

Date April 25, 2011

**AMENDING LOAN CONTRACT DOCUMENTS WITH ANAWIM (dba ANAWIM HOUSING)
FOR NEW CONSTRUCTION OF 16 UNITS OF RENTAL HOUSING AT 2201 AND 2223 FOREST
AVENUE FOR ADDITIONAL \$50,000 OF HOME FUNDS.**

WHEREAS, on October 24, 2005 by Roll Call No. 05-2584, the City Council of the City of Des Moines adopted the Forest Avenue Urban Renewal Plan; and

WHEREAS, on September 11, 2006 by Roll Call No. 06-1810, the City Council of the City of Des Moines adopted the Amended Forest Avenue Urban Renewal Plan; and

WHEREAS, the City Council of the City of Des Moines established fair market value and subsequently acquired the properties located at 2201 Forest Avenue, 2217 Forest Avenue and 1405 23rd Street; and

WHEREAS, on June 8, 2009 by Roll Call 09-996, the City Council of the City of Des Moines approved a contract with the Iowa Department of Economic Development (IDED) for the implementation of the Neighborhood Stabilization Program (NSP) to redevelop foreclosed, vacant, and abandoned property; and

WHEREAS, on March 3, 2010 city staff sent notice requesting competitive Letters of Interest from developers for the site for development of rental units in a townhouse style; and

WHEREAS, a Letter of Interest and proposal was received from a partnership between Hubbell Realty and Anawim Housing by the submission deadline of May 28, 2010 to develop 16 units of rental housing on the site in two (2) eight-unit buildings using CDBG-DR funds and additional city HOME and NSP funds; and

WHEREAS, the proposal received May 28 and subsequent revisions showed a need for \$960,000 of CDBG-DR funds, \$534,290 of NSP funds, \$215,710 of HOME funds and land purchase for \$1.00 in order to make project cash flow expectations while providing affordable 3-bedroom units; and

WHEREAS, on June 28, 2010 by Roll Call No. 10-391, the City Council of the City of Des Moines approved a grant application to IDED for Community Development Block Grant – Disaster Relief (CDBG-DR) funding for the construction of rental occupied units in response to a notice of funding distributed January 6, 2010 and the proposal received May 28, 2010; and

WHEREAS, on, September 13, 2010, by Roll Call No. 10-1454, it was duly resolved by the City Council that the proposed conveyance of real property at 2201 Forest Avenue, 2217 Forest Avenue and 1405 23rd Street, be set down for hearing on September 27, 2010, at 5:00 p.m., in the City Council Chambers; and

WHEREAS, due notice of said proposal to convey this public real property was given as provided by law in the Des Moines Register on September 16, 2010, setting forth the time and place for hearing on said proposal and a public hearing was held on September 27, 2010; and

WHEREAS on September 27, 2010 by Roll Call 10-1601, City Council approved the conveyance of the property to Anawim Housing and directed staff to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Development Agreement; and

WHEREAS, on October 25, 2010 by Roll Call 10-1769 the City Council approved loan documents with Anawim for new construction of rental housing at 2201 & 2223 Forest Ave legally described as:

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Lots 10, 11, 12 and 13 of Block 2 Marquardt Addition, an Official Plat, all now included in and forming a part of the City of Des Moines, Polk County, Iowa.

WHEREAS, environmental issues caused cost overruns for the project including \$41,626 dollars for replacing poorly compacted fill soils and \$33,351 to install cast iron pipe with nitro gaskets on the sanitary line because of hydrocarbon odors in the soil; and

WHEREAS, the City of Des Moines staff have identified an additional \$50,000 of HOME funds that can be committed to the project so significant additional debt does not create cash flow problems; and

WHEREAS, the Community Development Department, has reviewed the financial and construction information provided and it has been determined that the ANAWIM project is eligible for a \$1,780,000 loan consisting of \$300,000 in HOME funds, \$520,000 in NSP funds and \$960,000 in CDBG-DR funds to build 16 units of mixed income housing.

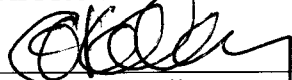
NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines that the following:

1. The Amended Loan Agreement and Lien between the City of Des Moines and ANAWIM (dba Anawim Housing), which is on file in the Office of the City Clerk, is hereby approved; and
2. The Community Development Director of the City of Des Moines is authorized to execute all City contract documents on behalf of the City in such form as approved by the Legal Department; and
3. The Community Development Director or his designees are hereby authorized and directed to administer the Loan Agreement on behalf of the City and to monitor compliance with the terms and conditions of such Loan Agreement.

(Council Communication No. 11-**250**)

Moved by _____ to adopt.

APPROVED AS TO FORM:


 Michael F. Kelley
 Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| GRIESS | | | | |
| HENSLEY | | | | |
| MAHAFFEY | | | | |
| MEYER | | | | |
| MOORE | | | | |
| 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.

MOTION CARRIED APPROVED

 Mayor

 City Clerk