EM SUBMISSION NO.: 2012 EM330

PRESENTED: 6/20/12

ADOPTED: 6/20/12

RESOLUTION

Resolution to enter into a contract with GDC Smith Village LLC., not to exceed $3,711, 275 to construct new homes in the Smith Village Phase II Development area. The grant funds are from the Neighborhood Stabilization Program 2 (NSP2), and were allocated through the Michigan State Housing Development Authority.

BY THE EMERGENCY MANAGER

The American Recovery and Reinvestment Act (ARRA) of 2009 was approved by Congress on February 17, 2009 and Public Law 111-005 approved funds for the Neighborhood Stabilization Program 2 for the overall purpose of assisting in the redevelopment of abandoned or foreclosed homes under ARRA. MSHDA applied for and was awarded funding and allocated $15,772,344 to the City of Flint to fund NSP2 Eligible Activities and Costs associated with the stabilization and redevelopment of the eligible census tracts. The MSHDA NSP2 Consortium Funding Agreement No.: NS2-2009-0049 for Flint NSP2 spells out the use of NSP2 funds for Flint.

In March 2012, GDC Smith Village LLC responded to the City of Flint Request for Proposal to construct new homes in the Smith Village Phase II Development area. The City of Flint is obligated to expend NSP2 funds by February 10, 2013. GDC Smith Village LLC will construct new homes in the Smith Village Phase II Development area using the remaining NSP2 allocation and all program income from the sale of those homes. Funds are to be made available for the amount of 2,112,157 in expense account number 297-743.115-805.276 (expense) and all available Program Income not to exceed $1,599,118 from account numbers 297-743.100.531.000.

IT IS RESOLVED, that the Emergency Manager authorizes the appropriate City of Flint officials to do all things necessary to enter into a contract with GDC Smith Village LLC., not to exceed $3,711,275 to construct new homes in the Smith Village Development Area with the NSP2 funds.

APPROVED AS TO FORM:

Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:

Jerry Ambrose, Finance Director

EM DISPOSITION:

ENACT ✓ **FAIL** _____ **DATED** 6-19-12

Michael K. Brown, Emergency Manager

RESOLUTION STAFF REVIEW FORM

DATE: June 13, 2012

Agenda Item Title:
Resolution to enter into a contract with GDC Smith Village LLC., not to exceed $3,711,275 to construct new homes in the Smith Village Phase II Development area. The grant funds are from the Neighborhood Stabilization Program 2 (NSP2), and were allocated through the Michigan State Housing Development Authority.

Prepared By:
Author: Tracy B. Atkinson
Requestor: Department of Community and Economic Development (DCED)

Background/Summary of Proposed Action:
MSHDA applied for and was awarded funding and allocated $15,772,344 to the City of Flint to fund NSP2 Eligible Activities and Costs associated with the stabilization and redevelopment of the eligible census tracts. The MSHDA NSP2 Consortium Funding Agreement No.: NS2-2009-0049 for Flint NSP2 spells out the use of NSP funds for Flint. Grant funds were designated for the construction of homes. In March 2012, GDC Smith Village LLC responded to the City of Flint Request for Proposal to construct new homes in the Smith Village Phase II Development area. The City of Flint is obligated to expend NSP2 funds by February 10, 2013. GDC Smith Village LLC will construct new homes in the Smith Village Phase II Development area using the remaining NSP2 allocation and all program income from the sale of those homes.

Financial Implications: This resolution obligates funding not to exceed $3,711,275. The source of these funds is NSP2.

Budgeted Expenditure: Yes _X_ No ___ **Please explain, if no:**
Account #:
Reviewed and approved by C. Cheshier _____
$2,112,157
Revenue account number 297-743.502.743 and expense account number 297-743.115.805.276
$1,599,118
Program Income account Revenue number 297.743.100.531.000 and expense account number 297.743.100.802.400

Pre-encumbered: Yes _X_ No ___ **Requisition # 001201052**

Other Implications: There are no known implications

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL

Tracy B. Atkinson, Director DCED

David Solis, Director, Economic Development

Howard Croft, Infrastructure and Development Director