



# Council Communication

Office of the City Manager

Date February 26, 2007

Agenda Item No. 29  
Roll Call No. 07-  
Communication No. 07-103  
Submitted by: Allen McKinley, Finance  
Director

## AGENDA HEADING:

Setting Date of Hearing for Luther Park Apartments, Inc. Multifamily Housing Revenue and Refunding Bonds Series 2007A and 2007B in an amount not to exceed \$4,250,000.

## SYNOPSIS:

Luther Park Apartments, Inc. has requested that the City issue Multifamily Housing Revenue and Refunding Bonds in an amount not to exceed \$4,250,000. The debt does ***not*** constitute general obligation, liability, or pledge the full faith and credit of the City. Luther Park will be legally responsible for paying the debt service.

## FISCAL IMPACT:

Amount: \$4,250 (revenue)

The City does not incur any costs for the issuance of these types of bonds. Under the City's Industrial Revenue Bond (IRB) policy, Luther Park will pay the City 1/1000<sup>th</sup> of the issue amount, \$4,250, as well as all fees charged by non-City parties for work done in conjunction with the review process. Luther Park will pay the debt service on the bonds.

Funding Source: General Fund

## ADDITIONAL INFORMATION:

Luther Park Apartments, Inc. has requested that the City issue Multifamily Housing Revenue and Refunding Bonds in an amount not to exceed \$4.25 million. Bond proceeds will be used to advance refund \$2.605 million of Series 1999A outstanding bonds, finance the costs of acquiring real property (future expansion), make capital improvements to the Corporation's existing Multifamily Housing Facility, fund a debt service reserve fund, and pay the costs of issuance of the bonds. Luther Park Apartments, Inc. is a 105-unit apartment building for independent senior living that accepts both City of Des Moines housing vouchers as well as market renters. The facility also has an 88,000 square foot community center. Luther Park Apartments, Inc. also owns and operates Rose Glen Apartments, which contains 47 apartments. Luther Park is planning to purchase additional property along East 16<sup>th</sup> Street to build market rate brownstones for independent senior tenants.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Hearing and Authorizing Sale of Bonds on March 26, 2007.