### City of Flint, Michigan

Third Floor, City Hall 1101 S. Saginaw Street Flint, Michigan 48502 www.cityofflint.com



#### **Meeting Agenda - Final**

Wednesday, February 19, 2020 5:00 PM

**Committee Room** 

#### **LEGISLATIVE COMMITTEE**

Santino J. Guerra, Chairperson, Ward 3

Eric Mays, Ward 1 Kate Fields, Ward 4 Herbert J. Winfrey, Ward 6 Allan Griggs, Ward 8

Maurice D. Davis, Ward 2 Jerri Winfrey-Carter, Ward 5 Monica Galloway, Ward 7 Eva Worthing, Ward 9

Inez M. Brown, City Clerk

Davina Donahue, Deputy City Clerk

#### **ROLL CALL**

#### CHANGES AND/OR ADDITIONS TO AGENDA

Council shall vote on any agenda changes.

#### **PUBLIC SPEAKING**

Members of the public shall have no more than two (2) minutes to address the City Council on any subject.

#### **COUNCIL RESPONSE**

Councilpersons may respond to any public speaker, but only one response and only when all public speakers have been heard. Individual council response is limited to two (2) minutes and is subject to all rules of decorum and discipline.

#### SPECIAL ORDERS

200059 Special Order/Recreational & Medical Marihuana

A Special Order as requested by Councilperson Worthing to discuss recreational and medicinal marihuana.

190358.1 Special Order/City of Flint Policies Discussions

A Special Order request by Councilperson Fields allow Council to include the City's Computer Use Policy when discussing the three other policies currently on its agendas (Anti-Bullying; Harassment and Discrimination in the Work Place; Alcohol & Drug Free Work Place and Testing).

190032 Special Order/COF Purchasing Ordinance/Emergency Purchases

A Special Order as requested by 1st Ward Councilperson Eric Mays to allow for a council discussion regarding the emergency purchases (Ord. No. 3865, Sec. 18-21.9).

#### **ORDINANCES**

190439.1 Amended Ordinance/Amendment/Chapter 12 (Business and Occupations Generally)/Sections 12-273 through 12-283

An amended ordinance to amend the Code of Ordinances for the City of Flint by amending Chapter 12 (Business and Occupations Generally), by the addition of (Article XXX), Sections 12-273 through 12-283 concerning Surveillance Cameras Required for Certain Businesses. [NOTE: Ordinance amended by Administration.]

200085 Amendment/Ordinance/Chapter 18 (Taxation; Funds; Purchasing)/Article I (In General)/Section 18-4.1 (Service Charge in Lieu of Taxes for Housing Facilities

for Certain Persons)

An ordinance to amend the Code of the City of Flint by amending Chapter 18, (Taxation; Funds; Purchasing); Article I, (In General); Section 18-4.1, (Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons) shall be amended by adding subsection (CC). [NOTE: The PILOT is for the Grand Flint Limited Dividend Housing Association, LP, a Michigan Limited Partnership. The annual service charge for the class of persons of low and moderate income shall be equal to four (4) percent of the annual shelter rents, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.]

#### **DISCUSSION ITEMS**

#### 200083 Referral/Attendance Request/Tane Dorsey

Referral by Councilpersons Fields to OMBUDSPERSON, re: She asks that Ombudsperson Tane Dorsey attend the next Governmental Operations Committee meeting to discuss the Human Relations Committee. [Referral Action Date: 2/5/2018 @ Governmental Operations Meeting.]

#### 200084 Referral/Drafting of Ordinance/Civil Service Commission

Referral by Councilpersons Fields to LEGAL re: She asks that the Legal Department begin drafting an ordinance to allow for employee representation on the Civil Service Commission, as specified in Section 5-101A(2) of the City Charter. [Referral Action Date: 2/5/2018 @ Governmental Operations Meeting.]

#### **OLD, OUTSTANDING DISCUSSION ITEMS**

#### 170028 Referral/Tax Breaks/Home-Based Businesses

Referral by Councilperson Mays to ADMIN, re: He would like to know if the current Administration has considered or is working toward offering tax breaks to city residents with home-based businesses, as well as asks that the City Council consider creating specific legislation in this regard. [Referral Action Date: 1/09/2017 @ City Council Meeting.]

#### 170386 Ordinance Drafts/Water Bills

Referral by Councilperson Mays to MAYOR/ADM/LAW/: He would like two ordinances drafted for the council to review: 1. water lien relief, and 2. a limit on how far the city can go back in trying to collect past due water bills that have been estimated. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

#### 180017 Discussion Item/Home Business Ordinance

Discussion item proposed by Councilperson Mays, re: He would like a discussion of the Home Business Ordinance on the next Legislative Agenda. [Referral Action Date: 1/3/2018 @ Governmental Operations Committee Meeting.]

#### 180304 Referral/CWAC/Ordinance/Discussion

Referral by Councilperson FIELDS to LEGAL/PLANNING & DEVELOPMENT, re: She would like a copy of the CWAC Ordinance and to have a discussion item about the CWAC on the Legislative Agenda. [Referral Action Date: 6/20/2018 @ Grants Committee Meeting.]

#### 180443 Discussion Item/Ordinance Amendment/Blight Infractions

Discussion Item as requested by Councilperson Mays, re: He would like to discuss the possibility of amending the City Code with regard to blight infractions in order to include a \$500 fine and possible jail time. [Referral Action Date: 8/27/2018 @ City Council Meeting.]

#### 180533 Referral/Lobbyists/Fee

A referral as requested by Councilperson Fields to LEGAL: She would like to legislation to require lobbyists to pay fees, as referenced in the new City of Flint Charter. [Referral Action Date: 10/3/2018 @ Finance Committee Meeting.]

#### 180534 Discussion Item/Parking on Lots/Property

A discussion item as requested by Councilperson Mays: He would like to discuss parking on lots and on a homeowner's own property. [Referral Action Date: 5/8/2018 @ Finance Committee Meeting.]

#### 180576 Discussion Item/Recreational Marihuana

A discussion item as requested by Councilperson Mays, re: He would like to discuss recreational marihuana. [Referral Action Date: 11/7/2018 @ Legislative Committee Meeting.]

#### 190033 Discussion Item/CWAC Ordinance

Discussion Item as requested by Councilperson Mays, re: He would like to discuss the proposed changes to the City Wide Advisory [Council] Committee ordinance (Ord. No. 180523.2). [Referral Action Date: 2/04/2019 @ City Council Meeting.]

#### 190362 Referral/Copies/Nepotism Policy/Ethics Ordinance

Referral by Councilperson Fields to LEGAL, re: As part of the discussion of the three policies on the Legislative agenda, she would like copies of the Nepotism Policy and the Ethics Ordinance. [Referral Action Date: 8/21/2019 @ Special Legislative Committee Meeting.]

#### 190386 Referral/Ordinance/Sewer Liens

Referral by Councilperson Mays to LEGAL: re, He would like the ordinance that

deals with sewer liens. [Referral Action Date: 9/4/2019 @ Finance Committee Meeting.]

#### 190470 Discussion Item/Acquired Properties Policy

Discussion Item as requested by Councilperson Fields, re: She would like for the City Council to work on and expand the City of Flint Policy of Disposition of Acquired Genesee County Treasurer Properties (Reso No. 180627). [Referral Action Date: 10/31/2019 @ Special Affairs Committee.]

#### 190502 Copy/CWAC Ordinance

Discussion Item as requested by Councilperson Fields, re: She would like a copy of the City Wide Advisory Council (CWAC) Ordinance as passed by City Council (Ord. No. 180523.2). [Referral Action Date: 12/4/2019 @ Finance Committee Meeting.]

#### 190363 Referral/Legal Opinion/Political Podcast & Facebook

Referral by Councilperson Fields to LEGAL, re: She would like to know if it's legal for a city employee to tape the Mayor on a podcast and then air it on her own (city employee) Facebook page. [Referral Action Date: 8/21/2019 @ Special Legislative Committee Meeting.]

#### 200044 Referral/Parking Meters/Downtown Development Authority (DDA)

Referral by Councilperson Mays to DDA, re: He asks about the possibility of the following changes to current parking meter charges in the downtown area: (1) Free parking beginning at 4:30 p.m. near Flint City Hall on City Council meeting dates; (2) One-hour free parking for anyone coming to City Hall to pay a water bill; (3) No parking fee for anyone having to do business within City Hall. [Referral Action Date: 1/13/2020 @ City Council Meeting.]

#### 200060 Attendance Request/Mayor/Adm/Surveillance Cameras

An attendance request by Councilperson Guerra to MAYOR/ADM: re, he would like would like someone from the administration to attend the next Legislative Committee meeting to discuss Ordinance 190429.1 (Surveillance Cameras Required for Certain Businesses). [Referral Action Date: 1/22/2020 @ Legislative Committee Meeting.]

#### **NEW BUSINESS**

#### **ADJOURNMENT**

#### ORDINANCE NO.

An Ordinance to amend the Flint City Code of Ordinances by amending Chapter 12, Business and Occupations Generally.

## IT IS HEREBY ORDANIED BY THE PEOPLE OF THE CITY OF FLINT:

Sec. 1. An Ordinance to amend the Flint City Code of Ordinances by amending Chapter 12, Business and Occupations Generally, In General, by adding Article XXX. Sections 12-273 thru 12-283, Surveillance Cameras Required for Certain Businesses, which shall read in its entirety as follows:

#### §12-273. PURPOSE.

THE CITY COUNCIL RECOGNIZES THAT CERTAIN **BUSINESSES HAVE** CHARACTERISTICS THAT MAY TEND TO INCREASE THE POTENTIAL RISK OF CRIMINAL ACTIVITY ON THEIR PREMISES. THIS CHAPTER IS **ENACTED TO REDUCE THE** LIKELIHOOD THAT EMPLOYEES AND PATRONS OF THOSE BUSINESSES WILL BE EXPOSED TO POTENTIAL DEATH AND/OR INJURIES BECAUSE OF CRIME OCCURRING ON THE PREMISES. IT IS ALSO INTENDED TO ASSIST LAW ENFORCEMENT WITH THE CRIMINAL INVESTIGATION OF CRIMES ON THE PREMISES OF THE BUSINESSES WHICH ARE THE SUBJECT OF THIS CHAPTER.

#### § 12-274. DEFINITIONS

(A)THE DEFINITIONS AND PROVISIONS CONTAINED IN THIS SECTION SHALL

GOVERN THE
CONSTRUCTION, MEANING,
AND APPLICATION OF THE
FOLLOWING WORDS AND
PHRASES USED IN THIS
CHAPTER.

- (1) LUMEN. THE SI DERIVED UNTI OF LUMNIOUS FLUX; A MEAUSRE OF THE TOTAL AMOUNT OF VISIBLE LIGHT EMITTED BY A SOURCE.
- (2) MEDIA. MATERIAL ON WHICH AUDIO, VIDEO, AND ELECTRONIC DATA CAN BE RECORDED FOR THE PURPOSES OF MAKING A PERMANENT RECORD TO AID IN A CRIMINAL INVESITGATION. THAT CAN BE ENLARGED THROUGH PROJECTION OR OTHER MEANS, IN A FORMAT ABLE TO BE UTILIZED BY THE POLICE DEPARTMENT, COUNTY PROSECUTOR. AND /OR OTHER LAW ENFORCEMENT AGENCY.
- (3) OWNER. THE INDIVIDUAL, CORPORATION, LIMITED COMPANY, PARTNERSHIP, JOINT VENTURE, OR OTHER GROUP ENTERPRISE LICENSED TO DO BUSINESS OR OTHERWISE OPERATING A BUSINESS ESTABLISHMENT AT A LOCATION WITHIN THE CITY.
- (4) VIDEO SURVEILLANCE SYSTEM. A CONTINUOUS DIGITAL SURVEILLANCE SYSTEM CONSISTING OF CAMERAS, CABLING,

MONITORS, AND DIGITAL VIDEO RECORDERS (DVR) THAT RECORD IN COLOR WITH CAMERAS AND LENSES OF A TYPE, MINIMUM RESOLUTION, NUMBER AND LOCATION APPROVED BY THE CHIEF OF POLICE OR HIS OR HER DESIGNEE.

- (5) BUSINESS
  ESTABLISHMENT OR
  ESTABLISHMENT. MEANS
  THOSE ESTABLISHMENTS
  LISTED AND DEFINED IN
  THIS SUBSECTION AS
  FOLLOWS:
  - a. BANK OR **FINANCIAL INSTITUTION.** AN **ESTABLISHMENT** WHOSE PRIMARY **FUNCTION IS** RELATED TO THE CUSTODY, LOAN, EXCHANGE. **ISSUANCE OF** MONEY, EXTENSION OF CREDIT, OR TRANSMISSION OF FUNDS, AND INCLUDES BANKS. CREDIT UNIONS, OR SAVINGS OR LOANS.
  - b. CARRY OUT- FOOD
    AND DRINK. AN
    ESTABLISHMENT
    WHOSE PRINCIPAL
    BUSINESS IS THE
    SALE OF FOOD AND
    BEVERAGES IN
    DISPOSABLE
    CONTAINERS IN A

**READY-TO-CONSUME** STATE FOR CONSUMPTION EITHER WITHIN THE BUILDING OR FOR **CARRY-OUT WITH** CONSUMPTION OFF THE PREMISES. WHOSE CASH REGISTER IS VISIBLE TO THE PUBLIC VIEW. NOTWITHSTANDING THE FOREGOING, A **CARRY OUT-FOOD** AND DRINK **ESTABLISHMENT** SHALL NOT BE SUBJECT TO THIS CHAPTER IF IT EITHER (A) SHARES A COMMON AREA WITH OTHER BUSINESSES OR (B) DOES NOT HAVE ITS OWN ENTRANCE OR EXIT. STRICTLY, FOR **PURPOSES OF** ILLUSRATION, A BUSINESS, WHICH IS PART OF A SO CALLED FOOD COURT, SHALL NOT BE SUBJECT TO THIS CHAPTER.

c. CHECK CASHING
BUSINESS. A
BUSINESS OFFERING
PAYDAY LOANS,
CASH ADVANCES, OR
CHECK ADVANCE
LOANS, AND WHICH
IS REGULATED
UNDER THE STATE

OF MICHIGAN DEFERRED PRESENTMENT SERVICES TRANSACTION, PUBLIC ACT 244 OF 2005, AS AMENDED, OR ANY SIMILAR LAW.

- d. COIN DEALER. ANY
  ESTABLISHMENT
  THAT, AS A
  SUBSTANTIAL
  PORTION OF ITS
  BUSINESS, BUYS AND
  SELLS COINS, GOLD
  OR OTHER PRECIOUS
  METALS.
- e. CONVENIENCE **STORE.** A BUSINESS WHICH SELLS AT RETAIL BOTH GASOLINE AND MORE THAN 20 "CONSUMER PRODUCTS" AS THAT TERM IS DEFINED BY 15 USCS §2052 (5) [TITLE 15. COMMERCE AND TRADE; CHAPTER 47. CONSUMER PRODUCT SAFETY], OR ANY APPLICABLE SUCCESSOR LAW.
- f. FIREARM DEALER.
  AN ESTABLISHMENT
  REQUIRED TO
  OBTAIN A FEDERAL
  FIREARMS LICENSE
  TO SELL FIREARMS
  AND WHICH
  ENGAGES IN

FIREARMS TRANSACTIONS.

- g. GAS STATIONS. A
  RETAIL
  ESTABLISHMENT AT
  WHICH MOTOR
  VEHICLES ARE
  REFUELED.
- h. HOTEL OR MOTEL.
  ANY BUILDING OR
  STRUCTURE
  EQUIPPED, USED,
  ADVERTISED AS, OR
  HELD OUT TO THE
  PUBLIC AS A
  FACILITY OR PLACE
  WHERE SLEEPING
  QUARTERS OR
  OTHER SIMILAR
  ACCOMODATIONS
  ARE FURNISHED FOR
  A FEE TO TRANSIENT
  GUESTS.
- i. LIOUOR OR ALCOHOL BUSINESS. ANY RETAILER REQUIRED TO **OBTAIN A PERMIT BY** THE MICHIGAN LIQUOR CONTROL COMMISSION, WHICH **AUTHORIZES THE** SALE OF BEER, WINE. OR DISTILLED SPIRITS TO BE CONSUMED ON, OR OFF THE PREMISES WHERE SOLD, AND **INCLUDES BREW** PUBS, DISTILLERIES, OR OTHER **SIMILARLY** LICENSED

FACILITIES. IT SHALL ALSO INCLUDE
THOSE FACILITIES
NOT REQUIRED TO
OBTAIN SUCH
PERMIT BUT WHICH,
DIRECTLY OR
INDIRECTLY
THROUGH A LEASE
OR RENTAL OF THE
PREMISES, ALLOWS
BEER, WINE, OR
DISTILLED SPIRITS
TO BE CONSUMED ON
PREMISES.

