



Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan 48226

Phone: 313.224.6380
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October 27, 2023

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

RE: FY 2023-24 BUDGET AMENDMENT TO HOME INVESTMENT PARTNERSHIPS BUDGET

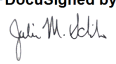
Honorable City Council:

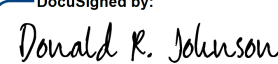
The Housing & Revitalization Department (HRD) hereby requests to amend the 2023-24 HOME Investment Partnerships (HOME) budget to reflect the actual allocation received from the U.S. Department of Housing and Urban Development (HUD). Please see the attached Fiscal Year 2023 HUD Grant Agreement Transmittal for account information relative to this amendment.

The fiscal year 2023-24 budget for HUD's final allocation was received after the Departmental budgets were finalized. Therefore, the budget in this program needs to be adjusted to reflect HUD's final allocation. The Department is requesting that this revision is approved to enable HRD to begin working with the actual allocations and community partners to facilitate the great work planned in the City of Detroit.

We respectfully request that your Honorable Body approve the attached resolution authorizing this amendment to the 2023-24 budget for the stated purpose.

Respectfully submitted,

DocuSigned by:

E17650515DAF4C9...
Julie Schneider
Director, Housing and Revitalization

DocuSigned by:

34F9071313554A4...
Donald R. Johnson
Office of Budget

Attachment

cc: Gail Fulton, Mayor's Office
Val Miller, HRD

BY COUNCIL MEMBER _____

WHEREAS, the Detroit City Council hereby approved Fiscal Year 2023-24 City's estimated Budgets for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME) and Housing Opportunities for Persons With Aids (HOPWA); and

WHEREAS, the Mayor of the City of Detroit, Michael E. Duggan, is hereby authorized to amend the revised 2023-24 budget w/appropriation numbers for revenues and expenditures, including all understandings and assurances contained therein to the U.S. Department of Housing and Urban Development (HUD) in accordance with the foregoing communication; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease HOME expenditures and revenues Appropriation #13171 HOME Admin by \$55,730; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease HOME expenditures and revenues Appropriation #10821 HOME Projects by \$501,569; and

BE IT FINALLY RESOLVED, that the Finance Director be and is hereby authorized to accept and process all documents reflecting these changes.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT
 DETROIT FIELD OFFICE
 477 MICHIGAN AVENUE, STE. 1600
 DETROIT, MI 48226-2592
 DetroitCPD@hud.gov

September 15, 2023

Julie Schneider, Director
 Housing and Revitalization Department
 City of Detroit
 2 Woodward Avenue, Suite 908
 Detroit, Michigan 48226

SUBJECT: Fiscal Year 2023 Grant Agreement Transmittal

Dear Julie Schneider:

The Detroit Field Office would like to thank you for your continued partnership in providing quality affordable housing, a suitable living environment, and expanding economic opportunities for low-and moderate-income persons through HUD programs. On Thursday, June 10, 2021, the Department published an interim final rule with a request for comments, titled: *Requesting Affirmatively Furthering Fair Housing Definitions and Certifications* (86 Fed Reg 30779). The effective date for the interim rule is July 31, 2021, and you are encouraged to review the interim rule in developing your programs.

One Grant Agreement is attached for each program awarded as follows:

Community Development Block Grant (CDBG) Program	\$34,030,759.00
HOME Investment Partnerships Program (HOME)	7,446,067.00
Emergency Solutions Grant (ESG)	3,034,444.00
Housing Opportunities for Persons with AIDS (HOPWA)	3,577,351.00
Total FY2023 Award	\$48,088,621.00

Plan Approval

Transmittal of a grant agreement does not constitute approval of the activities described in your Consolidated Plan. You are reminded that you, as grantee, are responsible for ensuring that all grant funds are used in accordance with all program requirements. An executed Grant Agreement is a legally binding agreement between the Department of Housing and Urban Development and your agency.

