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May 23, 2023

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Annual HOME, CDBG and ARPA Awards
New Awards**

Honorable City Council:

The City of Detroit ("City"), through the Housing and Revitalization Department ("HRD"), makes annual funding available for "ready-to-proceed projects" from HOME, CDBG and ARPA funds allocated to the City through the U.S. Department of Housing and Urban Development ("HUD") and U.S Department of Treasury. HRD has continued to work closely with HUD to meet required commitment and disbursement deadlines for new and ongoing projects approved by the City.

In support of affordable housing opportunities, HRD is hereby requesting approval to award funding to the following new projects:

1. Central United Methodist Church PSH (\$250,000 in CDBG) - \$250,000 in CDBG will be spent on this project to provide a loan to the nonprofit developers to use to complete pre-development evaluation activities for a potential permanent supportive housing development that may be located at 23 East Adams.
2. Luther Burbank School Redevelopment (\$250,000 in CDBG) – \$250,000 in CDBG will be spent on this project to provide a loan to the nonprofit developers to use to complete pre-development evaluation activities for the potential redevelopment of the Luther Burbank School located at 15600 East State Fair to create affordable housing units.
3. Orchard Village (\$1,000,000 HOME; \$1,935,892 ARPA) - \$1,000,000 in HOME and \$1,935,892 in ARPA will be spent on this project to construct 48 new housing units at 21566 Orchard that will be 100% affordable.

We hereby request that your Honorable Body adopt the attached resolution that: (1) approves the aforementioned project funding awards and (2) authorizes the HRD Director, or her authorized designee, to execute such documents as may be necessary or convenient to complete the transactions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julie M. Schneider".

Julie M. Schneider
Director

DocuSigned by:
A handwritten signature in black ink, appearing to read "Donald R. Johnson".
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Office of Budget

Attachments

cc: G. Fulton, Mayor's Office
K. Vickers, Chief Housing Development & Investment Officer

RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, the City of Detroit receives an annual allocation and special allocations of HOME and CDBG funds from the U.S. Department of Housing and Urban Development ("HUD") and American Rescue Plan Act of 2021 ("ARPA") funds from the U.S. Department of Treasury, through the Housing and Revitalization Department ("HRD") and other City Departments, for the purpose of creating affordable housing opportunities in Detroit neighborhoods and which are both responsive to needs created by the COVID-19 pandemic and help build a strong and equitable recovery from the COVID-19 pandemic; and

WHEREAS, the City Council authorized HRD's Director to accept and utilize HOME and CDBG funds according to HUD regulations during the City's annual budgeting process; and

WHEREAS, the City Council has appropriated ARPA fiscal recovery funds in Appropriation No. 22004 for Match Funding for projects for which public or private leverage dollars may be made available, subject to separate City Council authorization for such projects; and now therefore be it

RESOLVED, that the City Council hereby approves the new allocations for the HOME, CDBG and ARPA loans for developers and/or borrowers as provided for herein and in the attached Exhibit 1: 2022-23 HOME, CDBG and ARPA Awards in the amounts indicated and with authorization to vary such allocation amounts by not more than 10% at the discretion of the HRD Director; and be it further

RESOLVED, that HRD will use Appropriation No. 20541 to spend CDBG funds for predevelopment costs for the following new project: "Central United Methodist Church PSH" – \$250,000; and be it further

RESOLVED, that HRD will use Appropriation No. 20541 to spend CDBG funds for predevelopment costs for the following new project: "Luther Burbank School Redevelopment" – \$250,000; and be it further

RESOLVED, that HRD will use Appropriation No. 10821 to spend \$1,000,000 in HOME funds and Appropriation 22004 to spend \$1,935,892 in ARPA funds for the following new project: "Orchard Village" - \$2,935,892; and be it further

RESOLVED, that the HRD Director, or her authorized designee, is authorized to process, prepare and execute any and all loan and grant documents necessary or convenient to close, secure and use HOME, CDBG and ARPA funds according to HUD regulations and as approved by this resolution; and be it finally

RESOLVED, that the Budget and Finance Directors of the Office of the Chief Financial Officer are hereby authorized to increase the necessary accounts and honor expenditures, vouchers and payrolls when presented in accordance with the foregoing communication and standard City procedures.

(See attached Exhibit 1)

EXHIBIT 1: 2022-2023 HOME, CDBG & ARPA AWARDS

Developer or Borrower	Project Description	Project Action	Total Development Cost	Original Allocation	New or Revised Allocation	Comments
Central UMC of Detroit CDC 23 East Adams Detroit, MI 48226 Full Circle Communities, Inc 310 S Peoria Street Suite 500 Chicago, IL 60607	Central United Methodist Church PSH 23 East Adams Pre-Development Loan for Project Evaluation Costs	Approval of CDBG Award	\$379,500	N/A	New Allocation \$250,000 CDBG	Approval of CDBG Funding Award for Pre-Development Costs
LifeBuilders Detroit 20141 Kelly Road Detroit, MI 48225 Cinnaire Solutions 2111 Woodward Ave Suite 600 Detroit, MI 48201	Luther Burbank School Redevelopment 15600 East State Fair Pre-Development Loan for Project Evaluation Costs	Approval of CDBG Award	\$250,000	N/A	New Allocation \$250,000 CDBG	Approval of CDBG Funding Award for Pre-Development Costs
CHN Housing Partners 2625 Gratiot Ave Detroit, MI 48207 Detroit Blight Busters 17338 Lahser Rd, Suite 1N Detroit, MI 48219	Orchard Village 21566 Orchard New Construction of 48 units (100% affordable) 10@30% AMI, 10@40% AMI 3@50% AMI, 25@60% AMI	Approval of HOME/ARPA Award	\$15,370,328	N/A	New Allocation \$1,000,000 HOME \$1,935,892 ARPA	Approval of HOME and ARPA Funding Award