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June 30, 2023

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

RE: Annual HOME, HOME-ARP, AHD&PF and ARPA Awards
New and Revised Awards

Honorable City Council:

The City of Detroit ("City"), through the Housing and Revitalization Department ("HRD"), makes annual funding available for "ready-to-proceed projects" from HOME, HOME-ARP, AHD&PF, and ARPA funds allocated to the City through the U.S. Department of Housing and Urban Development ("HUD"), other sources, and U.S Department of Treasury. HRD has continued to work closely with HUD to meet required commitment and disbursement deadlines for new and ongoing projects approved by the City.

In support of affordable housing opportunities, HRD is hereby requesting approval to award funding to the following new projects:

- 1. CCSEM St. Mathew (\$2,500,000 HOME; \$1,750,000 HOME-ARP; \$500,000 AHD&PF) \$2,500,000 in HOME, \$1,750,000 in HOME-ARP, and \$500,000 in AHD&PF will be spent on this adaptive reuse/historic rehabilitation project to construct 46 new housing units at 6021 Whittier Ave that will be 100% affordable with 25 of the units being permanent supportive housing.
- 2. Meyers Senior (\$500,000 HOME; \$1,250,000 ARPA) \$500,000 in HOME and \$1,250,000 in ARPA will be spent on this rehabilitation and new construction project to construct 105 new senior housing units at 17334, 17370, and 17400 Meyers Rd that will be 100% affordable.
- 3. Van Dyke Village (\$600,000 ARPA) \$600,000 in ARPA will be spent on this preservation project to rehabilitate 16 housing units at 1775 Van Dyke St that will be 50% affordable.

Additionally, HRD is requesting approval to increase funding sources for the following previously approved project:

1. Merrill Place, Phase II (Add \$631,000 in ARPA) - \$631,000 in ARPA funds will be added to this project to fill a funding gap created by increased project costs.

We hereby request that your Honorable Body adopt the attached resolution that: (1) approves the aforementioned new project funding awards, (2) approves the aforementioned project increased funding, and (3) authorizes the HRD Director, or her authorized designee, to execute such documents as may be necessary or convenient to complete the transactions.

Office of Budget

Respectfully submitted,

Julie M. Schneider

Director

Attachments

cc: G. Fulton, Mayor's Office

K. Vickers, Chief Housing Development & Investment Officer

RESOLUTION

BY COUNCIL MEMBER:

WHEREAS, the City of Detroit receives an annual allocation and special allocations of HOME, HOME-ARP, and AHD&PF funds from the U.S. Department of Housing and Urban Development ("HUD") and other local sources and American Rescue Plan Act of 2021 ("ARPA") funds from the U.S. Department of Treasury, through the Housing and Revitalization Department ("HRD") and other City Departments, for the purpose of creating affordable housing opportunities in Detroit neighborhoods and which are both responsive to needs created by the COVID-19 pandemic and help build a strong and equitable recovery from the COVID-19 pandemic; and

WHEREAS, the City Council authorized HRD's Director to accept and utilize AHD&PF funds and accept and utilize HOME and HOME-ARP funds according to HUD regulations during the City's annual budgeting process; and

WHEREAS, the City Council has appropriated ARPA fiscal recovery funds in Appropriation No. 22012 for Affordable Housing Development projects for which public or private leverage dollars may be made available, subject to separate City Council authorization for such projects; and now therefore be it

RESOLVED, that the City Council hereby approves the new allocations for the HOME, HOME-ARP, AHD&PF and ARPA loans for developers and/or borrowers as provided for herein and in the attached Exhibit 1: 2022-23 HOME, HOME-ARP, AHD&PF and ARPA Awards in the amounts indicated and with authorization to vary such allocation amounts by not more than 10% at the discretion of the HRD Director; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend \$2,500,000 in HOME funds, Appropriation No. 20991 to spend \$1,750,000 in HOME-ARP funds, and Appropriation No. 26364 to spend \$500,000 in AHD&PF funds for the following new project: "CCSEM – St. Mathew" – \$4,750,000; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend \$500,000 in HOME funds and Appropriation No. 22012 to spend \$1,250,000 in ARPA funds (ARPA CPA#6005432) for the following new project: "Meyers Senior" - \$1,750,000; and be it further