Please note the special conditions attached to each Funding Approval/Agreement, including CDBG.

In accordance with the HOME regulations at 24 CFR 92.254(a)(5), a Participating Jurisdiction (PJ) must establish resale and/or recapture requirements that comply with the standards of the regulations. Furthermore, the resale and recapture requirements must be set

forth in the PJ's Consolidated Plan. HUD must determine if the PJ's provisions comply with the requirements of the regulations and notify the PJ in writing of its determinations. Although the City does not plan to undertake homebuyer activities for the most part, HUD understands the City may consider converting existing HOME-assisted single family rental units into homeownership in accordance with 24 CFR 92.255, which requires the City to comply with all of the requirements of 24 CFR 92.254 (including the establishment of resale or recapture provisions). HUD has reviewed your resale and/or recapture provisions and has determined that the provisions included in the Plan do not comply with the requirements at 24 CFR 92.254(a)(5). The City of Detroit may not use HOME funds to undertake any activities related to homebuyer assistance until the City of Detroit has submitted and HUD has approved the corrected resale and/or recapture provisions.

Environmental Review Requirements

You are reminded that certain activities are subject to the provisions of 24 CFR Part 58 (Environmental Review Procedures). Funds for such activities may not be obligated or expended until HUD has approved the release of funds in writing. A request for release of funds (RROF) must be accompanied by an environmental certification, and until the RROF is approved and notification is received, no HUD funds should be committed. If the project or activity is exempt per 24 CFR 58.34 or categorically excluded (except in extraordinary circumstances), no RROF is required.

Build America, Buy America (BABA)

On November 15, 2021, the Build America, Buy America Act (the Act) was enacted as part of the Infrastructure Investment and Jobs Act (IIJA). Pub. L. 117-58. The Act establishes a domestic content procurement preference, the Buy American Preference (BAP), for Federal programs that permit Federal financial assistance to be used for infrastructure projects. In Section 70912, the Act further defines a project to include "the construction, alteration, maintenance, or repair of infrastructure in the United States" and includes within the definition of infrastructure those items traditionally included along with buildings and real property. Starting May 14, 2022, new awards of Federal financial assistance (FFA) from a program for infrastructure, and any of those funds obligated by the grantee, are covered under the Build America, Buy America (BABA) provisions of the Act, 41 U.S.C. 8301 note. The [waiver, published March 15, 2023](#), establishes a phased implementation schedule for application of the BAP to covered materials and HUD programs.

The BAP is applicable **now** to iron and steel used in covered CDBG projects, i.e. for projects using funds obligated on or after November 15, 2022. For CPD, the BAP will apply next to iron and steel used in covered Recovery Housing Program (RHP) projects for funding obligated on or after August 23, 2023. The Phased Implementation waiver established the following implementation schedule for HUD programs:

BAP will apply to...	Iron and Steel	Specifically Listed Construction Materials	All Other Construction Materials	Manufactured Products
CDBG Formula Grants	All funds obligated on or after November 15, 2022	As of the date HUD obligates new FFA from FY24 appropriations	As of the date HUD obligates new FFA from FY25 appropriations	As of the date HUD obligates new FFA from FY25 appropriations
Choice Neighborhood, Lead Hazard Reduction, and Healthy Homes Production Grants	New FFA obligated by HUD on or after February 22, 2023	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024
Recovery Housing Program (RHP) Grants	New FFA obligated by HUD on or after August 23, 2023	As of the date HUD obligates new FFA from FY24 appropriations	As of the date HUD obligates new FFA from FY25 appropriations	As of the date HUD obligates new FFA from FY25 appropriations
All HUD FFA except HOME, Housing Trust Fund, and Public Housing FFA used for maintenance projects	New FFA obligated by HUD on or after February 22, 2024	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024
All HUD FFA	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024	New FFA obligated by HUD on or after August 23, 2024

Additional details on fulfilling the BABA requirements can be found at https://www.hud.gov/program_offices/general_counsel/BABA.

