



Huntsville, Alabama

308 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 2/22/2024

File ID: TMP-3854

Department: Community Development

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to execute Modification No. 1 to the Agreement between Family Services Center, Inc. and the City of Huntsville, Alabama as adopted by Resolution No. 23-240.

Resolution No.

Finance Information:

Account Number: MC20-MC010201

City Cost Amount: \$ 0.00

Total Cost: \$ 252,692.64

Special Circumstances:

Grant Funded: \$ 252,692.64

Grant Title - CFDA or granting Agency: HOME Entitlement

Resolution #: 23-240

Location: (list below)

Address: 2803 Chrenshaw Drive NW

District: District 1 District 2 District 3 District 4 District 5

Additional Comments:

This modification increases developer and construction costs while decreasing demolition and professional services fees.

RESOLUTION NO. 24 - ____

WHEREAS, the City of Huntsville, Alabama, received a grant under Title I of the Housing and Community Development Act of 1974, as amended, from the U.S. Department of Housing and Urban Development (HUD),

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the Mayor of the City of Huntsville is hereby authorized, requested and directed to execute Modification No. 1 to the Agreement between Family Services Center, Inc. and the City of Huntsville, Alabama as adopted by Resolution 23-240 on March 23, 2023, said modification being substantially similar in words and figures to that document identified as "Modification No. 1 to the Agreement between Family Services Center, Inc and the City of Huntsville, Alabama as adopted by Resolution No. 23-240" consisting of three (3) pages, and the date of February 22, 2024, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville.

ADOPTED this the 22nd day of February 2024.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 22nd day of February 2024.

Mayor of the City of Huntsville,
Alabama

STATE OF ALABAMA)

COUNTY OF MADISON)

Modification No. 1 to the Agreement between Family Services Center, Inc. and the City of Huntsville, Alabama, as adopted by Resolution No. 23-240

This modification is made to the entitled "Agreement between the Family Services Center, Inc. and the City of Huntsville, Alabama," as referenced above and is entered into on this the 22nd day of February 2024 by and between Family Services Center, Inc. (Agency) and the City of Huntsville, Alabama (City).

WITNESSETH

WHEREAS, the Agency has indicated a need to modify budget line items to increase developer and construction costs and decrease demolition and fees/professional services in order to complete the terms of the housing construction requirement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree to modify the Agreement as follows:

1. Effective February 22nd, 2024, the Compensation & Method of Payment set forth in Section V, of the Agreement is deleted and replaced with the following:

COMPENSATION AND METHOD OF PAYMENT:

The DEVELOPER agrees accept funding not to exceed **\$252,692.64**. (Two hundred and fifty-two thousand six hundred ninety-two and 64/100) depending on funding availability (*hereinafter "Grant"*) for performance under this Agreement, as follows:

- A. Based on the approved budget, partial payments shall be made upon presentation of (i) purchase agreements and invoices, and/or (ii) other source documents. Payments will be made on a reimbursement basis for eligible expenses actually incurred by the DEVELOPER.

President of the City Council
City of Huntsville, Alabama
Date: February 22, 2024

B. All payments under this agreement are subject to receipt by the City of sufficient federal funds for the HOME Investment Partnership program. HOME Investment Partnership funds shall be drawn from the U.S. Treasury by the City through the Integrated Disbursement and Information System (IDIS). The City shall retain exclusive direct access rights to the IDIS system. All access to the IDIS system will be by duly authorized persons designated by the City as approved by HUD. Any termination, reduction or delay of receipt of HOME Investment Partnership funds to the City shall, at the option of the City, result in the termination, reduction or delay of HOME Investment Partnership funds to the DEVELOPER.

C. Funds provided to the DEVELOPER shall be deposited within 10 business days from the date of disbursement to the DEVELOPER by the City.

D. The Home funds disbursed pursuant to this Agreement shall be utilized as follows:

2803 Chrenshaw Drive NW

One 3-bedroom Home

Land	\$28,500.00
Construction	\$160,400.00
Demolition	\$6,138.73
Fees & Professional Services	\$600.00
Contingency	\$24,094.00
Total Construction	\$219,732.73
Developer Fee (15%)	\$32,959.91
Total Projected Cost	\$252,692.64

** Cost listed here are estimated, actual cost may transfer line-item amounts by up to 10%*

COST CATEGORY

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
515520	New Construction	\$252,692.64
TOTAL		\$252,692.64

* Cost associated with but not limited to construction, liability insurance, utilities, appraisals, real estate fees, legal fees, consultants, professional services, surveys and any other cost associated with creation of housing units are reimbursable expenses for the agency until execution of sales contract to homeowner.

E. Any pre-development costs will be considered eligible costs provided the costs are incurred no more than 90 days before the contract is executed.

- F. The developer will receive an amount not to exceed 15% as a developer’s fee on all eligible expenses for the project.
- G. Upon sale of the property, within 7 calendar days, the developer will remit all proceeds received in connection with the sale of the property and a copy of the Settlement Statement to the City of Huntsville.
- H. Family Services Center, Inc. is responsible for selling the property to a low- or moderate-income individual or family. If the property has not sold or is not under contract for sale within 9 months of the Certificate of Occupancy, the property will be required to be converted to rental property per HUD requirements 24 CFR 92.252.

- VI. FEDERAL FUNDS. It is mutually understood by the parties hereto that this contract is subject to the continued availability of federal funds and no other funds of the City of Huntsville will be made available for funding this Agreement.
- VII. REQUESTS FOR DISBURSEMENT FUNDS. The DEVELOPER may not request disbursement of funds under this agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

The Parties agree that any form of electronic signature, including but not limited to signatures via facsimile, standing, or electronic mail, may substitute for the original signature and shall have the same legal effect as the original signature.

IN WITNESS WHEREOF, the parties hereto have executed this modification, on the 22nd day of February 2024.

CITY OF HUNTSVILLE, ALABAMA

DATE: February 22, 2024

By: _____
Tommy Battle, Mayor
City of Huntsville, Alabama

ATTEST:

Shaundrika Edwards, City Clerk
City of Huntsville, Alabama

FAMILY SERVICES CENTER, INC

DATE: 2/6/2024 | 3:11 PM PST

DocuSigned by:
By: Darin Geiger
6499833145E64F6...
Its: President/CEO

ATTEST:

DocuSigned by:
Teri Johnston
82DC9A382EB9400...