TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: April 28, 2020

SUBJECT: APPROVE REVISED COOK’S COURT, SUNSET RIDGE AND FIELDCREST PROGRAM AGREEMENT AMENDMENTS

I. RECOMMENDED ACTION

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Program Manager & Chief Resilience Officer, 420-4528

III. DESCRIPTION

A. Background
At the April 6, 2020 City Council meeting, the City Council approved amendments to the original agreements with Beyond Shelter connected to LMI multi-family rental apartment projects known as Sunset Ridge, Cook’s Court, and Fieldcrest. Following Council approval and during good faith discussions with Beyond Shelter, it was disclosed by Beyond Shelter the details and reasoning behind establishing the Limited Liability Corporations and Partnerships, the actual basis of land/building transfers, and the specific relationships among Beyond Shelter, the partnerships and limited liability corporations all connected to the use of Low Income Housing Tax Credits and related non-CDBG-DR financing. Once all details were available and a clear understanding of the needs to be addressed by both the City and Beyond Shelter, revised amendments were completed.

B. Proposed Project
The essential details remain the same for all three amendments as was approved by the City Council April 6, 2020 City Council meeting which includes provision that current owning entity of the property and buildings becomes part of the City’s original agreement, and incorporating for consistency purposes the state’s LMI requirements and deed restrictions. The primary changes are adding more factual information in the “Whereas” clauses for historical record purposes, and more accurately defining and describing the change of ownership for each project.

While the amendments in purpose are the same, it is prudent to have the City Council approve the revised amendments.

IV. IMPACT:

A. Strategic Impact:
The discovery of the compliance issues is the result of the city’s ongoing internal review of past activities demonstrating to HUD that the City has an effective and continuing internal audit and compliance review policy, that upon discovering errors, moves quickly to correct as well as assure no similar errors occur in the future.
B. **Service/Delivery Impact:**
Amendment creates coordination with State of North Dakota which had lead on this project as well as incorporates changed property ownership.

C. **Fiscal Impact:**
N/A

V. **ALTERNATIVES**
N/A

VI. **TIME CONSTRAINTS**
N/A

VII. **LIST OF ATTACHMENTS**
   i. Revised Amendments