



Item Number: 9

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: July 16, 2024

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Molly Clarin, Chief Financial Officer

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Resolution accepting a \$6,129,256 grant award and authorizing the execution of an agreement with the Michigan Economic Development Corporation and five (5) sub-grant agreements for the Revitalization and Placemaking grant program**

Attached is a resolution accepting a grant award in the amount of \$6,129,256 for the Revitalization and Placemaking (RAP) grant program, approving and authoring the execution of a grant agreement (the "MEDC Agreement") between the City of Grand Rapids (the "City") and the Michigan Economic Development Corporation (MEDC), and approving and authorizing execution of five (5) sub-grant agreements between the City and each of the project applicants listed in the table below.

The RAP program, supported by \$100 million of funds from the state, was developed in 2022 to address the COVID 19 impacts and community revitalization needs of Michigan communities through the rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining, and place-based public spaces, and serves as gap financing for these types of projects. For this second round of RAP funding, the MEDC allocated \$13 million of the \$100 million to Region 4, which includes Grand Rapids.

The City previously received \$9,378,000 from the first round of RAP funding in 2022 for seven (7) real estate development projects, of which some projects are well underway and development teams are in the process of submitting documentation to receive 50% of their grant funds. The first round of RAP was funded through the State's American Rescue Plan Act (ARPA) State and Local Fiscal Relief Funds (SLFRF). The second round is not funded through federal resources.

In June 2023, the Economic Development Department (EDD) submitted a Regional Subgrant Application that included five (5) real estate development projects that were

selected through an open call for proposals managed by the EDD. In addition to the MEDC's RAP program requirements and priorities, the EDD put in place two parameters that needed to be met for projects to be considered for inclusion in the City's regional subgrant application, 1) the project needed to be "shovel ready", and able to be completed by September 30, 2027, and 2) the project needed to contain a housing component. The five (5) selected projects met both of these parameters and were the most competitive under the RAP program priorities. The total grant request was \$6,129,256, and in October of 2023, the City was awarded the full amount requested.

The applicants were awarded their full grant requests less 0.5% for administration of the program, which will provide the EDD with up to \$30,646 for grant management and oversight. Sub-grantees have been notified of their final grant award amount and staff have worked with each applicant to assist in filling any remaining project gaps where possible. The table below summarizes the five (5) projects to be funded with the RAP grant.

Project Address	Ward	NOF	Housing Units		Total Project Cost ²	RAP Award ³
			Affordable ¹	Total		
The Emory (housing only) <i>2040 Division Avenue S</i>	1	No	8	8	\$2,635,500	\$497,500
2017 Eastern Redevelopment <i>2017 Eastern Avenue SE</i>	1	Yes	15	15	\$3,800,000	\$1,053,960
Benjamin Flats <i>916 Benjamin Avenue NE</i>	2	No	39	39	\$7,600,000	\$955,200
Seymour Condominiums <i>2550 Eastern Avenue SE</i>	3	No	14	27	\$13,600,000	\$1,880,550
Southtown Lofts <i>640 Eastern Avenue SE</i>	3	Yes	12	12	\$4,671,007	\$1,711,400
Totals	2 of 5		88	101	\$32,306,507	\$6,098,610

¹Units marked "Affordable" are income restricted to households earning at or below 100% of the Area Median Income at most, and include units at 80%, 70%, and 60% AMI and below.

²Project costs as of June 30, 2024

³Final RAP award less 0.5% for administration

As required by the grant agreement with the MEDC, the City must also enter into sub-grant agreements with each of the project applicants whose projects will be funded by RAP grant funds. Expenditures from the grant will be dependent upon each individual project's timeline, and no expenditures are anticipated prior to calendar year 2025. Staff recommends approval of the attached resolution.

Your FISCAL COMMITTEE recommends the adoption of the following resolution accepting a \$6,129,256 grant award, approving and authorizing the execution of a grant agreement between the City of Grand Rapids and the Michigan Economic Development Corporation, and authorizing the execution of five (5) sub-grant agreements between the City and each of the applicants listed below, all related to the Revitalization and Placemaking grant program.

RESOLVED:

1. That the City of Grand Rapids ("City") accepts a grant award in the amount of \$6,129,256 from the Michigan Economic Development Corporation (MEDC) for the Revitalization and Placemaking (RAP) grant program; and
2. That an agreement between the City and the MEDC for the RAP grant program is approved, and the Mayor is authorized to execute said agreement and any amendments thereto in a form approved by the City Attorney; and
3. That sub-grant agreements between the City and the applicants listed below are approved, and the Mayor is authorized to execute said sub-grant agreements and any amendments thereto in a form approved by the City Attorney

Project Name	Project Address	Sub-Grant Amount
The Emory	2040 Division Avenue S	\$497,500
2017 Eastern Redevelopment	2017 Eastern Avenue SE	\$1,053,960
Benjamin Flats	916 Benjamin Avenue NE	\$955,200
Seymour Condominiums	2550 Eastern Avenue SE	\$1,880,550
Southtown Lofts	640 Eastern Avenue SE	\$1,711,400

;and

4. That all resolutions or parts of resolutions in conflict herewith are hereby rescinded.

CORRECT IN FORM

 DEPARTMENT OF LAW