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Date August 9, 2021

**APPROVE AND EXECUTE AMENDED
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) PROMISSORY NOTE
AND MORTGAGE WITH THE ROSE OF DES MOINES, 1330 19TH 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 December 6, 2004 by Roll Call No. 04-2625, 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 The Rose of Des Moines to create 16 HOME units out of the total 52 units reserved for senior housing at 1330 19th Street; and

WHEREAS, the City provided \$150,000 of HOME funds, and Iowa Economic Development Authority (IEDA), formerly the Iowa Department of Economic Development (IDED), provided \$650,000 of HOME funds, totaling \$800,000 in HOME funds; and

WHEREAS, the City is the lien holder for the HOME assistance, and the Iowa Finance Authority (IFA) monitors and inspects the project as part of the Low-Income Housing Tax Credit (LIHTC) program; and

WHEREAS, HOME assistance to The Rose of Des Moines was in the form of a repayable loan with compounding interest, to be repaid annually from 20 percent of the project's available cash until the balance is paid in full, and any unpaid balance of principal and interest would be due January 3, 2036; and

WHEREAS, after staff consulted The Rose of Des Moines owners, IFA, and the City Manager, the proposed revisions to the original HOME loan and Promissory Note include waiving the past and future compounded interest, with 0 percent interest moving forward; and

WHEREAS, the revised promissory note and mortgage now shows The Rose of Des Moines will repay the \$800,000 HOME principal with an annual \$1,500 payment due on January 1 each year starting January 1, 2022 through January 1, 2036, at which time a balloon payment toward the balance would be due.



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

1. The amended HOME Promissory Note and Mortgage, whereby the City will waive the previous interest rate and compounded interest and sets forth a new repayment schedule, is hereby approved.
2. The Neighborhood Services Director is hereby authorized to execute, on behalf of the City, said amended HOME Promissory Note and Mortgage following approval as to form by the Legal Department, and to execute any other document necessary to implement the Agreement and to fund the above-described project.

(Council Comm. No. 21-34b)

MOVED BY _____ TO ADOPT

FORM APPROVED:



 Judy K. Parks-Kruse
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				

MOTION CARRIED _____ APPROVED _____
 _____ Mayor

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.

_____ City Clerk