Council Communication

Department: Community Development	Resolution No. _____	Public Hearing: 11-13-2023

Subject/Title

Resolution declaring the Purchase, Sale, and Development Agreement by and between the City of Council Bluffs and CB-WLG Affordable Limited Partnership terminated in its entirety and approving and authorizing execution, delivery, and recording of the Notice of Termination.

Background/Discussion

Starting in 2012, the City began acquiring property in the west end, specifically between West Broadway and 2nd Avenue from 28th Street to 35th Street. Demolition of structures and site grading have occurred and developers have expressed interest in redeveloping some of the property. Because the property is located in the West Broadway Urban Renewal Area, the process for land disposition is dictated by urban renewal law. It is in the best interest of the City to request proposals for the redevelopment of the sites through a RFP process, beginning with the property located between 32nd and 34th Streets from West Broadway to 2nd Avenue.

In 2021, the City entered into a development agreement with White Lotus Group (WLG) to construct an 84-unit multi-family apartment building that would be available to households at or below 60% of the median family income (MFI). An additional 12 townhouses would be constructed along 2nd Avenue that would be market rate. The development agreement outlined a timeline for securing tax credits and financing for the project to move forward. Because of COVID, additional time was granted to complete the project.

In 2023, Staff and WLG began meeting regularly to move the project forward on the multi-family component. Unfortunately, WLG has not been able to secure their tax credits and financing specific to this piece of the project. On October 13, 2023, a Notice of Default was sent to WLG as required by the development agreement stating "the developer has failed to enter into an agreement with Iowa Finance Authority that meets the criteria for the 'State Agreement' and has failed to enter into an agreement with the Omaha/Council Bluffs Interlocal HOME Consortium that meets the criteria for the 'Interlocal HOME Agreement.'" The agreement outlines these items would be completed by December 31, 2021.

Because no progress has been made on the multi-family, the Staff believes it is in the best interest of the City to terminate the agreement with WLG and request new proposals from qualified developers on the site. WLG will be eligible to resubmit with the hope their project is ready to move forward in a timely manner.

Recommendation

Approve resolution declaring the Purchase, Sale, and Development Agreement by and between the City of Council Bluffs and CB-WLG Affordable Limited Partnership terminated in its entirety and approving and authorizing execution, delivery, and recording of the Notice of Termination