



Roll Call Number

19-2013

Agenda Item Number

28

Date December 16, 2019

**APPROVING AMENDED HOME INVESTMENT PARTNERSHIPS PROGRAM
(HOME) PROMISSORY NOTE WITH CHRIST THE KING HOUSING SERVICES
PROJECT LOCATED AT 5602 SW 9TH STREET**

WHEREAS, the City has entered into an Agreement with the United States Department of Housing and Urban Development (HUD) for funding of its Home Investment Partnership (HOME) Program pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act; and

WHEREAS, the City's HOME Program is designed to provide affordable rental and home ownership opportunities for low- and very-low income households through acquisition, rehabilitation, and new construction; and

WHEREAS, on April 6, 2015, by Roll Call No. 15-0582, the City Council approved and authorized the Community Development Director to sign a HOME Agreement, Promissory Note, Mortgage, and Restrictive Covenant between the City and Christ the King Senior Housing Services to create 11 units of affordable senior housing as part of the development project at 5602 SW 9th Street; and

WHEREAS, the new construction, multi-family rental project was estimated to cost \$3,900,000 for 26 total units of housing, and the City provided a maximum of \$1,650,000 of HOME funds for 11 affordable units; and

WHEREAS, the City's HOME assistance to Christ the King Housing Services was in the form of a 1% loan with an annual full or partial interest payment to be received when the debt-to-income ratio exceeded 1.3, with full payment of interest and principal at the end of the 25-year amortization; and

WHEREAS, Christ the King Housing Services requested to amend the Promissory Note to waive the 1.3 debt-to-income ratio provision for 18 months, from January 2020 through June 2021, with repayment terms to recommence in July 2021, which would help the project's cash flow and ability to increase its reserves; and

WHEREAS, Christ the King submitted recent income statements, proof of its primary lender's loan modifications, and other documents, and staff with the City's Community Development Department, which administers the HOME Program, determined waiving the debt-to-income provision was necessary to maintain the affordable housing units in the project; and



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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the amended HOME Promissory Note, whereby the City will waive the 1.3 debt-to-income ratio provision for 18 months, or through June 2021 with repayment to begin again in July 2021, is hereby approved.

(Council Communication No. 19-531)

MOVED BY Gatto TO ADOPT

FORM APPROVED:

Glenna K. Frank
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, COLEMAN, GATTO, GRAY, MANDELBAUM, WESTERGAARD, and TOTAL (7).

CERTIFICATE

I, P. KAY CMELIK, 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 P. Kay Cmelik, City Clerk

Signature of Mayor M. Frank