- i. MOBILE COMMUNICATIONS DEALER, ANY RETAILER OF A WIRELESS TWO-WAY COMMUNICATION DEVICE, INCLUDING A TELEPHONE USED IN CELLULAR TELEPHONE SERVICE. WHICH REPRESENTS. **ALONG WITH** ACCESSORIES RELATED THERETO. MORE THAN 50% OF THE GOODS DISPLAYED FOR RETAIL PURCHASE.
- k. MONEY
  TRANSMISSION
  SERVICES. A
  RETAILER SELLING
  OR ISSUING
  PAYMENT
  INSTRUMENTS OR
  STORED VALUE
  DEVICES OR IS
  RECEIVING MONEY

OR MONETARY VALUE FOR TRANSMISSION.

- 1. PHARMACY. A
  FACILITY OR PART
  OF A FACILITY THAT
  DISPENSES
  PRESCRIPTION
  DRUGS, OR PREPARES
  PRESCRIPTION
  DRUGS FOR
  DELIVERY OR
  DISTRIBUTION, BUT
  DOES NOT INCLUDE
  THE OFFICE OF A
  DISPENSING
  PRESCRIBER OR AN
  AUTOMATED DEVICE.
- m. SCRAP METAL
  DEALER. MEANS
  ANY PERSON
  OPERATING A
  BUSINESS AT A FIXED
  OR MOBILE
  LOCATION THAT IS
  ENGAGED IN ONE OF
  THE FOLLOWING
  ACTIVITIES:
  - i. BUYING,
    SELLING,
    PROCURING,
    COLLECTING,
    GATHERING,
    SOLICITING, OR
    DEALING IN
    SCRAP METAL.
  - OPERATING, MANAGING, OR MAINTAINING A SCRAP METAL YARD.

§12-275 LIGHTING.

EVERY BUSINESS
ESTABLISHMENT IN THE CITY,
UNLESS THE STORE IS NOT OPEN FOR
BUSINESS AFTER SUNSET AND
BEFORE SUNRISE, IS HEREBY
REQUIRED TO INSTALL AND
PROVIDE LIGHTING FOR ITS PARKING
AREA DURING ALL HOURS OF
DARKNESS WHEN EMPLOYEES
AND/OR CUSTOMERS ARE ON THE
PREMISES, SUCH LIGHTING SHALL BE
AT A MINIMUM AVERAGE OF TWO
LUMENS PER SQUARE FOOT.

- § 12-276 VIDEO SURVEILLANCE SYSTEM REQUIRED.
  - (A) EVERY BUSINESS
    ESTABLISHMENT, AS DEFINED
    IN THIS CHAPTER, IS HEREBY
    REQUIRED TO INSTALL A
    VIDEO SURVEILLANCE
    SYSTEM IN ACCORDANCE
    WITH THIS CHAPTER AND TO
    PROVIDE THE CHIEF OF POLICE
    OR HIS/HER DESIGNEE AN
    ADDRESS AND PHONE
    NUMBER TO BE USED FOR
    PURPOSES OF OFFICIAL
    NOTIFICATIONS REGARDING
    ENFORCEMENT OF THIS
    CHAPTER.
  - (B) ALL VIDEO SURVEILLANCE SYSTEMS SHALL:
    - a. BE MAINTAINED IN PROPER WORKING ORDER AT ALL TIMES; AND
    - b. BE KEPT IN
      CONTINUOUS
      OPERATION 24 HOURS A
      DAY, 7 DAYS A WEEK;
      AND

- c. MEET MINIMUM
  TECHNOLOGICAL
  STANDARDS
  ESTABLISHED IN THIS
  CHAPTER OR BY
  RESOLUTION OF CITY
  COUNCIL.
- (C) ALL ESTABLISHMENTS SHALL RETAIN THE IMAGES RECORDED BY ITS VIDEO SURVEILLANCE SYSTEM FOR NO LESS THAN THIRTY (30) DAYS.
- (D) A MINIMUM OF THREE HIGH RESOLUTION SURVEILLANCE CAMERAS LOCATED IN THE PUBLIC AREAS OF A BUSINESS **ESTABLISHMENT ARE** REQUIRED OF EACH VIDEO SURVEILLANCE SYSTEM. AT LEAST ONE CAMERA SHALL PROVIDE AN OVERALL VIEW OF THE COUNTER AND REGISTER AREA; AT LEAST ONE CAMERA SHALL BE POSITIONED TO PROVIDE A CLEAR, IDENTIFIABLE, FULL-FRAME IMAGE OF THE FACE OF EACH PERSON ENTERING AND LEAVING THE BUSINESS ESTABLISHMENT; AND THE LEAST ONE CAMERA SHALL BE POSITIONED TO PROVIDE AN OVERALL VIEW OF THE **BUSINESS ESTABLISHMENT'S** PARKING LOT. CAMERA VIEWS SHALL NOT BE OBSTRUCTED BY STORE FIXTURES OR DISPLAYS.
- (E) BUSINESS ESTABLISHMENTS, WHICH INSTALLED VIDEO SURVEILLANCE SYSTEMS PRIOR TO THE EFFECTIVE

DATE OF THIS CHAPTER, MUST ENSURE THEY ARE IN FULL COMPLIANCE WITH THIS CHAPTER.

(F) DOCUMENTATION **EVIDENCING THE** INSTALLATION OF SUCH SYSTEM MUST BE PRESENTED TO THE POLICE DEPARTMENT, WHO SHALL VERIFY **COMPLIANCE WITH THIS** CHAPTER. THE SUFFICIENCY OF SUCH DOCUMENTATION SHALL BE DETERMINED AT THE DISCRETION OF THE POLICE CHIEF OR HIS OR HER DESIGNEE. UPON APPROVAL OF SUCH DOCUMENTATION. THE POLICE DEPARTMENT WILL ISSUE A WRITTEN APPROVAL NOTICE, WHICH WILL BE PLACED IN PLAIN VIEW INSIDE THE PREMISES. THIS APPROVAL NOTICE WILL ALSO INFORM CUSTOMERS AND EMPLOYEES OF THE EXISTENCE OF THE VIDEO SURVEILLANCE SYSTEM, A COPY OF THE APPORVAL NOTICE OR OTHER VERIFICATION OF COMPLIANCE SHALL THEN BE TRANSMITTED BY THE POLICE DEPARTMENT TO THE CITY CLERK. SUCH VERIFICATION MUST BE ON RECORD AND UP-TO-DATE AT THE TIME OF A BUSINESS ESTABLISHMENT'S APPLICATION FOR OR RENEWAL OF A BUSINESS LICENSE OR SUCH LICENSE SHALL BE DENIED.

§12-277 ACCESS TO MEDIA.

IF A CRIME OCCURS OR AN EMPLOYEE OF A BUSINESS ESTABLISHMENT BELIEVES A CRIME HAS OCCURRED. THE POLICE DEPARTMENT SHALL BE CONTACTED IMMEDIATELY, AND THE BUSINESS ESTABLISHMENT SHALL RETAIN THE CONTINUOUS DIGITAL IMAGES OF THE EVENT RECORDED BY THE VIDEO SURVEILLANCE SYSTEM FOR NO LESS THAN 60 DAYS, SUBJECT TO ANY CONSTITUTIONAL. RESTRICTIONS, UPON REASONABLE NOTIFICATION, THE **BUSINESS ESTABLISHMENT** SHALL PROVIDE ACCESS TO THE MEDIA CONTAINING THE RECORDED EVENT TO THE POLICE DEPARTMENT, FAILURE TO PROVIDE ACCESS TO THE VIDEO SURVEILLANCE SYSTEM MAY RESULT IN THE POLICE DEPARTMENT OR OTHER LAW **ENFORCEMENT AGENCY MAKING** A REQUEST FOR A SEARCH WARRANT TO SEIZE THE VIDEO SURVEILLANCE SYSTEM, OR ANY PART OR UNIT OF THE SYSTEM. DEPENDING ON THE NATURE OF THE INCIDENT.

§12-278 MINIMUM TECHNOLOGICAL STANDARDS.

THE VIDEO SURVEILLANCE
SYSTEM MUST BE CAPABLE OF
DELINEATING ON PLAYBACK OF
THE SYSTEM THE ACTIVITY AND
PHYSICAL FEATURES OF PERSONS
OR AREAS WITHIN THE PUBLIC
AREAS OF THE PREMISES AND
MUST BE ABLE TO RECORD SUCH
IMAGES ON AN APPROVED FORM

OF EXTERNAL MEDIA. THE CONTINOUS DIGITAL IMAGES RECORDED BY ANY VIDEO SURVEILLANCE SYSTEM SHALL BE RETAINED FOR NO LESS THAN 30 DAYS, CAMERAS PLACED OUTDOORS OR IN LOW LIGHT AREAS MUST HAVE INFARED ILLUMINATORS. ADDITIONAL MINIMUM TECHNOLOGICAL STANDARDS ARE REQUIRED FOR VIDEO SURVEILLANCE SYSTEMS SHALL BE ESTABLISHED BY RESOLUTION OF THE CITY COUNCIL, WHICH MAY BE UPDATED PERIDOCIALLY. THE POLICE DEPARTMENT SHALL REVIEW THE VIDEO SURVEILLANCE SYSTEM STANDARDS BI-ANNUALLY TO **ENSURE THAT THEY ARE** CONSISTENT WITH CURRENT TECHNOLOGY AND SHALL RECOMMEND APPROPRIATE UPDATES TO THE CITY COUNCIL WHEN NECESSARY.

#### §12-279 INSPECTIONS.

THE VIDEO SURVEILLANCE
SYSTEM SHALL BE SUBJECT TO
INSPECTION BY THE CHIEF OF
POLICE OR HIS/HER DESIGNEE,
WHO IS AUTHORIZED TO INSPECT
ANY SUCH SYSTEM AT
REASONABLE TIMES TO
DETERMINE WHETHER IT
CONFORMS WITH THIS CHAPTER
AND REGULATIONS AND
STANDARDS ADOPTED BY CITY
COUNCIL RESOLUTION
PURSUANT THERETO. IF THE
VIDEO SURVEILLANCE SYSTEM
DOES NOT SO CONFORM, THE

ESTABLISHMENT IN QUESTION SHALL TAKE IMMEDIATE STEPS TO BRING THE SYSTEM BACK INTO COMPLIANCE THEREWITH.

#### **§12-280 ENFORCEMENT**

- (A) BUSINESS ESTABLISHMENTS
  SUBJECT TO THE MANDATORY
  REQUIREMENTS OF THIS
  CHAPTER SHALL HAVE ONE
  YEAR FROM THE EFFECTIVE
  DATE OF THIS CHAPTER TO
  COMPY WITH THE
  REGULATIONS SET FORTH
  HEREIN.
- (B) VIOLATION OF ANY
  PROVISION OF THIS CHAPTER
  BY ANY OWNER OR PRINCIPAL
  OPERATOR OF AN
  ESTABLISHMENT SHALL
  RESULT IN A NOTICE OF
  VIOLATION FROM THE CHIEF
  OF POLICE OR HIS/HER
  DESIGNEE TO SAID
  ESTABLISHMENT AT THE
  ADDRESS PROVIDED BY THE
  ESTABLISHMENT PURSUANT
  TO §12-276(A).
- (C) THE NOTICE OF VIOLATION REQUIRED UNDER THIS SECTION SHALL BE IN WRITING, SET FORTH THE BASIS OF THE VIOLATION, AND INFORM THE OWNER OR PRINICPAL BUSINESS OPERATOR OF THE ESTABLISHMENT THAT HE/SHE HAS TEN DAYS FROM THE DATE OF MAILING OF THE NOTICE TO FILE A WRITTEN REQUEST FOR AN ADMINISTRATIVE HEARING TO APPEAL THE FINDING OF

VIOLATION TO THE CITY ADMINISTRATOR OR HIS/HER DESIGNEE. THE ADMINISTRATIVE HEARING SHALL BE HELD WITHIN 10 DAYS AFTER THE POLICE DEPARTMENT RECEIVES A TIMELY REQUEST FOR A HEARING, BUT IN NO EVENT SOONER THAN FIVE DAYS OR LATER THAN 20 DAYS AFTER RECEIPT OF A TIMELY REQUEST FOR A HEARING.

- (D) AT THE ADMINISTRATIVE HEARING, FORMAL RULES OF EVIDENCE SHALL NOT APPLY. THE PARTY FOR WHOM THE NOTICE OF VIOLATION WAS ISSUED SHALL BE ENTITLED TO PRESENT EVIDENCE, INCLUDING THE TESTIMONY OF WITNESSES AND ARGUMENT AS TO WHY THE FINDING OF A VIOLATION WAS INCORRECT.
- (E) FOLLOWING THE HEARING,
  THE CITY ADMINISTRATOR OR
  HIS/HER DESIGNEE SHALL
  RENDER A WRITTEN DECISION
  EITHER SUSTAINING OR
  REVERSING THE FINDING OF A
  VIOLATION. WITHIN ONEWEEK FOLLOWNG THE
  HEARING, THE POLICE
  DEPARTMENT SHALL SEND
  THE WRITTEN DECISION TO
  THE PARTY FOR WHOM THE
  NOTICE OF VIOLATION WAS
  ISSUE.
- (F) IF NO REQUEST FOR ADMINISTRATIVE HEARING IS FILED, OR IF A HEARING IS REQUESTED BUT THE FINIDNG

OF A VIOLATION IS THEREAFTER SUSTAINED. **VIOLATORS SHALL HAVE 30** DAYS AFTER RECEIPT OF THE NOTICE OF VIOLATION OR **DECISION SUSTAINING THE** FINIDING, AS THE CASE MAY BE, TO PROVDE THE POLICE DEPARTMENT PROOF THE VIOLATION HAS BEEN CORRECTED. IF THE **VIOLATION CONTINUES AFTER** THE 30-DAY PERIOD, THE CHIEF OF POLICE OR HIS OR HER DESIGNEE SHALL REFER THE MATTER TO THE CITY ATTORNEY'S OFFICE FOR PROSECUTION AS PROVDED BY LAW.

(G) ANY VIOLATION OF OR FAILURE TO COMPLY WITH THIS CHAPTER OR ANY OF THE REQUIRMENTS THEREOF, SHALL BE PROSECUTED WITHIN THE LIMITS PROVIDED BY STATE AND LOCAL LAWS. SAID PROSECUTION BY MEANS OF A CITATION FOR MUNICIPAL INFRACTION FOR PURPOSES OF THIS CHAPTER. EACH 30 DAY PERIOD THAT A VIOLATION CONTINUES SHALL BE A SEPARATE VIOLATION.

