



RESOLUTION NO.: 220149

PRESENTED: APR - 6 2022

ADOPTED: _____

**RESOLUTION AUTHORIZING USE OF ARPA FUNDING TO DEMOLISH
BLIGHTED STRUCTURES IN THE CITY OF FLINT**

BY THE MAYOR:

WHEREAS, unoccupied, blighted properties are a major concern of the City of Flint and its residents; and

WHEREAS, the Genesee County Land Bank Authority (GCLBA) is currently in possession of over 4,000 unoccupied properties with structures remaining, 2000 of which are unfit for sale or occupancy, and an additional 1,100 of which are in poor condition and which are currently being inspected to determine if they should be prioritized for demolition; and

WHEREAS, the Genesee County Land Bank Authority (GCLBA) has requested that the City of Flint allocate \$16 million of its American Rescue Plan Act (ARPA) funding to conduct demolition of blighted, unoccupied structures, which will fund the demolition of 800 blighted residential and commercial structures in the City of Flint; and

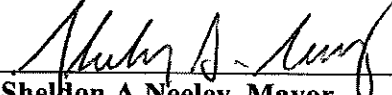
WHEREAS, GCLBA intends to combine the City's contribution of \$16 million with an \$8 million contribution from Genesee County, leveraging these funds to secure an additional \$21.3 million from other sources, which will fund the demolition of up to 2,410 blighted structures in the City of Flint (~94%) and Genesee County (~6%).

IT IS RESOLVED, that the Flint City Council authorizes the appropriate City Officials to do all things necessary to use of the City's ARPA funds to demolish blighted structures as specified above. Before funds are distributed, the City of Flint's ARPA administration, compliance, and implementation firm shall review and ensure compliance with the latest US Department of the Treasury final rules. Funds will be paid from the American Rescue Plan Act fund (287).

APPROVED BY CITY COUNCIL:


Eric Mays, City Council President

APPROVED BY THE MAYOR:



Sheldon A Neeley, Mayor

APPROVED AS TO FORM:



William Kim (Apr 5, 2022 13:21 EDT)
William Kim, Acting City Attorney

APPROVED AS TO FINANCE:



Robert J.F. Widigan (Apr 5, 2022 14:45 EDT)
Robert J.F. Widigan, CFO



CITY OF FLINT

RESOLUTION STAFF REVIEW FORM

TODAY'S DATE: April 5, 2022

BID/PROPOSAL# N/A

AGENDA ITEM TITLE: Resolution Authorizing Use of ARPA Funding to Demolish Blighted Structures in the City of Flint

PREPARED BY: Finance Department

VENDOR NAME: N/A

BACKGROUND/SUMMARY OF PROPOSED ACTION:

GCLBA requests that the City of Flint contribute \$16 million of its ARPA funding, with the intention of leveraging that contribution to secure a total of \$45.3 million. This \$45.3 million will be used to demolished blighted structures in the City of Flint and Genesee County, with approximately 96% of the demolitions to occur in the City.

FINANCIAL IMPLICATIONS:

BUDGETED EXPENDITURE? YES [] NO [X] IF NO, PLEASE EXPLAIN:

Table with 5 columns: Dept., Name of Account, Account Number, Grant Code, Amount. Row 1: ARPA Grant, 287-171.716-801.000, FUSDT-CSLFRF, \$16,000,000.00. Row 2: FY20/21 GRAND TOTAL, \$0.00

PRE-ENCUMBERED? YES [] NO [X] REQUISITION NO: []

ACCOUNTING APPROVAL: N/A Date: N/A

WILL YOUR DEPARTMENT NEED A CONTRACT? YES [X] NO [] (If yes, please indicate how many years for the contract) 5 YEARS

WHEN APPLICABLE, IF MORE THAN ONE (1) YEAR, PLEASE ESTIMATE TOTAL AMOUNT FOR EACH BUDGET YEAR: (This will depend on the term of the bid proposal)

OTHER IMPLICATIONS (i.e., collective bargaining): None



CITY OF FLINT

STAFF RECOMMENDATION: (PLEASE SELECT): **APPROVED** **NOT APPROVED**

Robert J.F. Widigan

DEPARTMENT HEAD SIGNATURE: Robert J.F. Widigan (Apr 5, 2022 14:45 EDT)

(Robert J.F. Widigan, Chief Financial Officer)



Language for Resolution

Genesee County Land Bank Request for American Rescue Plan Act (ARPA) Funding to Demolish Eligible Blighted Properties in Flint and Genesee County

Summary

The Genesee County Land Bank Authority (GCLBA) is requesting \$16 million from the City of Flint in American Rescue Plan Act (ARPA) funding to demolish priority blighted GCLBA held structures in the City of Flint. Genesee County is proposing to commit \$8 million in ARPA funding to demolish blighted GCLBA held properties in Flint and Genesee County. The GCLBA together with the Genesee County Treasurer will commit a combined total of \$4.5 million in additional matching funds. We plan to further leverage city funding with an \$8 million matching grant from the C.S. Mott Foundation and up to \$8.8 million from the State of Michigan and a variety of other sources to secure a total of \$45.3 million in blight elimination funding.

