

.....
Date April 12, 2010.....

AUTHORITY TO NEGOTIATE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN FOR UP TO \$250,000 FOR COMPLETION OF REHABILITATION AND SITE IMPROVEMENTS AT THE MURILLO APARTMENTS AT 605 16TH STREET (1531 HIGH)

WHEREAS, the City of Des Moines is considered an Entitlement City and receives Community Development Block Grant (CDBG) funds annually under 24 CFR 570; and

WHEREAS, rehabilitation of rental housing is an eligible CDBG activity and is a part of the City's Five Year Consolidated Plan Programs adopted by Roll Call No. 04-1025 on May 17, 2004; and

WHEREAS, the Murillo Apartments is a building eligible for the National Register of Historic Places, was moved from its original location, and has sat unfinished and vacant for the last year due to financial problems:

WHEREAS, Gary Porth 500 5th Street, Waukee Iowa, 50263 and Nate Snelson 620 3rd Street, Waukee, Iowa 50263 are working with Great Western Bank on the purchase and plan of rehabilitation of the building;

WHEREAS, the purchasers are asking for a CDBG loan for up to \$250,000 to complete the rehabilitation and site improvements on the building;

WHEREAS, the financing of the loan will be in compliance with all CDBG regulations covered under 24 CFR 570 but requires possible exceptions from certain city policies including the allowance of fewer units to be designated for low-income households, a shorter period of affordability for low-income, exceeding \$24,999 per unit, and delay of repayment for a for profit developer.

Date April 12, 2010

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that city staff is authorized to vary from certain general city policies and continue to negotiate with Gary Porth and Nate Snelson for up to \$250,000 of CDBG funds for rehabilitation of the Murillo Apartments at 605 16th Street subject to final City Council approval.

(City Council Communication No. 10- 189)

MOVED BY _____ TO ADOPT

FORM APPROVED:



Michael F. Kelley Assistant City Attorney

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

MOTION CARRIED

APPROVED

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.

City Clerk