

# Memo

To: Dwelling Place  
From: Timothy Orlebeke  
cc: Dennis Sturtevant  
Date: April 1, 2021  
Re: Grandville-Heartside LDHA LP and CLT homes

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The proposed resolutions being presented to the Dwelling Place Board implement one aspect of Dwelling Place's support of the CLT program, namely, the sale of the Grandville Homes to qualified CLT homebuyers. The CLT has identified two qualified purchasers of Grandville Homes properties; one of those sales is expected to close within the next 45 days, and the next one in mid-summer. Since the CLT homebuyers are acquiring homes owned by the Grandville-Heartside Limited Dividend Housing Association (LDHA), the LDHA must formally authorize the sale of these properties to qualified homebuyers produced and screened by the CLT entity.

Grandville-Heartside Nonprofit Housing Corporation was the original general partner of the LDHA. The original limited partner has exited the partnership and Dwelling Place itself is now the limited partner. Recently, Grandville-Heartside Nonprofit Housing Corporation assigned its general partner interest to DP GP LLC a disregarded entity wholly owned by Dwelling Place of Grand Rapids Nonprofit Housing Corporation. This was done to prevent negative tax consequences to the general partner related to the sale of the Grandville Homes to CLT homebuyers. The new structure was reviewed and approved by Beene Garter. The new general partner is DP GP LLC.

The LDHA acts through its general partner. Dwelling Place is the sole member and manager of DP GP LLC, the general partner, and as such has the authority to take the actions described in the resolutions. The resolutions all relate to the future sale of each Grandville Homes property to a qualified CLT homebuyer. The resolutions, if adopted:

- Appoint a Board of Managers to manage the LLC going forward. The Board of Managers would consist of the same Dwelling Place representatives who currently serve as the Board of all Dwelling Place general partner subsidiaries;

- Approve all future sales of Grandville Homes properties to qualified homebuyers without need for further action by Dwelling Place or the Board of Managers;
- Require that the future sales be approved by the President or Vice-President of the Board of Managers and DP GP LLC's legal counsel; and
- Designate authorized signers of all documents related to the sale of individual Grandville Homes properties

The Resolutions also specifically authorize the LDHA to grant a power of attorney to an authorized signer. It is likely that some title companies will require a property-specific power of attorney for sale of real estate as part of the closing package.

I am pleased to attend the Board meeting to answer questions about the proposed Resolutions or this memo.