Council Communication

Department: Community Development Submitted by: Housing & Economic Development	Resolution No.: 23-	Council Meeting 03-27-2023

Subject/Title

HOME Agreement changes due to sale of Prime Square Apartments owned by CBIA LLLP to Prime Square Apartments LLC.

Location

822 S. Main

Background/Discussion

Background

CBIA LLLP has a HOME Agreement (attached) with the City of Council Bluffs for the Prime Square Apartments located at 822 S. Main set to expire March 2028. The agreement includes nine HOME assisted units and a HOME Loan that originated in 2007 for $259,341.00.

Discussion

CBIA LLLP is in the process of selling Prime Square Apartments to Prime Square Apartments, LLC. According to the original HOME Agreement the principal loan balance shall become due and payable upon sale or transfer of ownership of the property. If a sale occurs sooner than 20 years, the nine HOME assisted units must continue to meet HOME guidelines. A covenant is required throughout the Affordability Period to maintain the intended use of the nine units.

CBIA LLLP intends to pay the HOME Loan in its entirety at closing, tentatively set for March 31, 2023, to Prime Square Apartments LLC for the balance remaining, $237,982.00.

In order to keep the HOME guidelines on the nine units for Prime Square Apartments LLC a Subordination Agreement (attached) has been drafted and reviewed by the City Legal Department.

Staff Recommendation

The Community Development Department recommends approval of the Subordination Agreement with Prime Square Apartments LLC.

Attachments

A) HOME Agreement (original)
B) Subordination Agreement

Prepared by: Marianne Collins, Housing & Economic Development Planner, Community Development Department
Approved by: Courtney Harter, Director Planning & Community Development, Community Development Department