


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	24-106	Meeting:	March 18, 2024
	Agenda Item:	27	Roll Call:	24-0420
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approve release of Community Development Block Grant – Disaster Recovery (CDBG-DR) Liens on Franklin Field Apartments.

SYNOPSIS:

The City of Des Moines made an Award of \$3,000,000 to FFS Apartments on October 12, 2012, to construct an affordable 30-unit senior apartment complex at 5250 Franklin Avenue in the form of a CDBG-DR loan secured by a mortgage and restrictive covenant. West Bank also signed a separate restrictive covenant, as the senior security. FFS Apartments LLCs has completed the conditions of the agreement, fulfilling their affordability requirements for the 10-year affordability period. This Council action is to approve the execution of a Satisfaction and Discharge for the Restrictive Covenants signed by both FFS Apartments and West Bank.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The City entered into an agreement with the Iowa Economic Development Authority (IEDA) on April 20, 2009, for use of CDBG-DR. On March 12, 2012, IEDA authorized the City to solicit applications for multi-family housing developments.
- The City entered into an agreement with FFS Apartments LLC on October 12, 2012, for the development of the Franklin Field Apartments.
- Per the Agreement, the units were affordable to seniors earning 80% Area Median income (AMI) or less, and rents were kept below the 65% HOME rent limits established by HUD for a period of 10 years (affordability period).
- An associated agreement, mortgage and restrictive covenant were signed by FFS Apartments LLC and recorded, as is typical for HUD projects through Neighborhood Services. An additional restrictive covenant, signed by West Bank, the senior security on the project was also executed.
- A provision within the restrictive covenants states that releases must be approved by the City Council of Des Moines. FFS Apartments LLC has completed their affordability period and maintained full compliance with the CDBG-DR Program.

- More recent restrictive covenants for Neighborhood Services programs no longer have the provision of Council approval of releases, and this case is specific to the CDBG-DR Program.

PREVIOUS COUNCIL ACTION(S):

Date: September 24, 2012

Roll Call Number: [12-1500](#)

Action: [CDBG-DR](#) Loan and contract documents with FFS Apartments, LLC for development of Franklin Field Senior Apartments at 5250 Franklin Avenue, \$3,000,000. ([Council Communication No. 12-504](#)) Moved by Griess to adopt. Motion Carried 6-1. Nays: Hensley.

Date: May 3, 2012

Roll Call Number: [12-0660](#)

Action: [Approving](#) submitting four (4) applications for housing projects to IEDA for CDBG-DR funding. ([Council Communication No. 12-197](#)) Moved by Hensley to adopt. Motion Carried 5-2. Nays: Coleman and Moore.

Date: April 20, 2009

Roll Call Number: [09-645](#)

Action: [Iowa](#) Department of Economic Development (IDED) CDBG Housing Disaster Recovery Fund Contract (08-DHR-209). ([Council Communication No. 09-254](#)) Moved by Vlassis to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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