

City of Flint, Michigan

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



Meeting Agenda - Final

Wednesday, January 22, 2020

5:00 PM

Committee Room

GRANTS 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.

RESOLUTIONS

200043 Repayment Forgiveness/HOME Investment Partnership Funds/Shiloh Commons Limited Dividend Housing Association (LDHA)/Shiloh Commons/3209 Buick Street

Resolution resolving that the appropriate city officials are authorized to do all things necessary to forgive the HOME Loan, in the amount of \$848,148.00, to Shiloh Commons LDHA in full, and to enter into a new HOME regulatory agreement to record the remaining 20-year HOME Affordability Period that commenced on May 2, 2003, maintaining the rent and income requirements on the 11-HOME-assisted units, as requested by Planning and Development. [In March 2019, MHT Housing, Inc. acquired the General Partner share and made a formal request to forgive the HOME Loan in full to allow for new financing to be acquired through the Michigan State Housing Development Authority (MSHDA), allowing the property to become financially feasible in the future and to undergo needed renovations. The request is supported by both MSHDA and by the U.S. Department of Housing and Urban Development (HUD).]

DISCUSSION ITEMS

200030 Referral/Request for Feedback [RFF]/Block Grant Submissions

Referral by Councilperson Fields to ADMIN, re: She asks that the City re-open the RFF for the Block Grant submission period, since - to her understanding - there was no public notice, nor adequate submissions received. [Referral Action Date: 1/13/2019 @ Special Affairs Committee]

200031 Attendance Request/Block Grants Discussion

Referral by Councilperson Mays to ADMIN, re: He requests the attendance of Planning and Development Director Suzanne Wilcox, City Administrator Clyde Edwards and Mayor Sheldon Neeley at the Wednesday, January 22, 2020, Committee meetings in order to discuss the City's block grants. [Referral Action Date: 1/13/2019 @ Special Affairs Committee]

OLD, OUTSTANDING DISCUSSION ITEMS

- Referral/Spent & Unspent Funds/CDBG, HOME & ESG
- 170071 Referral by Councilperson Fields to ADMIN/PLANNING & DEVELOPMENT, re: She would like monthly reports on grant funding - both spent and unspent funds - for CDBG, HOME and ESG. [Referral Action Date: 1/18/2017 @ Grants Committee Meeting.]
- Referral/Unexecuted Contracts/CDBG, HOME & ESG Funds
- 170072 Referral by Councilperson Fields to ADMIN/PLANNING & DEVELOPMENT, re: She would like a list of any unexecuted contracts for CDBG, HOME and ESG funds, and an explanation for why the contracts were not executed. [Referral Action Date: 1/18/2017 @ Grants Committee Meeting.]
- Referral/Letters/Requests for Reprogrammed Grant Money
- 180013 A referral by Councilperson Fields to PLANNING & DEVELOPMENT: She would like copies of the letters received in Planning & Development requesting reprogrammed grant funds and the staff reviews concerning the letters. [Referral Action Date: 1/22/2018 @ Special Affairs Committee Meeting.]
- Referral/Copy/Letter to Metro Community Development
- 180027 Referral by Councilperson Fields to PLANNING & DEVELOPMENT: She would like a copy of the letter from HUD that chastised Metro Community Development. [Referral Action Date: 1/17/2018 @ Grants Committee Meeting.]
- Referral/Copy/Expenditures/Smith Village
- 180028 Referral by Councilperson Fields to PLANNING & DEVELOPMENT: She would like a breakdown of expenditures in Smith Village, including date, amount spent and what was paid for with HOME dollars. She would also like to know why Smith Village was moved from HOME to Neighborhood Stabilization funds and who in Planning and Development monitored Smith Village activity that got the city into disallowed costs. She also asks for bid results. [Referral Action Date: 1/22/2018 @ City Council Meeting.]
- Referral/Available Grant Money/Demolition of Mobile Home Park
- 180184 A referral as requested by Councilperson Guerra to Planning & Development: He would like to know if there is grant money available to demolish Shady Acres Mobile Home Park. [Referral Action Date: 4/4/2018 @ Governmental Operations Committee Meeting.]

