

Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

FY 2017 Report



Revenue Sharing and Grants Division
Office of Revenue and Tax Analysis
Michigan Department of Treasury
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Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

Background

For FY 2017, the Michigan Legislature appropriated \$5.0 million for the Financially Distressed Cities, Villages, and Townships (FDCVT) grant program to be granted to cities, villages, and townships that have one or more conditions that indicate probable financial distress, as determined by the Department of Treasury (see 2016 Public Act 268, Section 956).

In addition, the Department of Treasury had \$0.1 million of excess FDCVT funds from the FY 2016 appropriation. This amount is derived from a \$0.1 million transfer from unexpended FY 2016 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2015 Public Act 84, Section 952(5).

Purpose

The purpose of the grant program is to provide grants to financially distressed cities, villages, and townships with one or more conditions that indicate probable financial distress. Grant funding is intended to be used to pay for specific projects or services that move the city, village, or township toward financial stability. The grant funded projects or services may include, but are not limited to, payments to reduce unfunded accrued liability; to repair or replace critical infrastructure owned and maintained by the municipality; to reduce general fund debt; or for costs associated with a transition to shared services.

The Michigan Legislature stipulated that the Department of Treasury shall award no more than \$2.0 million to any city, village, or township.

Treasury's focus for the 2017 round of grants was on the repair or replacement of obsolete critical infrastructure or equipment, improved street lighting, and service upgrades to public safety.

Criteria

1. Michigan city, village, or township with one or more conditions that indicate probable financial distress.
2. A completed application with detailed information.
3. The city, village, or township must demonstrate how the budgeted costs will lead toward financial stability.
4. Priority is given to any applicant:
 - a. with two or more conditions that indicate probable financial distress,
 - b. in which a financial emergency has been declared in the past ten years,
 - c. that has an approved Deficit Elimination Plan for the General Fund, and/or
 - d. in which the fund balance of the General Fund has been declining over the past five years and the fund balance is less than 3% of the General Fund Revenues.

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Grant Awards

Applications were made available on August 31, 2016 with a due date of October 17, 2016. The Department of Treasury received 50 applications from 19 municipalities with requested funding totaling approximately \$33.8 million.

On February 21, 2017, Treasury announced that 13 applications from 11 municipalities had been awarded for a total of approximately \$5.1 million. Table 1 illustrates the grant applicants awarded, a description of the project, and the amount of grant funding awarded.

Reporting Requirements

The Department of Treasury is required by 2016 PA 268, Section 956(2) to release a report detailing a list by grant recipient of the date each grant was approved, the amount of the grant, and a description of the project or projects that will be paid by the grant.

The report must be submitted to the Senate Appropriations Subcommittee on General Government, the House of Representatives Appropriations Subcommittee on General Government, the Senate Fiscal Agency, the House Fiscal Agency and the State Budget Office by March 31, 2017.

TABLE 1
Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program
Grants Awarded
FY 2017

Date Awarded	Grant Recipient	Description of Project	Amount of Grant
February 21, 2017	City of Allen Park	Public safety enhancement through improved street lighting.	\$ 88,860
		SUBTOTAL City of Allen Park	\$ 88,860
February 21, 2017	City of Benton Harbor	Water system enhancement through water main and valve replacements.	\$ 396,085
		SUBTOTAL City of Benton Harbor	\$ 396,085
February 21, 2017	City of Detroit	Public safety enhancement through replacement and upgrade of fire radios.	\$ 795,872
		SUBTOTAL City of Detroit	\$ 795,872
February 21, 2017	City of Ecorse	Water system enhancement through water and sewer main repairs.	\$ 500,000
		SUBTOTAL City of Ecorse	\$ 500,000
February 21, 2017	City of Highland Park	Water system enhancement through maintenance to water system.	\$ 800,000
		SUBTOTAL City of Highland Park	\$ 800,000
February 21, 2017	City of Inkster	Public safety enhancement through deployment of a crime scene technician/evidence custodian.	\$ 180,000
February 21, 2017	City of Inkster	Public safety enhancement through improved street lighting.	\$ 325,123
		SUBTOTAL City of Inkster	\$ 505,123
February 21, 2017	City of Lincoln Park	Public safety enhancement through infrastructure replacement to police building.	\$ 100,000
February 21, 2017	City of Lincoln Park	Water system enhancement through replacement of a water supply line.	\$ 373,000
		SUBTOTAL City of Lincoln Park	\$ 473,000
February 21, 2017	City of Melvindale	Public safety enhancement through improved street lighting.	\$ 205,252
		SUBTOTAL City of Melvindale	\$ 205,252
February 21, 2017	City of River Rouge	Public safety enhancement through partial fleet replacement of police and fire vehicles.	\$ 481,489
		SUBTOTAL City of River Rouge	\$ 481,489
February 21, 2017	Charter Township of Royal Oak	Water system enhancement through water main replacement and maintenance to water system.	\$ 500,000
		SUBTOTAL Charter Township of Royal Oak	\$ 500,000
February 21, 2017	City of Wayne	Public safety enhancement through improved street lighting.	\$ 347,759
		SUBTOTAL City of Wayne	\$ 347,759
		TOTAL GRANT FUNDING AWARDED	\$ 5,093,440