



Roll Call Number

10-1328

Agenda Item Number

58 B

Date August 9, 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 6TH

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 6th, Des Moines, Iowa, 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 City's commitment was preliminary based on final underwriting; 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 HOME funding is financially 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, LIHTC projects are complex but in reviewing the final underwriting and creating a subsidy layering analysis as required by HUD for the use of HOME dollars, it appears the projects could proceed without the City funding; 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of HOME funds to Curly Top, LLC, for new construction of 40 units of low-income senior housing at 1900 SE 6th be withdrawn and the Iowa Finance Authority be notified of such action.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- 495)

MOVED by Meyer to defer to August 23, 2010 meeting.

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.

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.

T. M. Franklin Council Mayor

Diane Rauh City Clerk