February 26, 2019

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

RE: Reprogramming Amendment to the Community Development Block Grant (CDBG) Annual Action Plans for fiscal years 2014-15, 2017-18 and 2018-19

Honorable City Council:

The Housing & Revitalization Department (HRD) is requesting that changes be made to the City’s CDBG Annual Action Plan consistent with meeting the City's CDBG Timeliness Test on May 2, 2019.

The City has previously had significant challenges meeting its timeliness test, which requires that the City have no more than 1.5 times its CDBG allocation on hand at any time. A test of this metric is made sixty (60) days before the end of the program year for all CDBG recipients. This test is one of the primary ways in which the City's performance is measured by U.S. Department of Housing and Urban Development (HUD).

Also, this amendment will allow the Department to reprogram unused CDBG funds from a number of account balances for programs that funds unlikely to be used in a timely manner.

To do so however, a series of budget amendments are required to expend funding. The funding will change as follows:

**Line Items to be reprogrammed (Decrease):**

- Summer Jobs Program (DESC) (FY’s 2014-15, 2017-18 & 2018-19) $2,000,000
- Non-HHF Demolition (Schools & Parks) (FY 2018-19) $320,000
  
  Total $2,320,000

**Line Item for Funding Addition for FY 2018-19 (Increase):**

- Pre-development – Affordable Housing $1,000,000
- Conventional Home Repair (Senior) $500,000
- 0% CDBG Housing Rehab Loan Program $500,000
- Planning (Demolition Studies for Schools) $320,000
  
  Total $2,320,000
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We respectfully request that your Honorable Body approve the attached resolution authorizing this change to amend the CDBG Annual Action Plan for the stated purpose. This proposed amendment was posted on the City’s website and advertised in the Detroit News/Free Press. Upon City Council’s approval, it will be transmitted to HUD.

We ask that the Council approve this with a Waiver of Reconsideration.

Respectfully submitted,

[Signature]

Donald Rencher  
Director  
Housing & Revitalization Department

Attachment

cc: Stephanie Washington, Mayor’s Office

[Approved Stamp: Budget Director 3/7/19]
BY COUNCIL MEMBER Tate

WHEREAS, the Detroit City Council hereby approves amending the Annual Action Plan to reflect the reprogramming of the Community Development Block Grant (CDBG) in accordance with the foregoing communication; and

WHEREAS, the Mayor of the City of Detroit, Michael E. Duggan, is hereby authorized to amend the Annual Action Plan, 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

WHEREAS, the Housing and Revitalization Department has performed an evaluation of outstanding CDBG funding line items and determined that a strategic reallocation of funding is in order to meet timeliness by May 2, 2019; and

RESOLVED, that the Budget Director be and is hereby authorized to increase Appropriation # 20541 Pre-development – Affordable Housing by $1,000,000; and

RESOLVED, that the Budget Director be and is hereby authorized to increase Appropriation # 20153 Conventional Home Repair (Senior) by $500,000; and

RESOLVED, that the Budget Director be and is hereby authorized to increase Appropriation # 13609 0% CDBG Housing Rehab Loan Program by $500,000; and

RESOLVED, that the Budget Director be and is hereby authorized to increase Appropriation # 13169 Planning (Demolition Studies for Schools) by $320,000; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease Appropriation # 13837 Summer Jobs Program (DESC) by $2,000,000; and

RESOLVED, that the Budget Director be and is hereby authorized to decrease Appropriation # 20544 Non-HHF Demolition (Schools & Parks) by $320,000; and

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