

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 14, 2013
	Agenda Item No. 32 Roll Call No. <u>13-4400</u> Communication No. <u>13-018</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approve amendment to the Des Moines Community Development Block Grant--Disaster Recovery (CDBG-DR) Contract (Number 08-DRH-209) with the Iowa Economic Development Authority to de-obligate \$2,000,000 for Multi-Family Housing New Production and \$40,000 of administration.

SYNOPSIS:

By Roll Call No. 10-1852 on November 8, 2010, the Des Moines City Council submitted an application to the Iowa Economic Development Authority (IEDA) on behalf of Green LMT. LC. for \$2,000,000 of CDBG-DR funding for 25 units of housing located within the historic Green Foundry Building. By Roll Call No. 11-0527 on March 28, 2011, the City Council approved Major Amendment #6 to Contract 08-DRH-209 to incorporate the funds for the conversion of part of 322 SW 3rd Street to 25 units of housing. On October 15, 2012, Rich Eychaner, a partner in Green LMT. LC, notified the City Council that the developer had to withdraw from the approved grant but hoped to pursue future funding.

FISCAL IMPACT:

Amount: \$2,040,000

Funding Source: While funding was allocated to the City of Des Moines project on behalf of Green LTM, LC, no funding had been disbursed to the City of Des Moines.

ADDITIONAL INFORMATION:

Partners and representatives of Green LTM, LC worked for over two (2) years to develop housing in the historic building at 322 SW 3rd Street known as Green Foundry. Unfortunately, the costs for rehabilitation proved too substantial to support by the commercial and residential rents that could be generated. Alternatively, the developer proposed new construction of twenty five (25) units adjacent to the historic brewery, but IEDA determined that changed the original application and violated the selection of projects.

On October 15, 2012 the developer notified the City Council that Green LMT had to withdraw from the approved grant but hoped to pursue future funding. On December 3, 2012, City staff notified IEDA of the City's request to not draw on the \$2,040,000 and remove the amount from contract 08-DRH-209. On December 10, 2012 the Iowa Economic Development Authority sent Contract Number

08-DRH-209, Amendment #12 to the Honorable Mayor Frank Cownie, requesting a contract amendment.

PREVIOUS COUNCIL ACTION(S):

Date: March 28, 2011

Roll Call Number: [11-0527](#)

Action: [Major](#) Amendment #6 to Community Development Block Grant Housing Disaster Recovery (CDBG-DR) Fund Contract with Iowa Department of Economic Development – IDEED, (Contract No. 08-DRH-209) adding additional funding for construction of 21 single family homes and conversion of part of 322 SW 3rd Street into 25 rental units, \$2,772,727. ([Council Communication No. 11-191](#)). Moved by Hensley to approve. Motion Carried 7-0.

Date: November 8, 2010

Roll Call Number: [10-1852](#)

Action: [Funding](#) request to Iowa Department of Economic Development on behalf of Green Ltd. L.C. for \$2,000,000 of CDBG-DR funding for 25 units of housing and City commitment of \$400,000 in matching funding through HOME funds, Tax Increment Financing (TIF) or Tax Abatement. ([Council Communication No. 10-686](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: April 20, 2009

Roll Call Number: [09-645](#)

Action: [Iowa](#) Department of Economic Development (IDEED) Community Development Block Grant (CDBG) Housing Disaster Recovery Fund Contract (08-DHR-209). ([Council Communication No. 09-254](#)). Moved by Vlassis to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Additional applications to IEDA for multi-family housing round number 5 for action at February 25, 2013 City Council meeting.

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