

Agenda Item Number 32 A

Date July 28, 2010

RESOLUTION WITHDRAWING COMMITMENT OF \$100,000 OF HOME FUNDS TO FORT DES MOINES SENIOR HOUSING, LLLP FOR NEW CONSTRUCTION OF 60 UNITS OF A LOW-INCOME SENIOR HOUSING DEVELOPMENT BETWEEN SW 5^{TH} AND SW 6^{TH} ON ARMY POST ROAD

WHEREAS, by Roll Call 09-2284 on December 21, 2009, the City of Des Moines, Iowa, made a preliminary commitment of \$100,000 of HOME funds to Fort Des Moines Senior Housing, LLLP, to develop a 60 unit Low Income Housing Tax Credit (LIHTC) project for seniors between SW 5th and SW 6th Street on Army Post Road, Des Moines, Iowa with a legal description as follows:

Lots 1 through 36 inclusive in Block Two in the Official Replat of Block "K" of THOMAS HEIGHTS and Official Plat now included in and forming a part of the City of Des Moines, AND all of Gem Street "Lot B" right-of-way line South of an adjoining Block Two (2) of the Official Replat of Block "K", THOMAS HEIGHTS, an Official Plat now included in and forming a part of the City of Des Moines (vacated by Ordinance 100.416, past January 3, 1984). Additionally, N25F S 75F W 460.8F E 1532.8F SE 1/4 SEC 28-78-24.

WHEREAS, in December the Developer's proforma showed the need for local assistance of \$250,000 in HOME funds from the City of Des Moines but the City committed only \$100,000 of HOME funds because of the limited availability of funds; and

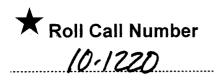
WHEREAS, the Developer subsequently received an allocation of Low Income Housing Tax Credits, Community Development Block Grant-Disaster Relief Funds (CDBG-DR), and State HOME funds; and

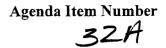
WHEREAS, the provision of CDBG-DR funds was unexpected and was made available by application only one week prior to the deadline for the applications for Low Income Housing Tax Credits;

WHEREAS, HUD requires justification that any funding is necessary and the project's sources and uses and 15-yr pro forma do not show that "but for" the provision of this \$100,000 the project would not proceed; and

WHEREAS, the City's commitment was preliminary based on final underwriting; and

(continued)





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WHEREAS, in reviewing the final underwriting and creating a subsidy layering analysis as required by HUD for the use of HOME dollars, the \$100,000 deficit created by the City's action could be covered by asking for additional tax credits, deferring a portion of the developer fee, or obtaining a conventional 1st mortgage from a private bank; and

WHEREAS, the City Council continues to support the project by providing tax abatement and designation as an Enterprise Zone;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the commitment of \$100,000 of HOME funds to Fort Des Moines Senior Housing, LLLP, for new construction of 60 units of low-income senior housing between SW 5th and SW 6th on Army Post Road be withdrawn and the Iowa Finance Authority be notified of such action.

(Council Communication No. 10-

)

MOVED by ______ to adopt.

Form Approved:

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT	CERTIFICATE
COWNIE					
COLEMAN		T			 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.
GRIESS					
HENSLEY					
MAHAFFEY					
MEYER					
MOORE					
TOTAL					
MOTION CARRIED	<u></u>		A	PPROVED	
				Mayor	City Clerk