With the \$16 million in funding from the city, the GCLBA will demolish approximately **800 blighted residential and commercial structures in Flint**. If we are successful in fully leveraging the city's ARPA funding, we hope to demolish a total of up to 2,410 blighted structures in Flint (~94%) and Genesee County (~6%). While the inventory of blighted properties will continue to grow and we will need to continue to seek funding for future demolitions, the demolitions proposed to be completed with this funding will help to promote public health and safety, stabilize property values, and to enhance economic development opportunities.

About the Land Bank

The Land Bank receives blighted properties from the Genesee County Treasurer after people stop paying their taxes and the land goes through tax-foreclosure. GCLBA currently has about 15,000 properties in its inventory. Of those, over 4,000 have structures remaining, the majority of which have been left vacant for years before they end up in our inventory. When feasible, we sell houses to responsible owners through Realtors or our Featured Homes and Ready for Rehab programs. We also sell commercial properties and land for development and re-use. The revenue generated from these sales helps to support program operations, such as property maintenance. However, not all the structures in our inventory are currently fit to sell. There

are currently roughly 2,000 unfunded demolitions in the City of Flint. (see flintpropertyportal.com for updates). An additional 1,100 properties are in poor condition and are currently being inspected to determine if they should be prioritized for demolition.

The Case for Eliminating Hazards in Neighborhoods

Eliminating hazards in neighborhoods and commercial corridors is the first step to restoring value to neighboring homeowners, creating opportunities for homeowners to build wealth through homeownership, and creating new opportunities for investment and improvements in areas that have experienced significant hardship over the past few decades. Hazardous structures in neighborhoods attract dumping and other criminal activity, create health and safety risks to residents, and depress the value of surrounding homes and businesses. Demolition is consistently ranked as a very high priority for residents.

Benefits of Blight Elimination

Public health research links blight elimination and revitalization to reductions in firearm violence and drug crimeⁱ and creating safe and healthy neighborhoods when combined with resident engagement.ⁱⁱ Furthermore, research linking abandoned building remediation to significant reductions in firearm violence and vacant lot remediation indicates that returns on investment for firearm prevention were \$5 and \$79 for every dollar spent on abandoned building remediation and \$26 and \$333 for every dollar spent on vacant lot remediation.ⁱⁱⁱ Research completed in Baltimore indicates that building remediations were significantly associated with citywide reductions in overall crimes, total assaults, gun assaults and nuisance crimes ($p < 0.001$).^{iv} Additional research suggests that remediating neighborhood blight may reduce stress and improve health.^v

Leveraging Additional Funding for Demolition

We have set an ambitious goal of securing \$16 million in ARPA funds from the City of Flint to leverage additional funding from other sources to secure a total of \$45.3 million as detailed in the chart and table below:

FUNDING SOURCE	FUNDS
ARPA - CITY	\$16,000,000
ARPA - COUNTY	\$8,000,000
OTHER CONFIRMED AND POTENTIAL SOURCES	\$13,300,000
CS MOTT FOUNDATION LEVERAGED	\$8,000,000
TOTAL	\$45,300,000

Proposed Budget for City ARPA

The GCLBA has provided cost estimates to complete the demolitions below. However, the number of demolitions and the type of demolitions (residential v. commercial) will vary and depend on the market conditions and pricing secured through competitive bidding. The cost estimates for demolition are based on pricing of demolitions during the past few years. Costs may fluctuate with variable market conditions, an increase in gas prices, and labor shortages. Additional details on the budget are provided below.

Budget Item	Estimated Units	Estimated Unit Rate	Budgeted Expenditures
Residential demolition	745	\$ 14,500	\$ 10,803,000
Commercial demolition	55	\$ 65,400	\$ 3,597,000
Property maintenance	800	\$ 1,000	\$ 800,000
Project Management (5%)	800	5%	\$ 800,000
TOTAL	800		\$ 16,000,000

Estimated Demolition Cost: The cost of demolition includes but is not limited to dangerous building inspection, environmental inspection, utility cuts, environmental abatement, demolition, site restoration, and field oversight/compliance oversight.

Property Maintenance: This includes up to five years of property maintenance after demolition through the Land Bank's Clean & Green program.

Project/Grant Management: This includes all competitive procurement of all demolition activities, project management of bids/contracts to ensure compliance with the bid specifications and grant requirements, and grant and financial management.

Property Selection

There are currently roughly 2,000 unfunded demolitions in the City of Flint. (see flintpropertyportal.com for updates). An additional 1,100 properties are in poor condition and may also be in need of demolition. Many of these properties will be added to the unfunded demolition list after inspections are complete.

Dangerous structures on the unfunded demolition list in need of immediate response due to dangerous conditions may be prioritized for demolition first. In addition, structures with utilities retirements already completed or underway may be completed before others to enable us to begin work as soon as possible.

The GCLBA will select the remaining demolitions from the GCLBA's unfunded demolition list following resident priorities. In 2021, the Land Bank gathered input using a survey available for

residents to complete on-line or in paper format. Land Bank staff encouraged residents to complete the survey by publicizing it on local news, social media, press releases, emails, presentations at neighborhood meetings and by making phone calls. Based on more than 400 survey responses, residents ranked the following factors based on what they felt was most important, with 0 being not important, and 10 being particularly important.

