



**OFFICE OF THE
CHIEF FINANCIAL OFFICER
OFFICE OF BUDGET**

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April 9, 2023

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: American Rescue Plan Act (ARPA) Fiscal Recovery Funds Budget Transfers (REVISED)

Honorable Detroit City Council Members:

The Administration is requesting ARPA appropriations transfers to reprogram \$59 million to purposes that have seen greater demand and also address the negative impact of the COVID-19 pandemic. This reprogramming will also maximize and accelerate the likelihood of expenditure of our ARPA Fiscal Recovery Funds within the required time period. The requested transfers will reprogram funding for the following purposes:

- \$19,000,000 for Affordable Housing purposes to increase the amount available for affordable housing purposes to \$31,000,000
- \$12,000,000 for a Right to Counsel program to increase the amount available for a Right to Counsel program to \$18,000,000
- \$1,000,000 to establish the Tangled Title program under which the ownership of intergenerational properties transferred without clean title would be resolve
- \$5,000,000 to fund operations and development of Senior Citizen Centers
- \$2,000,000 for a Home Accessibility program under which repairs and improvements will be made to residential properties to provide accessibility
- \$1,000,000 for a Historical Sites and Facilities project under which historical sites and facilities will be improved and supported
- \$9,500,000 to establish the Detroit Neighborhood Development Support, under which economic and infrastructure needs of Detroit neighborhoods will be coordinated and developed
- \$9,500,000 for Recreation Center Improvements to increase the funds available for improvements for City recreation centers to \$39,500,000

We respectfully request your approval of the attached resolution, with a waiver of reconsideration, to authorize these appropriation transfers.

Best regards,

Steven Watson
Deputy CFO / Budget Director

Att: ARPA Budget Transfers Resolution

Cc: Jay B. Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO/Policy & Administration Director
Meagan Elliott, Deputy CFO/Development and Grants
Regina Greear, Deputy CFO/Departmental Financial Services
Malik Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____

WHEREAS, Section 17(1) of State of Michigan Public Act 2 of 1968 (the “Uniform Budgeting and Accounting Act”) states that a deviation from the original general appropriations act shall not be made without amending the general appropriations act; and

WHEREAS, Section 8-211 of the 2012 Detroit City Charter authorizes the City Council, upon written request of the Mayor, to transfer by resolution all or part of any unencumbered appropriation balance among the programs, services or activities within an agency or from one (1) agency to another: and

WHEREAS, on March 11, 2021, the federal government enacted Public Law 117-2 (the “American Rescue Plan Act of 2021” or “ARPA”) to provide additional relief to address the continued impact of the Coronavirus Disease 2019 (“COVID-19”) pandemic on the economy, public health, state and local governments, individuals, and businesses; and

WHEREAS, on May 10, 2021, the United States Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds (the “Fiscal Recovery Funds”), established by ARPA, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments to recover from the COVID-19 pandemic; and

WHEREAS, the City of Detroit (the “City”) has been directly awarded \$826,675,290 from the Fiscal Recovery Funds (the “ARPA Award”); and

WHEREAS, City Council has approved, by Resolution adopted June 29, 2021, 15 separate appropriations of the ARPA Award for costs associated or necessary to fulfill any of the purposes specifically enumerated for each appropriation; and

WHEREAS, ARPA permits the City to use the Fiscal Recovery Funds to cover cost eligible under the terms of ARPA if the costs are incurred on or after March 3, 2021 and on or before December 31, 2024, and if the ARPA Award is spent by December 31, 2026; and

WHEREAS, the Mayor seeks to allocate greater funding to purposes that have seen greater demand and address the negative impact of the COVID-19 pandemic, as well as to maximize and accelerate the likelihood of expenditure of the ARPA Award within the required time period; and

WHEREAS, City Council desires to authorize transfers to meet the needs for the following purposes:

- A. Reprogram \$19,000,000 for **Affordable Housing** purposes to increase the amount available for affordable housing purposes to \$31,000,000;
- B. Reprogram \$12,000,000 for a **Right to Counsel** program to increase the amount available for a Right to Counsel program to \$18,000,000, with increases to the program frontloaded to address immediate needs in the next two fiscal years;
- C. Reprogram \$1,000,000 to establish the **Tangled Title** program under which the ownership of intergenerational properties transferred without clean title would be resolved;
- D. Reprogram \$5,000,000 to fund operations and development of **Senior Citizen Centers**;

