

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

FY 2015 Report



Revenue Sharing and Grants Division  
Office of Revenue and Tax Analysis  
Michigan Department of Treasury  
March 2015

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

## Background

For FY 2015, the Michigan Legislature appropriated \$8.0 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 2014 Public Act 252, Section 956).

## 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 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 2015 round of grants was on the repair or replacement of obsolete critical infrastructure or equipment, service consolidation(s), improving operational effectiveness and service upgrades.

## 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 will be 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 five years, and/or
  - c. That has an approved Deficit Elimination Plan for the General Fund.

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

### Grant Awards

Applications were made available on September 2, 2014 with a due date of October 31, 2014. The Department of Treasury received 49 applications from 15 municipalities with requested funding totaling approximately \$30.5 million.

On February 3, 2015, Treasury announced that 21 applications from 11 municipalities had been awarded for a total of approximately \$8.0 million. Table 1 illustrates the grant applicants who received funding, a description of the project, and the amount of grant funding awarded.

### Reporting Requirements

The Department of Treasury is required by 2014 PA 252, 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, the schedule for disbursement, and a description of the project or projects that will be paid by the grant. Disbursements to grantees will be made on a reimbursement basis, not more than once a month, as expenditures are incurred by the grantee. As a result, Table 1 does not include a schedule of disbursement.

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 15, 2015.

**TABLE 1**  
**Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program**  
**Grants Awarded**  
**FY 2015**

<b>Date Awarded</b>	<b>Grant Recipient</b>	<b>Description of Project</b>	<b>Amount of Grant</b>
February 3, 2015	City of Benton Harbor	Complete a property reappraisal to provide updated and accurate assessing records. Additionally, community enhancement through blight management and sidewalk replacement.	\$ 475,000.00
February 3, 2015	City of Benton Harbor	Water system enhancement through water main replacements and fire hydrant repairs.	\$ 434,960.00
		<b>SUBTOTAL City of Benton Harbor</b>	<b>\$ 909,960.00</b>
February 3, 2015	City of Ecorse	Public safety enhancement through improved street lighting.	\$ 350,000.00
		<b>SUBTOTAL City of Ecorse</b>	<b>\$ 350,000.00</b>
February 3, 2015	City of Flint	Water system enhancement through improved waste management.	\$ 1,100,000.00
February 3, 2015	City of Flint	Water system enhancement through leak detection and pipe assessments.	\$ 900,000.00
		<b>SUBTOTAL City of Flint</b>	<b>\$ 2,000,000.00</b>
February 3, 2015	City of Hamtramck	Complete a property reappraisal to provide updated and accurate assessing records.	\$ 167,860.00
February 3, 2015	City of Hamtramck	Upgrade City Hall security.	\$ 50,000.00
February 3, 2015	City of Hamtramck	Public safety enhancement through improved street lighting.	\$ 404,600.00
		<b>SUBTOTAL City of Hamtramck</b>	<b>\$ 622,460.00</b>
February 3, 2015	City of Highland Park	Water system enhancement through meter replacement, leak detection, and system repairs.	\$ 2,000,000.00
		<b>SUBTOTAL City of Highland Park</b>	<b>\$ 2,000,000.00</b>
February 3, 2015	City of Inkster	Complete a property reappraisal to provide updated and accurate assessing records.	\$ 73,460.00
February 3, 2015	City of Inkster	Water system enhancement through fire hydrant repairs.	\$ 150,000.00
February 3, 2015	City of Inkster	Provide a backup power source for public safety.	\$ 30,000.00
February 3, 2015	City of Inkster	Public safety enhancement through the creation of a multi-jurisdictional narcotic team.	\$ 240,000.00
February 3, 2015	City of Inkster	Public safety enhancement through police officer training.	\$ 41,970.00
February 3, 2015	City of Inkster	Public safety enhancement through the deployment of an additional police officer.	\$ 320,000.00
		<b>SUBTOTAL City of Inkster</b>	<b>\$ 855,430.00</b>
February 3, 2015	City of Lincoln Park	Public safety enhancement through updated technology.	\$ 143,490.00
		<b>SUBTOTAL City of Lincoln Park</b>	<b>\$ 143,490.00</b>
February 3, 2015	City of Melvindale	Public safety enhancement through fleet replacement of police vehicles and updated technology.	\$ 88,000.00
		<b>SUBTOTAL City of Melvindale</b>	<b>\$ 88,000.00</b>
February 3, 2015	City of Pontiac	Community enhancement through blight management.	\$ 125,000.00
		<b>SUBTOTAL City of Pontiac</b>	<b>\$ 125,000.00</b>
February 3, 2015	City of River Rouge	Public safety enhancement through improved street lighting. Additionally, infrastructure replacements to City Hall.	\$ 591,508.00
		<b>SUBTOTAL City of River Rouge</b>	<b>\$ 591,508.00</b>
February 3, 2015	Royal Oak Township	Public safety enhancement through improved street lighting.	\$ 86,559.00
February 3, 2015	Royal Oak Township	Public safety enhancement of police services.	\$ 217,593.00
		<b>SUBTOTAL Royal Oak Township</b>	<b>\$ 304,152.00</b>
		<b>TOTAL GRANT FUNDING AWARDED</b>	<b>\$ 7,990,000.00</b>