



Roll Call Number

10-1221

Agenda Item Number

32B

Date July 28, 2010

RESOLUTION WITHDRAWING COMMITMENT OF \$100,000 OF HOME FUNDS TO CHRIST THE KING SENIOR HOUSING, LLC FOR NEW CONSTRUCTION OF 28 UNITS OF LOW-INCOME SENIOR HOUSING AT 5601 SW 9TH STREET

WHEREAS, by Roll Call 09-2283 on December 21, 2009, the City of Des Moines, Iowa, made a preliminary commitment of \$100,000 of HOME funds for an application filed by Chris Aldinger, Business Manager of Christ the King Parish, to develop a 28 unit Low Income Housing Tax Credit (LIHTC) project for seniors as a part of the Christ the King campus at 5601 SW 9th Street, Des Moines, Iowa with a legal description as follows:

The North 64 feet of Lot Nine (9) except the East 107 feet thereof and Lot Ten (10) except the East 107 feet thereof in Block "D: in CORRECTED PLAT OF THOMAS HEIGHTS, and Official Plat, now included in and forming a part of the City of Des Moines, Iowa.

Less: A part of Lots 9 & 10 Block D, THOMAS HEIGHTS CORRECTED PLAT an Official Plat, more particularly described as follows: Beginning at the Northwest Corner of said Lot 10, a distance of 26.17 Feet; Thence South 43-02'47" West, 32.47 Feet; Thence South 0.00'.00" East, 143.84 Feet; Thence South 89-27'42" West, 4.00 Feet; Thence North 0-00'00" East along the West line of said Lots 9 & 10, a distance of 167.71 Feet to the point of beginning. As surveyed and monumented in field by Michael M. Klapp licensed surveyor No. 4821. All now included in, and forming a part of the City of Des Moines, Polk County, Iowa. By survey 935 Square Feet

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



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

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 Christ the King Senior Housing, LLC, for new construction of 28 units of low-income senior housing at 5711 SW 9th Street be withdrawn and the Iowa Finance Authority be notified of such action.

(Council Communication No. 10-)

MOVED by _____ to adopt.

Form Approved:

Roger K. Brown

Roger K. Brown
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GRIESS, HENSLEY, MAHAFFEY, MEYER, MOORE, 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