

Date October 8, 2007

APPROVING FORM OF AGREEMENT AND AUTHORIZING EXECUTION
OF CONTRACT DOCUMENTS FOR A \$250,000 HOME LOAN FOR NEW
CONSTRUCTION OF 40 UNITS OF LOW INCOME SENIOR HOUSING LOCATED
AT 1900 SE 6th STREET WITH SOUTHVIEW SENIOR APARTMENTS L.L.L.P. UPON
FULL COMPLIANCE WITH ALL HOME REQUIREMENTS

WHEREAS, the City of Des Moines, Iowa, has been informed by John Mauro, General Partner in Southview Senior Apartments L.L.L.P., 2611 Ingersoll Avenue, Des Moines, that a 2007 allocation of low income housing tax credits for a 40-unit senior housing development originally to be located at 1720 SW 1st Street has been changed to a site located at 1900 SE 6th Street, and

WHEREAS, the developer originally intended to purchase property at 1720 SW 1st Street for development of the senior housing but had to move the location because of the presence of contamination on the SW 1st Street site; and

WHEREAS, the Iowa Finance Authority (IFA) has approved the use of the tax credit allocation at the new site of 1900 SE 6th Street; and

WHEREAS, John Mauro has also informed the City that the Southview Senior Apartments, L.L.L.P., an Iowa Limited Liability Limited Partnership will be the developing entity rather than Curly Top, L.L.C. and that Mr. Mauro is a General Partner of Southview Senior Apartments L.L.L.P. and that Curly Top L.L.C. is also a General Partner of Southview Senior Apartments, L.L.L.P.; Mr. Mauro is the President and sole owner of Curly Top L.L.C.; and

WHEREAS, by Roll Calls 07-918 on May 7, 2007 and 07-1613 on August 20, 2007, the City Council supported the project to be built at 1720 SW 1st Street and approved a HOME Loan for \$250,000 for development of the low income senior housing project; and

WHEREAS, staff has preliminarily analyzed the construction and operating pro forma of the loan for the project to be built at 1900 SE 6th Street, performed a subsidy layering review as required by the HOME regulations, and discussed the need for additional financing for the project with IFA staff and the developer; and

WHEREAS, the 40-unit Senior Housing project now to be built at 1900 SE 6th Street has a larger gap in its financing than at its original location because of increased land costs and an estimated increase in utility costs; and

WHEREAS, although the developer is obtaining new bids for grading and construction he has agreed to accommodate any financing gap greater than that filled by the \$250,000 HOME Loan by diminishing the developer fee;

(continued)

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WHEREAS, the IFA will not commit to a construction loan, permanent loan and final approval of the tax credit allocation unless the developer secures a commitment of \$250,000 for the project;

WHEREAS, other funders such as the Iowa Department of Economic Development and Polk County Trust Fund have submitted letters to the City and developer stating they are unable to provide funding to the project under IFA's schedule of commitment;


WHEREAS, under IFA rules, the developer must expend 10% of the project funds by and needs the City's commitment of funding in order to secure an IFA construction and permanent loan prior to that date;

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 IT FURTHER RESOLVED, that upon final review and determination by City Legal and the Community Development Department that all HOME Program requirements and other requirements contained in the Agreement are satisfied and acquisition of the land by Southview Senior Apartments L.L.L.P., the Community Development Director or his designee is hereby authorized to execute on behalf of the City the Agreement and any other document necessary to implement the agreement and to fund the project.

(Council Communication No. 07- 613)

Form Approved: MOVED by _____ to adopt.


Michael F. Kelley
Assistant City Attorney

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