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Date..... August 20, 2007

APPROVING FORM OF AGREEMENT AND AUTHORIZING EXECUTION
OF HOME AGREEMENT FOR A \$250,000 HOME LOAN FOR NEW CONSTRUCTION OF
40 UNITS OF LOW INCOME SENIOR HOUSING LOCATED AT
1720 SW 1ST STREET WITH CURLY TOP, L.L.C. UPON FULL COMPLIANCE
WITH ALL HOME PROGRAM REQUIREMENTS

WHEREAS, the City of Des Moines, Iowa, has been informed by John Mauro, President of Curly Top, LLC, 2611 Ingersoll Avenue, Des Moines, that a 40-unit senior housing development located at 1720 SW 1st Street received an allocation of low income housing tax credits for 2007; and

WHEREAS, the City is desirous of a development for low income seniors on this site and supported the application to the Iowa Finance Authority on November 6, 2006 by Roll Call 06-2236;

WHEREAS, the project has a gap in its financing because the project did not receive the full amount of tax credits requested, is receiving a lesser percentage amount on syndication and the market projections for rents have been lowered; and

WHEREAS, on May 7, 2007 by Roll Call 07-918, the City Council authorized staff to negotiate with Curly Top, L.L.C. for a \$250,000 HOME loan to be used in construction of the development ; and

WHEREAS, staff has analyzed the construction and operating pro forma of the loan, performed a subsidy layering review as required by the HOME regulations, and discussed the need for additional financing for the project with the Iowa Finance Authority;

WHEREAS, the developer has submitted letters from the Iowa Department of Economic Development and Polk County Housing Trust Fund stating those organizations are unable to assist with this project because of the timing of their application rounds for 2008 and because all multi-family housing funds for 2007 have been exhausted, and

WHEREAS, staff has prepared a form of HOME Agreement attached hereto as Exhibit A and by this reference made a part hereof.

(continued)

★ **Roll Call Number**

Agenda Item Number

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Date August 20, 2007

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NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the form of Agreement attached hereto as Exhibit A is hereby approved.

BE IF FURTHER RESOLVED, that upon completion of all environmental requirements, acquisition of the land and full compliance with all City HOME funding requirements by Curly Top, L.L.C., and after final review of the Agreement by City Legal Department, the Community Development Director or his designee is hereby authorized to execute the Agreement on behalf of the City of Des Moines and to fund the project.

(Council Communication No. 07- 496)

MOVED by _____ to adopt.

Form Approved:

Mary Laughlin
 Mary Laughlin
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 City Clerk

MOTION CARRIED

APPROVED

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 Mayor