#### §12-281 EXEMPTIONS.

A BUSINESS ESTABLISHMENT WHICH IS REQUIRED TO INSTALL A VIDEO SURVEILLANCE SYSTEM MAY BE EXEMPT FROM THE REQUIREMENTS OF THIS ORDINANCE IF

- (A)THE ESTABLISHMENT IS NOT REGULARY OPEN TO THE PUBLIC (INCLUDING STRICTLY BY WAY OF EXAMPLE, A HOME BASED BUSINESS)
- (B) THE ESTABLISHMENT HAS TAKEN OR WILL TAKE ALTERNATIVE SECURITY **MEASURERS AND** PROCEDURES WHICH ARE SUBSTANTIALLY EQUAL TO OR MORE EFFECTIVE THAN THE REQUIREMENTS OF THIS CHAPTER IN PREVENTING CRIMINAL ACTIVITY AND ASSISTING IN THE APPREHENSION OF THE PERPETRATORS OF CRIME OR THE PROTECTION OF **EMPLOYEES AND PATRONS:** AND
- (C) THE ESTABLISHMENT HAS BEEN AUTHORIZED BY THE CHIEF OF POLICE OR HIS/HER DESIGNEE TO IMPLEMENT ALTERNATE SECURITY MEASURES AND PROCEDURES ON AN EXPERIMENTAL BASIS. WITHIN TEN DAYS OF MAILING OF THE WRITTEN NOTICE OF VIOLATION, THE OWNER OF THE BUSINESS **ESTABLISHMENT MAY APPEAL** THE ALLEGED VIOLATION BY REQUESTING A HEARING BEFORE ADMINISTRATOR OR THEIR DESIGNEE. SUCH A REQUEST MUST BE MADE IN WRITING AND MUST SET FOR THE SPECIFIC GROUNDS FOR APPEAL.
- (D) THE ESTABLISHMENT IS A MEDICAL MARIHUANA

FACILITY AS DEFINED IN §50-183 AND SUBJECT TO THE SECURITY REQUIREMENTS OF §50-183(E) (2)(XIII).

ANY ESTABLISHMENT, WHICH SEEKS AN EXEMPTION PURSUANT TO THIS SECTION, SHALL APPLY, ON AN ANNUAL BASIS, TO THE CHIEF OF POLICE OR HIS/HER DESGINEE FOR EXEMPTION FROM THE PROVISIONS OF THIS CHAPTER. THE APPLICATION SHALL BE IN WRITING AND SHALL STATE THE BASIS FOR THE **EXEMPTION SOUGHT IN** SUFFICIENT DETAIL TO ENABLE THE CHIEF OF POLICE OR DESIGNEE TO DETERMINE WHETHER THE PURPOSES OF THIS CHAPTER WOULD STILL BE MET IF THE EXEMPTION WERE GRANTED.

AN EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL CARRY A MAXIMUM DURATION OF TWELVE MONTHS. ANY ESTABLISHMENT SEEKING TO EXTEND STATUS MUST REAPPLY FOR AN EXEMPTION NO LATER THAN 30 DAYS PRIOR TO THE END OF THE EXEMPTION PERIOD.

ANY ESTABLISHMENT WHICH
HAS BEEN GRANTED AN
EXEMPTION UNDER THIS
SECTION, OR AN EXTENSION
THEREOF, WHICH DOES NOT SEEK
TO FURTHER EXTEND THE
EXEMPTION PURSUANT TO
SECTION, SHALL OBTAIN THE
CITY'S APPROVAL OF A VIDEO

SURVEILLANCE SYSTEM NO LATER THAN 30 DAYS PRIOR TO THE END OF THE EXEMPTION PERIOD.

THE CHIEF OF POLICE OR HIS/HER DESIGNEE MAY ALSO AUTHORIZE TEMPORARY EXTENSIONS OF TIME FOR INSTALLATION OF A VIDEO SURVEILLANCE SYSTEM WHEN AN ESTABLISHMENT DEMONSTRATES TO THE SATISFACTION OF THE CITY THAT IT IS TEMPORARILY UNABLE TO COMPLY FOR GOOD CAUSE SHOWN.

ANY PARTY AGGRIEVED BY THE DENIAL OF AN EXEMPTION UNDER THIS SECTION MAY REQUEST A HEARING AS PROVIDED IN SECTION 12-281. THE DECISION RENDERED PURSUANT TO SECTION 12-281 SHALL BE THE FINAL DECISION OF THE CITY.

Sec. 2. This ordinance shall become effective immediately upon publication.

Adopted this, 2019	
Dr. Karen W. Weaver, M	ayor
Inez M. Brown, City Cler	k
APPROVED AS TO FOR	RM:
Angela Wheeler, Chief Le	gal Officer

ORDINANCE NO.

An ordinance to amend the Code of the City of Flint by amending Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons.

IT IS HEREBY ORDAINED BY PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the provisions of Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons, shall be amended by adding subsection (CC), which shall read in its entirety as follows:

(CC) THE CITY ACKNOWLEDGES THAT THE GRAND FLINT LIMITED DIVIDEND HOUSING ASSOCIATION, LP, A MICHIGAN LIMITED PARTNERSHIP (THE "OWNER") HAS OFFERED, SUBJECT TO RECEIPT OF AN AUTHORITY-AIDED OR FEDERALLY-AIDED MORTGAGE LOAN AND/OR ALLOCATION OF LOW INCOME HOUSING TAX CREDITS FROM THE **MICHIGAN STATE** HOUSING AND DEVELOPMENT AUTHORITY ("MSHDA"), TO OWN AND OPERATE A HOUSING PROJECT IDENTIFIED AS "THE GRAND" (THE "PROJECT") ON CERTAIN PROPERTY LOCATED IN THE CITY TO SERVE **PERSONS** AND FAMILIES OF INCOME, AND THAT THE SPONSOR HAS OFFERED TO PAY THE CITY ON ACCOUNT OF THIS HOUSING DEVELOPMENT AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES IN LIEU OF AD VALOREM TAXES.

THE CITY ACKNOWLEDGES THAT THE SPONSOR SHALL BE AFFORDED TAX BENEFITS OF PAYING A SERVICE CHARGE

IN LIEU OF AD VALOREM TAXES (BUT NOT IN LIEU OF PAYMENT OF SPECIAL ASSESSMENTS INCLUDING, BUT NOT LIMITED TO, THE STREET LIGHTING ASSESSMENT). SPECIAL THE CITY FURTHER ACKNOWLEDGES THAT THE SPONSOR FITS WITHIN THE CLASS AS DESCRIBED IN §18-4.3 BELOW. THE ANNUAL SERVICE CHARGE FOR THE CLASS OF PERSONS OF LOW AND MODERATE INCOME SHALL BE EQUAL TO FOUR PERCENT (4%) OF THE ANNUAL RENTS, **EXCLUSIVE** SHELTER CHARGES FOR GAS, ELECTRICITY, HEAT, OR OTHER UTILITIES FURNISHED TO THE OCCUPANTS, INCLUDING THE PORTION OF **RENT PAYABLE UNDER** ANY **GOVERNMENTAL** SUBSIDY. NOTWITHSTANDING THE FOREGOING. THE ANNUAL SERVICE CHARGE SHALL NOT EXCEED AD VALOREM PROPERTY TAXES THAT WOULD BE ASSESSED OR PAID ABSENT THIS TAX EXEMPTION.

Sec. 2. This ordinance shall become effective immediately upon publication.

Adopted this day of	
, 2020 A.D.	
	_
Sheldon A. Neeley, Mayor	
APPROVED AS TO FORM:	
Angela Wheeler Chief Legal Officer	_

#### **ORDINANCE REVIEW FORM**

FROM: Planning a	Department	NO. 20-
ORDINANCE NAME:	PILOT ORDINANCE RESOLUTION TO GRANT A FOUR (4%) PAY TO PROJECT AT 422 W UNIVERSITY, TO BE CALLED "THE GRAN AFFORDABLE HOUSING TO LOW AND MODERATE INCOME RE	ND", PROVIDING 48 UNITS OF
	1. ORDINANCE REVIEW - DEPARTMENT (	DIRECTOR
	NCE is approved by the Director of the affected Departmoe to be processed for signatures and fully executed.	ent. By signing, the Director
By: Director	Suzanne Wilcox, Director, P&D	2/6/20
	2. ORDINANCE REVIEW-FINANCE DEPAR	TMENT
The attached ORDINA Department approves	NCE is submitted to the Finance Department for approve this ordinance to be processed for signatures and fully ex	al. By signing, the Finance recuted.
By: Amanda Trujillo, Acting	DATE: _	
	3. ORDINANCE REVIEW - LAW DEPARTM	ENT
By: Angela Wheeler, Chief	DATE:	By signing, the Legal secuted.  O-14-2000

#### The Grand on University, 422 W University Ave tax comparisons

1) Current taxable generated: \$1,100 Pilot is based on 4%

2) PILOT estimation \$16,631.24 DIFFERENCE BETWEEN PILOT AND AD VALOREM TAX \$38,355 per year

Based on the Schedule of Rents provided by Communities First, Inc., at 100% occupancy, given its rental rates for households at 30%, 40%, and 60% of AMI, the total annual rent potential for the 48 units is \$415,781.

#### 3) Estimated project ad valorum taxable value:

	One Bedroom	Two Bedroom	Three Bedroom
Market Rent	\$600	\$875	\$1,000
Number of Units	20	21	7
	\$12,000	\$18,375	\$7,000

Monthly Income	\$37,375
Yearly Income	\$448,500
Vacancy/Loss (10%)	(\$67,275)
Potential Gross Income	\$381,225
Expenses	(\$171,551)
Net Operating Income	\$209,674
Cap Rate of 13%	\$1,612,875
SEV/TV	806,438
Potential Taxes	\$54,986

FROM: DCED	DATE:	2/4/2020
REQUESTOR	DATE REQUIRED:	2/10/2020
	***************************************	
DEDARTMENT. Community of the		
DEPARTMENT: Community and Eco	onomic Development	
DOCUMENT REQUIRING APPROVAL:	"THE GRAND" PILOT APPLICAT	'ION
The below signed Department has reviewed	and approved the attached PILOT application as presen	ited. Through its
approval, the Department is app	roving that a PILOT Ordinance will be prepared and rou	ted.
	Approval: CED	
The attached document is approved t	by the Director of the Department. By signing	, the
Director acknowledges that they are	aware of and authorizes this document to be	approved and
an ordinance resolution to be prepare	ed and routed.	
6		_
By: Suzanne Wilcox	- Lelliox DATE: 2/-	7/30
Director, Planning & Development		
<u> </u>	Approval: Zoning	
The attached document is approved by	by the Director of the Department. By signing	, the
Director acknowledges that they are	aware of and authorizes this document to be	approved and
an ordinance resolution to be prepare	ed and routed.	
Λ		_, .
By:	DATE:	2/12/20
Zoning Coordinator		
	roval: Planning Division	
The attached document is approved by	by the Director of the Department. By signing	, the
Director acknowledges that they are	aware of and authorizes this document to be	approved and
an ordinance resolution to be prepare	ed and royted.	
By: Adam Moore	DATE:	2 4 2 4 4
Lead Planner/Planner III	DATE:	2/12/10
	Approval: Assesor	
The attached document is approved by	by the Director of the Department. By signing	***
Director acknowledges that they are	aware of and authorizes this document to be a	, the
an ordinance resolution to be prepare	ed and routed	approved and
_	a and routed.	
By: Stacey Kaake	cey Kaale DATE: 21	ما مور
Assessor	31	2020
	Approval: Finance	
The attached document is approved b	y the Director of the Department. By signing	, the
Director acknowledges that they are a	aware of and authorizes this document to be a	approved and
an ordinance resolution to be prepare	d and routed.	
Λ.		, 1
By: Amanda Trujillo Umli	<u>rda Jundo</u> DATE: 3/	13/2020
Acting Chief Financial Officer		
	proval: Administrator	
The attached document is approved b	y the Director of the Department. By signing	, the
Director acknowledges that they are a	aware of and authorizes this document to be a	approved and
an ordinance resolution to be prepare	d and routed,	, I
Description of the second of t	10 600 - 2	1.5/4
By: Clyde Edwards	( DATE: 0)	14/20
City Adminstrator	1	

#### The Grand on University, 422 W University Ave tax comparisons

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**Potential Taxes** 

	One Bedroom	Two Bedroom	Three Bedroom	
Market Rent	\$600	\$875	\$1,000	
Number of Units	20	21	7	
	\$12,000	\$18,375	\$7,000	
Monthly Income	\$37,375			
Yearly Income	\$448,500			
Vacancy/Loss (10%)	(\$67,275)	_		
Potential Gross Income	\$381,225			
Expenses	(\$171,551)			
Net Operating Income	\$209,674	•		
Cap Rate of 13%	\$1,612,875			
SEV/TV	806,438			

\$54,986

#### The Grand on University (Previously University Park Apartments)

#### **Address and Parcel:**

422 W University Ave, 40-12-457-008

#### **Current Owner:**

**Giselle Farrah Trust** 

\*CFI has a Purchase Option on the property through March 1, 2020.

**Applicant:** Communities First, Inc.

#### Requested PILOT: 4% (a reduction over previous applications)

(Requested a 6% PILOT when called University Park)

**Unit Mix:** 

One-Bedroom Units: 20 Two-Bedroom Units: 21 Three- Bedroom Units: 7

Plus, 3,300 sq. ft. of commercial space that will front Grand Traverse St.

**Construction Start Date:** July 2020

\*Note: Prior applications failed- once in 2018 and again in 2019.

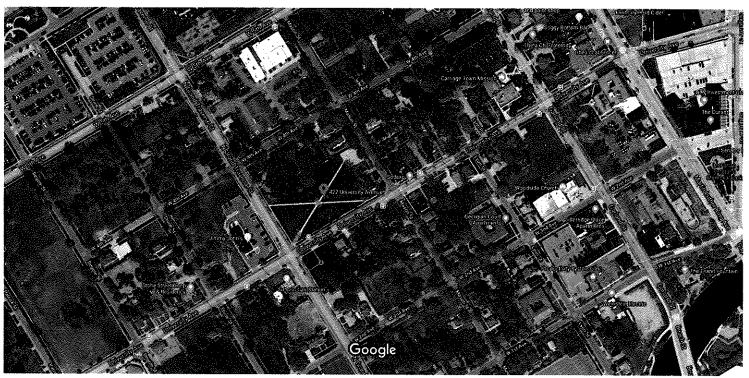
40-12-457-008	422 V	W UNIVERSITY AVE	Subd	ivision:	
	FLINT MI, 48503		Lot:		Block:
Name Information					
Owner:	FARAH, GISELE TRUST			Phone:	
Occupant:				Phone:	
Filer:	COMMUNITIE	S FIRST, INC		Phone: (8	810) 422 5358
Enforcement In	nformation				
******					
		Date Closed: JLTI-USE, MULTI-FAMIL	08/20/2019 Y RESIDENTIAL	Status:	Approved
Complaint: ZBA 19-222	8 USE VARIANCE, MU ATE: 8/20/19		, ,	Status:	Approved
Complaint: ZBA 19-222: HEARING D OUTCOME: Last Action Date:	8 USE VARIANCE, MU ATE: 8/20/19 APPROVED		, ,	Status:	Approved
Complaint: ZBA 19-222: HEARING D OUTCOME:	8 USE VARIANCE, MU ATE: 8/20/19 APPROVED	JLTI-USE, MULTI-FAMIL	, ,	Status:	Approved
Complaint: ZBA 19-222: HEARING D OUTCOME: Last Action Date:	8 USE VARIANCE, MU ATE: 8/20/19 APPROVED	JLTI-USE, MULTI-FAMIL	, ,	Status:	Approved
Complaint: ZBA 19-222: HEARING D OUTCOME: Last Action Date:	8 USE VARIANCE, MU ATE: 8/20/19 APPROVED	JLTI-USE, MULTI-FAMIL	, ,	Status:	Approved
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Complaint: ZBA 19-222: HEARING D OUTCOME: Last Action Date:	8 USE VARIANCE, MU ATE: 8/20/19 APPROVED	JLTI-USE, MULTI-FAMIL	, ,	Status:	Approved

Property Infor	mation			
40-12-457-008	422 \	W UNIVERSITY AVE	Subdivision:	
	FLIN	Γ MI, 48503	Lot:	Block:
Name Informa	tion			
Owner:	FARAH, GISELE TRUST		Phone:	
Occupant:			Phone:	
Filer:	GLENN WILS	ON	Phone:	(810) 422 5358
Enforcement I	Mormation			
Date Filed:	09/25/2019	Date Closed:	Statu	s: Paid
Complaint: PLANNING	COMMISSION SITE P	AN REVIEW		
Last Action Date	:	Last Inspection:		
Last Action:				
	<del></del>			
				· · · · · · · · · · · · · · · · · · ·

#### Go gle Maps

#### 422 University Ave

GOOGLE MAPS SATELLITE VIEW



Imagery ©2020 Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency, Map data ©2020 100 ft



#### 422 University Ave

Flint, MI 48503











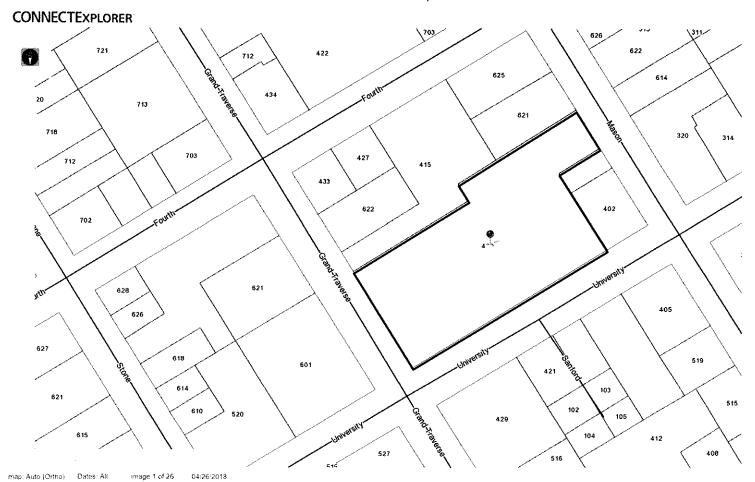
Send to your

phone

2892+R7 Flint, Michigan

#### **Photos**







# PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION



# **CITY OF FLINT**

1101 S SAGINAW ST. FLINT, MI 48502 TEL: 810-766-7436

#### **PURPOSE**

To administer the City of Flint Code of Ordinances 18-4.1 to 18-4.8, establishing a class of housing developments pursuant to the State Housing Development Authority Act of 1966, known as Act 436 of the Acts of 1966, being MCLA §§ 125.1401 et seq., as amended, which are exempt from property taxes, paying instead a service charge to be paid in lieu of taxes (PILOT) by any or all classes of housing exempt from taxation under this Act at any amount it chooses, but not to exceed the taxes that would be paid for if not for this Act.

