



## Legislation Text

File #: 09-0823, Version: 1

Resolution to Accept and Appropriate a \$287,298.00 Grant from the U.S. Department of Housing and Urban Development (HUD) for CDBG-R (\$287,298.00 CDBG-R Funds) **(8 Votes Required)**

Attached for your review and approval is a resolution to accept and appropriate a grant for \$287,298 from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant Recovery (CDBG-R).

The City of Ann Arbor has been awarded \$287,298.00 out of a total national allocation of \$980,000,000.00 under Title XII of Division A of the American Recovery and Reinvestment Act (ARRA) approved in February 2009 by Congress for the CDBG-R grant. These funds are a special allocation of Community Development Block Grant (CDBG) funds awarded to eligible grantees that received an allocation of 2008 CDBG funds. The additional entitlement allocation is to be treated as a substantial amendment to the 2008-2009 Ann Arbor HUD Annual Action Plan and utilized for programs and projects that both meet the Annual Plan goals and the legislative intent of President Obama's economic stimulus package. CDBG-R funding must be expended by September 30, 2012.

Funding available under the Recovery Act has three main purposes - to stimulate the economy through measures that modernize the nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. Therefore, CDBG-R funds must be allocated to activities that will maximize job creation and economic benefit, by:

1. Preserving and creating jobs and promoting economic recovery;
2. Assisting those most impacted by the recession;
3. Providing investment needed to increase economic efficiency;
4. Investing in transportation, environmental protection, or other infrastructure that will provide long-term benefits;
5. Minimizing or avoiding reductions in essential services; or
6. Fostering energy independence.

In order to meet or exceed the expedited timeframes outlined in the federal ARRA notice, Ann Arbor has proposed to utilize 75% (\$215,474.00) of its CDBG-R allocation under the overarching CDBG objectives to rehabilitate units and improve energy efficiency for rental households under 50% Area Median Income (AMI). Public/human services will be set aside at 15% (\$43,095.00) of the grant to support fair housing activities. Remaining funds, in an amount not to exceed 10 percent (\$28,729.00), will be utilized for grant administration.

Following is the budget submitted to HUD for the CDBG-R funds:

Multi-Family Housing Rehabilitation - Parkhurst Apartments	\$215,474.00
Public/Human Services - Fair Housing	\$ 43,095.00
Administration	<u>\$ 28,729.00</u>
TOTAL	\$287,298.00

The Office of Community Development is a joint department between the City of Ann Arbor and Washtenaw County operating under a Partnership Agreement since the inception of the joint department in 2004. In Resolution #R-09-224 on June 15, 2009, City Council approved an Operating Agreement with the County to administer the City's CDBG-R grant. The Operating Agreement is a supplemental document to the current Partnership Agreement expanding the scope of services and responsibilities between the municipalities. The Office of Community Development now recommends that City Council accept the CDBG-R funds. The County is also receiving an allocation of CDBG-R in the amount of \$308,567.00.

Prepared by: Damon Thompson, Operations Manager

Reviewed by: Mary Jo Callan, Community Development Director and Jayne Miller, Community Services Administrator

Whereas, The City of Ann Arbor has been awarded \$287,298.00 out of a total national allocation of \$980,000,000.00 under Title XII of Division A of the American Recovery and Reinvestment Act (ARRA) approved in February 2009 by Congress for the CDBG-R grant;

Whereas, In order to meet or exceed the expedited timeframes outlined in the federal ARRA notice, Ann Arbor has proposed to utilize 75% (\$215,474.00) of its CDBG-R allocation under the overarching CDBG objectives to rehabilitate units and improve energy efficiency for rental households under 50% Area Median Income (AMI);

Whereas, Public/human services will be set aside at 15% (\$43,095.00) of the grant to support fair housing activities, with remaining funds, in an amount not to exceed 10% (\$28,729.00), utilized for grant administration; and

Whereas, In Resolution R-09-224 on June 15, 2009, City Council approved an Operating Agreement with the County to administer the City's CDBG-R grant;

RESOLVED, That City Council accept the grant for \$287,298.00 from HUD for CDBG-R funds;

RESOLVED, That City Council appropriate, when received, grant funds in the amount of \$287,298.00, increase the expenditure budget in Fund 0078 by the same amount during the life of the grant and authorize the expenditure of the grant funds, regardless of fiscal year, for the purposes stated in the grant; and

RESOLVED, That the City Administrator, or his designee, be authorized to take necessary administrative actions and to execute any documents necessary to complete this transaction and to implement this resolution.