



Date January 14, 2019

PRELIMINARY COMMITMENT OF HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS FOR COLUMBUS PARK SENIOR HOUSING, LP AT 119 COLUMBUS AVENUE TO BE DEVELOPED WITH HATCH DEVELOPMENT GROUP AND CS FAMILY PROPERTIES, LLC

WHEREAS, applications for Low Income Housing Tax Credits (LIHTC) are due to the Iowa Finance Authority (IFA) on January 16, 2019; and

WHEREAS, in accordance with goals in the 2015-2019 Consolidated Plan, City staff distributed a notice concerning the availability of federal HOME funds for rental projects that contain low-income housing; and

WHEREAS, representatives of Columbus Park Senior Housing, LP submitted an application to City Community Development staff and provided financial information regarding a proposed LIHTC project, Columbus Park Senior Housing, to be built at 119 Columbus Avenue, composed of 46 units of two-bedroom senior housing units; and

WHEREAS, City staff has determined that HOME funds are needed to fill a gap in the sources and uses of the development to serve the targeted income populations and to provide a satisfactory Debt Coverage Ratio (DCR), and that the project is in compliance with City Goals established by the Council for review of LIHTC, and that the project is eligible for HOME funds dependent on completion of a final Environmental Review Record; and

WHEREAS, Hatch Development Group and CS Family Properties, LLC are contributing financially to the project by deferring \$307,598 of the development fee.

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

1. A preliminary allocation of HOME funds, in the loan amount of \$250,000 at one-percent interest, annual payment of interest only and a principal balloon payment at the end of a 20-year term, is hereby approved and reserved for the above-listed senior housing development by Columbus Park Senior Housing, LP, based on the project underwriting as submitted, conditional to the award of an allocation of LIHTC in the 2019 IFA round and to completion of an Environmental Review Record per U.S. Department of Housing and Urban Development (HUD) requirements; and the Community Development Director or designee are authorized and directed to prepare the applicable HOME Agreement and related documents for City Council consideration and approval following LIHTC award if so approved by IFA.
2. The Community Development Director is authorized to provide and answer any additional questions or forms regarding the LIHTC application that IFA may require concerning the below market interest rate loan.



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3. In the event that any of the project characteristics mentioned above should change prior to the developer submitting its application to IFA, the Community Development Department Director or designee is authorized and directed to revise the applicable forms and the City Manager is authorized and directed to execute the applicable form for unsubstantial project changes, and the City Manager is directed to submit substantial project changes (such as revision in the type of housing or amount of requested local HOME funding) to City Council for further consideration and approval.

(Council Communication No. 19-002)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, COLEMAN, GATTO, GRAY, MANDELBAUM, WESTERGAARD, and 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