The City acknowledges that serving persons of low income is a public necessity, and as such the City of Flint will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose. The applicant for a PILOT is affirming that the economic feasibility of this housing development is reliant on this requested tax exemption.

Furthermore, in considering this application for PILOT, the evaluators of such request shall consider that the community shall be developed in a manner consistent with the adopted Master Plan and Consolidated Action Plan. Evaluation of the application should take into consideration maintaining the overall goals and objectives set forth in these plans.

#### **ELIGIBILTY**

- 1) Applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park cooperative or mobile home park association, and must be financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA.
- 2) PILOT has been requested during the planning stage of the project; any development project under construction at the time of application is not eligible to apply for, or to receive, a PILOT.
- 3) The applicant must own the property or have an option or other right to purchase the property under consideration and provide in application.
- 4) Housing development must contain a minimum of 51% affordable units.
- 5) Project includes a Low Income Housing Tax Credit (LIHTC) allocation.
- 6) The property is not designated as a Brownfield or 5/50 property.
- All parcels that are separate have been combined through proper City channels.

#### **PROCESS**

1) **Mandatory Pre-Application Conference:** This will be a meeting of all applicable City Departments to include:

City Administrator

City Planner

City Engineer

City Treasurer

City Assessor

**Chief Building Official** 

Community and Economic Development Staff

Representatives of applicant development team

This meeting will serve to familiarize all parties with the scope of the project and any issues that may exist. The applicant will also be familiarized with the PILOT process and policies.

2) **Submission of Application:** Application form must be complete and packet of required supporting documentation assembled based upon requirements set forth in the application. Any additional concerns or items that were discussed in the Pre-Application Conference should also be addressed. Application forms are available on both the City of Flint website and in the Department of Community and Economic Development.

One original and one electronic copy shall be submitted no later than seven (7) weeks before the Regular City Council meeting, which are typically held on the 2<sup>nd</sup> and 4<sup>th</sup> Mondays of each month.

3) **Internal (Administrative) Review:** An internal review will occur, resulting in either Administrative approval within three (3) weeks or return to the applicant for corrections.

Applications will be scored on a scoring matrix as attached in this application.

Administrative approval will move the application forward to an ordinance amendment that will be placed on the Government Operation Committee meeting agenda.

- 4) **Council Committee Review:** Meetings are held the Wednesday prior to the Regular City Council meeting. The developer is required to be in attendance at this meeting to answer any questions the committee may have.
- 5) **Review by City Council:** Once committee approval is obtained, the ordinance amendment will proceed to the following Regular City Council Meeting (the Monday following committee). The developer is required to be in attendance at this meeting.
- 6) **Approval**: If the PILOT application is approved by resolution of the City Council, a certified copy of the resolution and a copy of the minutes will be provided to the applicant. Additionally, digital copies will be provided to all applicable City Departments.

\*Note: All applicants are required to file their MISDA affidavit with the City Assessor by November 1 of the year before the PILOT is to take effect.

#### **APPLICATION REQUIREMENTS**

- 1) Completed Application Form
- 2) Narrative:
  - a. Background information:
    - i. Development experience of team

Please see attached resumes for Communities First, Inc. and RAD Conversion Specialists, LLC.

ii. Describe the corporate partnership structure

Please see attached proposed organization chart.

- b. Describe the proposed Project (include the following sections): We are requesting a 4% PILOT.
  - i. Intended usage/target market Low and moderate income individuals and families in Genesee County.
  - ii. Economic impact At this time, we do not have final pricing but we expect the project to cost over \$13 million with a large multiplier effect from construction and long term economic impact to local businesses in the immediate walking area (Carriage Town and University Avenue Corridor). Additionally, the project will likely create hundreds of construction jobs and additional jobs for property a management office and maintenance staffing and contracts.
  - **iii. Environmental impact (to include any mitigation actions taken)** Prior to financing, we will complete a Phase I ESA, but we do not expect there to be any Recognized Environmental Conditions.
  - iv. Impact on City infrastructure (transportation and utilities) We expect residents to utilize local public transit and walk for majority of transportation needs (We expect this project to increase the walkability of the area though increasing density and demand for local amenities). We plan to utilize public utilities. This project will help make Flint more attractive for business investment and people by emphasizing a live, work, and play atmosphere due to its location near downtown and local amenities.
  - v. Impact on City services (police, fire, EMS, code enforcement) We expect the local area to be much safer and to incentivize investment by homeowners and business owners in the neighborhood. Increasing the density will help activate the area with more residents to deter nearby criminal activity and utilize local businesses and other amenities. We expect nearby property values to increase and more local investment and activity, enlarging the tax base and providing more resources for City services.
  - vi. Square footage of the building and land to be renovated Building is new construction and total square footage has not been determined.
  - vii. Architectural renderings to include the number and type of units Planned unit mix twenty (20) one-bedroom units; twenty-one (21) two-bedroom units; and seven (7) (forty-eight (48) total units); See attached site concept plan.
  - viii. Any other information to fully explain the project

c. Describe the marketing of the project, clearly identifying the intended market. If the project is speculative, how long is full occupancy expected to take and who will be the property manager?

The Project will be marketed through local media advertising, as well as word of mouth. Given current demand for housing in Flint, we expect full occupancy to take approximately 4 to 8 months.

- d. Briefly describe the ownership and tax information for this project:
- i. State the location or the proposed project to include street address, parcel ID, and the legal description. Address: 422 W. University Ave..; Parcel ID: 40-12-457-008; Legal Description: MCFARLAN & CO'S WESTERN ADDITION LOTS 5, 8, 10, 13 AND 14; ALSO SLY 33 FT OF LOTS 6 AND 11; ALSO WLY ½ OF LOTS 7 AND 9. BLK 38
  - ii. Name of the property owner at the time of application. Gisele Farah Trust
- iii. If the applicant is not the current owner of record, attach a valid option to purchase. See Attached Option to Purchase Real Estate Agreement, dated March 18, 2019 and Option to Purchase Real Estate Agreement Amendment, dated March 18, 2019.
- iv. Describe any and all financing, options, and liens on the property We are not aware of any liens on the property. We plan to finance the development through low income housing tax credit equity, debt, and grant funds.
  - v. State the current assessed value of the property. \$53,400.00.
- vi. Are any assessments currently under appeal? If yes, describe. We are not aware of any assessment appeals.
- e. Provide a detailed development pro forma outlining proposed hard, soft and financing costs associated with the development. Pro forma must also identify all sources of financing and terms, including Applicant equity, construction, and permanent financing, as well as any government assistance. Proposals must contain detailed cost breakdowns. Please see attached sources and uses of funds.
- f. Provide a detailed operating pro forma. This must include all anticipated major revenues and expenses for the full term of the requested PILOT. Please see attached 15-year operating proforma. A longer term forecast proforma can be provided upon request.
- g. Provide a detailed schedule of rents and income limits of lessees Please see attached rent schedule with income targeting and unit mix.
- h. Provide housing market data to show demand.

See Imagine Flint Master Plan. We have not done a market study but given current demand for rental units in the area and Flint, there is adequate demand for the multifamily apartments, especially near downtown Flint.

- i. State a proposed timeline for the Project to include:
  - i. Closing of the loan or contributing financing July 2020
  - ii. First expenditure of funds with regards to the project January 2019

- iii. Anticipated date construction will begin July 2020
- iv. Anticipated date of completion August 2020
- j. Describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Council members. We are not aware of any conflicts of interest.
- k. To receive application bonus points, address the following:
- i. Mixed use (PILOT ONLY applies to housing- not commercial SF) The proposed project is mixed use (residential and commercial) and is expected to contain almost 3,300 square feet of commercial space fronting Grand Traverse St. (along with 48 residential apartment units).
- **ii. Energy efficiency and green practices** Project will be certified by Enterprise Green Communities.
  - iii. Neighborhood and block club outreach (Full list of outreach done)

We have had several meetings with neighborhood residents and the neighborhood association, including attendance at a board meeting.

iv. External amenities (walk score, proximity to transit, jobs, etc.)

The property's Walkscore is 52, however it is within 1/3 of mile of an 81 walkscore and downtown Flint, and just under ½ mile from Hurley Hospital. Additionally, we expect the walkscore to increase dramatically once the property is placed in service. The property is located in the Carriage Town Historic District, one block away from Factory 1.

I. Include a copy of the completed MSHDA application for Low Income Housing Tax Credits (LIHTC) within thirty (30) days of submittal to MSHDA.



# (APPLICATION FORM ON NEXT PAGE- ATTACH APPLICATION FORM TO THE REQUIRED NARRATIVES AND SUPPORTING DOCUMENTS)

# PAYMENT IN LIEU OF TAXES (PILOT) APPLICATION CITY OF FLINT

#### **APPLICANT INFORMATION**

ENTITY NAME	Communities First, Inc. on behalf of GM LDHA LP	
REPRESENTATIVES	Glenn A. Wilson	
NAME		
ADDRESS	415 West Court Street, Flint, MI 48503	
TELEPHONE	810 422 5358	
NUMBER		
E-MAIL ADDRESS	gwilson@communitiesfirstinc.org	

#### **GUARANTORS INFORMATION**

ENTITY NAME	Communities First, Inc.
ENTITY PRINCIPAL	
ADDRESS	415 West Court Street, Flint, MI 48503
TELEPHONE	810 422 5358
NUMBER	
E-MAIL ADDRESS	gwilson@communitiesfirstinc.org

ENTITY NAME	RAD Conversion Specialists, LLC.
ENTITY PRINCIPAL	Eric Gold
ADDRESS	32500 Telegraph, #222, Bingham Farms, MI 48025
TELEPHONE	248 203 0011
NUMBER	
E-MAIL ADDRESS	egold@slavikenterprises.com

#### **PROJECT INFORMATION**

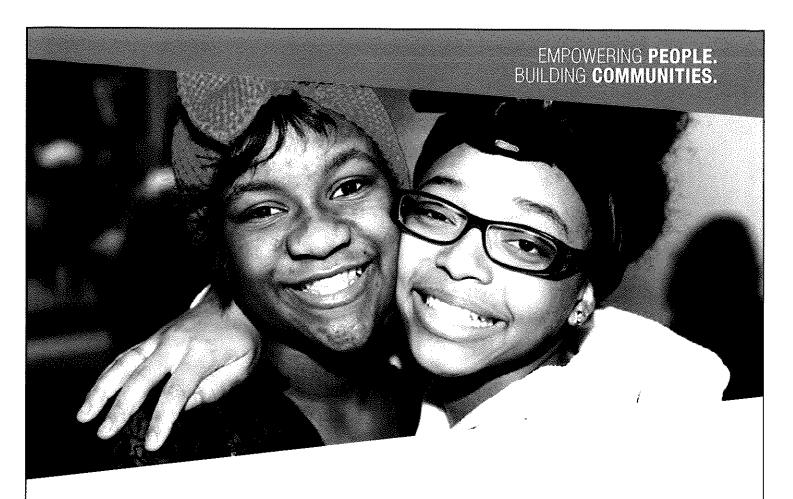
PROJECT NAME	The Grand on University
ADDRESS OF PROJECT	422 W. University Ave.
PARCEL ID	40-12-457-008
LEGAL DESCRIPTION	MCFARLAN & CO'S WESTERN ADDITION LOTS 5, 8, 10, 13 AND 14; ALSO SLY 33 FT OF LOTS 6 AND 11; ALSO WLY ½ OF LOTS 7 AND 9. BLK 38  Parcel ID: 40-12-457-008

#### **DEVELOPMENT TEAM**

APPLICANT PRIMARY POINT OF CONTACT	Communities First, Inc.
ARCHITECTURAL FIRM	Sedgewick + Ferweda Architects
CONSTRUCTION PROJECT MANAGER	TBD
GENERAL CONTRACTOR FOR PROJECT	TBD

Applicant is to attach items a-l as required in the narrative portion of the application.

- a. Background information See Above
- b. Project description See Above
- c. Project marketing/target market See Above
- d. Ownership description/tax information See Above
- e. Detailed development pro forma Attached
- f. Operating pro forma Attached
- g. Schedule of rents/income levels Attached
- h. Housing market data supporting demand See Above
- i. Proposed project timeline See Above
- j. Conflicts of interest See Above
- k. Application bonus point items See Above
- I. MSHDA application for LIHTC credits N/A



# QUALITY OF LIFE STARTS WITH COMMUNITY.

onumunities First line.. is a nonprofit community development corporation that creates economic development opportunities, provides affordable housing, tosters access to the arts and cultural activities, and educates families and businesses about the environment.

Our holistic approach to building sustainable communities is: faciled by a culture of managinal equity and creative problem. solving. Our leadership team and collaborative partners have a spirit of trust, engagement and a contagious passion to make an authorite officeros in the communities we serve.

By fooking beyond conventional community solutions, we take a strategic appreach that challenges the status queto empower beopte and build communities.

If you believe in the power of commonly like we (b). we welcome you to learn more and join as in making a difference.

COMMUNITIES 444 , INC.

810.422.5358 | COMMUNITIESFIRSTING.ORG









#### Communities First, Inc. Overview

Communities First, Inc. (CFI) is a Michigan nonprofit 501c3 whose mission is to build healthy, vibrant communities through economic development, affordable housing and innovative programming. The organization is focused on providing safe, quality affordable housing, increasing economic opportunities, and improving quality of life. The motto of Communities First, Inc. is "Empowering People. Building Communities", which speaks to a desire to create social equity, improve quality of life for residents and to improve the built environment.

#### Affordable Housing

In Flint, Michigan, CFI is the developer of Oak Street Senior Apartments. The \$5.1 million project provides 24 units of safe, affordable housing for low income seniors in the downtown Flint area. Oak School was originally built in 1898 and has been preserved and repurposed. This project is energy efficient, sustainable and is Enterprise Green Communities certified. Communities First, Inc. is also developer of the historic Swayze Apartments in Flint. This vacant and blighted building was renovated into 36 apartments for people who are homeless, at risk of homelessness or who have special needs. This \$8.1 million project has been funded by the Michigan State Housing Development Authority, City of Flint and others.

Coolidge Park Apartments is the most recent housing development undertaken by the organization. Coolidge School was closed in 2011 due to declining enrollment and Communities First, Inc. has secured the bulk of the funding to begin the redevelopment of the site. When complete, the Coolidge development will consist of 54 units (both market rate and affordable), a community center in the gymnasium and more than 8,000 square feet of commercial space.

