

EM SUBMISSION: 2013EM057

PRESENTED: 5-8-13

ADOPTED: 5-9-13

Resolution Canceling Spending Authority for a Development Agreement in the amount of \$100,000.00 to Salem Housing Community Development Corporation using CDBG funds for redevelopment of two (2) homes in NSP1 areas

BY THE EMERGENCY MANAGER:

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

An assessment of the NSP1 program, made by City staff and HUD's technical assistance consultants, revealed that initial work specifications were deficient resulting in the homes not being code compliant in order to be sold to low income families. To meet the goals and objectives of the NSP1 program, it was determined that CDBG funds would be used to complete the two (2) homes that are still currently under construction.

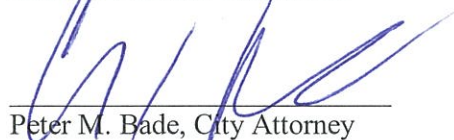
Resolution #2012EFM201, adopted by the City's Emergency Financial Manager on January 10, 2013, increased Salem's development agreement potential by an additional \$100,000.00. Based on a number of circumstances, City Officials have determined a different course of action to complete all NSP1-assisted homes.

CDBG funding to be cancelled is respectively found in the following revenue and expense accounts: 238-748.478-502.748 and 238-748.478-805.327.

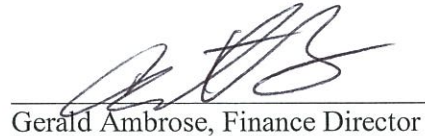
Funds being cancelled shall be moved to the following accounts: 238-748.101-502.748 and 238-748.101-700.100 labeled as CDBG uncommitted revenue and expense accounts, respectively.

IT IS RESOLVED, That appropriate City Officials are authorized to cancel spending authority (Resolution 2012EFM201, adopted on January 10, 2013) for a development agreement in the amount of \$100,000.00 to Salem Housing Community Development Corporation using CDBG funds to redevelop two (2) homes in NSP1 areas.


APPROVED AS TO FORM:


Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:


Gerald Ambrose, Finance Director

EM DISPOSITION:


for
Michael K. Brown, City Administrator

ENACT ✓ REFER TO COUNCIL _____ FAIL _____


Edward J. Kurtz, Emergency Manager

DATED: _____

RESOLUTION STAFF REVIEW FORM

DATE: April 30, 2013

Agenda Item Title:

Resolution Canceling Spending Authority for a Development Agreement in the amount of \$100,000.00 to Salem Housing Community Development Corporation using CDBG funds for redevelopment of two (2) homes in NSP1 areas

Prepared By: Karen A. Morris, DCED Program Manager

Author: Tracy B. Atkinson, Chief DCED Officer

Requestor: Department of Community and Economic Development (DCED)

Background/Summary of Proposed Action:

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

An assessment of the NSP1 program, made by City staff and HUD's technical assistance consultants, revealed that initial work specifications were deficient resulting in the homes not being developed as homes available for sale to low income families. To meet the goals and objectives of the NSP1 program, it was determined that CDBG funds would be used to complete the two (2) homes that are still currently under construction.

A resolution 2012EFM201 was adopted on January 10, 2013 that increased Salem's development agreement by an additional \$100,000.00. Based on a number of circumstances, City Officials have determined a different course of action to complete all NSP1-assisted homes.

Financial Implications:

Financial implications exist if all NSP1 homes are not completed and occupied by a low income family.

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

Account #:

Reviewed and approved by C. Cheshier

Cynthia Cheshier

Pre-encumbered: Yes ✓ No

Requisition # 1300019

Req will be released after Res adopted

Other Implications:

There are no other known implications at this time.

Staff Recommendation:

Staff recommends approval of this resolution.

APPROVAL

Tracy B. Atkinson
Tracy B. Atkinson, Chief DCED Officer

David Solis
David Solis, ED Director

Howard Croft
Howard Croft, Infrastructure & Development Director