

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

FY 2022 Report



Revenue Sharing and Grants Division
Michigan Department of Treasury
Revised May 2022

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

Background

For FY 2022, 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 2021 Public Act 87, Section 956).

In addition, Treasury had \$0.5 million of excess FDCVT funds from the FY 2021 appropriation. This amount is derived from a \$0.5 million transfer from unexpended FY 2021 City, Village, and Township Revenue Sharing that was transferred to the grant, per 2020 Public Act 166, 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 2022 round of grants was on the repair and replacement of critical infrastructure and equipment, including replacement of emergency services equipment, improved building security, and water system 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 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.

Grant Awards

Applications were made available on November 9, 2021, with a due date of January 18, 2022. Treasury received 42 applications from 22 municipalities with requested funding totaling approximately \$22.3 million.

On May 9, 2022, Treasury awarded 14 applications from 11 municipalities a total of approximately \$3.0 million. On May 11, 2022, Governor Gretchen Whitmer issued a press release to announce the grant awards. Table 1 illustrates the grant applicants awarded, a description of the project, and the amount of grant funding awarded.

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Reporting Requirements

Treasury is required by 2021 PA 87, 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 2022

Proposed Award Date	Applicant Name	Description of Project	Proposed Award Amount
May 9, 2022	Benton Harbor City	Public safety enhancement through replacement of one fire engine	\$425,000.00
		Benton Harbor City Total	\$425,000.00
May 9, 2022	Ecorse City	Public safety enhancement through installation of surveillance cameras and security doors	\$132,604.00
May 9, 2022	Ecorse City	Public service enhancement through renovation of police center	\$145,703.00
		Ecorse City Total	\$278,307.00
May 9, 2022	Gaastra City	Water system enhancement through replacement of water meters	\$103,200.00
		Gaastra City Total	\$103,200.00
May 9, 2022	Hamtramck City	Public safety enhancement through installation of surveillance cameras and security doors	\$195,800.00
		Hamtramck City Total	\$195,800.00
May 9, 2022	Harper Woods City	Public safety enhancement through replacement of emergency generator	\$205,970.00
		Harper Woods City Total	\$205,970.00
May 9, 2022	Highland Park City	Public safety enhancement through replacement of emergency generator	\$118,260.00
		Highland Park City Total	\$118,260.00
May 9, 2022	Inkster City	Water system enhancement through replacement of fire hydrants	\$145,000.00
May 9, 2022	Inkster City	Water system enhancement through replacement of water valves	\$150,000.00
		Inkster City Total	\$295,000.00
May 9, 2022	Melvindale City	Public service enhancement through replacement of equipment	\$452,609.00
May 9, 2022	Melvindale City	Public safety enhancement through replacement of patrol vehicles and equipment	\$189,580.00
		Melvindale City Total	\$642,189.00
May 9, 2022	Ontonagon Village	Water system enhancement through replacement of water meters	\$216,287.00
		Ontonagon Village Total	\$216,287.00
May 9, 2022	Peck Village	Water system enhancement through replacement of fire hydrants	\$264,796.00
		Peck Village Total	\$264,796.00
May 9, 2022	Royal Oak Township	Water system enhancement through replacement of a water main	\$285,000.00
		Royal Oak Township Total	\$285,000.00
		Grand Total	\$3,029,809.00