



Legislation Details (With Text)

**File #:** 12-1020      **Version:** 1      **Name:** 8/20/12 MSHDA NSP Budget Amendment  
**Type:** Resolution      **Status:** Passed  
**File created:** 8/20/2012      **In control:** City Council  
**On agenda:** 8/20/2012      **Final action:** 8/20/2012  
**Enactment date:** 8/20/2012      **Enactment #:** R-12-400

**Title:** Resolution to Amend the Neighborhood Stabilization Program (NSP) Budget by Allocating \$35,885 to Avalon Second Non-Profit Housing Corporation or an Affiliated Ownership Entity to Support the Rehabilitation of 701 Miller (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
8/20/2012	1	City Council	Approved	Pass

Resolution to Amend the Neighborhood Stabilization Program (NSP) Budget by Allocating \$35,885 to Avalon Second Non-Profit Housing Corporation or an Affiliated Ownership Entity to Support the Rehabilitation of 701 Miller **(8 Votes Required)**

Attached for your review and approval is a resolution to amend the Neighborhood Stabilization Program (NSP) budget by reallocating \$35,885 to Avalon Second Non-Profit Housing Corporation or an affiliated ownership entity for the rehabilitation of 701 Miller. At present, \$35,885 is allocated to the Near North Project.

The City of Ann Arbor was allocated \$850,000 in NSP funds from MSHDA. These funds, which must be expended by September 30, 2012, have been allocated and expended, except for the \$35,885 allocated to the Near North. Near North has experienced significant delays, and the September 30, 2012 deadline for expending these funds is quickly approaching.

At the same time, another affordable housing project - 701 Miller - has experienced increased costs due to mold identified in wall coverings throughout all units. Additional funds have been allocated to 701 Miller project by the Urban County Executive Committee and Michigan State Housing Development Authority.

The Office of Community and Economic Development (OCED) recommends that Council reallocate \$35,885 from the Near North project to further support rehabilitation work at 701 Miller. Due to project delays associated with the Near North project and the September 30, 2012 deadline to expend NSP funds, reallocating these funds is prudent.

**Recommended Reallocation**

718, 722 & 724 N Main (Near North)	(\$33,292)
Administrative costs associated with 718-724 N. Main	(\$2,593)

Rehabilitation of 701 Miller \$35,885

The OCED recommends that Council allocate \$35,885 in NSP funds as a 0% interest, deferred payment 35-year loan that will be forgiven after 35 years to Avalon Housing Inc., or an affiliated ownership entity to support the rehabilitation of 701 Miller because the project meets the requirements of the NSP funds and the federal Environmental Review process has been completed. Reallocation as proposed would close out the City NSP Grant.

Avalon Housing Inc. received Living Wage and Human Rights approval in June 2012.  
Prepared by: Brett Lenart, Office of Community and Economic Development Housing Manager  
Reviewed by: Mary Jo Callan, Office of Community and Economic Development Director  
Sumedh Bahl, Community Services Administrator

Whereas, The City has through September 30, 2012 to expend NSP funds;

Whereas, The Near North project has experienced delays which have compromised the ability to complete NSP-funded work by September 30, 2012;

Whereas, 701 Miller, a rehabilitation project is underway and has previously been allocated City NSP funds;

Whereas, the Office of Community and Economic Development recommends that Council budget and reallocate \$35,885 of NSF funds to further support 701 Miller rehabilitation project;

**Budget**

Current Budget	\$850,000
<u>Program Income</u>	<u>\$24,135</u>
Total Budget	\$874,135

**Recommended Reallocation**

718, 722 & 724 N Main (Near North)	(\$33,292)
Administrative costs associated with 718-724 N. Main	(\$2,593)

Rehabilitation of 701 Miller \$35,885

RESOLVED, That City Council approve the amended NSP budget of \$874,135, appropriate the funds and approve the allocation of \$35,885 in NSP Funds to Avalon Second Non-Profit Housing Corporation for the rehabilitation of 701 Miller as a 0% interest, deferred payment 35 year loan that will be forgiven after 35 years, previously allocated to Near North project ;

RESOLVED, That the Mayor and City Clerk are hereby authorized and directed to sign any documents 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 designee, is authorized to take necessary administrative actions and to execute any documents necessary to implement this resolution.