

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	Date:	January 13, 2014
	Agenda Item No.	34
	Roll Call No.	<u>14-0058</u>
	Communication No.	<u>14-015</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving Master Subordination Agreement and Estoppel Certificate for the mixed use project at 2005 Ingersoll Avenue by Ingersoll Square Phase III Associates, L.P., represented by Frank Levy (officer) establishing the priority of the City's urban renewal and HOME mortgages and covenants.

SYNOPSIS:

On November 18, 2013, by Roll Call No. 13-1809, the Council approved an Urban Renewal Agreement and HOME loan with Ingersoll Square Phase III Associates, L.P. for a mixed use development at 2005 Ingersoll Avenue. The project has a number of partners and investors which has necessitated a master subordination agreement. The Master Subordination Agreement and Estoppel Certificate ensures that the City's HOME affordability covenant are in first position and subordinate the City's urban renewal and HOME loans in subordinate positions.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

The HOME program requires that affordability be retained in any HOME assisted rental units for a period of 20 years. The loan and mortgage documents may be subordinate to other financing. The Subordination Agreement and Estoppel Certificate establishes the priority order of the City's loans and ensures that the HOME affordability requirements are in first position.

PREVIOUS COUNCIL ACTION(S):

Date: November 18, 2013

Roll Call Number: [13-1809](#)

Action: [Urban](#) Renewal Development Agreement with Ingersoll Square Phase III Associates LP for a mixed-use development at the northeast corner of Martin Luther King, Jr. Parkway and Ingersoll Avenue and approving Proposed Conceptual Development Plan and Approving HOME Documents for a \$350,000 below market interest rate loan. ([Council Communication No. 13-573](#)) Moved by Coleman to adopt. Motion Carried 6-0.

Date: May 20, 2013

Roll Call Number: [13-0804](#)

Action: [Preliminary](#) terms of agreement with Ingersoll Square III Investments, LLC for construction of a mixed use development project at Ingersoll Avenue and Martin Luther King Jr. Parkway and authorizing the City Manager to negotiate final contracts. ([Council Communication No. 13-241](#)) Moved by Hensley to receive and file and to authorize the City Manager to negotiate a Home Program Loan Agreement and final development agreement for City financial assistance, based on the preliminary terms of agreement as outlined in Council Communication No. 13-241. Motion Carried 7-0.

Date: February 20, 2013

Roll Call Number: [13-0267](#)

Action: [Approve](#) the submittal of two (2) applications for multi-family housing projects to the Iowa Economic Development Authority for Community Development Block Grant-Disaster Relief (CDBG-DR) Round V Funding. ([Council Communication No. 13-074](#)) Moved by Meyer to adopt in accordance with the City Manager's recommendation and to direct the City Manager to look at using the land sales proceeds of approximately \$400,000 and all other available sources to assist the other projects, and to work with HUD to get the restrictions on the Section 108 Loan lifted to allow residential development in the Riverpoint West Area. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: November 13, 2013

Resolution Number: N/A

Action: N/A

Board: Neighborhood Revitalization Board

Date: October 2, 2013

Resolution Number: NA

Action: Approve HOME loan for \$300,000.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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