Executing the Grant Agreement

Please execute each attached Grant Agreement with electronic signature and date, and return a digital copy to DetroitCPD@hud.gov with a Cc to your Senior CPD Representative Kathy Bagley (Kathy.f.bagley@hud.gov) and Senior Financial Analyst Cindy Vails (Cynthia.C.Vails@hud.gov). Please ensure the Chief Elected Official and/or authorized designee electronically signs the CDBG grant agreement in the box directly across from the HUD CPD Director's signature. The CDBG Grant Agreement should **not** be electronically signed in box 12c. Maintain a copy of each agreement with your original signature on-site in your program files.

For additional information and guidance on grant-based accounting, please refer to the HUD Exchange at: <https://www.hudexchange.info/manage-a-program/grant-based-accounting/>.

To establish a Line of Credit for Fiscal Year 2023 grant funds, it will be necessary for your agency to sign, execute and return one (1) copy of each Grant Agreement. If there is a need to add or remove individuals authorized to access the Integrated Disbursement Information System (IDIS), please submit an IDIS Online Access Request Form (HUD 27055), notarize, and return to this office. Additionally, if there is a need to establish or change the depository account

where these funds are to be wired, a Direct Deposit Sign-Up form (SF-1199A) must be completed by your financial institution and returned to this office with a copy of a voided check.

HUD congratulates the City of Detroit on your grant award, and we look forward to I'm assisting you in accomplishing your programs goals. If you have any questions or need further information or assistance, please contact Kathy Bagley, Senior CPD Representative at Kathy.f.bagley@hud.gov.

Sincerely,

KEITH

HERNANDEZ

Keith E. Hernández, AICP, PMP

Director

Office of Community Planning and Development

Digitally signed by: KEITH HERNANDEZ
DN: CN = KEITH HERNANDEZ C = US
O = U.S. Government OU = Department
of Housing and Urban Development
Date: 2023.09.15 12:35:15 -04'00'

Enclosures

Funding Approval and HOME Investment Partnerships Agreement

U.S. Department of Housing and Urban Development

Title II of the National Affordable Housing Act
Assistance Listings #14.239 - HOME Investment Partnerships Program

Office of Community Planning and Development

1. Grantee Name (must match the name associated with 3b.) and Address City of Detroit 2 Woodward Ave Rm 1126 Detroit, MI 48226-3443		2. Grant Number (Federal Award Identification Number (FAIN)) M23MC260202																
		3a. Tax Identification Number 386004606	3b. Unique Entity Identifier (formerly DUNS): GS94M2VMNMJ3															
		4. Appropriation Number 86 3/6 0205	5. Budget Period Start and End Date FY 2023 through FY 2031															
6. Previous Obligation (Enter "0" for initial FY allocation)			\$0															
a. Formula Funds		\$																
b. Community Housing Development Org. (CHDO) Competitive		\$																
7. Budget Approved by the Federal Awarding Agency/Current Transaction (+ or -)			\$7,446,067.00															
a. Formula Funds		\$7,446,067.00																
1. CHDO (For deobligations only)		\$																
2. Non- CHDO (For deobligations only)		\$																
b. CHDO Competitive Reallocation or Deobligation		\$																
8. Revised Obligation			\$															
a. Formula Funds		\$																
b. CHDO Competitive Reallocation		\$																
9. Special Conditions (check applicable box) <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Attached		10. Federal Award Date (HUD Official's Signature Date) 9/15/2023																
11. Indirect Cost Rate* <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"><u>Administering Agency/Dept.</u></td> <td style="width:30%;"><u>Indirect Cost Rate</u></td> <td style="width:30%;"><u>Direct Cost Base</u></td> </tr> <tr> <td>HUD</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>---</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>---</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>---</td> <td>0%</td> <td>0%</td> </tr> </table>		<u>Administering Agency/Dept.</u>	<u>Indirect Cost Rate</u>	<u>Direct Cost Base</u>	HUD	0%	0%	---	0%	0%	---	0%	0%	---	0%	0%	12. Period of Performance Start and End Date Date in Box #10 - 09/30/2032	
<u>Administering Agency/Dept.</u>	<u>Indirect Cost Rate</u>	<u>Direct Cost Base</u>																
HUD	0%	0%																
---	0%	0%																
---	0%	0%																
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* If funding assistance will be used for payment of indirect costs pursuant to 2 CFR 200, Subpart E-Cost Principles, provide the name of the department/agency, its indirect cost rate (including if the de minimis rate is charged per 2 § CFR 200.414), and the direct cost base to which the rate will be applied. Do not include cost rates for subrecipients.



