Council Communication
February 8, 2021 City Council Meeting

Department: Community Development Case/Project No.: N/A	Ordinance No.: N/A Resolution No.: 21-	First Reading: N/A Second Reading: N/A Third Reading: N/A Public Hearing: N/A

Subject/Title

Resolution authorizing the Mayor to execute an agreement with the Pottawattamie County Development Corporation, D/B/A the 712 Initiative, for the use of American Rescue Plan Act (ARPA) funds for a multi-family project located at 530 West Broadway

Location

530 West Broadway legally described as Lots J, K, L and M, Auditor's Subdivision, of Block 6, Mynster's Addition, and Block 2, Bayliss 1st Addition, City of Council Bluffs, Pottawattamie County, Iowa

Background/Discussion

Background

In 2018, Pottawattamie County Development Corporation (PCDC) D/B/A the 712 Initiative purchased the property located at 530 West Broadway as a new development project that would include first floor commercial space and mixed income apartments as part of its mission to revitalize Downtown Council Bluffs. The proposed project will create 19 new residential units and two commercial bays. The total project cost is $5,569,671 and is expected to be completed December 31, 2022.

On October 26, 2020, City Council approved Resolution 20-259 which adopted the FY2021 HOME budget and awarded the 712 Initiative $250,000 towards the project to support the three low-to-moderate income units constructed. Staff began work with the City of Omaha as required for its HOME Consortium. Unfortunately, it was determined there was a misunderstanding of the timeline of this project. If HOME funds were to be used, it would delay the construction at least two months. The developer has already bid the project based on the timeline we had previously presented and delays could be costly to the project.

Discussion

In May, the City received its first allocation of American Rescue Plan Act (ARPA) funds to respond to acute pandemic-response needs, fill revenue shortfalls among state and local governments, and support the communities and populations hardest-hit by the COVID-19 crisis. Staff wishes to utilize American Rescue Plan Act (ARPA) funds to replace the HOME allocation. This funding swap will allow the project to begin on time and mitigate any potential costs that maybe incurred due to the HOME Consortium error.

Under the ARPA funding, assistance to persons of low- and moderate-income is an eligible expense. The City wishes to keep all terms from the HOME agreement the same under the ARPA agreement. Three units from the property shall be required to maintain affordability for a period of ten years. Of the three units, two will be available to household at or below 80% of the median family income (MFI) and one for a household at or below 60% MFI. The deferred loan amount will be $250,000 and will not require repayment if all terms are met.

A development agreement between the 712 Initiative and the City of Council Bluffs has been prepared and is attached to this staff report for your review. The HOME agreement details the roles and responsibilities of each project participant.

Staff Recommendation

The Community Development Department recommends that City Council approve a resolution authorizing the Mayor to execute an agreement with the Pottawattamie County Development Corporation, D/B/A the 712 Initiative, for the use of American Rescue Plan Act (ARPA) funds for a multi-family project located at 530 West Broadway.

Attachments

Attachment A – ARPA Agreement
Attachment B – Cohen Building Conceptuals

Submitted by: Courtney Harter, Housing & Economic Development Manager, Community Development Department