



## Legislation Text

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**File #:** 07-0808, **Version:** 1

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Resolution to Amend Resolution R-07-461 to Approve the Sale of 1315 S. Seventh from Child and Family Services - Huron Service for Youth d/b/a HelpSource to Washtenaw Community Health Organization and to Approve the Assumption of a \$50,000.00 HOME Mortgage, Note and Housing Affordability Agreement

Attached for your review and approval is a resolution to approve an amendment to Council Resolution R-07-461 which approved the sale of 1315 S. Seventh from HelpSource to the WCHO. The WCHO agreed to assume the City's \$50,000.00 HOME Mortgage and extend the term from 30 years to 99 years. The City traditionally executes a 99-year deferred mortgage to be repaid at the term's end, at the time of sale or transfer of the property, or if the use changes from affordable housing. The mortgage gives City Council the option of converting the mortgage to a grant or extending the term of the mortgage at the term's end. The intent is to preserve the units as low-income housing for a long time period.

The WCHO is requesting that the term be amended to convert the mortgage to a grant after 99-years, similar to the mortgages the City executed with the WCHO on 4 previous group home properties. The Office of Community Development recommends that City Council approve this amendment.

All of the other terms in the original resolution will remain in effect.

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Damon Thompson, Interim Community Development Director

Reviewed by: Jayne Miller, Community Services Administrator

Whereas, Child and Family Services - Huron Service for Youth D/B/A HelpSource has closed its doors;

Whereas, The City desires to maintain the units at 1315 S. Seventh as affordable housing;

Whereas, WCHO has agreed to purchase the property to be used as 24-hour intensive residential treatment to 6 individuals with severe developmental disabilities or mental illness on condition that the property is zoned appropriately, a group home license is received from the State, and the WCHO board approves the group home that 1315 S. Seventh will replace; and

Whereas, Of the total estimated development costs of \$267,500.00, WCHO is requesting the assumption of \$50,000 in HOME funds from the City to lower the sales price and WCHO will provide the remaining funds;

**RESOLVED**, That the Mayor and City Council approve releasing Child and Family Services - Huron Service for Youth D/B/A HelpSource from all terms of their City HOME mortgage and Housing Affordability Agreement for 1315 S. Seventh upon sale of the property to WCHO;

**RESOLVED**, That the Mayor and City Council approve the assumption of \$50,000.00 in HOME funds

from HelpSource to WCHO for the acquisition of 1315 S. Seventh as a 0% interest deferred payment loan with a term of 99-years to be repaid if the property is transferred or the use changes from low-income residential within the term of the loan and further, to be automatically converted to a grant at the end of the loan term;

RESOLVED, That the Mayor and City Clerk are hereby authorized and directed to sign a Housing Affordability Agreement, mortgage and promissory note consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney with funds to be available until expended without regard to fiscal year; and

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