



COUNTY ADMINISTRATOR

220 NORTH MAIN STREET, P.O. BOX 8645

ANN ARBOR, MICHIGAN 48107-8645

(734)996-3055

FAX (734)994-2592

TO: Al Robinson, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Mark Roby
Community Development Manager

DATE: September 1, 1999

SUBJECT: Affordable Housing Agreement with Michigan Ability Partners

BOARD ACTION REQUESTED

It is requested that the Board of Commissioners authorize the County Administrator to sign the Affordable Housing Agreement with Michigan Ability Partners for a recoverable grant for acquisition and rehabilitation of 9445 Main Street, Whitmore Lake in the amount of \$20,000 for a total project cost of \$205,525.

BACKGROUND

On July 7, 1999, Michigan Ability Partners (MAP) received notice of approval of a Veterans Administration grant, through its Per Diem Program, for a total of \$128,213. This provides up to 60% of the acquisition and rehabilitation costs totaling \$205,525. On May 7, 1999, MAP received a notice of support from the Michigan Housing Trust Fund for a low interest loan (6%) for this project. The final decision from the Michigan Housing Trust Fund is expected early September.

DISCUSSION

Michigan Ability Partners, a local non profit, applied for and was awarded a \$128,213 grant from the Veterans Administration for the acquisition and rehabilitation of a 6-unit rooming house, which will be used as a supported housing project for up to seven (7) homeless, disabled veterans. This program will be known as the "Home Zone" project. It will strive to provide a safe environment for recovery from chemical dependency and stabilization of concurrent mental illness.

MAP will own the house and provide clinical services to the tenants through the use of both current homeless services resources and VA Per Diem program dollars. In conjunction with MAP, Northfield Human Services, located in Whitmore Lake, will be the primary local partner agency of the Home Zone project and will provide transportation, general maintenance and management resources for this project.

Both the local Veterans Administration Medical Center and the Washtenaw County Veterans Office have supported this project and will provide third party non-cash resources in the form of weekly meals, Supported Employment job positions, substance abuses assessments and treatment, and veteran screening through the life of the grant per diem cycle.

The total cost of the Home Zone project is \$205,525. Veterans Administration has committed \$128,213, or 60% of the total cost. The Michigan Housing Trust Fund will provide a low interest loan in the amount of \$57,312.

IMPACT ON HUMAN RESOURCES

There would be no impact on Human Resources.

IMPACT ON THE BUDGET

Twenty thousand dollars (\$20,000) of the County Housing Acquisition Fund, fund 167, would be used for this project. There would be no impact on any County department funds.

IMPACT ON INDIRECT COSTS

There is no impact on indirect costs.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES

The Home Zone project represents the collaborative effort of several members, including MAP, Northfield Human Services, Veterans Association Medical Center, Washtenaw County Veterans Affairs, the Michigan Housing Trust Fund, Plymouth Housing Commission and the Washtenaw County Community Development program.

CONFORMITY TO COUNTY POLICIES

This request conforms to County policies.

ATTACHMENTS

Affordable Housing Agreement with Michigan Ability Partners

A RESOLUTION AUTHORIZING THE ADMINISTRATOR TO SIGN THE AFFORDABLE HOUSING AGREEMENT WITH MICHIGAN ABILITY PARTNERS FOR A RECOVERABLE GRANT FOR ACQUISITION AND REHABILITATION OF 9445 MAIN STREET, WHITMORE LAKE IN THE AMOUNT OF \$20,000 FOR A TOTAL PROJECT COST OF \$205,525.

WASHTENAW COUNTY BOARD OF COMMISSIONERS

SEPTEMBER 15, 1999

WHEREAS, Michigan Ability Partners (MAP), a local non-profit, has requested a recoverable grant in the amount of \$20,000 from the Housing Acquisition fund (fund 167) for acquisition and rehabilitation of 9445 Main Street, Whitmore Lake; and

WHEREAS, 9445 Main Street, currently a rooming house, will be used as a supported housing project for up to seven (7) homeless, disabled veterans, known as the "Home Zone" project; and

WHEREAS, MAP will own the house and will provide clinical services to the tenants using current homeless services resources and VA Per Diem program dollars while providing a safe environment for recovery from chemical dependency and stabilization of concurrent mental illness; and

