

## NOTICE OF PUBLIC HEARINGS & COMMENT PERIODS

### **Public Hearings & Comment Period for Washtenaw Urban County Draft 2024-25 Annual Action Plan; Public Comment Period for Substantial Amendments to 2018, 2019, and 2020 Annual Action Plans**

Pursuant to U.S. Department of Housing & Urban Development regulations, notice is hereby given by the Washtenaw County Office of Community and Economic Development that three public hearings will be held to solicit citizen input on the Draft Washtenaw Urban County the Draft 2024-25 Annual Action Plan. The Annual Action Plan identifies the specific projects and programs that the County intends to implement with CDBG, HOME and ESG funding during the period July 1, 2024 to June 30, 2025.

These hearings invite participation and/or written comments on the draft plans from any person having an interest, or their duly appointed representative, in the following Urban County jurisdictions: City of Ann Arbor, City of Chelsea, City of Dexter, City of Saline, City of Ypsilanti, Ann Arbor Township, Augusta Township, Bridgewater Township, Dexter Township, Lima Township, Manchester Township, Northfield Township, Pittsfield Township, Salem Township, Saline Township, Scio Township, Superior Township, Sylvan Township, Webster Township, York Township, and Ypsilanti Township. The public hearings will be held on:

#### **Wednesday, April 10, 2024 at 2:00pm**

Urban County Executive Committee Meeting

#### **In-Person and Zoom Option**

**In-Person:** 4135 Washtenaw Ave, Ann Arbor, MI 48108 (Washtenaw County Learning Resource Center)

**Zoom:** <https://zoom.us/join> or dial 1-470-381-2552, enter Meeting ID: 811 0861 6534

Passcode: 196990

#### **Thursday, April 11, 2024 at 6:30pm**

City of Ann Arbor Housing and Human Services Advisory Board

#### **In-Person and Zoom Option**

**In-Person:** 200 N. Main St., Ann Arbor, MI 48104 (Lower Conference Room 0103)

**Zoom:** <https://zoom.us/join> or dial 1-470-250-9358, enter Meeting ID: 856 1300 2885

Passcode: 286046

#### **Wednesday, May 1, 2024 at 7:00pm**

Washtenaw County Board of Commissioners Meeting

#### **In-Person and Zoom Option**

**In Person:** 220 N. Main St., Ann Arbor, MI 48104 (Board of Commissioners Board Room)

**Zoom:** <https://zoom.us/join> or dial 1-470-381-2552, enter Meeting ID: 820 7250 8586

Passcode: 491940

A public comment period for the draft 2024 Annual Action Plan will begin on March 29, 2024 and end May 3, 2024. During the same 30-day comment period, the Urban County will be accepting comments on the draft Substantial Amendments to the 2018, 2019, and 2020 Annual Action Plans to reallocate HOME funds to rental rehab and new construction of affordable units. Beginning on March 29, 2024, residents and interested parties can obtain these draft plans by contacting Jasmyne Townsend at (734) 544-3056 or [townsendj@ewashtenaw.org](mailto:townsendj@ewashtenaw.org) or by downloading plans from [www.washtenaw.org/urbancounty](http://www.washtenaw.org/urbancounty) (click on *Urban County Plans*). If you would like to submit comments or request additional information, contact Jasmyne Townsend at (734) 544-3056 or [townsendj@ewashtenaw.org](mailto:townsendj@ewashtenaw.org).

Tara Cohen, Housing & Infrastructure Manager  
Office of Community and Economic Development

Closed captions will be enabled in Zoom. The County of Washtenaw will provide the necessary auxiliary aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon seven (7) days' notice to the County of Washtenaw. Individuals with disabilities requiring auxiliary aids or services should contact the County of Washtenaw by calling the following:  
Phone (734) 222.6850, TDD (734) 994.1733.