RESOLVED, that HRD will use Appropriation No. 22012 to spend \$600,000 in ARPA funds (ARPA CPA#6005490) for the following new project: "Van Dyke Village" - \$600,000; and be it further

RESOLVED, that ARPA funds for the project shall be from Appropriation No. 22012 and HRD will use Appropriation No. 22012 to add \$631,000 in ARPA funds (ARPA CPA#6005431) to the following existing project: "Merrill Place, Phase II" – add \$631,000; and be it further

RESOLVED, that the HRD Director, or her authorized designee, is authorized to process, prepare and execute any and all loan and grant documents necessary or convenient to close, secure and use HOME, HOME-ARP, AHD&PF and ARPA funds according to HUD regulations and as approved by this resolution; and be it finally

RESOLVED, that the Budget and Finance Directors of the Office of the Chief Financial Officer are hereby authorized to increase the necessary accounts and honor expenditures, vouchers and payrolls when presented in accordance with the foregoing communication and standard City procedures.

(See attached Exhibit 1)

EXHIBIT 1: 2022-2023 NEW HOME, HOME-ARP, AHD&PF AND ARPA AWARDS

Developer or Borrower	Project Description	Project Action	Development Cost	Original Allocation	New or Revised Allocation	Comments
Southeast Michigan 15945 Canal Road Clinton Township, MI 48038 Cinnaire Solutions 2111 Woodward Ave Suite 600 Detroit, MI 48201	CCSEM - St. Matthew 6021 Whittier Ave Adaptive Reuse/Historic Rehab 46 Units (100% Affordable, 25 PSH) 25@30% AMI, 13@50% AMI, 8@60% AMI	Approval of HOME, HOME-ARP, AHD&PF Award	\$20,286,419	N/A	New Allocation \$2,500,000 HOME \$1,750,000 HOME-ARP \$500,000 AHD&PF	Approval of HOME, HOME-ARP, and AHD&PF funding for the project
Wallick Development, LLC 160 West Main Street Suite 200 New Albany, OH 43054 Presbyterian Villages of Michigan 26200 Lahser Road Southfield, MI 48033	Meyers Senior 17334, 17370, 17400 Meyers Rd Rehabilitation & New Construction 105 Senior Units (100% Affordable) 5@30% AMI, 10@40% AMI, 8@50% AMI, 71@60% AMI, 11@80% AMI	Approval of HOME, ARPA Award	\$29,103,572	N/A	New Allocation \$500,000 HOME \$1,250,000 ARPA	Approval of HOME and ARPA funding for the project
Kipling Development: 607 Shelby Street Suite 752 Detroit, MI 48226 Woodborn Partners 3663 Woodward Avenue Suite 500 Detroit, MI 48201	Van Dyke Village Apartments 1775 Van Dyke St Preservation/Rehabilitation 16 Units (50% Affordable below 80% AMI) 1@50% AMI, 3@60% AMI, 4@80% AMI (and 8 at 120% AMI)	Approval of ARPA Award	\$2,597,763	N/A	New Allocation \$600,000 ARPA	Approval of ARPA funding for the project
S&S Development Group 18701 Grand River Suite 351 Detroit, MI 48223	Merrill Place, Phase II 1312 Seward New Construction of 27 Units (52% Affordable) 2@50% AMI, 12@60% AMI, 13 Market	Add \$631,000 of ARPA funding	\$12,006,057	\$2,368,871 (being in either HOME, ARPA or a combination of these funding sources)	Revised Allocation \$1,000,000 HOME \$1,999,871 ARPA	Additional \$631,000 of ARPA funding to address increased project costs