This Agreement between the Department of Housing and Urban Development (HUD) and the Grantee is made pursuant to the authority of the HOME Investment Partnerships Act (42 U.S.C. 12701 et seq.). The Grantee's approved Consolidated Plan submission/Application, the HUD regulations at 24 CFR Part 92 (as is now in effect and as may be amended from time to time) and this HOME Investment Partnership Agreement, form HUD-40093, including any special conditions, constitute part of this Agreement. Subject to the provisions of this Agreement, HUD will make the funds for the Fiscal Year specified, available to the Grantee upon execution of this Agreement by the parties. All funds for the specified Fiscal Year provided by HUD by formula reallocation are covered by this Agreement upon execution of an amendment by HUD, without the Grantee's execution of the amendment or other consent. HUD's payment of funds under this Agreement is subject to the Grantee's compliance with HUD's electronic funds transfer and information reporting procedures issued pursuant to 24 CFR 92.502. To the extent authorized by HUD regulations at 24 CFR Part 92, HUD may, by its execution of an amendment, deobligate funds previously awarded to the Grantee without the Grantee's execution of the amendment or other consent. The Grantee agrees that funds invested in affordable housing under 24 CFR Part 92 are repayable when the housing no longer qualifies as affordable housing. Repayment shall be made as specified in 24 CFR Part 92. The Grantee agrees to assume all of the responsibility for environmental review, decision making, and actions, as specified and required in regulation at 24 CFR 92.352 and 24 CFR Part 58.

The Grantee must comply with the applicable requirements at 2 CFR part 200 that are incorporated by the program regulations, as may be amended from time to time. Where any previous or future amendments to 2 CFR part 200 replace or renumber sections of part 200 that are cited specifically in the program regulations, activities carried out under the grant after the effective date of the part 200 amendments will be governed by the 2 CFR part 200 requirements as replaced or renumbered by the part 200 amendments.

The Grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Universal Numbering System and System for Award Management (SAM) requirements in Appendix I to 2 CFR part 200, and the Federal Funding Accountability and Transparency Act (FFATA) in Appendix A to 2 CFR part 170.

The Period of Performance for the funding assistance shall begin on the date specified in item 12 and shall end on September 1st of the 5th fiscal year after the expiration of the period of availability for obligation. Funds remaining in the account will be cancelled and thereafter not available for obligation or expenditure for any purpose. Per 31 U.S.C. 1552. The Grantee shall not incur any obligations to be paid with such assistance after the end of the Period of Performance.

The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 U.S.C. 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.

13. For the U.S. Department of HUD (Name and Title of Authorized Official) Keith E. Hernández, CPD Director	14. Signature 	15. Date 9/15/2023
16. For the Grantee (Name and Title of Authorized Official) Michael E. Duggan, Mayor	17. Signature 	18. Date 9/21/2023
19. Check one: <input checked="" type="checkbox"/> Initial Agreement <input type="checkbox"/> Amendment #		

20. Funding Information:

Source Year of Funds	Appropriation Code	PAS Code	Amount
2023	86 3/6 0205	HMF (M)	\$7,446,046.00
2016	86X0205-16	HMF	\$ 21.00
Total		(D)	\$7,446,067.00