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Date June 27, 2011

APPROVING FINAL TERMS AND DOCUMENTS RELATING TO
\$250,000 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS
FOR COMPLETION OF REHABILITATION AND SITE IMPROVEMENTS
AT THE MURILLO APARTMENTS AT 611 16TH STREET

WHEREAS, the City of Des Moines is considered an Entitlement City and receives Community Development Block Grant (CDBG) funds annually under 24 CFR 570; and

WHEREAS, rehabilitation of rental housing is an eligible CDBG activity and is consistent with the City's Consolidated Plan which was last amended by City Council by Roll Call No. 11-013 on January 28, 2011, and

WHEREAS, the Murillo Apartments at 611 16th Street, a building eligible for the National Register of Historic Places, was moved from its original location, and has sat unfinished and vacant for the two years due to financial problems; and

WHEREAS, by Roll Call 11-0689 at its April 25th, 2011 meeting, the City Council approved a preliminarily commitment to Murillo Flats, LLC of \$250,000 of Community Development Block Grant Funds;

WHEREAS, Murillo Flats, LLC., Ryan Galloway, 1312 Locust St. Des Moines, IA 50309 has purchased the building and site for \$175,000; and

WHEREAS, Ryan Galloway is an experienced developer of affordable housing who has a commitment from Banker's Trust on a first mortgage, is working with the Office of Economic Development on Enterprise Zone Credits and will invest \$100,000 of owner's equity in the structure; and

WHEREAS, Mr. Galloway has met with the surrounding property owner's pursuant to City Council direction; and

WHEREAS, the financing of the City loan will be in compliance with all CDBG regulations under 24 CFR 570, including a five-year affordability requirement for four of the units and all construction and affordability monitoring; and

WHEREAS, the City's funding is proposed to be a \$210,000 loan at 0% interest rate amortized over twenty years with payment to begin in June of 2012 and a grant of \$40,000 to cover affordability for four of the five years; and

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

1. The contract documents on file in the City Clerk's office for \$250,000 of CDBG funding for rehabilitation and completion of site improvements for Murillo Flats, LLC, 611 16th Street are approved;
2. The Community Development Director is authorized to sign the documents on behalf of the City;
3. The proposed rehabilitation plan is subject to compliance with the Secretary of Interior's Standards for rehabilitation and review by the Office of the State Historic Preservation Office.

(City Council Communication No. 11- 404)

MOVED BY _____ TO ADOPT

FORM APPROVED:



 Michael F. Kelley
 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