WHEREAS, Northfield Human Services, located in Whitmore Lake, will be the primary local partner agency of the Home Zone project; and

WHEREAS, The local Veterans Administration Medical Center and the Washtenaw County Veterans Office strongly support the Home Zone project; and

WHEREAS, MAP has been awarded a grant from the Veteran's Administration in the amount of \$128,213 for acquisition and rehabilitation of 9445 Main Street, Whitmore Lake, representing 60% of the total project cost of \$205,525; and

WHEREAS, The Michigan Housing Trust Fund will provide a low interest (6%) loan in the

amount of \$57,312; and

WHEREAS, this project is consistent with the Consolidated Housing Plan and Board of Commissioners Priorities; and

WHEREAS, this matter has been reviewed by Corporation Counsel, Finance, Human Resources, the County Administrator's Office and the Ways and Means Committee;

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the County Administrator to sign the affordable housing agreement for a recoverable grant to Michigan Ability Partners for the acquisition and rehabilitation of 944 Main Street, Whitmore Lake in the amount of \$20,000 for a total project cost of \$205,525, to be filed with the County Clerk.

BE IT FURTHER RESOLOVED, that the Washtenaw County Board of Commissioners amends the 1999 budget as follows:

County Administration
Housing Contingency Fund
16702000

Current Revised
Budget Budget Variance

72600 Supplies and Other

Services & Charges \$ 61,000 \$ 81,000 \$20,000

98000 Reserves \$236,786 \$216,786 (\$20,000)

HOUSING AFFORDABILITY AGREEMENT WITH
MICHIGAN ABILITY PARTNERS
FOR 9445 MAIN STREET, WHITMORE LAKE
THE "HOME ZONE" PROJECT

This AGREEMENT dated the day of 1998, between the COUNTY OF WASHTENAW, a Michigan municipal corporation ("COUNTY"), whose address is 220 N. Main, Ann Arbor, Michigan and Michigan Ability Partners hereinafter called OWNER, a Michigan non-profit corporation whose address is 9445 Main Street, Whitmore Lake, Michigan.

WHEREAS, Michigan Ability Partners desires to acquire and rehabilitate property in the City of Whitmore Lake, Washtenaw County, Michigan described as follows:

commonly known as 9445 Main Street, Whitmore Lake, Michigan,

(Parcel ID)

WHEREAS, OWNER has made an application to the COUNTY for Housing Acquisition funds in

the amount of \$20,000 for the acquisition and rehabilitation as defined in the proforma dated July 30, 1999 of said property for the purpose of using it as affordable housing;

WHEREAS, OWNER and Washtenaw County have agreed that the COUNTY will give \$20,000 as a recoverable grant for acquisition and related development costs as defined in the proforma to convert the above-referenced property into housing for homeless, disabled veterans; and

WHEREAS, OWNER has applied to the VETERANS ADMINISTRATION whose address is Veterans Health Administration, Washington DC 20420 for a \$128,213 grant for the acquisition and renovation of the seven unit house, and the OWNER has applied to the MICHIGAN HOUSING TRUST FUND, a Michigan non-profit corporation, ("TRUST FUND") whose address is 5829 Executive Drive, Lansing, Michigan 48911 for a \$57,312 loan for acquisition and renovation of the seven unit house.

THE PARTIES AGREE AS FOLLOWS:

1. SCOPE: The OWNER agrees to use the funds for the acquisition and rehabilitation of the property formally described in the above legal description.

2. BUDGET:

The COUNTY agrees to pay to OWNER the sum of \$20,000 as a recoverable grant.

3. TERM: This agreement shall commence on the ___ day of _____, 1999 and shall terminate on the ___ day of _____, 20__ as to services performed and payments made.

4. COMPLIANCE WITH LAWS: The OWNER agrees to comply with all appropriate federal, state and local laws applicable to services required by this contract, including, program requirements where appropriate under the CDBG, and the Community Development Act, Public Law 93-838 and the regulations issued thereunder, now or hereafter, including but not limited to 24 CFR, and the regulations, policies, guidelines, and requirements of Office of Management and

Budget circulars A-110, A-122, A-87 and A-133 as they relate to the application, acceptance and use of federal funds for this program as well as the Uniform Relocation Act and Section 104(d). Incorporated by reference are Title VI of the Civil Rights Act of 1964, Executive Order 11246, Section 3, Federal Labor Standards set forth in 24 CFR 570-605 and the Americans with Disabilities Act.