#### **Economic Development**

Communities First, Inc. recognizes that it is important for residents of distressed communities to have increased employment opportunities. The housing that CFI has developed created more than 200 well-paying jobs for local workers, some of whom have barriers to employment, were low income and/or minorities. CFI has been successful in securing more than \$30 million in federal, state and local grant funds for projects in the Flint community. Mixed use projects and other programs are being planned to provide further opportunities for economic development.

Communities First, Inc. participated in a pilot HUD program and became a SPI-HUD Accredited Green Organization. This accreditation is a reflection of CFI's commitment to green building practices and operations. Each of the development projects that Communities First, Inc. is a part of will be designed, constructed and operated with sustainability and environmentally friendly practices in mind. It is the opinion of the organization that this



approach is responsible, cost effective and progressive. Additionally, the office operations of Communities First, Inc. minimize excess usage of paper, energy and water.

Initially involved in economic development and affordable housing, Communities First, Inc. is further realizing its mission of improved quality of life for distressed communities by establishing additional opportunities to engage those that it serves. The organization has established two programs, Green Life Community Education Program and Culture Shock, to meet additional community needs.

#### **Green Life Community Education Program**

Green Life addresses several important topics in that make residents and businesses more aware of their impact on the environment. The program encourages individual and corporate responsibility through resident and business forums. Examples of the topics that are covered include: energy saving and water conservation methods, education about climate change, recycling, the use of public transportation and reducing your carbon footprint.

#### **Culture Shock**

Culture Shock, as its name suggests, provides cultural experiences that provoke, surprise and stimulate. By altering and enhancing perceptions of arts and culture--in partnership with other community groups and businesses--individuals and families can expand their horizons, broaden their tastes and deepen their understanding of the world around them. The program provides exposure to arts, music, food, sporting events and various cultures to diversify the experience of residents of low to moderate income communities. Culture Shock eliminates barriers like cost and transportation to increase access and opportunity. This innovative program impacts about 16,000 per year and has received national media coverage.

#### The Essence of Communities First, Inc.

Communities First, Inc. is committed to the creation of sustainable and equitable communities. By focusing on affordable housing, economic development arts and culture outreach and environmental education, CFI is transforming neighborhoods and lives. The organization utilizes a holistic and proactive approach to community development, which looks at the entire person and examines the complexity of community issues. Equity permeates every aspect of the work of the organization, engaging residents in the planning and execution of projects. CFI is well versed in creative placemaking, involving stakeholders throughout the process to produce changes to the built environment and quality experiences for residents.

CFI has a knack for connecting needs with resources to provide viable solutions to social, economic and environmental problems. These efforts require both collaboration and coordination with community stakeholders to effect true change. The support of community partners, dedicated volunteers and generous funders allows Communities First, Inc. to



leverage federal, state and local resources to operate as a catalyst for positive change in distressed communities. The success of CFI in Flint has led to plans for expansion into other cities throughout Michigan with similar needs.

The efforts of CFI have been recognized nationally by MSNBC's Morning Joe, Nonprofit Quarterly and Affordable Housing Finance magazine.



## Glenn Wilson President/CEO

As co-founder and President/CEO, Glenn Wilson leads the organization as it response to the great need that distressed communities face in regards to economic development and affordable housing. The organization has secured more than \$30 million in funding, primarily for real estate development projects and provided jobs to more than 200 people in just seven years, due to Mr. Wilson's leadership. Glenn has expansive knowledge of real estate and community development, serving as the primary lead for these activities since the organization's inception in 2010. His background in healthcare, real estate, business, marketing and entrepreneurship has translated well to his real estate development work.

Glenn currently serves on the Michigan Housing Council Board of Directors, Michigan Housing Council Finance and Development Committee and the Community and Economic Development Association of Michigan Board of Directors (Board Chair). He also serves on the boards of the Mass Transportation Authority and Hurley Foundation and is a member of the Federal Home Loan Bank of Indianapolis Advisory Board. Glenn participates in committees at the Flint Institute of Arts and Flint Institute of Music and has a special interest in increasing equity in the arts. He has strong relationships with governmental entities, politicians, foundations and community groups throughout the state of Michigan.

Glenn is the recipient of the American Express Aspire Award from the National Trust for Historic Preservation, the Young Professional Award from the Flint and Genesee Chamber of Commerce, the Michigan Chronicle's 40 Under 40 award, and is a 2017 Next City Vanguard.

## **Essence Wilson**

## **Chief Strategy Officer**

Essence Wilson is co-founder and Chief Strategy Officer for the organization. Her responsibilities include writing grants, improving organizational efficiency and organizing community engagement efforts.

Essence has a bachelor's degree in mechanical engineering from Kettering University and a master's degree in management, strategy and leadership at Michigan State University. This education and prior experience working at General Motors helped her develop as a leader and innovator, which has served her well in the nonprofit arena. A



natural planner and logistical thinker, she is often responsible for translating vision to action while producing tangible results.

Her community involvement includes serving on the Flint Institute of Music Board of Directors, participating in committees at Flint Institute of Arts and Flint Institute of Music and recently initiating a successful pilot project to incorporate Montessori Education in Flint Community Schools.

In 2015, Essence was named to the Michigan Chronicle's 40 Under 40 list and in 2016 she was the recipient of the Claire M. White Award presented by the Flint & Genesee Chamber of Commerce.

## Michael E. Wright

## Real Estate Development Director

Michael obtained his Master's degree in Public Administration with an emphasis in urban and regional policy and planning and Bachelors of Arts degrees in political science and philosophy from Grand Valley State University. Michael has 9 years of real estate development experience as a consultant and developer, specializing in both for-profit and non-profit real estate finance and development. Michael has utilized low income housing, historic, and new markets tax credits, HOME funds, tax increment financing, conventional and HUD insured (221(d)4 and 223(f)) debt, and grants to close various projects in Michigan, Ohio, and Oklahoma. Michael's service ethic is demonstrated by his prior work as a member with LISC/AmeriCorps, Neighborhood Ventures in Grand Rapids and the Wyoming Downtown Development Authority.

## Lisa Mauzey

## **Financial Management Consultant**

For the past 25 years, Lisa Mauzey has worked in the accounting fields for both forprofit and non-profit organizations. During this time she has developed strong accounting skills and refined her skills in full-service corporate, real estate, and construction accounting; as well as, administrative skills including human resources. She has worked on projects that assisted neighborhood development organizations building housing in Detroit and Flint by using her abilities to budget, complete construction draws, and organize a build schedule. Lisa earned her Associates of Arts in Accounting from the University of Phoenix in December 2008 and her Bachelors of Business Administration in Innovative Organization from the University of Phoenix in May 2011.

## **Project: Oak Street Senior Apartments**



**Project Overview:** Communities First, Inc. is the sponsor/developer of Oak Street Senior Apartments. Oak Street Senior Apartments is a U.S. Department of HUD Section 202 Supportive Housing for the Elderly development. The project consists of 24 units of safe, affordable housing for low income seniors in the downtown Flint area. The historic Oak School was originally built in 1898 and has been preserved according to historic standards. The resulting development is Enterprise Green Communities certified and winner of the Association of General Contractors of Michigan.

**Project Type:** Permanent Supportive Housing for Elderly

Unit Mix: 24 Units Permanent Supportive Housing

Year of Completion: 2014

Funding Sources: Oak Street Senior Apartments was funded primarily through a U.S. Department of HUD Section 202 Supportive Housing for the Elderly grant and a MSHDA Housing Development Funds grant. Additional sources of funding came from the City of Flint, Genesee County Land Bank Authority and Michigan LISC.

Total Project Cost: \$5.1 Million

Additional Details: Please visit <a href="https://www.youtube.com/watch?v=Velpu15\_184">https://www.youtube.com/watch?v=Velpu15\_184</a> for a video of the ribbon cutting ceremony and <a href="https://www.youtube.com/watch?v=c6W\_DO\_WNXA">https://www.youtube.com/watch?v=c6W\_DO\_WNXA</a> for more information.

## **Project: Swayze Court Apartments**



**Project Overview:** Communities First, Inc. is the sponsor/developer of Swayze Court Apartments. This project involved the rehabilitation of the historic Swayze Apartments and the construction of a new building on the property. Swayze Court Apartments is a 36 unit permanent supportive housing project for individuals that are homeless, at risk of homelessness or have special needs. Swayze Court Apartments provided more than 100 well-paying construction jobs for the local community and was certified as an Enterprise Green Community.

**Project Type:** Permanent Supportive Housing (PSH) for Homeless, At Risk of Homelessness, and Special **Needs** 

Unit Mix: 28 PSH Units, 8 Units Mixed Affordable

Year of Completion: 2016

Funding Sources: Swayze Court Apartments was funding with MSHDA LIHTC, Federal Historic Tax

Credits, MSHDA HOME and City of Flint HOME.

**Total Project Cost:** \$8.3 Million

Additional Details: Please visit <a href="https://www.youtube.com/watch?v=ovfMPJBriNs&t=21s">https://www.youtube.com/watch?v=ovfMPJBriNs&t=21s</a> for a video of

the ribbon cutting ceremony.

## **Project: Coolidge Park Apartments**



**Project Overview:** Communities First, Inc. is the sponsor/developer of Coolidge Park Apartments. Funding has been secured and construction is scheduled to begin in late 2017/early 2018. The project involves the historic rehabilitation of Coolidge Elementary School and the construction of a new mixed use building on the site. The development includes market rate units, affordable units and 9,000 square feet of commercial space.

Project Type: Low Income Housing Tax Credits (LIHTC)

Unit Mix: 54 LIHTC Units, 9 market rate units, 9,000 sq. feet commercial space

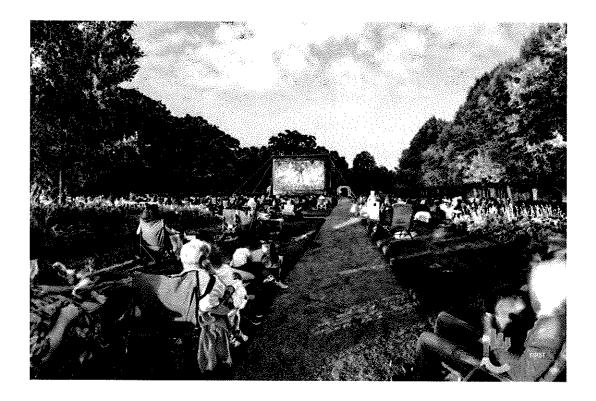
**Estimated Year of Completion: Early 2019** 

Funding Sources: Coolidge Park Apartments is funding with MSHDA LIHTC, Federal Historic Tax Credits,

City of Flint HOME, foundation grants.

Total Project Cost: \$16.3 Million

### **Event: Movies Under the Stars**



**Event Overview:** Communities First, Inc. has four major programs, one of which is called Culture Shock. This program offers families the opportunity to engage with arts and culture activities. The purpose is to build community and to utilize creative means to introduce families to the performing and visual arts. One such activity of this program is Movies Under the Stars, an outdoor movie event that draws thousands of families each year. This summer was the fourth season for the series which has now expanded to include both Flint and Saginaw.

Program Outcomes: Community building and engagement, arts and culture exposure

Program Years: 2014-2017

### **Project: Flint Artist Market**



**Project Overview:** Communities First, Inc. is exploring the idea of transforming the former Flint Farmer's Market into an artist market. An important component of this process was to solicit feedback from the community. This community engagement work began early in the process to assess community needs and desires for the space.

Community Engagement Outcomes: More than 100 people came to the first engagement session to reminisce about the space and to offer their thoughts about the future use. Communities First, Inc. trained 5 local facilitators to assist in gathering information. In total, more than 200 people completed surveys or offered their input. This data was analyzed and put into a realistic, yet ambitious plan for future development work at the site. The plan was them presented to the community at another engagement session to determine if their ideas were carried over into the plan effectively. The support for the proposed plans was overwhelmingly positive and supportive of the proposed project.

Community Engagement Timeframe: Two community engagement events in 2016.

## RAD CONVERSION SPECIALISTS, LLC 32500 Telegraph, #222 Bingham Farms, Michigan 48025 (248) 203-0011

RAD Conversion Specialists, LLC (RCS) combines the management, consulting and operations experience of Premier Property Management, LLC ("Premier") and its Principal, Robert Beale, with the development, construction, ownership and financing experience of The Slavik Company ("Slavik") and its principals. RCS was formed for the specific purpose of sharing 85 years of combined affordable housing experience with Affordable Housing decision-makers and assisting them to navigate the path towards successful development of affordable housing communities.



Premier and Slavik first combined efforts in 1999 to respond to a Request for Proposals from the Detroit Housing Commission to redevelop its Jeffries Homes Public Housing Project under HUD's HOPE VI Program. Our group was ultimately selected as Master Developer and we have spent the past 14 years planning and implementing the \$98.2 million transformation of two of Detroit's worst public housing projects into new and vibrant communities of mixed-income rental units, for-sale single-family homes and townhomes, parks, community open space and community centers (shown below). Like most of the other projects we have completed, this project required stakeholder input and feedback, coordinating the activities of market analysts, environmental consultants, CNA consultants, lenders, tax credit investors, architects, engineers, general contractors and others.



This experience provides RCS with the unique ability to assist in all phases of affordable housing development – Assessment, Application and Implementation. The Assessment Phase includes an analysis of the financial feasibility of potential projects, including the investigation of various sources of funds. The Application Phase requires, among other things, detailed development and operating pro-formas and an evaluation of the likelihood of obtaining low-income housing tax credits. While RCS has the experience and ability to guide affordable housing agencies through these phases, the Implementation Phase is where RCS can provide the most value. Our proven financial acumen and experience with low-income housing tax credits, FHA loans, HOME Funds, Replacement Housing Factor (RHF) Funds, as well as our connections with lenders and tax credit investors, will expedite the Implementation Phase and can lead to a very successful development.

RAD Conversion Specialists, LLC combines the real-world success of its principals with a demonstrated ability to work cooperatively and efficiently in public-private partnerships with agencies of varying sizes and competence. Our successful planning, development, construction and efficient management of affordable housing clearly demonstrates our ability to get the job done and sets us apart from other "consultants".



# Making Public-Private Partnerships Work

RAD Conversion Specialists, LLC looks to preserve and revitalize public housing

The executives of two companies behind RAD Conversion Specialists, LLC see opportunity to address deferred maintenance at public housing communities in urban and rural areas, and look to expand on their successful completion of two signature developments in Detroit

In 1999, Scripps Park Associates, LLC was formed by The Slavik Company, Premier Property Management, LLC, Hero Strather and the Rosenberg Housing Group, Inc. to respond to a Request for Proposals from the Detroit Housing Commission to redevelop its Jeffries Homes housing projects – long considered among the City's worst - under HUD's Hope VI program

The company was ultimately selected as Master Developer for the sites and has spent the past 15 years planning and completing the \$98 million showcase communities that include mixed-income rental units, for-sale single-family homes and townhomes, open-space and community centers.

"When we started, the concept of mixed-income, mixed-use style housing was new," says Robert Beale, President of Premier Property Manager. "The degree to which we embraced it was pretty unique in this country, but we were still concerned about whether or not it would work. We were counting on it to be successful, and it has been. Over the last ten years of occupancy, the communities have remained stable."



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#### SHOWCASE COMMUNITIES

Woodbridge Estates consists of 327 rental units, 100 senior assisted living units and 51 occupied single family homes and town houses with a mix of incomes. Earlier this year, construction began on the sixth and final phase of 46 additional apartments across 12 buildings to be completed by year end.

Supplementing the final phase of apartment construction are 16 remaining single family home sites. The completed home prices range from \$215,000 for a 1,516 square foot three bedroom home to \$285,000 for a 2,241 square foot four-bedroom home. Forgivable loans of up to \$75,000 per home are available to qualified buyers under HUD's HOPE VI program.

The only remaining portion of the previous public housing site is now referred to as Wood bridge Senior Village ~ three high-rise buildings that offer one: and two-bedroom apartments, with rents based on 30 percent of the average median income (AMI) which were partially renovated by Scripps Park Associates, LLC.