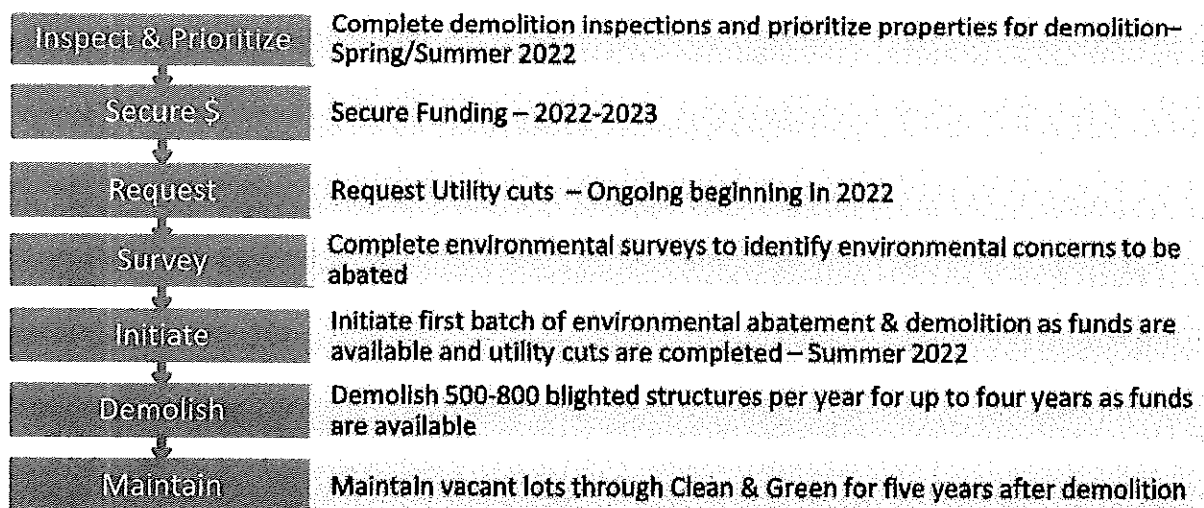
- Houses directly next door to occupied properties (score of 9.5 out of 10)
- Houses in areas where more people live, and homes are occupied (score of 8.9 out of 10)
- Houses near open schools (score of 8.7 out of 10)
- Houses that are burnt (8.5 out of 10)
- Houses with fire insurance funds (8.1 out of 10)
- Houses near local parks (8 out of 10) ◇ Houses on or near major roads (7.7 out of 10)

Properties will be prioritized for demolition as funds are available by creating a system of weights aligning with the collective ranking of each factor. The weights are then used to score each property. The highest scoring properties are selected for demolition.

Schedule

We will follow the process detailed below to prepare properties and complete demolitions within geographic areas in the City. This will help to control costs and increase efficiencies. Utility cuts from Consumers can take several months to complete. Therefore, once the funding is secured and the demolition list is finalized, we will divide the city into sections and submit properties within each section for utility cuts followed by surveys, bidding, and demolition. As utility cuts are completed, we will bid and contract demolition projects.

All of the city ARPA funds will be expended by December 31st, 2026.



ⁱ Jay, J., Miratrix, L. W., Branas, C. C., Zimmerman, M. A., & Hemenway, D. (2020). A response to "Comment on 'Urban building demolitions, firearm violence and drug crime.'" *Journal of Behavioral Medicine*, *43*(1), 152–153. <https://doi.org/10.1007/s10865-019-00126-0> CITE

ⁱⁱ Rupp, L. A., Zimmerman, M. A., Sly, K. W., Reischl, T. M., Thulin, E. J., Wyatt, T. A., & Stock, J. J. P. (2020). Community-Engaged Neighborhood Revitalization and Empowerment: Busy Streets Theory in Action. *American Journal of Community Psychology*, *65*(1–2), 90–106. <https://doi.org/10.1002/ajcp.12358> CITE

ⁱⁱⁱ Branas, C. C., Kondo, M. C., Murphy, S. M., South, E. C., Polsky, D., & MacDonald, J. M. (2016). Urban Blight Remediation as a Cost-Beneficial Solution to Firearm Violence. *American Journal of Public Health; Washington*, *106*(12), 2158–2164. <http://dx.doi.org/10.2105/AJPH.2016.303434>

^{iv} Kondo, M. C., Keene, D., Hohl, B. C., MacDonald, J. M., & Branas, C. C. (2015). A Difference-In-Differences Study of the Effects of a New Abandoned Building Remediation Strategy on Safety. *PLoS One; San Francisco*, *10*(7), e0129582. <http://dx.doi.org/10.1371/journal.pone.0129582>

^v South, E. C., Kondo, M. C., Cheney, R. A., & Branas, C. C. (2015). Neighborhood Blight, Stress, and Health: A Walking Trial of Urban Greening and Ambulatory Heart Rate. *American Journal of Public Health*, e1–e5. <https://doi.org/10.2105/AJPH.2014.302526>