


# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>24-360</b>	Meeting:	<b>September 16, 2024</b>
	Agenda Item:	<b>49</b>	Roll Call:	<b>24-1257</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

## AGENDA HEADING:

Approve release of Community Development Block Grant, Disaster Recovery (CDBG-DR) Restrictive Covenant and Mortgage on Ingersoll Square II, 2000 High Street.

## SYNOPSIS:

The City of Des Moines closed on a forgivable loan of \$3,000,000 in CDBG-CR funds to Ingersoll Square II on October 29, 2012, to construct a building with 63 units, of which 33 have been affordable to residents earning 80% Area Median Income (AMI) or less. The CDBG-DR loan is secured by a mortgage and restrictive covenant. The owners of Ingersoll Square II have completed the conditions of the agreement, fulfilling their affordability requirements for the 10-year affordability period. Council action is to approve release of the CDBG-DR documents.

## FISCAL IMPACT: NONE

## ADDITIONAL INFORMATION:

- The City entered into an agreement with the Iowa Economic Development Authority (IEDA) on April 20, 2009, for use of CDBG-DR. On March 12, 2012, IEDA authorized the City to solicit applications for multi-family housing developments.
- The City entered into an agreement with Ingersoll Square II Investments, LLC on October 29, 2012, for the development of Ingersoll Square, Phase II.
- Per the Agreement, at least 51% of the units, or 33 of 63 total apartments, were affordable to residents earning 80% AMI or less, and rents were kept below the 65% HOME rent limits established by U.S. Department of Housing and Urban Development (HUD) for a period of 10 years (affordability period).
- An associated CDBG-DR mortgage and restrictive covenant were signed and recorded. A provision within the restrictive covenants for CDBG-DR projects states that releases must be approved by the City Council of Des Moines.
- The CDBG-DR loan is completely forgivable. No repayment was part of the agreement. Repayment is only required if the project was in noncompliance, which has not been an issue.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 22, 2012

Roll Call Number: [12-1622](#)

Action: [Community](#) Development Block Grant Disaster Recovery Loan of \$3,000,000 and contract documents with Ingersoll Square Phase II, LP for development of 63 apartments at 2000 High Street. ([Council Communication No. 12-550](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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