



Item No.
MEMO

To: Mayor and City Council Members

From: Vanessa Baker-Latimer, Housing Coordinator

Date: October 28, 2025

Subject: Acknowledgement of Covenants in conjunction with the Townhomes of Creekside, LLP, to receive its LIHTC Award for the construction of 38 units in the Baker Subdivision as part of the City HOME program.

In May 2024, the City of Ames signed Loan Documents, including a Mortgage, with Townhomes of Creekside, LLLP, to construct thirty-eight (38) Low-Income Housing Tax Credit (LIHTC) multifamily housing units on Lot 27 in the Baker Subdivision.

The City of Ames committed approximately \$2.1 million of its HOME funds to receive approximately eight (8) City HOME Assisted Units, and four (4) Section 8 units (non-HOME Assisted Units). The project also received \$500,000 of State HOME funds for two (2) HOME-Assisted units. Construction of the 38 units began in July 2024, and leasing started in September 2025.

Staff received a request from Townhomes of Creekside LLP that, in conjunction with their LIHTC award from the Iowa Finance Authority (IFA), they must submit their final 8609 application to receive the project's tax credits. The application is due on November 1, 2025. **As part of this application, IFA requires that all mortgage holders (City of Ames) record an "Acknowledgment of Covenants" that references the Land Use Restrictive Agreement (LURA).**

The LURA acknowledges that the property has a Land Use Restrictive Agreement that is a part of the LIHTC Program. The LURA was amended once, so IFA requires two Acknowledgments of Covenants for the City to sign.

Our Legal Department has reviewed the LURA and has determined that it does not affect the City's signed and recorded loan documents with Townhomes of Creekside, LLC. In fact **the LURAs provide that the "Mortgage Holder, which is the holder of the above-described Mortgage, for itself and its successors and assigns, does hereby agree (a) that the restrictive covenants described in the LURA run with the land as provided in the LURA and (b) that certain restrictive covenants, as set forth in Section 4 of the LURA, will remain in place for a period of three years after any foreclosure or deed in lieu of foreclosure"**.

Therefore, the City Manager is recommending that the City Council approve a motion for the Mayor to sign both LURAs (see attachments) in order for Townhomes of Creekside, LLL, to receive its LIHTC funding.

ATTACHMENT(S):

[1-STORY-23-10-12F - Acknowledgment of Covenants - City of Ames #1.pdf](#)

[2-STORY-23-10-12F - Acknowledgment of Covenants -City of Ames #2.pdf](#)