

EM SUBMISSION NO.: FMA 4182015

PRESENTED: 4-29-15

ADOPTED: 4-29-15

**RESOLUTION**

**RESOLUTION TO FORGIVE THE REPAYMENT OF \$545,500.49 in HOME PARTNERSHIP FUNDS BY FIRST STREET LOFTS, LLC FOR THE FIRST STREET LOFTS PROJECT**

**BY THE EMERGENCY MANAGER**

In Resolution Number 063515 dated July 24, 2006, the City of Flint awarded First Street Lofts, LLC. \$545,500.49 in federal funding from the HOME Investment Partnerships ("HOME") program. These funds were made available for permanent financing of the First Street Lofts Project.

The funds were provided for the construction of four affordable units within the 16 unit restoration project. The First Street Loft apartments are fully occupied but the developers have not been able to replace a commercial tenant and have been operating at a loss

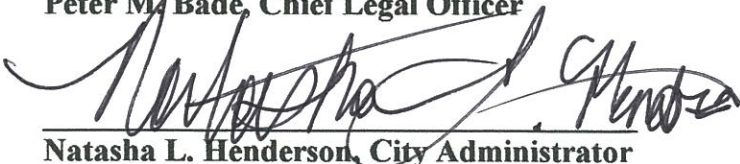
First Street Lofts, LLC is requesting the City to convert the HOME Partnerships funds awarded in the contract to a forgivable loan. First Street Lofts will continue to maintain the four units supported with HOME funds as affordable units until the end of the fifteen year HOME Affordability period, September 27, 2021.

**IT IS RESOLVED**, the Emergency Manager authorizes the appropriate City of Flint officials to do all things necessary to execute an amended development agreement with First Street Lofts LLC to forgive the \$545,500.49 HOME loan associated with the 16 unit, First Street Lofts development located in the City of Flint.

**APPROVED AS TO FORM:**



**Peter M. Bade, Chief Legal Officer**



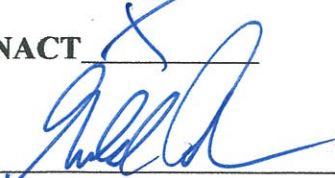
**Natasha L. Henderson, City Administrator**

**EM DISPOSITION:**

ENACT X

FAIL \_\_\_\_\_

DATED 4-29-15



**Gerald Ambrose, Emergency Manager**

**RESOLUTION STAFF REVIEW FORM**

**DATE:** April 24, 2015

**Agenda Item Title:**

**RESOLUTION TO FORGIVE THE REPAYMENT OF \$545,500.49 in HOME PARTNERSHIP FUNDS BY FIRST STREET LOFTS LLC FOR THE FIRST STREET LOFTS PROJECT**

**Prepared By:**

**Author:** Tracy B. Atkinson

**Requestor:** Community and Economic Development (CED)

**Background/Summary of Proposed Action:**

The City of Flint awarded First Street Lofts, LLC. \$545,500.49 in federal funding from the HOME Investment Partnerships ("HOME") program. These funds were made available for permanent financing of the First Street Lofts Project.

The funds were provided for the construction of four affordable units within the 16 unit restoration project. The First Street Loft apartments are fully occupied but the developers have not been able to replace a commercial tenant and have been operating at a loss

First Street Lofts, LLC is requesting the City to convert the HOME Partnerships funds awarded in the contract to a forgivable loan. First Street Lofts will continue to maintain the four units supported with HOME funds as affordable units until the end of the fifteen year affordability period, September 27, 2021.

Forgiveness of this loan will allow First Street Lofts, LLC to restructure their debt in order to make physical improvements to the commercial space formerly occupied by a bank and make it more attractive for potential tenants.

**Financial Implications:** The City will not receive the annual \$69,431.00 in Program Income for the 10 year period of the loan agreement. The borrower would have began making payments in 2027.

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

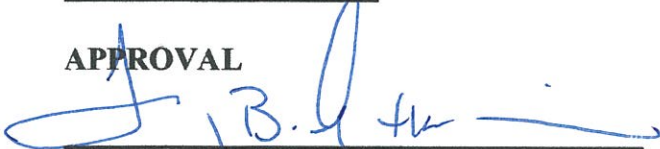
Reviewed and approved by C. Dotson \_\_\_\_\_

**Pre-encumbered:** Yes  No  **Requisition #** \_\_\_\_\_

**Other Implications:** There are no known implications

**Staff Recommendation:** Staff recommends approval of this resolution.

**APPROVAL**



**Tracy B. Atkinson, Chief Officer, CED**