Cornerstone Estates, also a multiphase effort, totals 180 rental units in 30 buildings consisting of duplexes and town houses. Rental construction began in October 2010, and the first units were available just one year later.

Although HOPE VI was a relatively new program at the time, navigating HUD's requirements wasn't as difficult as projected, according to John Frasco, Vice President of The Stavik Company.

"It's more of a challenge for the public housing agencies because tax credits and financing are a whole new ballgame for them," he says. "The key is having patience and developing relation ships."

Units in both communities are limited to households earning no more than 60 percent of AMI, or \$42,600 for a family of four in Wayne County

However, public housing assisted units are expected to rent to households making considerably less than that maximum, according to the Detroit Housing Commission

Vacancy rates at Woodbridge Estates and Cornerstone Estates have remained very low, even during and immediately after the economic downturn of 2008.

"Vacancy has been just 2 percent over the 10 years, even though the economy has seen some hard times," Beale says. "We didn't set out to just build housing, but rather a community We're pleased with the quality of the housing, the people and the residents."

Developments as successful as these don't go unnoticed by your peers. The company has just been made recipient of the 2014 Excellence in Real Estate Development award from LISC and the Community Development Advocates of Detroit, in association with the Masco Corporation Foundation

#### **RAD PROGRAM**

"The deals were successful for Bob's company and ours," Frasco says: "When we teamed up on the joint venture, we had worked with state agencies and HUD, but not directly with public housing agencies. It's a whole new market with the RAO program, and we hope this experience gives our new venture a leg up on the competition."

RAD is HUD's new Rental Assistance Demonstration program -- a pilot program that allows public housing agencies to convert units to a project-based Section 8 platform and will help preserve affordable units in danger of obscrecence. According to HUD, the 1-2 million units in its program have combined capital needs of nearly \$26 billion.

The new venture Frasco referred to is RAD Conversion Specialists, ELC - a joint venture between The Slavik Company and Premier



Property Management - that will allow them to share their combined 85 years of experience in affordable housing with public-housing directors deciding whether or not the RAD programs right for their agencies. The joint venture meshes the consulting and operations experience of Premier Property Management with the investment, development, construction and financing acumen of the Slavik Company.

"Our joint venture is a natural progression," said Frasco. "We brought the development and construction experience and Premier has significant experience managing all types of multifamily housing, including public housing and tax credit communities. We touch on all phases of development and are able to bring the full spectrum to the table."

the RAD program enables housing agenties to obtain funding to complete deferred maintenance, modernize residential units and mechanical systems and fund replacement reserves, thus reducing future operating and maintenance expenses.

The RAD program is really an opportunity for public housing agencies to take advantage of what private development has done for years," says Robert Beale, also an executive director of a small housing agency in metropolitan Detroit "Specifically, we can help identify where public housing agencies can achieve their goals by utilizing programs that are old to us but new to them"

RAO Conversion Specialists begins with an assessment phase, in which it analyzes the potential upside and downside of a RAO conversion, including a determination of whether to convert public housing units using project-based vouchers (PBV) or project-based rental assistance (PBRA)

If a conversion is determined to the advantageous and feasible, an application is submitted to HUD following Board approval and two meetings with residents to explain the agency's plan

The implementation phase is where Beale says the partnership provides the most value. He cites its experience with low-income tax credits,

Federal Housing Administration loans, Home Funds, and Replacement Housing Factor (RHF) funds - as well as its previous success with their HOPF VI projects, which gave them the opportunity to demonstrate their respective talents, knowledge and experience

RAD Conversion Specialists works cooperatively with housing agencies of varying sizes and capabilities

"We are absolutely not looking for a controlling interest," Beale says "We're looking to help public agencies operate their communities and possibly expand their role as local affordable housing owners and developers. That approach really sets us apart."

The City of Detroit filed for bankruptcy in federal court in July 2013. The \$18 billion worth of debt it reported in its Chapter 9 filing made it the largest bankruptcy in the country. Addressing the serious problem of blight is a major priority for the city's emergency manager, Keyyn Orr.

According to Reuters, the 78,000 structures the city characterizes as abandoned and blighted total about one-fifth of its housing stock and covers approximately 139 square miles.

Beale and Frasco, however, envision creative opportunities for recovery in a city long seen as a symbol of Rost Belt decay.

"Esee Detroit coming out of bankruptcy a better city," Frasco says: "In becoming that, there's the potential for riding the course with private demand and real dollars."

RAD Conversion Specialists also sees itself riding the growth of public private partnerships, which had been lagging in certain regions of the country and business sectors.

"Certainly, there's more acceptance of publicprivate partnerships. We have built on relation ships and we're still building," Beale says. "All of this brings some level of uncertainty to Public Housing Agencies, I suppose, but because of the opportunities that RAD brings to public housing, there's definitely a high level of curios ity and willingness to investigate the program further." RAD Conversion Specialists, LLC ("RCS") was formed for the specific purpose of sharing 85 years of combined affordable housing experience with PHA decision makers and assisting them navigate the path towards the successful redevelopment of their public housing portfolios.

RCS combines the management, consulting and operations experience of Premier Property Management, LLC ("Premier") and its principal, Robert Beale, with the development, construction, ownership and financing experience of The Slavik Company ("Slavik") and its principals. These two firms have over 85 years of combined experience developing, constructing, managing and owning affordable housing. Most recently, they have worked in partnership with the Detroit Housing Commission to redevelop two of Detroit's worst public housing projects into new and vibrant communities. These two developments, Woodbridge Estates and Cornerstone Estates, represent an investment of over \$98 million and includes the construction of 507 multi-family, mixed-income apartment units (including 238 public housing units), 60 for-sale homes and a 100-unit senior congregate apartment community (including 50 public housing units and 50 project-based Section 8 units). Each neighborhood includes open space, parks and a leasing/community center.

Like most of the other projects we have completed, this project required stakeholder input and feedback, coordinating the activities of the market analysts, environmental consultants, CNA consultants, lenders, tax credit investors, architects, engineers, general contractors and others.

Since its formation in 1999, Premier has provided management and/or consulting services for 100 affordable housing communities and currently manages 2,000 units of affordable or mixed-income housing, including 1,000 public housing units. In addition, Mr. Beale has been appointed as Executive Director/Management Agent for the South Lyon Housing Commission (from 2005 through present), the Ecorse Housing Commission (from 2006 through 2011) and the Clinton Township Housing Commission (from 2010 through 2012). Mr. Beale was responsible for turning all three troubled agencies into standard and/or high performers.

Slavik was formed in 1955 and continues its focus on providing high-quality, affordable housing throughout metropolitan Detroit. Since the early 1960's, Slavik has developed almost 3,000 subsidized senior apartment units and over 1,200 low-income or mixed-income multi-family rental units, including the construction of 238 public housing units at Woodbridge Estates and Cornerstone Estates.

RCS is currently providing consulting services to the Lapeer Housing Commission, Bay City Housing Commission and Marion Indiana Housing Authority to assist them through the RAD conversion process. We are development partners with the Paw Paw Housing Commission, Clinton Township Housing Commission and the Housing Authority of the City of Fayetteville Arkansas and are currently working with these housing agencies to rehabilitate, modernize and/or reconstruct their portfolios.

All of these efforts include the experience and knowledge of our affiliate general contractor, Slavik Building and Development, LLC. Steve Slavik has been in the construction and

apartment industries since he began working with his father as a teenager. Howard Katzman brings over twenty years of construction experience, including 226 units of affordable housing at Woodbridge Estates and Cornerstone Estates. All of these projects exceed the Enterprise Green Communities minimum standards and requirements.

### Recent Experience

Cornerstone Estates - Phase III

Location: Detroit, MI

# Units: 62 family rental units, including 39 public hsg. (new construction)

Total Development Costs: \$10,477,727 Total Construction Costs: \$7,574,638

Sources: Hope VI Loan - \$2,863,593; LIFTC Equity - \$7,046,181;

Brownfield Tax Credit Equity - \$567,953

Project Duration: October 2010 – October 2012
Owner: The Detroit Housing Commission

2211 Orleans

Detroit, Michigan 48207

Attn: Teanisha Eli, Director of Development

313.877.8812

Woodbridge Estates - Phase VI

Location: Detroit, MI

# Units: 46 family rental units, including 14 public hsg. (new construction)

Total Development Costs: \$10,579,371 Total Construction Costs: \$7,840,233

Sources: Hope VI Loan - \$3,363,126; LIHTC Equity - \$6,603,461;

Brownfield Tax Credit Equity - \$216,533

Project Duration: January 2012 - November 2014
Owner: The Detroit Housing Commission

2211 Orleans

Detroit, Michigan 48207

Attn: Teanisha Eli, Director of Development

313.877.8812

**Bridgeport Apartments** 

Location: Allegan, MI

# Units: 49 family rental units (acquisition/rehab)

Total Development Costs: \$6,289,764 Total Construction Costs: \$2,445,942

Sources: EHA Loan - \$2,265,000; LHTC Equity - \$3,935,000;

Project Duration: July 2013 – December 2015

Owner: Bridgeport Community LDHA, LLC

(entity related to RCS)

**Paw Paw Housing Commission** 

Location: Paw Paw, Ml

# Units: 81 public housing, senior apartments (RAD Conversion and rehab)

Total Development Costs: \$7,342,429 Total Construction Costs: \$3,016,630

Sources: LHTC Equity - \$5,145,823; PHA Funds - \$2,196,606
Project Duration: June 2015 current (expected completion October 2017)

Owner: Paw Paw Housing Commission

205 Miller Court

Paw Paw, Michigan 48079

Attn: Patricia Winston, Executive Director

269,657,4776

Swayze Court Apartments

Location: Flint, MI

# Units: 36 family rental units (historic rehab and new construction)

Total Development Costs: \$8,529,691 Total Construction Costs: \$5,923,720

Sources: LHTC & Historic Equity - \$6,643,893; Flint HOME Funds -

\$670,973; MSHDA HOME Funds - \$850,000; AHP Loan -

\$400,000

Project Duration: June 2014 – current (expected completion September 2016)

Owner: Communities First, Inc. (non-profit developer)

415 West Court Street Flint, Michigan 48502

Attn: Glenn Wilson, President

810.422,5358

Woodbridge Estates - Senior Apartments

Location: Detroit, MI

# Units: 77 elderly designated, including 39 public housing and 16 market

rate units (new construction)

Total Development Costs: \$15,924,000 Total Construction Costs: \$12,107,894

Sources: Hope VI Loan - \$3,700,000; LIHTC Equity - \$12,172,283;

Other - \$51,717

Project Duration: October 2016 - December 2017
Owner: The Detroit Housing Commission

2211 Orleans

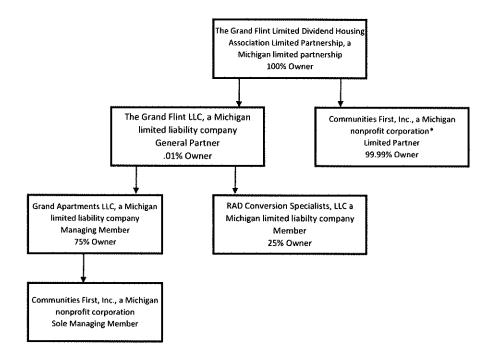
Detroit, Michigan 48207

Attn: Teanisha Eli, Director of Development

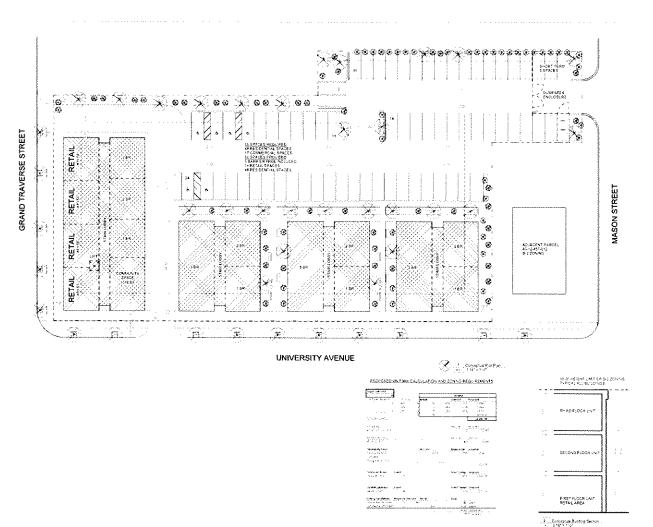
313,877,8812

A detailed list of RCS's experience with affordable housing is included on the following pages.

## Proposed Organization Chart for The Grand on University



<sup>\*</sup>Will be replaced by the Investor Limited Partner upon syndication



SEDGEWICK SECULOR ARCHITECTS 410 East Court Street Flint, MI 48503 TEL: 810-238-9647 | FAX: 810-238-4900 www.sfarch.us





422 West University Housing Project Conceptual Site Plan



#### OPTION TO PURCHASE REAL ESTATE AGREEMENT

This Option to Purchase Real Estate Agreement (the "Agreement") is made and entered into effective this June 7, 2018, by and between Gisele Farah Trust with an address of P.O. Box 3597, Flint, Michigan 48502 (the "Seller") and Communities First, Inc., a Michigan non-profit corporation or an affiliate entity to be formed (the "Purchaser") with an address of 415 W. Court Street, Flint, MI 48503.

#### RECITALS:

WHEREAS, the Seller is the owner of certain land in the City of Flint, County of Genesee, State of Michigan legally described in Exhibit A, attached hereto and incorporated herein (the "Property"); and

WHEREAS, the Purchaser desires to purchase the Property and the Seller has agreed to sell the Property to Purchaser;

NOW, THEREFORE, in consideration of the mutual promises and agreements stated herein and in consideration of the earnest money paid, receipt of which is hereby acknowledged, the parties agree as follows:

#### I. OPTION TO PURCHASE

- A. Option Grant and Consideration. Seller hereby grants to Purchaser the exclusive and irrevocable option to purchase the Property upon the terms and provisions of this Agreement (the "Option"). The Option shall only be exercisable during the period commencing on the date of execution of this Agreement and ending July 1, 2019 (the "Option Term"). As consideration for the Option during the Option Term, Purchaser will deliver to Cinnaire Title Company (the "Title Company") within three (3) days of the execution hereof the sum of Ten 00/100 Dollars (\$10.00) in the form of check payable to Seller (the "Option Consideration") which shall be held by the Title Company and shall be applied as hereinafter provided. Purchaser may request an extension of the Option Term for no more than two (2) additional six (6) month terms ("Extension") by payment of an additional One Thousand and 00/100 Dollars (\$1,000.00) for each Extension no later than the date of the commencement of each Extension of the Option Term. In no event shall the Expiration Date occur later than July 1, 2019. Any additional payment made hereunder shall be considered part of the Option Consideration, and shall be held by the Title Company and shall be applied as hereinafter provided.
- B. <u>Exercise of Option</u>. The Option may be exercised by Purchaser by delivery to Seller during the Option Term or the Extensions of notice in writing of the exercise of the Option.
- C. <u>Expiration of Option</u>. If Purchaser fails to properly exercise the Option as provided herein the Option shall expire absolutely and Purchaser shall have no right to purchase the Property or any remaining portion thereof. In such event Seller shall retain the Option Consideration as its sole and exclusive consideration for the Option and Seller shall be entitled to no other remedy or recourse whatsoever against Purchaser arising out of Purchaser's failure to exercise the Option.

D. <u>Option Consideration applied at Closing</u>. The Option Consideration shall each be applied against the Purchase Price upon Closing (as hereinafter defined).

#### II. PURCHASE PRICE AND PAYMENT OF PURCHASE PRICE.

A. <u>Price.</u> The purchase price (the "Purchase Price") for the Property upon exercise of the Option is Two Hundred Fifty Thousand and 00/100 (\$250,000.00) Dollars (the "Purchase Price"). The Purchase Price is payable by the Purchaser to the Seller in US Dollars at the Closing plus or minus prorations or other adjustments made pursuant to the terms of this Agreement.

