

NOTICE OF ADOPTED ORDINANCE
CITY OF YPSILANTI
Ordinance No. 1210

An ordinance to enter into an option to purchase agreement with the Strong Future LDHA Limited Partnership for the sale of all remaining city-owned low income housing projects (Scattered Site)

WHEREAS the City of Ypsilanti created the Ypsilanti Housing Commission by the authority invested in it by the Michigan Legislature pursuant to MCL 125.652, et seq, to administer the low income public housing and Section 8 programs within the City; and

WHEREAS the City of Ypsilanti owns certain properties that are administered by the Ypsilanti Housing Commission; and

WHEREAS the Ypsilanti Housing Commission has applied to U.S. Department of Housing and Urban Development's Rental Assistance Demonstration Program, which provides the opportunity to convert public housing to units subsidized with Project Based Rental Assistance; and

WHEREAS the Ypsilanti Housing Commission and/or its assigns intends to apply for Low-Income Housing Tax Credits from the Michigan State Housing Development Authority to raise capital to renovate or replace current units; and

WHEREAS the Ypsilanti Housing Commission must show that they, or their assigns, have site control in order for its application to be approved; and

WHEREAS the current plan is to create two separate projects consisting of the Parkridge Site in one project and all other existing sites in another project, called the Scatter Site; and

WHEREAS the City, in its 2012 Master Plan has defined its guiding values to include, "Anyone, no matter what age or income, can find a place to call home in Ypsilanti: Housing options should match the needs of the people. Those needs will change as residents age and move. The need for safe, quality, affordable homes for all should be factored into decisions."; and

WHEREAS the City desires to sell such properties to further these goals; and

WHEREAS the anticipated procedure would be to eventually transfer both projects to separate limited partnerships jointly owned by three entities: a limited liability company wholly owned by the Chesapeake Community Advisors; a limited liability company wholly

owned by the Ypsilanti Washtenaw Housing Corporation; a nonprofit corporation wholly owned by Ypsilanti Housing Commission; and a LIHTC limited partner; and

WHEREAS this limited partnership would be a limited dividend housing association, pursuant to MCL 125.1491, and exempt from ad valorem taxes; and

WHEREAS the option to purchase agreement drafted by the City Attorney fulfills the requirements for the Ypsilanti Housing Commission's application, relative to the Scattered Site, and the anticipated procedure while still making any sale by the City contingent on MSHDA's approval of the LIHTC and HUD's approval of the application to RAD;

NOW THEREFORE:

1. THE CITY OF YPSILANTI ORDAINS:

- A. The Mayor and City Clerk are authorized to enter into the option to purchase agreement with Strong Future LDHA Limited Partnership relative to the Scattered Site for the sum of \$980,000 to be paid over a 30 years with an interest rate of 2 percent per annum, in conjunction with and subject to the review and approval of the City Attorney;
- B. The City Manager is further authorized to enter into any negotiations with Strong Future LDHA Limited Partnership, for the ultimate transfer of the land;
- C. City Council shall review the terms and conditions that result from such negotiations, including the deed to transfer title to the property and any memorandum of understanding entered into by the parties, and may approve such by resolution.

2. Copies to be available. Copies of the Ordinance are available at the office of the city clerk for inspection by, and distribution to, the public during normal office hours.

3. Publication and Effective Date. The City Clerk shall cause this Ordinance, or a summary of this Ordinance, to be published by printing the same in the Ypsilanti Courier. This Ordinance shall become effective after publication at the expiration of 30 days after adoption.

MADE, PASSED AND ADOPTED BY THE YPSILANTI CITY COUNCIL THIS 4TH
DAY OF February, 2014.

Frances McMullan, City Clerk

Attest

I do hereby confirm that the above Ordinance No. 1210 was published in the Ypsilanti Courier on the 4th day of February, 2014.

Frances McMullan, City Clerk

CERTIFICATE OF ADOPTING

I hereby certify that the foregoing is a true copy of the Ordinance passed at the regular meeting of the City Council held on the 4th day of February, 2014.

Frances McMullan, City Clerk

Notice Published: January 8, 2014

First Reading: January 21, 2014

Second Reading: February 4, 2014

Published: February 12, 2014

Effective Date: March 4, 2014