

EM SUBMISSION NO.: EME0752013

PRESENTED: 12-3-13

ADOPTED: 12-6-13

**Resolution to enter into a Development Agreement with  
Salem Housing Community Development Corporation  
in an amount not to exceed \$31,509.00**

**BY THE EMERGENCY MANAGER:**


Salem Housing was selected as a developer to complete three homes in the NSP1 target areas, but their contract was later canceled. Salem continued operating as the developer for properties located at 1650 N. Grand Traverse and 611 Welch and also incurred additional soft costs for the ongoing maintenance of the properties. The properties are now both nearly complete, and buyers have been identified for each; and

The City of Flint has determined that it is appropriate to pay Salem the remaining developer fees for the two properties (upon COA final approval), as well as reimburse the additional soft costs incurred. It is necessary to enter into an agreement with Salem in the amount of \$31,509.00 to pay these costs; and

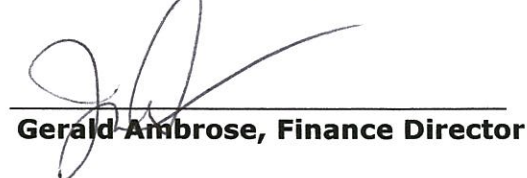
DCED has identified \$31,509.00 in unallocated CDBG funds (FCDBGPRIOR accounts 274-748.102-502.748 and 274-748.102-805.327) to complete the homes. Funding will be made available in FCDBGPRIOR accounts 274-748.102-502.748 and 274-748.102-805.327 in the amount of \$31,509.00.

**IT IS RESOLVED**, That proper City Officials are authorized to enter into a contract with Salem Housing Community Development Corporation in an amount not to exceed \$31,509.00 through the period of June 30, 2014, and to establish spending authority and revenue recognition in the amount of \$31,509.00 in FCDBGPRIOR accounts 274-748.102-502.748 and 274-748.102-805.327.

**APPROVED AS TO FORM:**

  
Peter M. Bade, Chief Legal Officer

**APPROVED AS TO FINANCE:**

  
Gerald Ambrose, Finance Director

**EM DISPOSITION:**

ENACT ✓ FAIL \_\_\_\_\_

DATED 12-6-13

  
Darnell Earley, Emergency Manager

## RESOLUTION STAFF REVIEW

### Date

November 25, 2013

### Agenda Item Title:

Resolution to enter into a Development Agreement with Salem Housing Community Development Corporation in an amount not to exceed \$31,509.00

**Author:** Suzanne Wilcox, Program Manager

**Requestor:** Department of Community and Economic Development

### **Background/Summary of Proposed Action:**

Salem Housing was selected as a developer to complete three homes in the NSP1 target areas. Several changes have transpired to the original contract, including the cancellation of Salem's contract, and the removal of one of the NSP1 houses. The two remaining houses are 1650 N. Grand Traverse, and 611 Welch. In the fall of 2012, City officials entered into contracts directly with contractors (Bedrock Builders and John Shaw Builders) to complete the rehabilitation of the houses. Salem, however, continued operating as the developer, and incurred additional soft costs for the ongoing maintenance of the properties. The properties are now both nearly complete, and buyers have been identified for each.

The City of Flint has determined that it is appropriate to pay Salem the remaining developer fees for the two properties (upon COA final approval), as well as reimburse the additional soft costs incurred. It is necessary to enter into an agreement with Salem in the amount of \$31,509.00 to pay these costs as follows:

- remaining developer fee for 1650 N. Grand Traverse - \$ 6,934.00
  - remaining developer fee for 611 Welch - \$23,036.00
  - remaining soft costs for 1650 N. Grand Traverse - \$ 1,265.41
  - remaining soft costs for 611 Welch - \$ 273.79
- TOTAL CDBG NEEDED:** \$31,509.00

### **Financial Implications (i.e., budget, account information)**

Financial implications do exist for the City if houses are not completed and sold/rented to income eligible households. All federal funds invested in the project would have to be repaid to HUD.

**Budgeted Expenditure:** Yes ☒ No ☐ **Please explain, if no:**

### **Account #:**

Reviewed and approved by C. Dotson

*C. Dotson 11-25-13*

**CDBG funds available:** revenue account FCDBGPRIOR 274-748.102-502.748  
expense account FCDBGPRIOR 274-748.102-805.327

**Pre-encumbered:** Yes ☒ No ☐ **Requisition # will be encumbered upon approval**

### **Other Implications (i.e., collective bargaining)**

None

### **Staff Recommendation:**

Staff recommends approval of the attached resolutions so that houses may be completed.

### **APPROVAL**

*for*  
Tracy Atkinson  
Chief Office

*Megan Hunter*  
Megan Hunter  
Planning and Development Director