**Draft Washtenaw Urban County 2024-25 Summary of Planned Activities**

<i>Draft 2024-25 Allocations</i>	
Community Development Block Grant (CDBG)	\$2,186,185
HOME Investment Partnership Program (HOME)	\$1,171,053
Emergency Solutions Grant (ESG)	\$189,627
<b>TOTAL</b>	<b>\$3,546,864.81</b>

Project	Activity	Agency	CDBG	HOME	HOME Carry-over	HOME Program Income	ESG	Goal Outcome Indicator	Quantity	Measure
CDBG Admin	CDBG Administration	OCED - Urban County wide	\$437,237					Other	1	Other
Rental Rehabs	Affordable Housing	City of Ann Arbor	\$236,870					Rental Housing Rehabilitated	TBD	Household Housing Unit
Public Facilities & Infrastructure	Pedestrian Pathway Improvements	City of Chelsea	\$11,198					Public Facilities & Infrastructure Improvements	TBD	Persons Assisted
Public Facilities & Infrastructure	ADA Curb Cuts - Various locations	City of Dexter	\$7,305					Public Facilities & Infrastructure Improvements	TBD	Households Assisted
Public Facilities & Infrastructure	Building Improvements - Saline Area Social Services	City of Saline	\$14,660					Public Facilities & Infrastructure Improvements	TBD	Households Assisted
Public Facilities & Infrastructure	ADA Accessibility Improvements	City of Ypsilanti	\$80,915					Public Facilities & Infrastructure Improvements	TBD	Individuals Assisted
Public Facilities & Infrastructure	Pedestrian Pathway Improvements	Northfield Township	\$15,811					Public Facilities & Infrastructure Improvements	TBD	Households Assisted
Public Facilities & Infrastructure	NE Pittsfield Green Corridors Phase II - Construction	Pittsfield Township	\$80,704					Public Facilities & Infrastructure Improvements	9,318	Persons Assisted
Public Facilities & Infrastructure	Fireman's Park Pedestrian Improvements	Superior Township	\$35,286					Public Facilities & Infrastructure Improvements	450	Households Assisted
Public Facilities & Infrastructure	ADA Accessibility Improvements	Sylvan Township	\$4,943					Public Facilities & Infrastructure Improvements	TBD	Households Assisted
Public Facilities & Infrastructure	Sidewalk Accessibility Improvements	Ypsilanti Township	\$158,614					Public Facilities & Infrastructure Improvements	TBD	Households Assisted
TBD	CDBG Program income spent in R/ECAPs - <i>details pending community engagement process</i>	City of Ypsilanti	\$127,025					TBD	TBD	TBD
CDBG Single Family Rehab	Single Family Rehab	OCED - Urban County wide	\$454,715					Homeowner Housing Rehabilitated	60	Household Housing Unit
CDBG Single Family Rehab - Service Delivery	Single Family Rehab - Service Delivery	OCED - Urban County wide	\$140,000					Homeowner Housing Rehabilitated	60	Household Housing Unit
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Peace Neighborhood Center (City of Ann Arbor)	\$88,500					Public Service activities for low/mod income housing benefit	255	Persons Assisted
CDBG Community Based Development Organizations (CBDO)	Community Based Development Organization	Community Action Network (City of Ann Arbor)	\$91,500					Public Service activities for low/mod income housing benefit	195	Persons Assisted
CDBG Public Services	New Human Services Partnership - Homelessness Services	TBD	\$327,928					Homelessness Prevention / Tenant-based rental assistance / Rapid Rehousing / Shelter	TBD	Persons Assisted
Home Administration	HOME Administration	OCED		\$117,105				Other	1	Other
HOME CHDO Operating Costs (5% maximum)	HOME CHDO Operating	Avalon Housing (City of Ann Arbor)		\$58,553				Other	1	Other
HOME CHDO Reserve (15% minimum)	121 Catherine Street Acquisition/New Construction	Avalon Housing (City of Ann Arbor)		\$989,962	\$373,166	\$36,872		Rental Units Constructed	63	Household Housing Unit
Multi-Family Rental Development	206/210 N. Washington Acquisition/New Construction	Avalon Housing (City of Ypsilanti)			\$273,239			Rental Units Constructed	22	Household Housing Unit
Multi-Family Rental Rehabilitation	411 N. Ashley Rental Rehab	Avalon Housing (City of Ann Arbor)			\$156,314			Rental Units Rehabilitated	6	Household Housing Unit
Multi-Family Rental Rehabilitation	100-102/112-114 Glendale; 1911-1913 Dexter-Ann Arbor Rental Rehab	Avalon Housing (City of Ann Arbor)			\$306,812			Rental Units Rehabilitated	6	Household Housing Unit
Reserved for 2025 RFP	TBD	TBD		\$5,432				TBD	TBD	TBD
HESG24 Washtenaw County	Homeless Prevention, Shelter & Rapid Re-Housing	<i>Awarded to nonprofit service providers through Funding Review Team (FRT) process - TBD</i>					\$175,405	Tenant-based rental assistance / Rapid Rehousing/Homelessness Prevention	TBD	TBD
HESG24 Washtenaw County	ESG Administration						\$14,222	Other	1	Other

