

EFM Submission: 2013 EFM 073

Presented: 2-11-13

Adopted: 2-11-13

By the Emergency Financial Manager

Resolution Authorizing Change Order No. 1 to Reduce Spending Authority, Extend the Term until March 14, 2014, Modify the Scope and Budget of the Neighborhood Stabilization Program 3 New Construction Agreement with GDC Smith Village L.L.C. and Incorporate NSP2 Contract Change Order Provisions

In March 2011, the City of Flint executed a grant agreement with the U.S. Department of Housing and Urban Development for \$3,076,522 in Neighborhood Stabilization Program (NSP) 3 Funds as authorized and appropriated by the Wall Street Reform and Consumer Protection Act of 2010, the American Recovery and Reinvestment Act of 2009 and the Housing and Economic Recovery Act of 2008 to fund eligible activities and costs associated with the stabilization of neighborhoods pursuant to the grant agreement.

Resolution No. 2012EM520 adopted by the Emergency Manager on August 8, 2012, authorized an NSP3 funded contract (No. 12-086) with housing developer, GDC Smith Village L.L.C., in the amount of \$2,620,926 for Phase III construction of 12 new homes in the Smith Village development area.

Subsequent to execution of the NSP3 contract with the developer, GDC Smith Village L.L.C., HUD reduced the amount of NSP3 funds to be used in Smith Village to \$769,130.80. To comply with the reduced NSP3 amount for the project, spending authority and revenue recognition for the fund allocation to new housing construction need to be reduced by \$1,851,795.20 in the following expense and revenue accounts: expense 297-741.181-805.276, revenue 297-741.181-502.741.

Also, due to an impending expiration date of February 10, 2013 for the NSP2 program through which Phase I and II of Smith Village is funded, the City proposes to modify the NSP3 budget and scope of work to allow for the completion of these phases using NSP 3 funding by allocating \$769,130.80, the total NSP3 allocation for Smith Village.

The provisions of the two change order resolutions adopted to increase the Phase I NSP2 developer contract by \$12,315, and change the benchmarks by which the developer fee is paid in Phase II, respectively, is incorporated herein by reference.

IT IS RESOLVED, that the appropriate City officials are hereby authorized to do all things necessary to enter into change order No. 1 to the NSP3 development agreement with GDC Smith Village L.L.C. to reduce spending authority (297-741.181-805.276) and revenue recognition (297-741.181-502.741) by \$1,851,795.20.

RESOLVED, that the contract term is extended until March 14, 2014 and scope and budget modified to allow for the completion of Phases I and II using NSP 3 funding in the amount of \$769,130.80.

RESOLVED, that the provisions of the two resolutions adopted that increase the Phase I NSP2 developer contract by \$12,315, and change the benchmarks by which the developer fee is paid in Phase II, respectively, is incorporated herein by reference.

APPROVED AS TO FORM:

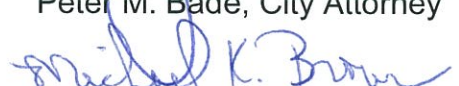


Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:



Gerald Ambrose, Finance Director



Michael K. Brown, City Administrator

EFM DISPOSITION:

ENACT ☒

REFER TO COUNCIL ☐

FAIL ☐



Edward J. Kurtz, Emergency Financial Manager

DATED: 2-11-13

RESOLUTION STAFF REVIEW FORM

DATE

February 6, 2013

Agenda Item Title:

Resolution Authorizing Change Order No. 1 to Reduce Spending Authority, Extend the Term until March 14, 2014, Modify the Scope and Budget of the Neighborhood Stabilization Program 3 New Construction Agreement with GDC Smith Village L.L.C. and Incorporate NSP2 Contract Change Order Provisions

Prepared By

The Department of Community and Economic Development

Background/Summary of Proposed Action:

The purpose of this resolution is to authorize change order No. 1 to reduce spending authority, extend the term until March 14, 2014, modify the scope and budget of the Neighborhood Stabilization Program 3 new construction agreement with GDC Smith Village L.L.C. and incorporate NSP2 contract change order provisions.

Resolution No. 2012EM520 adopted by the Emergency Manager on August 8, 2012, authorized an NSP3 funded contract (No. 12-086) with housing developer, GDC Smith Village L.L.C., in the amount of \$2,620,926 for Phase III construction of 12 new homes in the Smith Village development area.

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