NEW BUSINESS**ADJOURNMENT**

200043

RESOLUTION NO.: _____

PRESENTED: 1-22-20

ADOPTED: _____

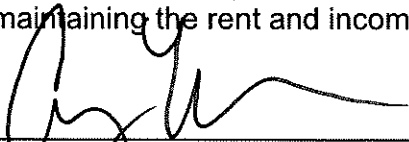
Resolution to forgive the repayment of \$848,148.00 in HOME Investment Partnership Funds by the Shiloh Commons Limited Dividend Housing Association (LDHA) for the development known as Shiloh Commons located at 3209 Buick St. in the City of Flint.

BY THE MAYOR:

In Resolutions entered in 1997 (970435.0) and 1998 (980189.0) respectively, it was resolved to provide \$848,148.00 in HOME funds for the affordable housing development at 3209 Buick St., Shiloh Commons, MSHDA Development No. 960, to be developed by the Shiloh Commons LDHA (Painia Development Corporation, General Partner). The funds were provided, though the first amendment to the unnumbered contract, as a loan at 0.5% for the term of 30 years. There were to be 11 HOME assisted units subject to the affordability period established by HUD regulations.

In March of 2019, MHT Housing, Inc., that has acquired the General Partner share, made the formal request to forgive the HOME Loan in full to allow for new financing to be acquired through MSHDA, allowing the property to become financially feasible into the future, as well as to undergo needed renovations to this almost 20-year old property. This request is supported both by MSHDA and by HUD in recognition of the lack of current financial feasibility at the property. MSHDA has made a loan commitment contingent, with the HOME Loan forgiveness being one of the conditions.

IT IS RESOLVED, that appropriate City officials are authorized to do all things necessary to forgive the HOME Loan in the amount of \$848,148.00 to Shiloh Commons LDHA in full and to enter a new HOME regulatory agreement to record the remaining 20-year HOME Affordability Period that commenced on May 2, 2003, maintaining the rent and income requirements on the 11- HOME assisted units.



Angela Wheeler
Chief Legal Officer



Amanda Trujillo
Acting Finance Director

Sheldon A. Neeley, Mayor

Monica Galloway, Council President



RESOLUTION STAFF REVIEW FORM

DATE: December 30, 2019

Agenda Item Title:

Resolution to forgive the repayment of \$848,148.00 in HOME Investment Partnership Funds by the Shiloh Commons Limited Dividend Housing Association (LDHA) for the development known as Shiloh Commons located at 3209 Buick St. in the City of Flint.

Prepared By: Sarah Quellmalz, HOME Program Manager

Requestor: Community and Economic Development

Background/Summary of Proposed Action:

In Resolutions entered in 1997 (970435.0) and 1998 (980189.0) respectively, it was resolved to provide \$848,148.00 in HOME funds for the affordable housing development at 3209 Buick St., Shiloh Commons, MSHDA Development No. 960, to be developed by the Shiloh Commons LDHA (Painia Development Corporation, General Partner). The funds were provided, though the first amendment to the unnumbered contract, as a loan at 0.5% for the term of 30 years. There were to be 11 HOME assisted units subject to the affordability period established by HUD regulations.

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DCED will enter a new HOME regulatory agreement to record the remaining 20-year HOME Affordability Period that commenced on May 2, 2003, maintaining the rent and income requirements on the 11- HOME assisted units.

Financial Implications:

The HOME Loan was written as a Fourth Subordinate Loan to all other funding sources and not set to begin repayment until 30-years after the payment of the construction loan. The City has not, nor is near, receiving any payments on this loan. The maintenance of the HOME Affordability Period, preventing the default of this property on other financing, and the further preservation of this important affordable housing asset is of the most importance, thus the recommendation to approve the request for HOME Loan Forgiveness.

Budgeted Expenditure: Yes ___ No ___ **Please explain, if no: No further expenditure.**

Account #: Reviewed and approved by C. Dotson

Pre-encumbered: Yes ___ No ___ **Requisition #:** _____

Other Implications: There are no other known implications at this time.

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL

Suzanne Wilcox, Planning and Development Director

RESOLUTION STAFF REVIEW FORM

DATE: December 30, 2019

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In March of 2019, MHT Housing, Inc., that will be acquiring the General Partner share, made the formal request to forgive the HOME Loan in full to allow for new financing to be acquired through MSHDA, allowing the property to become financially feasible into the future, as well as to undergo needed renovations to this almost 20-year old property. This request is supported both by MSHDA and by HUD in recognition of the lack of current financial feasibility at the property. MSHDA has made a loan commitment contingent, with the HOME Loan forgiveness being one of the conditions.

