


**Housing and Revitalization  
Department**

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June 9, 2023

Detroit City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

**RE: Request to Appropriate Section 108 Loan Proceeds**

Dear Honorable City Council,

Housing and Revitalization Department (“**HRD**”) currently has a total of \$961,663.06 held in several subaccounts at Huntington Bank within the (“**Section 108 Loan Repayment Account**”). The \$961,663.06 dollar amount reflects unused prior Section 108 loan proceeds received from the U.S. Department of Housing and Urban Development (“**HUD**”) which remain after developers fully drew down the funds needed for their respective projects. These remaining loan proceeds are from Section 108 funded projects where the City’s corresponding debts to HUD have not yet been satisfied. HUD has directed the City of Detroit to spend these funds on repaying debt service on the respective Section 108 loans and HRD desires to use the funds within the Section 108 Loan Repayment Account to pay debt services due to HUD. The specific loan repayment accounts and balances at Huntington Bank which comprise the \$961,663.06 are:

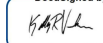
HUD 108 Woodward Gardens II Loan Repayment Account	\$7,634.07
HUD 108 Woodward Gardens III Loan Repayment Account	\$8,255.21
HUD 108 Book Cadillac II Loan Repayment Account	\$305,621.91
HUD 108 Garfield II Note 1 Loan Repayment Account	\$192,127.19
HUD 108 Garfield II Note 2 Loan Repayment Account	\$71,113.45
HUD 108 Garfield II Note 3 Loan Repayment Account	\$331,857.78
HUD 108 Garfield II Note 4 Loan Repayment Account	\$45,053.45

**Total Amount in Loan Repayment Account:**

**\$961,663.06**

HRD hereby respectfully requests that your honorable body adopt the following resolutions to appropriate \$961,663.06 from the Section 108 loan proceeds in the Loan Repayment Accounts to repay debt service. A waiver of reconsideration is requested.

Respectfully submitted,

DocuSigned by:  
  
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Kelly Vickers  
Chief Development and Investment Officer,  
Housing and Revitalization Department

## RESOLUTION

**BY COUNCIL MEMBER \_\_\_\_\_**

**WHEREAS**, the City of Detroit is in possession of \$961,663.06 Section 108 loan proceeds (“**Section 108 Loan Proceeds**”) from the U. S. Department of Housing and Urban Development (“**HUD**”), related to Section 108 loans made by the City of Detroit to various developers pursuant to the HUD Section 108 loan guaranty program, which Section 108 Loan Proceeds remain after developers fully drew down the funds needed for their respective projects. The Section 108 Loan Proceeds are currently held in the various Section 108 Loan Repayment subaccounts with Huntington Bank (“**Loan Repayment Account**”).

**WHEREAS**, the City’s debts to HUD under the Section 108 loan guaranty program which the Section 108 loan proceeds were originally related to, have not yet matured and are still being paid.

**WHEREAS**, the Housing and Revitalization Department (“**HRD**”) will use these funds to repay debt service due to HUD, as Section 108 loan payments are due.

**NOW, THEREFORE, BE IT RESOLVED**, that \$961,663.06 from the Section 108 Loan Repayment Account be appropriated to Appropriation No. 13529; and further

**RESOLVED**, that HRD is hereby authorized to expend \$961,663.06 from Appropriation No. 13529 to repay Section 108 debt service; and further

**RESOLVED**, that HRD is hereby authorized to pay principal and interest due on the HUD Section 108 Notes as such payments become due from the Loan Repayment Accounts; and further

**RESOLVED**, that the City’s Chief Financial Officer, or their authorized designee, is hereby authorized to increase Appropriation No. 13529 by \$961,663.06 to repay debt service from Appropriation No. 13529; and be it finally

**RESOLVED**, that the City’s Chief Financial Officer, of his authorized designee, is hereby authorized to accept and process all documents consistent with the authorizations and approvals grant herein.

**A WAIVER OF RECONSIDERATION IS REQUESTED.**