repairs made	Market-leading renovations completed
MARKETABILITY	Nominal	Nominal	Excellent
APPRECIATION RATE	Less than inflation	Less than inflation	Keeps pace with or exceeds inflation

Turning this property around and moving it to the top of the market—and simultaneously elevating the entire neighborhood—will be expensive if done well. There is a considerable risk that the property's current value plus renovation costs will exceed the appraised value of the finished product, making it difficult to receive traditional financing and increasing the likelihood that the house will become a bigger problem as the years go by.

Invest DSM's role in this situation is to provide the financial partnership needed to achieve a positive outcome for the house, the neighborhood, and the city—ensuring that the home becomes and remains marketable for decades to come.

# How can I work with Invest DSM to strengthen the **Drake** Special Investment District?

**Residents, homeowners, potential homeowners, developers, contractors, business owners, commercial property owners—all have a role to play in making the Drake Special Investment District stronger over the coming decade. For that reason, Invest DSM is developing several programs that respond to the market’s needs and is seeking to partner with a wide variety of neighborhood stakeholders.**

## Are you a current homeowner, or are you looking to buy a home?

Invest DSM will have very attractive loan and grant programs—without income restrictions—designed to support comprehensive renovations, targeted improvements, and smaller-scale beautification projects. This includes projects to downsize multi-unit houses.

### Single-family Rehab by Homeowner



Encourage and support homeowners in making substantial, market-leading upgrades to their properties, regardless of household income. Specs must be co-developed with Invest DSM to ensure high-quality and must include some form of curb appeal enhancement.

### Small Beautification Projects



Encourage and support residential property owners in making exterior upgrades that enhance home and neighborhood marketability. Specs must be co-developed with Invest DSM to ensure high-quality.

### Conversion Downsizing



Encourage and support the “deconversion” of homes that have been split into multiple units. Specs must be co-developed with Invest DSM to ensure high-quality.

## Are you a residential property developer or landlord?

For developers with solid track records looking to buy, renovate, and then sell homes in the SID, Invest DSM wants to be a good partner to ensure that the finished product is something the developer, future homeowner, and neighborhood can be proud of. Invest DSM also wants to support high-quality renovations to existing rental properties.

### Single-family Rehab by Developer



Encourage reputable developers to take on the risks involved in performing a market-leading renovation to a single-family home. Specs must be co-developed with Invest DSM to ensure high-quality, and must include some form of curb appeal enhancement.

### Conversion and Small Multi-family Rehab



Provide financial support for renovations to small multifamily properties. Specs must be co-developed with Invest-DSM to ensure high-quality, and a share of the improved units must remain affordable during the loan period.

### Apartment Building Rehab (structures with 8+ units)



Provide financial support for substantial renovations to apartment buildings. Specs must be co-developed with Invest-DSM to ensure high-quality, and a share of the improved units must remain affordable during the loan period.

## Are you a contractor?

Spurring investment in home renovations and improvements in the Drake area and other Special Investment Districts is an important business opportunity for great contractors in Des Moines and Polk County. Invest DSM will only support high-quality improvements that are durable and lift the marketability of the neighborhood and is very interested in helping homeowners partner with the region’s best contractors.



## Are you a business or commercial property owner?

High-quality commercial properties with great businesses will help make the neighborhood a more desirable place to live. That’s why Invest DSM wants to support investments in Dogtown and along the University Avenue corridor.



### Equity Gap

Capital to assist a building owner or developer in financing renovations, new construction, or site improvements that cannot currently be justified by projected rent income or appraisal.



### Lease Subsidy

(1) Capital to assist a building owner with financing commercial space improvements (to secure a tenant) that cannot be justified by current market rents. (2) Direct assistance to a recruited tenant to finance leasehold improvements and/or offset rent costs.



### Land / Property Banking

Funding to support acquisition of land or buildings by a public or non-profit entity to facilitate redevelopment.



### Demolition Subsidy

Funding to assist with demolition or land preparation costs related to redevelopment.



### Place-making Funding

Funding to support improvements to the public realm that boost commercial district identity, such as streetscape elements and investments in branding and marketing.

## Are you a resident?

Even if you don’t own a home, or aren’t planning to make major home improvements in the coming years, you can play a role supporting your neighborhood’s improvement by getting involved with your neighborhood association, helping Invest DSM spread the word about opportunities in your neighborhood, and connecting interested people with Invest DSM and other neighborhood resources.





Questions?  
Learn more at [InvestDSM.org](https://InvestDSM.org)

**Invest DSM Timeline**

Established: June 2019

First Board of Directors meeting: July 2019

Program details to be announced: Fall 2019

Project development begins: Winter 2019-2020