



Roll Call Number

17-1655

Agenda Item Number

30

Date September 25, 2017

**APPROVING RELEASE OF HOME INVESTMENT PARTNERSHIP PROGRAM
(HOME) LIENS ASSOCIATED WITH SOUTHERN MEADOWS PROJECT**

WHEREAS, on September 13, 2010, by Roll Call No. 10-1476, the City hired consulting firm Confluence to prepare a redevelopment plan for Southern Meadows Apartments, 2800 SE 8th Street; and

WHEREAS, on October 22, 2012, by Roll Call No. 14-1667, the City Council approved a HOME Investment Partnership Program (HOME) Agreement with Hatch Development Group (Jack Hatch, President) for not-to-exceed \$491,000 for completion of site preparation work at the Southern Meadows Apartments site, in order for the property to be redeveloped by Hatch Development Group as a 38-unit rowhouse development; and

WHEREAS, on November 5, 2012, by Roll Call No. 12-1741, the City authorized the City Manager to amend the HOME Agreement in order to meet 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, in accordance with the amendment to the HOME Agreement, a HOME Program Property Lien was filed against the real property locally known as 696 18th Street, in Book 14654, Page 868 in the Office of the Polk County Recorder, and a personal guaranty was provided by Jack Hatch and Sonya Roberts, which Guaranty provided for release following issuance by the Iowa Finance Authority (IFA) of the Form 8609, Low Income Housing Credit Allocation and Certification for the Southern Meadows project; and

WHEREAS, City staff have determined that IFA has issued the Form 8609 and that a HOME Funded Promissory Note and HOME Funded Mortgage should now be placed against the Southern Meadows subject property at 2800 SE 8th Street, in lieu of and in exchange for release of the HOME Program Property Lien filed against 696 18th Street and the personal guaranty described above; and

WHEREAS, the developer has agreed to the HOME Funded Promissory Note and Mortgage in the amount of \$469,433, which amount reflects the amount of HOME funding previously advanced to the developer for eligible costs and which mortgage will remain non-interest bearing and no repayment will be made as long as all requirements of the HOME Agreement are satisfied throughout the Period of Affordability required therein.

NOW, THEREFORE, BE IT RESOLVED by the City Council by the City of Des Moines that:

1. The HOME Program Property Lien filed against the real property locally known as 696 18th Street, Des Moines, at Book 14654, Page 868 in the office of the Polk County Recorder, is hereby released, and the Community Development Director or his designee(s)

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is hereby authorized and directed to file a release of said lien with the Polk County Recorder.

- 2. The HOME Program Guaranty, included as Exhibit C to the HOME Agreement, is hereby released.
- 3. The Community Development Director is authorized and directed to record the HOME Funded Mortgage against the subject property at 2800 SE 8th Street, and to continue to monitor and enforce all provisions of the HOME Agreements and related documents.

(Council Comm. No. 17- 689)

MOVED BY Hensley TO ADOPT.

FORM APPROVED:

Glenna K. Frank
Glenna K. Frank
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				✓
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MOORE	✓			
WESTERGAARD	✓			
TOTAL	6			1
MOTION CARRIED	APPROVED			

Chris Coleman
MAYOR PRO TEM

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.

Diane Rauh City Clerk