The COUNTY agrees to assist the OWNER to comply with requirements of the U.S. Department of Housing and Urban Development (HUD) where appropriate and if the need arises, the COUNTY will provide technical assistance to maintain affordability for the project.

5. REPORTS, MONITORING AND EVALUATION: The OWNER agrees to cooperate fully with the Community Development Manager, the COUNTY, and its officials to evaluate and monitor the requirements and performance of programs financed with funds identified in this agreement for a period of five (5) years. The OWNER agrees to provide the COUNTY information and reports, oral or written, as may reasonably be required or requested during the term of this Agreement on matters relating to program activities, performance, contract compliance and evaluations of programs receiving COUNTY Housing Acquisition funds.

The OWNER agrees to maintain documentation sufficient to evidence compliance with rent and occupancy restrictions and tenant income certifications in this agreement. The OWNER shall provide copies of such documentation, including but not limited to a certification of income form and annual report form for the preceding fiscal year period of the project on or before July 15 of each year to the COUNTY. The OWNER agrees to complete and submit to the Community Development Department in a timely manner a quarterly performance report. The report forms are to be provided by the COUNTY. Reports are due to the CITY and COUNTY no later than 15 days after the end of the reporting period.

6. SECURITY: The OWNER agrees that it shall execute all appropriate documents to secure and to provide for the repayment of all funds advanced by the COUNTY, as well as to enforce the provisions of this agreement. The OWNER shall not incur additional debt secured by this property without written approval of the COUNTY. The COUNTY and the FUND agree to the initial debt secured on the property by mortgages given to Washtenaw County.

7. CONTRACT AMENDMENT: This Agreement may be amended only by a written instrument approved by the County Board of Commissioners and the OWNER. Line item budget transfers which do not affect the Scope of Services or amendment of the termination date must be requested in advance in writing by the OWNER and approved in advance in writing by the County Administrator or his/her designee.

8. POLITICAL ACTIVITIES: None of the funds, materials, property, or services provided directly or indirectly under this Agreement shall be used for any partisan political activities or to further the election or defeat of any candidate for public office.

9. CONFLICT OF INTEREST: No employee, agent, consultant, officer or elected or appointed official of the *County* or *Owner*, as defined in 24 CFR '570.611(c), who engages in or has engaged in any of the functions or activities described in 24 CFR '570.611(b), and no immediate relative (spouse, parent, sibling, or child) of any such person, has or shall have any financial interest in this Agreement, or in any other contract, subcontract or agreement with respect to a Housing Acquisition Fund-assisted activity or with respect to the proceeds of the Housing Acquisition Fund-assisted activity.

10. INSURANCE COVERAGE: The OWNER shall secure and maintain such insurance policies, including those set forth below, as will protect itself, its subcontractors and, unless otherwise specified, the COUNTY, from all claims for bodily injuries, death or property damage which may arise under this Contract; whether the acts were made by the OWNER or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

a. Statutory Worker's Compensation in accordance with the provisions of the Michigan Worker's Compensation Act;

b. Public Liability Insurance in an amount not less than \$1,000,000 for injuries, including accidental death to any one person;

a. Property and Casualty insurance

Insurance certificates shall be filed with the COUNTY giving satisfactory evidence of insurance as stipulated above before the work under this Contract is begun. The certificates shall be maintained during the life of the Contract and shall also name the COUNTY as an insured party. All insurance certificates shall contain the following language: "The company agrees that it will give the County of Washtenaw ten (10) days prior written notice of its intent to cancel or materially change the described policy" Any disclaimer or any other language which negates company responsibility for the 10 day notice will not be acceptable. The insurer must be satisfactory to the COUNTY.

11. INDEMNIFICATION: The OWNER shall indemnify, defend and hold the COUNTY, its officers and employees harmless in the event of liability claims arising out of the OWNER's activities undertaken in connection with this Agreement.

