



Roll Call Number

13-0649

Agenda Item Number

26

Date April 22, 2013

APPROVING HOME LOAN AND EXECUTION OF CONTRACTS FOR \$378,000
WITH HOME OPPORTUNITIES MADE EASY, INCORPORATED (HOME, INC.)
FOR THE CONSTRUCTION OF FIVE (5) RENTAL UNITS
AT THE INTERSECTION OF 13TH AND CLARK STREETS.

WHEREAS, on October 24, 2005 by Roll Call No. 05-2584, the City Council of the City of Des Moines adopted the Forest Avenue Urban Renewal Plan; and

WHEREAS, on September 11, 2006 by Roll Call No. 06-1810, the City Council of the City of Des Moines adopted the Amended Forest Avenue Urban Renewal Plan; and

WHEREAS, on October 22, 2007 by Roll Call No. 07-2020, the City Council of the City of Des Moines established fair market value and authorized voluntary acquisition for property located at 1512 13th Street for the Forest Avenue Urban Renewal Project; and

WHEREAS, the Real Estate Division acquired the property located at 1512 13th Street through negotiation with the property owner and demolished the house; and

WHEREAS, in June 2011, Home Opportunities Made Easy, Incorporated (HOME, Inc.) (Developer) proposed development of five (5) rental units to be located at the northwest corner of 13th and Clark Streets dependent upon financing; and

WHEREAS, the site is located in the Forest Avenue Urban Renewal Project Area ("Project Area") and is being developed as an initiative to stimulate investment in surrounding properties in the Project Area, to assist in preventing the development or spread of future slums or blighted areas, and to otherwise carry out the purposes of Iowa Code Chapter 403; and

WHEREAS, on January 23, 2012 by Roll Call Nos. 12-0127, 12-0128 and 12-0129, the City Council of the City of Des Moines approved conveyance of 1512 13th Street to HOME, Inc. for \$1, approved a Rental Development Agreement in conjunction with the Forest Avenue Urban Renewal Project, and approved assignment and amendment to the Special Warranty Deed for 1307 Clark Street for HOME, Inc.; and

WHEREAS, HOME, Inc. has been able to secure financing for acquisition and construction from the Federal Home Loan Bank of Des Moines, the Polk County Housing Trust Fund and the Neighborhood Finance Corporation dependent upon a City HOME Loan for \$378,000; and

WHEREAS, the City's federally funded HOME Program requires a commitment to affordable housing and rent restrictions for a period of twenty (20) years; and

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WHEREAS the City's HOME funding will be in the form of a non-receding loan forgivable in full at the end of twenty years of affordability in order to insure the building will produce cash flow at the proposed affordable rents.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the Council approves a HOME loan for \$378,000 between the City of Des Moines and HOME, Inc. and authorizes the execution of loan documents by the Director of the Community Development Department.

(City Council Communication No. 13-194)

MOVED BY Hensley TO ADOPT.

FORM APPROVED:

[Signature of Michael F. Kelley]

Michael F. Kelley
Assistant City Attorney

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

MOTION CARRIED

APPROVED

T. M. Franklin
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.

[Signature of Diane Rauh]
City Clerk