

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

FY 2021 Report



Revenue Sharing and Grants Division  
Michigan Department of Treasury  
March 2022

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

## Background

For FY 2021, the Michigan Legislature appropriated \$2.5 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 Michigan Department of Treasury (“Treasury”) (see 2020 Public Act 166, Section 956).

In addition, Treasury had \$0.2 million of excess FDCVT funds from the FY 2020 appropriation. This amount is derived from a \$0.2 million transfer from unexpended FY 2020 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2019 Public Act 56, 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 cities, villages, or townships must use the grants to make payments to reduce unfunded accrued liability; to repair or replace critical infrastructure and equipment owned and maintained by the city, village, or township; to reduce debt obligations; for costs associated with a transition to shared services with another jurisdiction; or to administer other projects that move the city, village, or township toward financial stability.

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

Treasury’s focus for the 2021 round of grants was on the repair and replacement of critical infrastructure and equipment, including replacement of emergency services equipment.

## 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.

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

### Grant Awards

Applications were made available on March 16, 2021, with a due date of May 17, 2021. Treasury received 53 applications from 29 municipalities with requested funding totaling approximately \$25.4 million.

On July 26, 2021, Treasury announced that 19 applications from 16 municipalities had been awarded for a total of approximately \$2.7 million. Table 1 illustrates the grant applicants awarded, a description of the project, and the amount of grant funding awarded.

### Reporting Requirements

Treasury is required by 2020 PA 166, 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.

**TABLE 1**  
**Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program**  
**Grants Awarded**  
**FY 2021**

<b>Date Awarded</b>	<b>Applicant Name</b>	<b>Description of Project</b>	<b>Proposed Award</b>
July 26, 2021	Allen Park City	Water system enhancement through replacement of lead service lines	\$ 200,000.00
		<b>Allen Park City Total</b>	\$ 200,000.00
July 26, 2021	Benton Harbor City	Water system enhancement through replacement of fire hydrants and water valves	\$ 300,000.00
		<b>Benton Harbor City Total</b>	\$ 300,000.00
July 26, 2021	Burr Oak Village	Water system enhancement through replacement of water meters	\$ 77,000.00
		<b>Burr Oak Village Total</b>	\$ 77,000.00
July 26, 2021	Ecorse City	Public safety enhancement through replacement of one ambulance	\$ 188,000.00
		<b>Ecorse City Total</b>	\$ 188,000.00
July 26, 2021	Flint City	Public safety enhancement through installation of surveillance cameras and purchase of police body cameras	\$ 183,505.00
		<b>Flint City Total</b>	\$ 183,505.00
July 26, 2021	Gaastra City	Water system enhancement through repair of water storage tank	\$ 298,000.00
		<b>Gaastra City Total</b>	\$ 298,000.00
July 26, 2021	Hamtramck City	Public safety enhancement through purchase of police body cameras	\$ 111,146.00
		<b>Hamtramck City Total</b>	\$ 111,146.00
July 26, 2021	Highland Park City	Public safety enhancement through installation of streetlights	\$ 100,000.00
		<b>Highland Park City Total</b>	\$ 100,000.00
July 26, 2021	Inkster City	Public service enhancement through infrastructure replacement of fire station building	\$ 214,764.00
July 26, 2021	Inkster City	Water system enhancement through replacement of fire hydrants	\$ 100,000.00
		<b>Inkster City Total</b>	\$ 314,764.00
July 26, 2021	Lansing City	Public service enhancement through technology infrastructure upgrades	\$ 30,000.00
July 26, 2021	Lansing City	Public service enhancement through technology upgrades	\$ 100,000.00
		<b>Lansing City Total</b>	\$ 130,000.00
July 26, 2021	Melvindale City	Public service enhancement through technology upgrades	\$ 18,075.00
July 26, 2021	Melvindale City	Water system enhancement through replacement of fire hydrants	\$ 131,200.00
		<b>Melvindale City Total</b>	\$ 149,275.00
July 26, 2021	Muskegon Heights City	Public safety enhancement through installation of surveillance cameras and purchase of police body cameras	\$ 153,000.00
		<b>Muskegon Heights City Total</b>	\$ 153,000.00
July 26, 2021	Ontonagon Village	Public safety enhancement through replacement of fire department rescue truck	\$ 227,995.00
		<b>Ontonagon Village Total</b>	\$ 227,995.00
July 26, 2021	River Rouge City	Public service enhancement through renovation of dispatch center	\$ 198,151.00
		<b>River Rouge City Total</b>	\$ 198,151.00
July 26, 2021	Saginaw City	Public safety enhancement through replacement of streetlights	\$ 37,109.00
		<b>Saginaw City Total</b>	\$ 37,109.00
July 26, 2021	Wayne City	Public safety enhancement through repair of police building HVAC system	\$ 35,000.00
		<b>Wayne City Total</b>	\$ 35,000.00
		<b>Grand Total</b>	\$ 2,702,945.00