

★ Roll Call Number

12-1741

Agenda Item Number

Ex. 2

Date November 5, 2012

RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE HOME AGREEMENT WITH HATCH DEVELOPMENT GROUP LLC TO REDEVELOP THE SOUTHERN MEADOWS SITE AT (2800 SE 8TH STREET), DES MOINES, IOWA 50315

WHEREAS, the State of Iowa submitted a plan to HUD which proposed the allocation of \$4.2 million to the City of Des Moines; and,

WHEREAS, the City of Des Moines submitted a plan to the State of Iowa to outline how to use these funds; and,

WHEREAS, the State of Iowa approved the City's plan to use the funds; and,

WHEREAS, the City has identified the Southern Meadows Apartments at 2800 SE 8th St. as a large scale project that could benefit from the use of these funds; and,

WHEREAS, on September 13, 2010 by Roll Call 10-1476, the City hired Confluence to prepare a redevelopment plan for the properties; and,

WHEREAS, on January 23, 2012 the City Council of the City of Des Moines approved a development agreement with Hatch Development Group LLC for the development of 38 units of housing at the Southern Meadows site; and,

WHEREAS, Hatch Development Group LLC intends to transfer the property to Southern Meadows Homes LP for the construction of the project; and,

WHEREAS, on October 22, 2012 by Roll Call 12-1667, the City Council of the City of Des Moines approved a HOME Agreement for \$491,000 with Hatch Development Group to complete site prep work; and,

WHEREAS, the agreement must be reconstructed to meet the Iowa Finance Authority Low-Income Housing Tax Credit cost cap regulations that limit the amount of debt that may be liened against the property; and,

WHEREAS, the City is proposing separating the original HOME agreement into two HOME agreements to ensure this regulation is met; and,

WHEREAS, a separate three-party agreement with the Polk County Housing Trust Fund, Hatch Development Group LLC, and the City to proposing \$100,000 of funding to the City of Des Moines to cover site prep work funding gap; and; and,

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WHEREAS, the City is proposing a HOME agreement for \$391,000 to Hatch Development Group LLC to cover site prep work; and,

WHEREAS, the City is proposing a second HOME agreements for \$100,000 to cover construction costs to be liened against Southern Meadows HOMES LP; and,

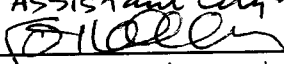
WHEREAS, the Polk County Housing Trust Fund is proposing \$100,000 of funding to the City of Des Moines to cover site prep work funding gap; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the City Manager is hereby authorized to amend the HOME agreement as follows by negotiating final terms and entering into the following agreements:

1. A HOME agreement with Hatch Development Group LLC for \$391,000 to cover site preparation costs.
2. A HOME agreement with Southern Meadows HOMES LP for \$100,000 to cover the costs of construction.
3. A three party agreement with the Polk County Housing Trust Fund and Hatch Development Group LLC for \$100,000 to cover site preparation costs,

Subject to the approval of the City Manager and the Legal Department after review that adequate guarantee documentation and HUD approval have been received.

City Council Communication No. 12-574)

Approved as to Form
 Michael F. Kelley
 Assistant City Attorney


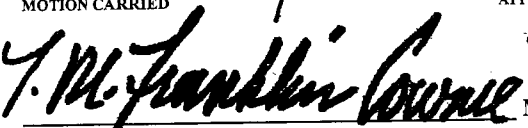
MOVED BY Meyer TO ADOPT.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

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