

EFM SUBMISSION: 2012 EFM 190

PRESENTED: 12/10/12

ADOPTED: 12/11/12

Resolution Authorizing Change Order # 4 that cancels spending authority for a development agreement with Salem Housing Community Development Corporation for the purpose of redevelopment of abandoned, mortgage or tax foreclosed properties using Neighborhood Stabilization Program 1 Funding

BY THE EMERGENCY FINANCIAL MANAGER:

The goal of the City's Neighborhood Stabilization Program 1 (NSP-1) is to restore vitality to distressed neighborhoods by facilitating the acquisition, rehabilitation and resale of vacant and foreclosed single family homes.

During 2010, the City of Flint executed a development agreement with Salem Housing Community Development Corporation, a non-profit developer for redevelopment of homes for purchase using the City's Neighborhood Stabilization Program 1 funding. A contract totaling \$206,275.00 has been awarded to complete 2 housing units.

The Department of Community and Economic Development has identified terms and conditions of the original development agreement that require modification in order to for the City and Salem Housing Community Development Corporation to be in compliance with NSP1 regulations.

Modifications to the original agreement consists of, but are not limited to, contractual language that modify changes to the scope of work, eligible costs, budget, NSP1 terms and conditions, reimbursement procedures, insurance requirements, property standards, resale provisions, construction scheduling, sales proceeds, audit requirements and aggressive performance benchmarks. Also, the developer is required to transfer ownership when the development expires or is terminated by the City.

Modifications to the original agreement consist of, but are not limited to, contractual language to exclude uniform administrative requirements, procurement requirements, cost principles for non profit organizations and other applicable federal requirements that are not required in development agreements.

IT IS RESOLVED, That City Officials are authorized to do all things necessary to execute Change Order # 4 that modifies contractual Requirements in the Development Agreement (09-217) between the City of Flint and Salem Housing Community Development Corporation, for the purpose of redevelopment of abandoned, mortgage or tax foreclosed properties using Neighborhood Stabilization Program 1 Funding.

APPROVED AS TO FORM:

for [Signature]
Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:

[Signature]
Gerald Ambrose, Finance Director
For [Signature]
Michael K. Brown, City Administrator

EFM DISPOSITION:

ENACT REFER TO COUNCIL _____ FAIL _____

[Signature]
Edward J. Kurtz, Emergency Financial Manager

DATED: 12/11/12

RESOLUTION STAFF REVIEW FORM

DATE: October 27, 2012

Agenda Item Title:

Resolution Authorizing Change Order # 4 that modifies Contractual Requirements in the Development Agreement (09-217) between the City of Flint and Salem Housing Community Development Corporation for the purpose of redevelopment of abandoned, mortgage or tax foreclosed properties using Neighborhood Stabilization Program 1 Funding

Prepared By: **Karen A. Morris, DCED Program Manager**

Author: Tracy B. Atkinson, DCED Director

Requestor: Department of Community and Economic Development (DCED)

Background/Summary of Proposed Action:

The goal of the City's Neighborhood Stabilization Program 1 (NSP-1) is to restore vitality to distressed neighborhoods by facilitating the acquisition, rehabilitation and resale of vacant and foreclosed single family homes. During 2010, the City of Flint executed a development agreement with Salem Housing Community Development Corporation, a non-profit developer for redevelopment of homes for purchase using the City's Neighborhood Stabilization Program 1 funding. A contract totaling \$206,275.00 has been awarded to complete 2 housing units.

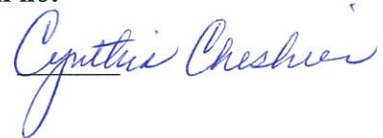
The Department of Community and Economic Development has identified terms and conditions of the original development agreement that require modification in order to for the City and Salem Housing Community Development Corporation to be in compliance with NSP1 regulations.

Financial Implications: Failure to approve this resolution may result in potential financial implications.

Budgeted Expenditure: Yes X No ___ **Please explain, if no:**

Account #: Reviewed and approved by C. Cheshier

297-747.470-805.327



Pre-encumbered: Yes ___ No X **Requisition #** N/A

Other Implications: There are no other known implications at this time.

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL



Tracy B. Atkinson, Director DCED

David Solis, ED Director

Howard Croft, Infrastructure & Development Director