

MINUTES

Housing and Human Services Advisory Board
Tuesday April 13, 2010 6:30-8:30pm
110 N Fourth Avenue
Ann Arbor, MI 48104
1st Floor Conference Room

Members Present: N. Staebler, A. Erickson, R. Konkell, R. Kerson, B. Eichmuller, S. Smith, K. Martin, D. Blanchard

Members Absent: S. Mithani, S. Pontoni, A. Ramirez, I. Ault, S. Rapundalo

Staff Present: M.J. Callan, J. Hall

Guests: Michael Appel, Avalon Housing Inc.; Margaret Novak, Ann Arbor Housing Commission

- I. Convene Meeting:
N. Staebler convened the meeting at 6:40pm.
- II. Public Comment:
None.
- III. Approval of Agenda:
K. Martin moved to approve the agenda; B. Eichmuller seconded. **Motion approved (N. Staebler, A. Erickson, K. Martin, B. Eichmuller, R. Konkell, D. Blanchard; 6 Aye, 0 Nay).**
- IV. Approval of Minutes:
B. Eichuller motioned to approve the minutes from March 9, 2010; R. Konkell seconded. **Motion approved (N. Staebler, A. Erickson, K. Martin, B. Eichmuller, R. Konkell, D. Blanchard; 6 Aye, 0 Nay, 1 Abstain: I. Ault).**
- V. Discussion Issues
 - A. WAHC/Avalon Parkhurst **(ACTION)**

Michael Appel, Co-Director of Avalon Housing Inc. provided an update on the WAHC/Avalon merger, which had begun two years ago. Avalon and WAHC worked with a consultant (funded by the City, County and MSHDA) on operational and property issues. Only 1 WAHC property had a positive cash-flow, partially due to deferred maintenance. 723 S. Main and two single-family homes were sold and the proceeds have paid off old WAHC debts and have helped subsidize operations at the other properties. Avalon has secured funding to acquire and rehabilitate 701 Miller. However, Parkhurst, a 47-unit Low Income Housing Tax Credit property at 1500 Pauline has structural problems, an obsolete lay-out, and limited accessibility. MSHDA will not reinvest in the existing property and has recommended that Avalon demolish and re-build the units. The property is in a great location and the loss of 47 affordable units would be a great loss to the community.

Avalon and Community Development are requesting support from the HHSAB to demolish and rebuild as many units as possible on the site. The tenants that are living in the units at the time that Avalon applies for federal funds for demolition, would be eligible for relocation, which includes moving costs and rent subsidies for up to 60 months. Avalon has been meeting with current tenants to explain the process. Parkhurst will continue to operate until all of the funding is secured, site plan is approved, and demolition begins.

The alternative is to sell the property as market rate housing or to receive ongoing local funding to subsidize the operating costs.

S. Smith suggested that the HHSAB support the concept at this time and to take a future action once there is a more specific redevelopment site plan. The HHSAB agreed.

B. AAHTF Funding Recommendations (ACTION)

i. Human Services Funding Gap

MJ Callan reported that the City Administrator's budget to Council included a \$260,000 cut to the Human Services budget, which is a 22% cut. The overall City cuts are 7-8%. S. Smith reported that the City looked at comparable Michigan communities, and most do not provide human service funding, which makes this budget item vulnerable. Council needs to adopt the budget by May 17th, otherwise the Administrator's budget goes into effect. MJ Callan indicated that there will be a public hearing on May 5th, and community members, human service agencies and the HHSAB need to speak at the hearing if these services are important to them.

B. Eichmuller stated that historically the AAHTF was used for projects that could not be funded with federal HOME or CDBG funds. S. Smith stated that the mission is bricks and mortar not services, and it is unclear if additional funds will be added any time soon because housing projects are not getting built. It would be helpful for the HHSAB to make a policy recommendation to Council on how to spend the AAHTF. R. Kerson stated that Council should continue to make a \$100,000 annual general fund contribution to the AAHTF, and the AAHTF should not be fully expended down to \$0.

ii. Foreclosure Prevention/Intervention Gap

MJ Callan reported that the Foreclosure Collaborative provided a reduced budget requesting \$65,000 in AAHTF to cover the loss of \$100,000 in general funds, in addition to the \$60,000 in AAHTF already budgeted.

iii. Ann Arbor Housing Commission Operating Funds Gap

Margaret Novak, Interim Housing Commission Director, provided an overview of operations and management. The Housing Commission owns 350 units at 18 sites, and administers 20 tenant based vouchers, 1,300 Section 8 vouchers, 70

VA vouchers, SPC vouchers, and 200 units at Cranbrook Towers. The AAHC is 100% funded by HUD, and most housing commissions have turned to other funding sources to diversify their revenues. The AAHC was created by the City and the Board is appointed by the City. The staff are city employees. In 2008, the City paid for a consultant to look at operations and management and in order to implement the recommended management structure, the AAHC needs to increase its budget by \$138,000 for the next 2 years.

iv. Avalon Housing, Inc. Operating Funds Gap

M. Appel requested funding for one year, until able to close on the deals with WAHC and collect a developer fee.

N. Staebler asked the HHSAB for a recommendation for no funding, some funding or full funding for each request. He suggested that the Housing Commission be funded at \$138,000, Avalon at \$50,000 and the Foreclosure Collaborative at \$65,000, and ask City Council on May 5th to fully restore the Human Service general funds. S. Smith suggested that because the city is looking at laying-off police officers and fire fighters and reducing park upkeep, that it would be more helpful to ask Council to restore X%.

R. Kerson moved to recommend to Council that several organizations have made worthy requests from the AAHTF and the HHSAB is unable to act on these requests until Council fully funds the AAHTF with \$100,000 in general funds. Motion Failed due to lack of a second.

D. Blanchard moved to recommend \$50,000 in AAHTF funding to Avalon Housing, \$65,000 to the Foreclosure Collaborative, and \$138,000 to the Ann Arbor Housing Commission. And to ask Council to find a way to fund Human Services to the level so that the cut in funding is commensurate with the other City cuts. N. Staebler seconded. Motion approved (N. Staebler, A. Erickson, K. Martin, B. Eichmuller, R. Konkel, D. Blanchard; 6 Aye, R. Kerson 1 Nay).

R. Kerson moved to send a memorandum to Council that given the ongoing urgency of the needs for housing and housing related services, Council should restore the \$100,000 general fund contribution to the AAHTF for FY 11. B. Eichmuller seconded. Motion approved (N. Staebler, A. Erickson, K. Martin, B. Eichmuller, R. Konkel, D. Blanchard; 7 Aye, 0 Nay).

C. Y-Replacement Units/100 Units

- i. Staff reported no update from last month.

VI. Public Comment
None

VII. Adjournment

B. Eichmuller moved to adjourn the meeting at 9:25 pm; R. Kerson seconded. Motion approved (N. Staebler, A. Erickson, K. Martin, B. Eichmuller, R. Konkel, D. Blanchard; 7 Aye, 0 Nay).