- E. Reprogram \$2,000,000 for a **Home Accessibility** program under which repairs and improvements will be made to residential properties to provide accessibility;
- F. Reprogram \$1,000,000 for a **Historical Sites and Facilities** project under which historical sites and facilities will be improved and supported;
- G. Reprogram \$9,500,000 to establish the **Detroit Neighborhood Development Support**, under which economic and infrastructure needs of Detroit neighborhoods will be coordinated and developed;
- H. Reprogram \$9,500,000 for **Recreation Center Improvements** to increase the funds available for improvements for City recreation centers to \$39,500,000; and

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council hereby approves the following ARPA Award appropriation transfers listed below and hereby authorized for the specified purposes described above and as described on the attached schedule for each appropriation which, after such transfers, will adjust the following appropriations to reflect these purposes and by the following amounts:

Appropriation		Amount Transferred	
Number	Appropriation Name	To/(From)	
22002	City Services and Infrastructure	\$	(9,717,698)
22004	Match Funding	\$	(5,860,000)
22005	Neighborhood Investments 1	\$	1,000,000
22007	Neighborhood Investments 3	\$	14,500,000
22008	Parks, Recreation and Culture	\$	(9,000,000)
22009	Employment and Job Creation	\$	(10,167,606)
22012	Intergenerational Poverty 3	\$	32,000,000
22013	Neighborhood Beautification	\$	5,500,000
22015	Digital Divide	\$	(11,640,430)
22016	Small Business	\$	(6,614,266)

AND BE IT FINALLY RESOLVED, that the Chief Financial Officer, or the designee of the Chief Financial Officer, is hereby authorized and may take all appropriate actions, including any adjustment to or amendment of any procurement or subrecipient, beneficiary, development or other agreement, necessary to implement the foregoing provisions and actions authorized by this resolution.

SUMMARY OF ARPA APPROPRIATION TRANSFERS

HOUSING	CURRENT	TRANSFER	FROM	TO	TOTAL
Affordable Housing	\$ 12,000,000	\$ 19,000,000			\$ 31,000,000
		\$ 10,000,000	22008 - Parks, Recreation, and Culture	22012 - Intergenerational Poverty 3	
		\$ 5,000,000	22004 - Match Funding	22012 - Intergenerational Poverty 3	
		\$ 4,000,000	22013 - Neighborhood Beautification	22012 - Intergenerational Poverty 3	
Home Accessibility	\$ -	\$ 2,000,000			\$ 2,000,000
		\$ 2,000,000	22015 - Digital Divide	22005 - Neighborhood Investments 1	
Right to Counsel	\$ 6,000,000	\$ 12,000,000			\$ 18,000,000
		\$ 3,717,698	22002 - City Services and Infrastructure	22012 - Intergenerational Poverty 3	
		\$ 8,282,302	22009 - Employment and Job Creation	22012 - Intergenerational Poverty 3	
Tangled Title Resolution	\$ -	\$ 1,000,000			\$ 1,000,000
		\$ 1,000,000	22005 - Neighborhood Investments 1	22012 - Intergenerational Poverty 3	

NEIGHBORHOODS	CURRENT	TRANSFER	FROM	TO	TOTAL
Neighborhood Development Support	\$ -	\$ 9,500,000			\$ 9,500,000
		\$ 9,500,000	22015 - Digital Divide	22013 - Neighborhood Beautification	
Historical Facilities and Sites Support	\$ -	\$ 1,000,000			\$ 1,000,000
		\$ 1,000,000	22002 - City Services and Infrastructure	22008 - Parks, Recreation, and Culture	
Senior Center Support & Development	\$ -	\$ 5,000,000			\$ 5,000,000
		\$ 5,000,000	22002 - City Services and Infrastructure	22007 - Neighborhood Investments 3	
Recreation Center Modernization	\$ 30,000,000	\$ 9,500,000			\$ 39,500,000
		\$ 1,885,304	22009 - Employment and Job Creation	22007 - Neighborhood Investments 3	
		\$ 6,614,266	22016 - Small Business	22007 - Neighborhood Investments 3	
		\$ 860,000	22004 - Match Funding	22007 - Neighborhood Investments 3	
		\$ 140,430	22015 - Digital Divide	22007 - Neighborhood Investments 3	