#### III. TITLE AND TITLE COMMITMENT.

- A. <u>Title.</u> At the Closing, Seller shall transfer the Property to Purchaser, by Warranty Deed, free of any liens or encumbrances made by the Seller except for those expressly waived or approved by the Purchaser in writing or specifically authorized by the terns of this Agreement.
- B. <u>Title Commitment</u>. Following the delivery of the notice of exercise of this Option for the Property, Title examination will be conducted and completed prior to the closing in the following manner:
- (1) The Purchaser shall obtain an updated title commitment (the "Title Commitment") for an owner's title insurance policy in the amount of the Purchase Price of the Property together with legible copies of all exceptions of record referenced therein.
- (2) Purchaser shall have twenty (20) days after receipt of Title Commitment to examine title to the Property. If the title documents show conditions unacceptable to Purchaser, Purchaser shall notify the Seller in writing of its specific objections within the 20-day period. Purchaser shall be deemed to have waived any title objections not made within the 20-day period provided for above. Said waiver, however, shall not operate as a waiver of the Seller's covenants in the Warranty Deed. The following exceptions ("Permitted Exceptions") shall not be considered objections to marketable title:
  - (a) Reservation of any minerals or mineral rights to State of Michigan;
  - (b) Utility, drainage and highway easements that do not interfere with the use of the Property;
  - (c) Building and zoning laws, ordinances and state and federal regulations;
  - (d) Terms and conditions of this Agreement and those referenced herein and attached hereto;
  - (e) Easements, encroachments and restrictions shown on the Plat.
- (3) The Seller shall have forty-five (45) days from receipt of Purchaser's written objections (the "Objections") to make title marketable. Upon receipt of Purchaser's Objections, the Seller shall, within ten (10) days, notify Purchaser of the Seller's intent to make title marketable or

insurable within the 45-day period. Pending correction of title, Closing shall be postponed, but the Seller shall pursue cure of defects in a diligent manner. Within twenty (20) days of written notice to Purchaser of correction of title, the parties shall perform this Agreement in accordance with its terms. Upon failure of the Seller to provide notice of intention to make title marketable, or if notice is furnished but the 45-day period expires without title being made marketable and said 45-day period has not been extended by written agreement signed by both parties. Purchaser may terminate this Agreement and receive a refund of the Earnest Money Neither party shall be liable to the other party for damages hereunder, and both parties agree to sign a cancellation of purchase agreement if requested by the other party. If title is found marketable or is made marketable within the allowable time and Purchaser shall default in any of the terms of this Agreement and upon such termination be entitled to the remedies provided herein and such other remedies as the law allows.

 $C = \underline{Possession}$ . Possession of the Property shall be delivered by the Seller to Purchaser, on the date of Closing.

#### IV. INSPECTION AND ENVIRONMENTAL.

- A. <u>As Is.</u> Purchaser shall take the Property in an "as is" condition and shall assume the risk of any and all adverse environmental conditions. The Seller represents and warrants that during its ownership, to its knowledge, it has taken no actions that would negatively impact the environmental condition of the Property.
- B <u>Copies of Information</u>. Upon the execution of this Agreement, the Seller shall provide Purchaser with true and correct copies of all studies, correspondence and other data in the Seller's possession with respect to the environmental condition of the Property
- C. Inspection. Purchaser shall have the right to have prepared, at its sole cost, a survey of the Property. Purchaser shall have the right until the expiration of the Option Term and any applicable Extensions (such period being referred to herein as the "Inspection Period") to emer onto the Property for the purposes of preparing a survey. The Seller will deliver to the Purchaser any survey it has in its possession. Purchaser shall also have the right to make inspections, measurements and tests, soil and other tests it deems desirable at its sole cost. Purchaser agrees to indemnify, defend and hold the Seller and the Property harmless from any cost, charge, lien and/or claim associated with occasioned by or arising out of Purchaser's such entry on the Property.

#### V. CONDITIONS PRIOR TOCLOSING.

A. <u>Performance by Purchaser.</u> Closing shall be held as provided in Article VIII herein upon the completion by the Purchaser of certain conditions to the satisfaction of the Selfer

## VI. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SELLER AND THE PURCHASER.

- A The Purchaser Warranties, Representations and Covenants. The Purchaser represents, warrants and covenants as follows:
- (1) The execution and delivery of this Agreement by Purchaser and the consummation of the transaction contemplated hereby are within the powers of Purchaser, and this Agreement shall be binding and valid
- (2) That Purchaser has the financial capacity to meet its obligations specified in this Agreement.

- (3) That Purchaser will comply with and timely perform all of its obligations specified in this Agreement and all documents referenced herein and/or attached hereto.
- (4) Purchaser will indemnify the Seller, its successors and assigns against, and will hold the Seller, its successors and assigns, harmless from any expenses or damages, including reasonable attorney's fees, that the Seller incurs because of the breach of any of its representations and warranties, whether such breach is discovered before or after Closing. Consummation of this Agreement by the Seller with knowledge of any such breach by the Purchaser will not constitute a waiver or release by the Seller of any claims due to such breach.

These representations and warranties shall be true and correct on the Closing Date and shall survive the Closing.

- B <u>Seller's Warranties, Representations and Covenants</u>. The Seller represents, warrants and covenants as follows:
- (1) In accordance with the terms of this Agreement, the Seller shall convey fee title to the property by Warranty Deed with all such warranties and representations that such deed, implies.
- (2) Neither the Seller nor any agent or employee of Seller has knowledge of or has received notice of any suits, judgments or violations relating to or at the Property of any laws, ordinances or regulations, including but not fimited to zoning, building, fire, health, pollution, environmental protection or waste disposal ordinances, codes, laws or regulations, which have not been corrected
- (3) To the Seller's knowledge, there are no hazardous wastes, wells, abundoned wells, underground storage tanks or individual sewage treatment facilities on the Property, and there has been no dumping during its ownership which would adversely affect the development of the Property.
  - (4) The Property is not within a designated 100-year flood plain area
- (5) There are no existing private covenants, conditions or restrictions of record with respect to the Property except as disclosed herein
- (6) The Softer makes no representations regarding future real estate taxes or assessments for the Property
  - (7) There are no delinquent taxes against the Property
- (8) At the time of Closing, the Property shall not be subject to any outstanding leases or rights of occupancy, or any unrecorded documents containing interests in the Property.
- (9) There has been no labor or material furnished to the Property for which complete payment has not been made and acknowledged.

- (10) The Seller will cooperate with the Purchaser and join with Purchaser in executing any applications required by Purchaser in connection with rezoning as required by Purchaser's intended use of the Property as described herein. All costs and expenses incurred in obtaining such approvals shall be borne by Purchaser.
- (11) Acceptable access to and egress from the Property is available and provided by public streets or roads; and, to the best of the Seller's knowledge, there are no federal, state, county, municipal or other governmental plans to change the highway or road system in the vicinity of the Property or to restrict or change access from any such highway or road to the Property
- (12) The Seller will indemnify the Purchaser, its successors and assigns, against, and will hold Purchaser, its successors and assigns harmless from, any expenses or damages, including reasonable attorney's fees, that Purchaser incurs because of the breach of any of its representations and warranties, whether such breach is discovered before or after the conveyance of the Property.

These representations and warranties shall be true and correct on the Closing Date and shall survive the Closing.

#### VII. TAXES AND ASSESSMENTS, FEES AND PRORATIONS.

- A. <u>laxes Shall Be Prorated.</u> Real estate taxes attributable to the Property due and payable in the year of closing shall be prorated to the date of Closing. Real estate taxes attributable to the Property and due and payable in years prior to the year of Closing shall be paid by the Seller. The Purchaser shall pay real estate taxes attributable to the Property and due and payable in the years following the year of closing.
- B. <u>Prorations</u> All items customarily prorated and adjusted in connection with the closing of the sale of the Property shall be prorated as of the date of Closing. It shall be assumed that the Seller shall own the Property for the entire day of Closing.
- C. <u>Special Assessment</u>. The Seller shall pay all special assessments as of the date of Closing if they are pending, assessed, or levied and unpaid hur payable.

#### VIII. CLOSING.

- A. <u>Closing Date.</u> The Closing of the purchase and sale contemplated by this Agreement shall occur within ninety (90) days of the Option Term and any applicable Extension; or such other time as is mutually agreed upon by the purties.
- B. <u>Closing Location.</u> The Closing shall take place at such time and place to be mutually agreed upon by the parties
- C. Seller's Closing Documents and Obligations. The Seller will execute and deliver the following.
  - (1) A Warranty Deed conveying the Property to Purchaser

- (2) An Affidavit of Title by the Seller indicating that there are no unsatisfied judgments, tax liens or bankruptcies against or involving the Seller affecting the Property, and that there has been no labor or material furnished to the Property contracted for by Seller for which payment has not been made or for which mechanics' liens could be filed, and there are no other unrecorded interests in the Property created by the Seller.
- (3) All other documents reasonably required by this Agreement to transfer Property to the Purchaser in accordance with this Agreement.
- D. <u>Purchaser's Closing Documents and Obligations</u>. Purchaser will execute and deliver the following:
  - (1) The balance of the Purchase Price.
  - (2) Such other documents as may be reasonably required in order to record the Closing Documents and complete the transaction contemplated herein.
- E. <u>Allocation of Costs at Closing</u>. The Seller and the Purchaser agree that all prorations of costs and expenses for the sale and purchase contemplated by this Agreement will be made at closing unless otherwise specifically stated in accordance with local standards and/or rules. Each party shall pay its own real estate brokerage fees or real estate commissions or finder's fees. All other costs shall be allocated in accordance with the customs prevailing in similar transactions.

#### IX. COMMISSIONS,

- A. <u>Indemnity by Seller.</u> Seller hereby agrees to indemnify and to hold Purchaser harmless from any claim for any real estate brokerage fee or real estate commission or finder's fee that may be claimed by any other party through the Seller.
- B. <u>Indemnity by Purchaser</u>. Purchaser hereby agrees to indemnify and to hold the Seller harmless from any claim for any real estate brokerage fee or real estate commission or finder's fee that may be claimed by any other party through the Purchaser.

#### X. DEFAULT AND REMEDIES UPON TERMINATION.

A. <u>Purchaser's Remedies</u>. If the Seller defaults under this Agreement for any reason (other than Purchaser's default), Purchaser shall be entitled to terminate this Agreement in which event the Earnest Money, plus interest if any, shall be promptly refunded to Purchaser. Purchaser may recover from the Seller any and all damages suffered by Purchaser as a result of such default, provided however, that such damages shall include only the actual costs and expenses incurred by Purchaser in preparation for the consummation of the transaction contemplated by this Agreement, including, without limitation, fees and charges paid to consultants in connection with Purchaser's due diligence efforts, including reasonable attorneys' fees, but shall not include lost profits or other compensatory or punitive damages.

- B Seller's Remedies. If Purchaser defaults under this Agreement for any reason (other than the Seller's default) prior to the Closing Date, the Seller shall be entitled to terminate this Agreement and to retain the Eurnest Money paid by Purchaser pursuant to this Agreement
- C No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient

#### XI. NOTICES.

A Any notice required or permitted hereunder shall be deemed to have been given when i) the recipient acknowledges receipt via written communication to sender or ii) said notice is deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested addressed to the Seller or the Purchaser, as the case may be, at the address noted above

#### XII. MISCELLANEOUS.

- A <u>Amendments.</u> This Agreement may be amended only by written instrument executed by both the Selfer and the Purchaser.
- B. <u>Governing Law</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- C. Survival. All warranties representations and covenants of the Selier and the Purchaser in this Agreement shall survive and not be merged into the documents of conveyance, and shall be enforceable after the closing. The Seller and the Purchaser shall indemnify the other against any breach by such party.
- D. <u>Entire Agreement, Modifications.</u> This Agreement constitutes the complete agreement between the parties regarding the transactions contemplated herein and supersedes any prior oral or written agreements regarding the Property. There are no agreements, covenants, representations, warranties or restrictions between the parties, other than those stated herein. No covenant, term or condition of this Agreement shall be deemed to have been waived by either party, unless such waiver is in writing signed by the party charged with such waiver.
- 4: Severability. In the event any one or more of the provisions of this Agreement, or any application thereof, shall be found to be invalid, illegal, or otherwise unenforceable, the validity, legality, and enforceability of the remaining provisions or any application thereof shall not in any way be affected or impaired thereby.
- F. Successors: This Agreement shall be binding upon the successors, heirs, and assigns of the Seller and the Purchaser.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written.

URCHASER: Communities First, Inc.	SELLER: Gisele Farah Trust						
A Com	A. T						
: <u> </u>	My:						
rint Name: Glenn A. Wilson	Print Name: <u>Troy S, Farah</u>						
itle: President & CEO	litle: <u>Irustee</u>						
Date: 4-6-/7	Date: <u>June 7, 2018</u>						

#### EXHIBIT A

#### LEGAL DESCRIPTION OF PROPERTY

MCFARLAN & CO'S WESTERN ADDITION LOTS 5, 8, 10, 13 AND 14; ALSO SLY 33 FT OF LOTS 6 AND 11; ALSO WLY ½ OF LOTS 7 AND 9, BLK 38

Parcel ID: 40-12-457-008

Commonly Known as 424 W. Third Avenue

#### OPTION TO PURCHASE REAL ESTATE AGREEMENT AMENDMENT

This Option to Purchase Real Estate Agreement Amendment (the "Amendment Agreement") is made and entered into effective this <u>March 18, 2019</u>, by and between Gisele Farah Trust with an address of 140 E. Second Street, Flint, Michigan 48502 (the "Seller") and Communities First, Inc., a Michigan non-profit corporation or an affiliate entity to be formed (the "Purchaser") with an address of 415 W. Court Street, Flint, MI 48503.

#### **RECITALS:**

WHEREAS, the Seller is the owner of certain land in the City of Flint, County of Genesee, State of Michigan legally described in Exhibit A, attached hereto and incorporated herein (the "Property"); and

WHEREAS, Seller and Purchaser previously executed an Option to Purchase Real Estate Agreement, effective June 7, 2018 ("Agreement"); and

WHEREAS, Purchaser has delivered to Cinnaire Title Company the Option Consideration sum as described in the Agreement; and

WHEREAS, the Purchaser desires to purchase the Property and the Seller has agreed to sell the Property to Purchaser pursuant to that certain Agreement, effective June 7, 2018, and this Amendment Agreement, effective March 18, 2019.

**NOW, THEREFORE,** in consideration of the mutual promises and agreements stated herein and in consideration of the earnest money paid, receipt of which is hereby acknowledged, the parties agree to amend the Agreement as follows:

## The Option to Purchase Real Estate Agreement is amended as follows:

The Option shall only be exercisable during the First Extension Period commencing on the effective date of this Amendment Agreement and ending March 1, 2020 (the "First Extension Period"). As consideration for the First Extension Period, Purchaser will deliver to Cinnaire Title Company (the "Title Company") within three (3) days of the execution hereof the sum of One Thousand and 00/100 Dollars (\$1,000.00) in the form of check payable to Seller (the "Option Consideration") which shall be held by the Title Company and shall be applied as hereinafter provided. Purchaser may request an extension of the Option Term for no more than one (1) additional six (6) month term ("Second Extension Period") by payment of an additional One Thousand and 00/100 Dollars (\$1,000.00) for each Extension no later than the date of the commencement of each Extension of the Option Term. Any additional payment made hereunder shall be considered part of the Option Consideration, and shall be held by the Title Company and shall be applied as hereinafter provided.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written.

