



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 3/27/2025

File ID: TMP-5343

Department: Community Development

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to execute Modification No. 1 to the Agreement between the City of Huntsville, Alabama and Family Services Center, Inc. for the use of HOME Investment Partnerships (HOME) Program funds at 6211 Hollow Road NW.

Resolution No.

Finance Information:

Account Number: 515520

City Cost Amount: \$0

Total Cost: \$0

Special Circumstances:

Grant Funded: \$286,931.92

Grant Title - CFDA or granting Agency: HOME Investment Partnership Funds - HUD

Resolution #: Click or tap here to enter text.

Location: (list below)

Address: 6211 Hollow Rd. NW, Huntsville, AL 35810

District: District 1 ☒ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

Agreement with Family Services Center, Inc. to modify Resolution No. 23-968 to increase Compensation and Method of Payment by \$49,744.92 for the Single-Family New Construction Project at the address noted above.

RESOLUTION NO. 25-_____

WHEREAS, the City of Huntsville, Alabama, previously entered into an agreement with Family Services Center, Inc. for the use of HOME Investment Partnerships Program funds from a grant under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625), as amended, from the U.S. Department of Housing and Urban Development; and

WHEREAS, Family Services Center, Inc. has requested to amend Section V, COMPENSATION AND METHOD OF PAYMENT of the agreement; and

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 for the use of HOME Investment Partnerships Funds to Construct Affordable Housing at 6211 Hollow Road NW, as adopted by Resolution No. 23-968,” consisting of four (4) pages, and the date of March 27, 2025, 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 27th day of March, 2025.

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

APPROVED this the 27th day of March, 2025.

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
FOR THE USE OF HOME INVESTMENT PARTNERSHIPS FUNDS TO CONSTRUCT
AFFORDABLE HOUSING AT 6211 HOLLOW ROAD NW,
AS ADOPTED BY RESOLUTION NO. 23-968**

THIS MODIFICATION IS MADE TO THE AGREEMENT entitled "Agreement between Family Services Center, Inc. and the City of Huntsville, Alabama for the Use of HOME Investment Partnerships Funds to Construct Affordable Housing at 6211 Hollow Road NW," as referenced above and is entered into on this the 27th day of March 2025 by and between the City of Huntsville, Alabama (CITY) and Family Services Center, Inc. (DEVELOPER).

WITNESSETH

WHEREAS, the DEVELOPER has indicated a need to modify budget line items to increase construction, contingency and developer fee costs and decrease fees and professional services 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 March 27, 2025, the Compensation and Method of Payment set forth in **Section V**, of the Agreement is deleted and replaced with the following:

COMPENSATION AND METHOD OF PAYMENT

The CITY shall pay, and the DEVELOPER agrees to accept funding not to exceed **\$286,931.92** (Two hundred and eighty-six thousand nine hundred thirty-one dollars and 92\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: March 27, 2025

- B. All payments under this agreement are subject to receipt by the CITY of sufficient federal funds for the HOME Investment Partnerships Program. HOME Investment Partnerships 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 Partnerships funds to the CITY shall, at the option of the CITY, result in the termination, reduction or delay of HOME Investment Partnerships 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:

6211 Hollow Road
One 3-bedroom Home

Land	\$ 40,000.00
Construction	\$188,482.10
Fees & Professional Services	\$ 1,050.00
Contingency	\$ 20,000.00
Total Construction	\$249,532.10
Developer Fee (15%)	<u>\$ 37,399.82</u>
Total Projected Cost	\$286,931.92

** 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	\$286,931.92
TOTAL		\$286,931.92

* 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.

All other terms and conditions of the Original Agreement remain unchanged and in full force and effect.

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.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Modification on this the 27th day of March 2025.

CITY OF HUNTSVILLE, ALABAMA

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

Date: _____

ATTEST:

Shaundrika Edwards, City Clerk
City of Huntsville, Alabama

FAMILY SERVICES CENTER, INC.

By: _____
Its: President/CEO

Date: _____

ATTEST:

By: _____