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Financial Implications:

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Budgeted Expenditure: Yes ___ No Please explain, if no: No further expenditure. *No general ledger*

Account #: Reviewed and approved by C. Dotson *Carissa Dotson* *impact*

Pre-encumbered: Yes *N/A* No *N/A* Requisition #: *N/A*

Other Implications: There are no other known implications at this time.

Staff Recommendation: Staff recommends approval of this resolution.

APPROVAL

Suzanne Wilcox
Suzanne Wilcox, Planning and Development Director

Shiloh Commons

2 messages

Fortune, Carrie L <Carrie.L.Fortune@hud.gov>
To: Sarah Quellmalz <squellmalz@cityofflint.com>
Cc: "Chung, Ellen" <ellen.chung@hud.gov>, "Hernandez, Keith E" <Keith.E.Hernandez@hud.gov>

Fri, Dec 13, 2019 at 7:28 AM

Sarah,

After consultation with OAHF, it was determined that HUD has no objections to the City of Flint forgiving the HOME loan on Shiloh Commons. The deed restrictions and/or other restrictive covenants must remain on the property until the completion of the affordability period. Flint's legal counsel should be consulted on the amendment of relevant documents, such as the loan agreement and other loan documents.

Feel free to contact me with any questions.

Carrie L. Fortune, Esq.

Senior CPD Representative

Office of Community Planning and Development

U.S. Dept. of Housing and Urban Development

477 Michigan Ave., Ste. 1700

Detroit, MI 48226

(313) 234-7332

Fax: (313) 226-6689

Presented: APR 14 1997

Adopted: APR 14 1997

Resolution to Re-Allocate Unspent/Recaptured 1995 Home Investment Partnership (HOME) Funds and Provide a Second Mortgage in the Amount of \$500,000 to Painia Development Corporation for the Construction of the Shiloh Commons Housing Development and Amend the City's Approved Consolidated Plan to Reflect the Change

BY THE MAYOR:

WHEREAS, The Board of Directors of Metro Housing Partnership and Salem Housing Task Force have agreed to return \$250,000 each in 1995 Home Investment Partnership Funds for the construction of the Shiloh Commons Housing Development; and

WHEREAS, the Department of Community and Economic Development would like to provide \$500,000 as a second mortgage to Painia Development Corporation to finance a portion of the site improvements for the construction of Shiloh Commons Housing Development; and


WHEREAS, the Michigan State Housing Development Authority (MSHDA) has agreed to a first mortgage of \$9,333,000 for the Shiloh Commons Housing Development to construct 125 units of low and moderate income housing;

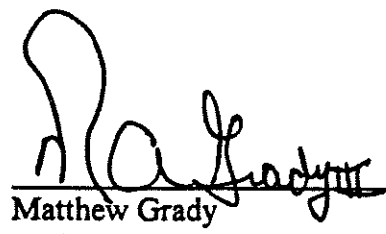
NOW, THEREFORE, BE IT RESOLVED that the appropriate City officials are hereby authorized to re-allocate \$500,000 in unspent/re-captured 1995 Home Investment Partnership (HOME) funds to Painia Development Corporation as a second mortgage to finance site improvements in the Shiloh Commons Housing Development.

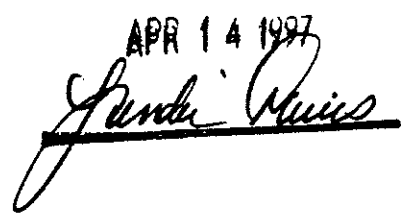
BE IT FURTHER RESOLVED, that the appropriate City officials are authorized to amend the City's Approved Consolidated Plan to reflect the change.

APPROVED AS TO FORM:

APPROVED BY BUDGET:


APPROVED BY
William Crawford II
CITY COUNCIL
Chief Legal Officer


Matthew Grady
Budget Director

APR 14 1997


980187.0

Presented: FEB 23 1998

98 FEB 24 PM 1:02

Adopted: FEB 23 1998

Resolution to Re-allocate an Additional \$348,148 in 1992 and 1997 Investment Partnership Funds as a Second Mortgage to Shiloh Commons Limited Dividend Housing Association Limited Partnership (Painia Development Corporation, General Partner) for the Construction of the Shiloh Commons Housing Development and Amend the FY97/98 Action Plan of the Consolidated Plan

BY THE MAYOR:

