

★ Roll Call Number

09-1929

Agenda Item Number

27

Date October 26, 2009

AUTHORIZING EXECUTION OF HOME CONTRACT DOCUMENTS WITH MLK BRICKSTONE, L.P. FOR A \$250,000 LOAN FOR NEW CONSTRUCTION OF 18 UNITS OF LOW INCOME RENTAL HOUSING UNITS AT 1045 19TH STREET

WHEREAS, the City of Des Moines, Iowa, has been informed by Jack Hatch of Hatch Development Group, LLC developer of MLK Brickstone L.P., that an 18-unit family housing development to be located at 1045 19th Street received an allocation of Low Income Housing Tax Credits (LIHTC) for 2009, an allocation of Tax Credit Assistance Funds (TCAP) and an allocation of State HOME Funds; and

WHEREAS, the project has a gap in its financing because of the low return on the sale of Low Income Housing Tax Credits on the secondary market; and

WHEREAS, because of further problems with the financial markets the developer now intends to build the project as a Phase I containing 18 units and Phase II containing 41 units and will attempt to put together financing for Phase II once Phase I is underway; and

WHEREAS, the City is desirous of a development for low income families on this site and supported the application to the Iowa Finance Authority for 59 units by Roll Call 08-1908 on October 27, 2008 and preliminarily committed \$250,000 for the project; and

WHEREAS, Hatch Development Group, LLC as developer for the Neighborhood Investment Corporation (NIC) has a history of providing affordable housing in Des Moines and of meeting the requirements of LIHTC projects; and

WHEREAS, staff has analyzed the construction and operating pro forma of the loan and performed a subsidy layering review as required by the HOME regulations; and

WHEREAS, staff has prepared the HOME contract documents for this project which are on file in the Office of the City Clerk;

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

1. The Home Investment Partnerships (HOME) Agreement between the City of Des Moines and MLK Brickstone L.P. is hereby approved; and
2. The Community Development Director of the City of Des Moines is authorized to execute all City HOME contract documents on behalf of the City in such form approved by the Legal Department.

(Council Communication No. 09- 738)

Moved by Vlassis to adopt.

APPROVED AS TO FORM:

Michael F. Kelley
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
HENSLEY	✓			
MAHAFFEY	✓			
KIERNAN	✓			
VLASSIS	✓			
MEYER	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin
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.

Diane Fauh
City Clerk