



Legislation Text

File #: 09-0583, **Version:** 1

Resolution to Execute a Consortium Agreement with Washtenaw County to Apply for Round Two Neighborhood Stabilization Program Funds from HUD

The American Recovery and Reinvestment Act of 2009 allocated an additional \$1.93 billion for the Neighborhood Stabilization Program, known as NSP II. NSP I was authorized under the Housing and Economic Recovery Act of 2008 (HERA). The City of Ann Arbor was awarded \$850,000 in NSP I funds and the County was awarded \$3,024,000 in NSP I funds. NSP II is a national competition, instead of a formula allocation. Neither the City of Ann Arbor nor Washtenaw County meets the required threshold to apply as a stand-alone application. HUD is allowing governmental entities to join together as a consortium for the purpose of meeting the threshold requirements to apply for NSP II funds. The consortium can also include both non-profit and for profit entities.

The Office of Community Development recommends that Washtenaw County and the City of Ann Arbor enter into a Consortium Agreement to apply for the second round of Neighborhood Stabilization Program Funds (NSP II). The agreement will authorize Washtenaw County to act as the lead agency and the County will be responsible for ensuring that the consortium's program is carried out in compliance with all NSP II requirements. An additional Consortium Funding Agreement must be executed by December 1, 2009 if the consortium is awarded funding.

The purpose of NSP II funds is to stabilize neighborhoods whose viability has been negatively impacted by abandoned and foreclosed properties. The NSP II funds must be used in targeted neighborhoods. Due to the pre-determined scoring criteria used by HUD, only one Ann Arbor neighborhood was eligible to be included in the County's target neighborhoods. The Bryant/Arbor Oaks Neighborhood (Census tract 4056) is the targeted Ann Arbor neighborhood for NSP II funds. This neighborhood was selected due to the impact of foreclosures on the neighborhood, the broad community revitalization efforts occurring in the neighborhood, the opportunity for a rapid response, and the resources that are currently being leveraged in the neighborhood.

Eligible uses include acquisition and rehabilitation of residential properties (owner and rental), demolition (limited to 10% of grant), land banks (property acquisition, redevelopment and maintenance) as well as financial mechanisms (loan loss reserves and second liens).

The Office of Community Development recommends that City Council authorize the City Administrator to execute a Consortium Agreement with Washtenaw County to apply for NSP II funds.
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Reviewed by: Jayne Miller, Community Services Administrator

Whereas, HUD has issued a notification of funding availability for round two of Neighborhood Stabilization Program funds authorized through the American Recovery and Reinvestment Act of 2009;

Whereas, NSP II funds must be used to stabilize neighborhoods whose viability has been negatively impacted by abandoned and foreclosed properties;

Whereas, Bryant/Arbor Oaks neighborhood is the designated NSP II target area; and

Whereas, The City of Ann Arbor does not meet the threshold requirements to apply for NSP II funds without joining Washtenaw County in a consortium;

RESOLVED, That City Council authorize the City Administrator to execute a Consortium Agreement with Washtenaw County and other municipalities, nonprofits, and financial institutions to apply for NSP II funds from HUD, subject to approval as to substance by the City Administrator and as to form by the City Attorney; 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.

As Amended by Ann Arbor City Council on July 6, 2009