WHEREAS, On April 14, 1997, the City Council approved \$500,000 in HOME funds as second mortgage financing for the Shiloh Commons Housing Development; and

WHEREAS, The Developer, Shiloh Commons Limited Dividend Housing Association Limited Partnership (Painia Development Corporation, General Partner), has requested an increase of \$348,148 in the second mortgage to \$848,148 to cover site improvement construction increases; and

WHEREAS, the additional \$348,148 in HOME funds will be re-allocated from the following:

\$ 98,148.00	1992 HOME funds from Flint NIPP
\$250,000.00	1997 HOME funds from In-Fill Housing Construction
\$348,148.00	TOTAL

WHEREAS, the contractor will not obligate any funds, incur any costs, nor implement any physical activities until the Flint Department of Community and Economic Development has completed the Environmental Review Record and/or received a release of funds from HUD and issued a written notice to proceed to the contractor, and

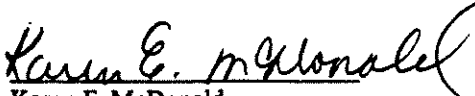
NOW, THEREFORE, BE IT RESOLVED, that the appropriate City Officials be and are hereby authorized to re-allocate \$348,148 in 1992 and 1997 HOME Investment Partnership funds to Shiloh Commons Limited Dividend Housing Association Limited Partnership (Painia Development Corporation, General Partner), increasing the second mortgage to \$848,148 to finance site improvements in the Shiloh Commons Housing Development; and

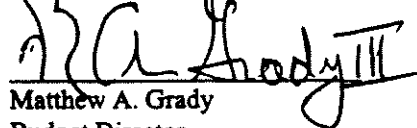
BE IT FURTHER RESOLVED, that the appropriate City Officials are hereby authorized to execute and deliver, with the City Attorney's approval, the HOME Investment Partnership Loan Agreement with Shiloh Commons Limited Dividend Housing Association Limited Partnership (Painia Development Corporation, General Partner), the HOME Second Mortgage, Promissory Note, and all other ancillary documents and certificates reasonably necessary to close this loan; and

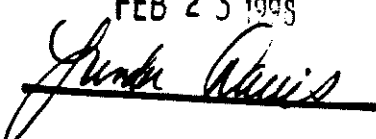
BE IT FURTHER RESOLVED, that the appropriate City Officials be and are hereby authorized to amend the City's approved 1997-98 Action Plan to reflect the changes pending HUD approval and environmental release of funds.

APPROVED AS TO FORM:

Reviewed by Budget:


APPROVED BY
CITY COUNCIL
Karen E. McDonald
Chief Legal Officer


Matthew A. Grady
Budget Director

FEB 23 1998


RESOLUTION REVIEW FORM

FROM: DCED
Division

DATE December 30, 2019
NO. 19-0193
Law Office Login #


RESOLUTION NAME:

Resolution to forgive the repayment of \$848,148.00 in HOME Investment Partnership Funds by the Shiloh Commons Limited Dividend Housing Association (LDHA) for the development known as Shiloh Commons located at 3209 Buick St. in the City of Flint.

Date in:

1. RESOLUTION REVIEW - CED PROGRAM MANAGER

The attached RESOLUTION is approved by a Program Manager in the Division. By signing, the Program Manager approves this resolution to be processed for signatures.

By: Sarah Quellmalz
Program Manager 

DATE: 12/30/19
(Date)

Date in:

2. RESOLUTION REVIEW - DEPT OF PLANNING AND DEV DIRECTOR

The attached RESOLUTION is approved by the DPD Director. By signing, the DPD Director approved this resolution to be processed for signatures.

By: Suzanne Wilcox
Director 

DATE: 1/2/20
(Date)

Date in:

3. RESOLUTION REVIEW - LEGAL

The attached RESOLUTION is submitted to the Legal Department for Approval as to FORM ONLY:

The Legal Department has reviewed the RESOLUTION as to Form on this form approves as to FORM ONLY.

By: Angela Wheeler
Chief Legal Officer 

1-8-20 and by signing
(Date)

DATE: 1-8-20

Date in:

4. RESOLUTION REVIEW - FINANCE

The attached RESOLUTION is submitted to the FINANCE Department for approval as to FINANCE COMPLIANCE:

The Finance Department reviewed this RESOLUTION, on _____ and by signing this form approves as to FINANCE COMPLIANCE. (Date)

By: _____

DATE: _____