PURCHASER: Communities First, Inc.	SELLER: Gisele Farah Trust						
By:	By:						
Print Name: Glenn A. Wilson	Print Name: Troy S. Farah / Trustee / 3.18.19						
Title: President & CEO	Title:						
Date: 3-14-19	Date:						

## **EXHIBIT A**

## LEGAL DESCRIPTION OF PROPERTY

MCFARLAN & CO'S WESTERN ADDITION LOTS 5, 8, 10, 13 AND 14; ALSO SLY 33 FT OF LOTS 6 AND 11; ALSO WLY ½ OF LOTS 7 AND 9. BLK 38

Parcel ID: 40-12-457-008

Property: The Grand on University Sources and Uses Analysis	7			Total		Total
			LIHTC	Apartments	Commercial	Total <u>Project</u>
Sources of Funds:						
Mott Foundation MEDC			600,000	\$600,000	\$400,000	\$1,000,000
Conventional Financing		\$	1,300,000	\$0 \$ 1,300,000	\$84,072 \$100,000	\$84,072
Tax Credit Equity @	0.9100	\$	10,709,929	\$10,709,929	Φ100,000	\$1,400,000 \$10,709,929
Deferred Developer Fees	47%	•	\$703,144	\$703,144	\$3,521	\$706,665
TOTAL SOURCES		\$	\$13,313,073	\$13,313,073	\$587,594	\$13,900,667
Uses of Funds Acquisition Costs:						
Land Acquisition			\$241,400	\$241,400	8,600	250,000
Building Acquisition			-	Ψ241,400 -	0,000	230,000
Total Acquisition Costs		_	241,400	241,400	8,600	250,000
Hard Costs:			· · · · · · · · · · · · · · · · · · ·			
Site Work - Other			463,488	463,488	16,512	480,000
Hard Construction Costs - New Bldg General Conditions	6.00%		7,906,275	7,906,275	320,000	8,226,275
Contractor Overhead	2.00%		502,186 167,395	502,186 167,395	20,191 6,730	522,377 174,126
Contractor Profit	6.00%		502,186	502,186	20,191	522,377
Permits & Fees			106,602	106,602	3,798	110,400
Bond Premium	0.58%		55,619	55,619	1,981	57,600
Contingency	5.00%		485,188	485,188	19,470	504,658
Total Hard Costs Soft Costs:			10,188,938	10,188,938	408,873	10,597,811
Soπ Costs: Architectural & Engineering:						
Architectural Fee - Constr. Documents			254,000	254,000		254,000
Architectural Fee - Constr. Admin.			40,000	40,000		40,000
Survey/Engineering			40,000	40,000		40,000
Total Architectural & Engineering Construction Period:			334,000	334,000		334,000
Insurance & Bidrs Risk Ins.			40,000	40.000		40.000
Construction Period Interest			400,000	400,000		40,000 400,000
Construction Loan Fees			65,000	65,000		65,000
Cost Certification			15,000	15,000		15,000
Title & recording			15,000	15,000		15,000
Property Taxes	otion		10,000	10,000		10,000
Enterprise Green - Consulting & Certific Total Construction Period Expenses	ation		15,000	15,000		15,000
Other Soft Costs:			560,000	560,000	-	560,000
Legal - Syndication/Org.			50,000	50,000		50,000
Legal - Real Estate			60,000	60,000	-	60,000
Market Study			8,500	8,500		8,500
Appraisal			8,000	8,000		
Environmental Tax Credit Application & Allocation Fees			15,000 62,160	15,000		15,000
Tax Credit Compliance Fees	•		40,800	62,160 40,800		62,160 40,800
Construction/Permanent Financing			25,000	25,000		25,000
Lease-up			25,000	25,000		25,000
Furniture, fixtures and equipment	4004		50,000	50,000		50,000
Contingency-soft costs	10%		34,446	34,446	50,000	84,446
Total Other Soft Costs  Developer Fees:			378,906	378,906	50,000	420,906
Developer Fee and Overhead	15.00%		1,500,000	1,500,000	70,121	1,570,121
Total Developer Fees			1,500,000	1,500,000	70,121	1,570,121
Reserves:				.,000,000		.,010,121
Operating Reserve*			109,829	109,829	50,000	159,829
Other Operating Reserves			-	=		-
Debt Service Reserve Replacement Reserves			-	<del></del>		-
Total Reserves			109,829	109,829	50,000	159,829
Total Soft Costs			2,882,735			
Total Development Costs		- 3	2,862,735 313,313,073	2,882,735 \$13,313,073	170,121 \$587,594	3,044,856 \$13,892,667
•		-	HTC Basis			***************************************
		<u>-</u> '	Rehab	1		
Elicit	ole Basis	$\vdash$	12,580,884			
Less Historic Credits an			-			
Adjusted Eligit	ole Basis		12,580,884			
	ble Rate		100.00%			
	is Boost		120%			
Qualifi Credit Rate (as of Augu	ed Basis		15,097,061	20 0f Doo 2017		
	al Credit		\$1,358,736	as of Dec 2017 \$1.358.736	Total eligible an	nual HTCs
Annual Credit			1,177,033			d Annual LIHTC
	•			· •		•

## Property: The Grand on University RESIDENTIAL

Flint, MI

	Initial	Future	Begin in				1		l .					1	1	1		
Income	Inflator	Inflator	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Annual Rental Income	2.00%	2.00%	6	415,781	424,096	432,578	441,230	450,055	459,056	468,237	477,601	487.153	495,897	505.834	516.971	527.31£	537,857	548,614
Annual Non-Rental Income	2.00%	2.00%	6	8,500	8,670	8.843	9,020	9,201	9,385	9,572	9.764	9,959	10,158	10,361	10,969	10,780	10,996	11.216
Commercial Rental Income	2.00%			0	0	0	0	o.	0	0	0	e	8	e	0	8	ō	Ď
Residential Vacancy Loss	5.00%	5.00%	6	20,789	21,205	21.629	22.061	22,503	22.953	23,412	23.880	24,358	24,845	25,347	25,849	26,356	76.893	27,431
Commercial Vacancy Loss	15.00%	10.00%	6	0	В	٥	0	0	0	0	0	0	6	e	ø	Đ	0	e
Total Project Revenue				4B3,492	413,567	419,793	428,189	436,752	445,488	454,397	463,485	472,755	482,210	491,854	501,691	511,725	521,960	532,399
Expenses										İ								
Management	3.00%			19,733	20,325	20,935	21,561	72,710	22.976	23,562	24,269	24,997	25.747	26.520	27,315	28,135	28,979	29,848
Administration	3.00%			23,837	24.552	25,289	26,047	26,529	27,634	28,463	29,317	30,196	31,102	32.035	32,996	33,986	35,005	36,056
Project-paid Fuel	3.00%	3.00%	6	Ð	ð	e	e	0	0	Ð	0	Ð	0	G	0	6	0	D
Common Electricity	3.00%	3.00%	6	22.035	22.696	23,377	24,078	24,801	25,545	26,311	27,100	27,913	28,751	29,613	30.502	31.417	32.359	33,330
Water & Sewer	3.00%	3.00%	6	24,505	25,740	25,997	26,777	27,581	28.408	29,260	30,138	31,042	31,973	37,933	33,921	34,938	35.986	37,066
Operating & Maintenance	3.00%			51,934	53,497	55,097	56,750	58.452	60.206	62,012	63,872	65,788	67,762	69,795	71,289	74,045	76.267	78,555
Payment in Lieu of Taxes				13,945	21,818	22,225	22,640	23,062	23,492	23,930	24,175	24,828	25.289	25,759	26,236	26,722	27,217	27,720
insurance	3.00%			14,400	14,832	15,277	15,735	16,207	16.694	17.194	17,710	18,241	18,789	19,352	19,933	20,531	21,147	21.781
Other - taxes, licenses, fees	3.00%			e e	0	e	Ð	0	o.	0	c	c	o	0	9	Ð	Ð	0
Payroll & Benefits	3.00%			65,209	67,165	69,160	71,256	73,393	75,595	77,863	80,159	87.605	85,883	67,635	90,265	92,972	98.762	98,634
Total Operating Expenses				235,598	250,120	257,377	264,846	272,535	28D,449	288,595	296,980	305,611	314,496	323,642	333,056	342,746	352,722	362,990
Rep. Reserve	2.00%			14,400	14,688	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,000
Net Operating Income				153,493	146,753	147,434	148,061	148,631	149,140	149,586	149,964	150,272	150,505	150,659	150,731	150,716	150,610	150,408

Last edit date: 1/21/2020

**Property:** The Grand on University

							Proforma	Rents	
							CFI Proforma		
						•	FY 20	021	
Llett Tour	Avg. Unit	# of	Gross Rent	Utility Allowance		T-4-1 (ft)	<b>A</b>	T-1-10	
Unit Type	Size (SF)	units	per unit (\$)	(\$)	per unit (\$)	Total (\$)	\$ per unit	Total \$	
1BR (PSH)(60%)	850	12	664	-	664	7,973	664	7,973	
2BR (PSH)(60%)	1,026	4	862	-	862	3,450	862	3,450	
3BR (PSH)(60%)	1,716	1	925	-	925	925	925	925	
1BR/1BA (60%)	850	6	687	91	596	3,576	596	3,576	
2BR/1BA (60%)	1,026	15	825	121	704	10,560	704	10,560	
3BR/2BA (60%)	1,716	5	953	150	803	4,015	803	4,015	
1BR/1BA (Mkt)	850	2	750		750	1,500	750	1,500	
2BR/1BA (Mkt)	1,026	2	850		850	1,700	850	1,700	
3BR/2BA (Mkt)	1,716	1	950		950	950	950	950	
Total:		48				34,648		34,648	
Annual Total:						415,781		415,781	

## Gisele Farah Trust P.O. Box 3597 Flint, Michigan 48502

#### August 16, 2019

Re: Communities First Project

Northeast Corner of University Ave. & Grand Traverse

To whom it may concern:

The Farah family has owned the property at the northeast corner of Third (University Ave.) and Grand Traverse for approximately 40 years. During that time period the property and neighborhood have gone through many transitions.

Over the past 10 years, we have been blessed to be able to partner with the Carriage Town Ministries (CTM) and offer them the property at no charge so that they could implement a vision that they had to improve the property and neighborhood, and we believe that they've done a tremendous job over the past decade, in that regard.

Over a few years ago, we were approached by Glenn Wilson with Communities First (CF) regarding a vision CF had to develop the property into a mixed-use project with apartments and commercial space. Having seen other recent projects by CF such as the Oak School Project and Swayze Court Apartments, and now the nearly complete Coolidge Park, we felt comfortable that we were working with a developer that could deliver a quality project that should be well received by the community.

The agreement with Carriage Town Ministries was always meant to be a "place holder" until the right opportunity came around to redevelop the property. We obviously discussed the proposed CF project with CTM before we decided to proceed and, at that time, offered the property to CTM first. But they weren't ready to discuss acquiring the property and at the conclusion of that discussion we understood that that Carriage Town Mission was supportive of the redevelopment concept.

We believe that the proposed development is very attractive and is the right project for this Gateway Corner of Third and Grand Traverse. We understand that it is consistent with the City's Master Plan and will significantly contribute to the quality of life in the neighborhood.

We strongly support the project because we believe it will enhance the University corridor and bring much needed residences back into a neighborhood that has been depleted of residents over the decades.

We hope that you approve the project as we believe that it will contribute to the improvement of the University Corridor.

Yours truly,

Troy S. Farah

On behalf of the Farah Family

MANA

And The Gisele Farah Trust



One Hurley Plaza Flint, Michigan 48503

August 19, 2019

Glenn Wilson President & CEO Communities First, Inc. 415 W. Court St. Flint, MI 48503

Re: University Park

Dear Mr. Wilson

I am pleased to offer this letter of support to Communities First Inc. ("CFI") for the development and construction of University Park Apartments in the historic Carriage Town neighborhood in Flint, Michigan. The development is the new construction of a mixed-use development to include a small amount of commercial space along Grand Traverse St. and the corner of University Ave. as well as forty-eight (48) apartment units.

University Park is located near Hurley Hospital, a major employer and medical care provider and Kettering University. The development is within ¼ mile of the Flint River, Downtown Flint, and Riverbank Park. University Park is adjacent to a public transit stop and across the street from a multi-tenanted commercial building housing several businesses and helps introduce the historic Carriage Town neighborhood while connecting downtown Flint to the University Avenue Corridor.

CFI brought on local architect Sedgewick + Ferweda Architects to design a development that will be contextual with nearby business buildings and housing design. We understand that the building is much lower in height than the City's proposed zoning code allows to accommodate neighborhood concerns and oriented near the street to maximize pedestrian scale, walkability, and traffic calming effect.

The proposed project supports the Carriage Town neighborhood revitalization goals, including preserving and promoting the neighborhood, stimulating future reinvestment in the area, and building a sense of community to make Carriage Town an attractive, clean, and safe neighborhood in which to live.

The proposed project also supports the City's goals as described in the Imagine Flint Master Plan by increasing density, promoting mixed use development in key corridors and neighborhood centers, increasing multi-family dwelling units and the proportion of multifamily dwellings compared to single family homes.

To address the concerns about a lack of green space in the University Avenue Corridor, Hurley Hospital is working to develop another property on University Avenue between Hurley and Atwood Stadium as community green space. The space will feature walking paths and will be available for neighborhood events and recreation.



One Hurley Plaza Flint, Michigan 48503

There is significant unmet demand in the Flint area for decent, sanitary, and safe affordable housing. We see this need every day in our interactions with patients and we are excited to see additional housing options being produced for those that need it.

Thank you for your hard work in leading the way for future investment and development in the City of Flint. We are hopeful that this development moves forward and to working with Communities First, Inc. on this and future endeavors.

Sincerely,

Michael Burnett MBA, MSW

Vice President

Service Line Development and

Chief Strategy Officer



Communities First, Inc. 415 W. Court Street Flint, MI 48503

#### Dear Glenn Wilson:

As a business owner in Flint, Michigan I am writing to express my support of the University Park Development proposed by Communities First, Inc., to be located on the corner of University Ave. and Grand Traverse St.

The proposed housing development will attract young professionals as well as cater to those already in our community that are in search for quality housing options to meet their needs. The mixed-use building will provide space for new businesses and provide quality housing within walking distance of the heart of the city.

Being located just blocks away, we are excited about the increased traffic and density in our neighborhood. We believe both the Grand Traverse and University Avenue corridors are wonderful today and have the potential to even better tomorrow.

I support this project as it is an important development for the community and look forward to seeing this come to fruition.

Thank you,

Jason Caya

Partner, Tenacity Brewing



PAUL MUSSON, MO Internal Medicine & Addictionology

RONALD BROWN, CADC, CCS-M Executive Director :8101610-8503

KIM SHEWMAKER, LMSW, CAADC CCDP-O, CCS-M, CPRM Director of Program Operations 810:616-8313

lacqueline Blain BA, CADC-M, CCS-M Director of Residential Program Services 810: 93 - 3092

RONNIET SON, EMSW. CAADC, CCS Offector of Outpatient Services (517): 275-8776

F Hill DELONEY, MA
Director of Health Awareness Center
1202 M. E. King Ave
1810176741157

-OE KLOBUCHAR CPA Finance Director 8101610-6502

> ADMISSIONS .810) 238-5888

For more information visit us at

JdysseyVillage.com

## Flint Odyssey House, Inc.

A Non-Profit Agency

Mam Office, Residential Services 529 M. L. King, Jr. Ave. Flint, Michigan 48502 (810) 238-7226 (810) 238-0483 Fax: (810) 239-5513

Outpatient Services 1108 Lapeer Rd. Flint, Michigan 48503 (810) 232-7919 Fax: (810) 232-7913 Supportive Housing 1225 M. L. King, Jr. Ave. Flint, Michigan 48503 (810) 238-7435

Fax: (810) 238-8635

MAKING A DIFFERENCE

January 22, 2020

Communities First, Inc. 415 W. Court Street Flint, MI 48503

Dear Glenn Wilson:

I write on behalf of Flint Odyssey House, Inc. in support of the University Park Development proposed by Communities First, Inc. to be located on the corner of W. University Ave. and Grand Traverse St.

One of the challenges our community faces is access to quality, affordable housing. The proposed housing development would expand access to quality housing to area residents while providing new retail space for our growing economy. Being steps away from downtown, the complex would encourage a more walkable, active community, which is vital for thriving cities.

Our community is in a period of growth and transition, which requires careful development to preserve the qualities that make Flint, Flint while expanding the market to attract new residents. Communities First, Inc. has shown the ability to produce high-quality mixed-income housing, including the recently completed Coolidge Park Apartments development. Supporting developments that attract new residents as well as existing Flintstonians is key to growing our city and making it a place young professional's call home.

I support this project as it is an important development for the community and look forward to seeing this development come to fruition. Communities First, Inc. has created the excitement of new development in our historic Carriage Town Neighborhood.

Thank you,

Ronald S. Brown Executive Director

Delegate Agency of Region 10 Funded by Michigan Department of Health and Human Services.

Office of Recovery Oriented System of Care.

