



## Legislation Text

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**File #:** 17-0303, **Version:** 1

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### Resolution to Approve the Transfer of Community Housing Alternative's Properties at 2 Kilbrennan, 2176 Hemlock and 9 Rockland Ct. to Michigan Ability Partners

Community Housing Alternatives (CHA) has been working with the Office of Community and Economic Development (OCED) and the Michigan State Housing Development Authority (MSHDA) on a long-term strategy to maintain CHA's units as affordable housing. Community Housing Alternatives, and the affiliated Glendale Non-Profit Housing Corporation, is seeking to cease the ownership and operation of housing units. To ensure that the units are maintained as committed income-based housing units, OCED has been working with CHA and Michigan Ability Partners (MAP) to consider a transfer of the properties rather than losing them to an unrestricted status. MAP currently owns and operates other properties in close proximity to these properties and is experienced with these building types. To ensure the units are maintained as income-restricted housing units, CHA and MAP have agreed to transfer the properties while maintaining the existing affordability provisions.

For each property, existing City investments were made utilizing HUD HOME funds, which have minimum requirements, including period of affordability, regular reporting and monitoring, and approval of the City of any property transfer. For these properties, it is recommended that the City approve the identified property transfers. For each transfer, this would be implemented through a discharge of existing mortgages and affordability agreements issued to Community Housing Alternatives, and execution of new similar documents with Michigan Ability Partners, or an assignment agreement for all of the existing agreements and debt. Here are the investments subject to this proposal:

#### 2 Kilbrennan Ct.

Authorize transfer from CHA to Michigan Ability Partners, or affiliated entity  
2005 Mortgage and Affordability Agreement - \$103,000

#### 2176 Hemlock Dr.

Authorize transfer from CHA to Michigan Ability Partners, or affiliated entity  
2006 Mortgage and Affordability Agreement- \$49,000

#### 9 Rockland Ct.

2005 Mortgage and Affordability Agreement - \$73,100

Through transfer of these properties as described, the units will continue to be maintained as income-restricted housing, and will enable the City to continue to meet the obligations of the federally-awarded HOME funds. The Office of Community and Economic Development recommends that the City approve the transfers as described.

Prepared by: Teresa Gillotti, Housing and Infrastructure Manager, Office of Community and Economic Development

Reviewed by: Andrea Plevak, Director, Office of Community and Economic Development

Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas Community Housing Alternatives (CHA) has been working with the Office of Community and Economic Development (OCED) on a strategy to divest from owned affordable units;

Whereas, Michigan Ability Partners (MAP), and CHA have agreed to pursue transfer of several properties from CHA to MAP or affiliated entities; and

Whereas, Michigan Ability Partners has agreed to acquire 2 Kilbrennan Ct, 2176 Hemlock Dr. and 9 Rockland Ct. from Community Housing Alternatives (CHA);

RESOLVED, That the Mayor and City Council approve the sale or transfer of acquire 2 Kilbrennan Ct, 2176 Hemlock Dr. and 9 Rockland Ct to Michigan Ability Partners (MAP)., or an affiliated entity;

RESOLVED, That the Mayor and City Council approve releasing CHA from all terms of their existing loans and Housing Affordability Agreements for these properties;

RESOLVED, That as a condition of the sale or transfer, Michigan Ability Partners (MAP), or an affiliated entity will assume the existing debt on the properties;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to sign any Housing Affordability Agreements, HOME Mortgages, Promissory Notes, or Assignment Agreements with Michigan Ability Partners (MAP), or affiliated entities, consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator, or his designee, be authorized to take necessary administrative actions and to prepare and execute any documents necessary to complete this transaction and to implement this resolution.