

EM SUBMISSION NO: 2012 EM 141

PRESENTED: 3-2-12

ADOPTED: 3-2-12

Resolution to Execute Change Order #3 that changes an existing Homebuyer Development and Loan Agreement to Salem Housing Community Development Corporation using federal HOME funds in the amount of \$300,000.00 to a Rental Development and Loan agreement for the mixed-income housing development known as Berridge Place

BY THE EMERGENCY MANAGER:

Federal HOME funds were invested into the project with a condition that the four units must be sold to families within 5 years after project completion.

An audit conducted by the Office of Inspector General on the HOME program revealed that the process to establish the units homeowner occupied was not completed. This prevented the units from being available to sell to low income-individuals or families interested in purchasing these units.

In order for the housing development to be in compliance with HOME regulations, it is recommended that the four units be converted from homebuyer units to rental units, which is an eligible activity in the HOME program. Given this recommendation is a viable option for the project, the City is required to convert the existing homebuyer agreement to a rental development agreement that includes all the applicable requirements governing rental housing for 15 years.

This resolution is only to change an existing agreement from a homebuyer agreement to a rental development agreement. No additional HOME funds are needed to invest into the four Salem Housing CDC properties.

IT IS RESOLVED, that the Emergency Manager on behalf of the City of Flint, shall authorize appropriate City Officials to execute Change Order #3 that changes an existing Acquisition, Rehabilitation and Resale project for Salem Housing Community Development Corporation using federal HOME funds in the amount of \$300,000 to a Rental Development and Loan agreement.

APPROVED AS TO FORM:

APPROVED BY FINANCE:


Peter M. Bade, Chief Legal Officer

Jerry Ambrose, Finance Director

EM DISPOSITION:

ENACT ☒ FAIL ☐

DATED: 3-2-12


Michael K. Brown, Emergency Manager