

Date April 6, 2015

**APPROVAL OF HOME INVESTMENT PARTNERSHIP PROGRAM
(HOME) AGREEMENT WITH CHRIST THE KING HOUSING SERVICES
(\$1,650,000; 5602 SW 9TH STREET)**

WHEREAS, Christ the King Housing Services has proposed to construct 26 units of senior housing upon the real property located at 5602 SW 9th Street and legally described as:

Lot 1 in Nicholas Place, an Official Plat, now included in and forming a part of the City of Des Moines, Polk County, Iowa, Except that part conveyed to the City of Des Moines by condemnation recorded in Book 9922 Page 577; and

WHEREAS, on August 25, 2014, by Roll Call No. 14-1328, the City Council authorized the City Manager to negotiate with Christ the King Housing Services on terms of agreement for the construction of a senior housing project located at 5602 SW 9th Street, including a proposed HOME loan in satisfaction of HUD requirements; and

WHEREAS, on January 30, 2015, by Roll Call No. 15-0159, the City Council approved a resolution of support for a Work Force Housing Tax Credit Benefit application for the Christ the King Housing Services project; and

WHEREAS, the project is estimated to cost \$3,900,000 for 26 units of housing, and the City can provide a maximum of \$1,650,000 of HOME funds for 11 units; and

WHEREAS, as negotiated, the City's HOME loan is in the form of a 1% loan with an annual full or partial interest payment to be received when the debt-to-income ratio exceeds 1.3 but full payment of interest and principal at the end of the 25 year amortization; and

WHEREAS, as further negotiated, the project will include 11 senior housing units assisted with HOME funds, which units will be required to remain affordable for twenty years from completion of the project to households below 60% of area median income (8 units) and 50% of area median income (3 units); and

WHEREAS, the City staff has reviewed and found the estimated construction costs and operating costs for the project to be reasonable, the rents to be in conformance with HOME requirements, and the debt-to-income ratio to be in conformance with City guidelines; and

WHEREAS, Christ the King Housing Services is an experienced developer that has developed a senior housing development as a low-income housing tax credit project at 5711 SW 9th Street using State HOME funds, and has continuously operated the building at close to 100% occupancy; and

WHEREAS, in January 2015, Real Property Research Group conducted a market feasibility study of the demand for elderly affordable housing on the south side of Des Moines and concluded there exists sufficient demand for 124 units of elderly one and two bedroom units; and

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WHEREAS, in accordance with HUD requirements, an Environmental Assessment has been completed and Notice of Finding of No Significant Impact and Notice of Intent to Request a Release of Funds was published in the Des Moines Register on March 11, 2015 with the Release of Funds anticipated to be available on April 15, 2015.

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

1. Subject to Release of Funds by the U.S. Department of Housing and Urban Development, the HOME Agreement between the City and Christ the King Senior Housing Services for 11 units of affordable senior housing as part of the development project at 5602 SW 9th Street, including the Promissory Note, Mortgage, and Restrictive Covenant, is hereby approved.
2. The Director of the Community Development Department is authorized and directed to sign said Agreement and related documents after the Release of Funds by the U.S. Department of Housing and Urban Development on or after April 15, 2015 and after approval as to form of the Agreement and documents by the Legal Department, and the Community Development Department is directed to record said Agreement and all related documents as applicable.
3. The Community Development Director and his assignees are authorized and directed to administer the HOME Agreement and related documents in accordance with the terms therein.

(Council Comm. No. 15-180)

MOVED BY _____ TO ADOPT

FORM APPROVED:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
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