★ **Roll Call Number**

Agenda Item Number
23 C

Date August 23, 2010

RESOLUTION WITHDRAWING COMMITMENT OF $100,000 OF HOME FUNDS TO FORT DES MOINES SENIOR HOUSING, LLLP FOR NEW CONSTRUCTION OF 60 UNITS OF A LOW-INCOME SENIOR HOUSING DEVELOPMENT BETWEEN SW 5TH AND SW 6TH ON ARMY POST ROAD

WHEREAS, by Roll Call 09-2284 on December 21, 2009, the City of Des Moines, Iowa, made a preliminary commitment of $100,000 of HOME funds to develop a 60 unit Low Income Housing Tax Credit (LIHTC) project for seniors between SW 5th and SW 6th Street on Army Post Road, Des Moines, Iowa with a legal description as follows:

> Lots 1 through 36 inclusive in Block Two in the Official Replat of Block "K" of THOMAS HEIGHTS and Official Plat now included in and forming a part of the City of Des Moines, AND all of Gem Street "Lot B" right-of-way line South of an adjoining Block Two (2) of the Official Replat of Block "K", THOMAS HEIGHTS, an Official Plat now included in and forming a part of the City of Des Moines (vacated by Ordinance 100.416, past January 3, 1984). Additionally, N25F S 75F W 460.8F E 1532.8F SE 1/4 SEC 28-78-24.

WHEREAS, in December the Developer's proforma showed the need for local assistance of $250,000 in HOME funds from the City of Des Moines but the City committed only $100,000 of HOME funds because of the limited availability of funds; and,

WHEREAS, the City's commitment was preliminary based on final underwriting; and

WHEREAS, the Developer subsequently received an allocation of Low Income Housing Tax Credits, Community Development Block Grant-Disaster Relief Funds (CDBG-DR), and State HOME funds; and,

WHEREAS, the provision of CDBG-DR funds was unexpected and was made available by application only one week prior to the deadline for the applications for Low Income Housing Tax Credits; and,

WHEREAS, HUD requires justification that any HOME funding is financially necessary and the project's sources and uses and 15-yr pro forma do not show that "but for" the provision of this $100,000 the project would not proceed; and,

WHEREAS, LIHTC projects are complex but in reviewing the final underwriting and creating a subsidy layering analysis as required by HUD for the use of HOME dollars, it appears the projects could proceed without the City funding; and,

(continued)

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WHEREAS, the City Council continues to support the project by providing tax abatement and designation as an Enterprise Zone.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the commitment of $100,000 of HOME funds to Fort Des Moines Senior Housing, LLLP, for new construction of 60 units of low-income senior housing between SW 5th and SW 6th on Army Post Road be withdrawn and the Iowa Finance Authority and Iowa Department of Economic Development be notified of such action.

(Council Communication No. 10- 515)

MOVED by _____ to adopt.

Form Approved:

Roger K Brown
Roger K. Brown
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

MOTION CARRIED APPROVED

_____ Mayor

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