

**CITY OF FERNDALE
REQUEST FOR COUNCIL ACTION**

FROM: Marsha Scheer, Community Development Director

SUBJECT: NSP Contract Amendment #2

SUMMARY & BACKGROUND:

Now that the City has been awarded an additional \$182,903 under the Neighborhood Stabilization Program, CD Director Scheer recommends that the contract with Home Renewal Systems be amended to include these funds and additional unspent funds from the original grant. The amendment contract is for \$1,223,063 and will result in 30 to 35 houses being rehabbed and sold to qualified buyers.

ATTACHMENTS: NSP Contract Amendment #2

COUNCIL AGENDA DATE: December 28, 2009

CITY ATTORNEY REVIEW: P. Daniel Christ

FINANCE DIRECTOR REVIEW: JCHubanks

CITY MANAGER APPROVAL: Robert J. Bruner, Jr.

COMMENTS:

RECOMMENDED ACTION:

Moved by, seconded by, to approve the second amendment to the Neighborhood Stabilization Program Contract with Home Renewal Systems of Michigan LLC for a revised total contract amount of \$1,223,063.

SECOND AMENDMENT TO
NEIGHBORHOOD STABILIZATION PROGRAM
PROJECT DEVELOPMENT CONTRACT

This Second Amendment is made this _____ day of _____, 2009, between the City of Ferndale (“City”) and Home Renewal Systems LLC (“Housing Developer”).

RECITALS:

City and Housing Developer entered into the Neighborhood Stabilization Program (“NSP”) Project Development Contract (“Contract”) on April 27, 2009 pursuant to the authority of the Housing and Economic Recovery Act of 2008 (“HERA”); and

The parties have executed a First Amendment to the Contract; and

The U. S. Department of Housing and Urban Development (“HUD”) has notified the City, as a subrecipient of NSP funds, that the City shall receive additional NSP funding. The City has determined that additional funds from the original \$1,115,160 allocation should be allocated to the Housing Developer for use in the NSP Program.

NOW, THEREFORE, the parties agree as follows:

1. HUD has allocated the City’s NSP Program additional funding in the amount of one hundred and eighty-two thousand, nine hundred and three dollars (\$182,903).
2. The City will allocate additional funding to the NSP Program in the amount of forty thousand, one hundred and sixty dollars (\$40,160).
3. The amended contract amount is not to exceed one million two hundred twenty-three thousand, sixty three dollars (\$1,223,063).
4. The Housing Developer shall provide a total of between 30 and 35 rehabilitated, vacant and foreclosed single-family dwellings (“houses”) and subsequently sell to qualified low and median income home buyers as such home buyer’s principal residence.

5. Permits shall be obtained for each house (building, electrical, mechanical and plumbing) regardless of work to be performed and shall be required to obtain City inspection of each property prior to sale to the home buyer.

6. Final payment shall not be made on any house until the Housing Developer has forwarded complete hard-copy files of all original paperwork on the particular house property to the City.

7. All terms and conditions of the NSP Contract and the First Amendment to the NSP Contract shall remain in full force and effect. To the extent there is any conflict or inconsistency between the NSP Contract, First Amendment and this Second Amendment, the Second Amendment shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Neighborhood Stabilization Program Project Development Contract on the dates hereunder indicated.

HOME RENEWAL SYSTEMS, LLC

CITY OF FERNDALE

BY: _____
Bernard Gliberman

BY: _____
Craig S. Covey

TITLE: General Manager

TITLE: Mayor

DATE: _____

DATE: _____

Witness: _____

BY: _____
J. Cherilynn Tallman
TITLE: Clerk

Witness: _____

Witness: _____