



Legislation Text

File #: 23-1482, Version: 1

Resolution to Accept and Appropriate a HUD Grant, Approve a Program Contract with HUD, and Approve a Subrecipient Agreement with the Ann Arbor Housing Development Corporation (\$3,000,000.00) **(8 Votes Required)**

This resolution seeks to rescind Resolution R-23-033 and replace it with this resolution. City Council approved a grant agreement with the Federal Department of Housing and Urban Development through the Economic Development Initiative, Community Project Funding for \$3,000,000.00, to fund the Ann Arbor Housing Commission's sustainability initiative, and to accept and appropriate these grant funds without regard to City Fiscal Year.

This resolution includes two changes from R-23-033. The first change is that the Ann Arbor Housing Development Corporation ("AAHDC") will be the fiduciary for the grant instead of the Ann Arbor Housing Commission ("AAHC") because the grant is a reimbursement grant and the AAHC does not have sufficient cash reserves to administer a reimbursement grant of this size. The AAHDC is staffed by the AAHC. The second change is that the City will allow the AAHDC to keep all of the administrative fee (\$300,000.00) instead of splitting the administrative fee (\$50,000.00/\$250,000.00).

This HUD grant was secured by Representative Dingell's office for the Ann Arbor Housing Commission to make renovations to its housing to increase energy efficiency with the goal of achieving as close to net zero as possible. The improvements include one or more of the following at 10 AAHC properties: lighting, mechanical systems, windows, insulation, doors, and solar installation.

Budget/Fiscal Impact: No matching funds are required for acceptance of this grant award. The AAHC will leverage other funding sources including DTE incentives and federal Inflation Reduction Act incentives with these grant funds to maximize the impact.

The City will execute a subrecipient grant agreement with the Ann Arbor Housing Development Corporation, a Michigan non-profit corporation, whose sole member is the AAHC for \$3,000,000.00. All funds must be expended by August 31, 2030.

Prepared by: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

Reviewed by: Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The federal Department of Housing and Urban Development (HUD) has awarded the City of Ann Arbor a \$3,000,000.00 Economic Development Initiative, Community Project Funding grant for sustainability improvements to Ann Arbor Housing Commission properties;

RESOLVED, Resolution R-23-033 is hereby rescinded and replaced by this resolution;

RESOLVED, That City Council accepts a grant of \$3,000,000.00 in HUD Economic Development Initiative, Community Project Funding and appropriates it to the Major Grants Program Fund, in a separate project budget, for expenditure without regard to fiscal year;

RESOLVED, That City Council approves a grant agreement with HUD for these funds;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the grant agreement following approval as to form by the City Attorney and as to substance by the City Administrator;

RESOLVED, That City Council approves a subrecipient agreement with the Ann Arbor Housing Development Corporation to pass through \$3,000,000.00 of these grant funds without regard to fiscal year, for fulfillment of program requirements in accordance with the grant agreement from the U.S. Department of Housing and Urban Development, Economic Development Initiative Community Project Funding;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the subrecipient agreement following approval as to form by the City Attorney and as to substance by the City Administrator; and

RESOLVED, That the City Administrator is authorized to take all appropriate actions to implement this resolution.