12. FINANCES, AUDITS, AND INSPECTIONS: The OWNER shall supply documentation of all expenditures relating to acquisition and rehabilitation costs to the COUNTY, where appropriate, upon request. Documentation shall include payments for purchases, vouchers and other official documentation that show in proper detail the nature and propriety of such expenditures. All documents must be clearly identifiable and readily accessible. The OWNER agrees to securely maintain these records for a period of three (3) years after the COUNTY'S final disbursement to the OWNER pursuant to this Agreement. The OWNER shall inform the COUNTY and permit examination by the COUNTY, prior to destruction of any of these records. The COUNTY may cause an audit of the records of the OWNER at a reasonable time after reasonable notice. The Owner shall comply with OMB circular A-133 relating to audit requirements.

The OWNER maintains full responsibility and liability for the acceptance of workmanship and materials relating to any rehabilitation work completed on this project. All work is to be completed according to plans and specifications and applicable building, plumbing, electrical and housing codes and Section 8 Housing Quality Standards. All work is to conform to requirements set forth by the Building Department of the municipality in which the project is located.

13. AFFIRMATIVE MARKETING/EQUAL OPPORTUNITY: The OWNER shall comply with the COUNTY'S equal opportunity and affirmative action policies found in Volume 2 of the County Policies and Procedures Manual. The OWNER shall establish an affirmative marketing strategy for the unit including procedures for advertising vacancies, accepting referrals, and record keeping.

14. BOARD OF DIRECTORS: The OWNER warrants that it has supplied the COUNTY with current copies of its Charter, Articles of Incorporation, by laws and/or other documents designating the method of electing or appointing the members of its Board of Directors. The OWNER shall also keep on file with the Community Development Manager a current list of its Board members, its officers, and their addresses. Any changes in membership shall be promptly reported to the Community Development Manager.

The OWNER shall maintain a Board of Directors which includes minority membership, clients and representatives from diverse elements of the community, and other criteria relating to the HOME Program Community Housing Development Organization (CHDO) requirements, as appropriate.

15. BREACH: In the event the OWNER breaches this agreement or any of the loan documents to be executed, whether through a material financial or non-financial default, the COUNTY shall have full remedies consistent with the purpose of this Agreement and as set forth in the loan documents. The COUNTY in its discretion may or may not exercise these remedies, which include but are not limited to: meeting with and providing direction to the OWNER in the management of the project; appointing a receiver to manage the project according to the terms of this Agreement; taking possession of the project and managing it for the purposes of this Agreement; and all remedies set forth in the parties' loan documents and assignment of rent document, if applicable. It is the intent of the parties that these remedies be exercised in a manner appropriate in light of the breach and to the end that this project shall continue to provide housing for the target population of low income people. In the event of any breach, each lender shall be responsible for enforcement of its own loan/grant documents.

16. TERMINATION: When the OWNER proposes to transfer title and sell the property to an approved, qualified homebuyer, the Owner shall notify the COUNTY. Any funds received by the COUNTY pursuant to a repayment defined in this Agreement shall be deposited in the Washtenaw County Housing Acquisition Fund.

17. ENFORCEMENT: It is the parties' intent that the obligations created by this document be enforceable by all parties to this agreement. This agreement is binding upon the parties to this agreement and upon their successors, heirs and assigns, except as prohibited by this agreement.

18. SPECIAL CONDITIONS - AFFORDABILITY: The OWNER shall insure that unit is rented to individuals with an annual household income less than approximately 50% of area median as defined by HUD for the term of the mortgage.

- A. The OWNER has provided the COUNTY with pro forma estimating monthly rents for the project. The COUNTY has relied on these statements in approving these funds. The OWNER shall not charge any rents over 110% of the amount listed in the pro forma without prior written approval of the COUNTY. Any COUNTY disapproval of a proposed rent increase must be in writing and must state the reason for disapproval.

B. The OWNER shall insure that the unit continues to meet City Housing Code and Section 8 Housing Quality Standards for the duration of the agreement and allow for annual inspections on request of the COUNTY with notice to assess compliance.

19. EXTENT OF AGREEMENT: This Agreement represents the entire agreement between the parties and supersedes all prior representation, negotiations, or agreements whether written or oral.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

ATTESTED TO WASHTENAW COUNTY

Peggy M. Haines Robert E. Guenzel
Clerk/Register County Administrator

APPROVED AS TO CONTENT APPROVED AS TO FORM

Mark Roby Curtis N. Hedger
Manager, Community Development Corporation Counsel

MICHIGAN ABILITY PARTNERS

Susan Hornfeld

Executive Director