



Roll Call Number

10-1223

Agenda Item Number

320

Date July 28, 2010

RESOLUTION WITHDRAWING COMMITMENT OF \$100,000 OF HOME FUNDS TO  
CURLY TOP, LLC FOR NEW CONSTRUCTION OF 40 UNITS OF LOW-INCOME  
HOUSING TAX CREDIT SENIOR HOUSING AT 1900 SE 6<sup>TH</sup>

WHEREAS, by Roll Call 09-2285 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 Tim Mauro, Vice President of Curly Top, LLC, to develop a 40 unit Low Income Housing Tax Credit (LIHTC) project for seniors at 1900 SE 6<sup>th</sup> Street, with a legal description as follows:

EX BEG SE COR THN NWLY 159.66F N 61.80F E 57F  
NELY 142.28F E 50F & S 234.05F TO POB- E 165F N OF HILLSIDE AV LOT  
3 SEVASTOPOL, DES MOINES, POLK COUNTY, IOWA.

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

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 1<sup>st</sup> mortgage from a private bank; and

( continued )



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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of HOME funds to Curly Top, LLC, for new construction of 40 units of low-income senior housing at 1900 SE 6th be withdrawn and the Iowa Finance Authority be notified of such action.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 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.

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