*Rev 04-04-2024 (Based on Estimated HUD 2024 allocations)*

## **Ann Arbor Housing and Human Services Advisory Board**

### **Ann Arbor Affordable Housing Fund Policy Discussion: April 11, 2024**

#### **Background**

- The Ann Arbor Affordable Housing Fund has been in place since 1989; the funds come from housing developers, when PUD approval or other zoning ordinances trigger a payment to the fund (in lieu of, or in addition to, building affordable units as part of their project.)
- The Ann Arbor Affordable Housing Millage (Prop C), was approved by voters in Nov 2020; this is a 20-year levy that runs from 2021 through 2041.
- In 2022, HHSAB began to review the policy for the Ann Arbor Affordable Housing Fund (AAHF) – last revised in 2014 - in light of the new Affordable Housing millage and the need to develop policy for administering the millage funds.
- OCED and Ann Arbor Housing Commission were exploring with the HHSAB how a joint policy might be developed that would cover both the Affordable Housing Fund and the Millage fund.
- Since those discussions in 2022, a key change occurred: In June 2023, Ann Arbor City Council approved a grant agreement with the Ann Arbor Housing Commission (AAHC) for the AAHC to be the administrator for the Millage fund.
- Because these 2 funds are now administered by 2 different entities (the City and the Housing Commission), staff is no longer proposing a combined policy that covers both Funds.
- However, it may still be beneficial to design a streamlined RFP process for issuing AAHF and Millage funds (for non-AAHC projects) together. This will need more discussion.
- The first step is to make revisions to the Ann Arbor Affordable Housing Fund policy.
- Next will be discussion of a new RFP policy that would serve this Fund but may also apply to the Millage funds (TBD).
- Recommended policy change or new policies will need to go to City Council for final approval before they take effect.

#### **Process**

- For the April 11, 2024 meeting, the goal is for HHSAB to review staff's proposed revisions to the Ann Arbor Affordable Housing Fund policy (last revised 2014).
- A draft showing tracked changes and comments is included in your packet.
- Key proposed revisions for HHSAB discussion include the following:
  - Income restriction for affordable units: Change from "less than 60% AMI" to "at or below 60% AMI"
  - Remove or clarify "administration of affordable housing programs" in list of eligible uses of funds
  - Remove "rental assistance" from list of eligible uses
  - Restrict pre-development funds to non-profit developers only.

- Application Review Process: Increase project budget amount that would require City Council approval to \$75,000 and above (previously \$25,000 or above) to align with City of Ann Arbor's recent changes to their procurement policies.
  - Projects under \$75,000 would only require administrative approval by OCED but would be reported out to both HHSAB and City Council.
- Remove "individuals" from list of entity types eligible to apply for and receive AAHF funding.
- Restrict funding for projects within the City limits (current policy says projects in City limits are priority but will allow funds to be used on projects outside the City limits.)
- Change affordability term to 99 years (current policy says at least 20 years)
- OCED role as staff to HHSAB and administration of the Affordable Housing Fund should also include "seeking third party underwriting review"

#### **Other Questions to Consider**

- The policy states "OCED may periodically issue a Request for Proposals for Ann Arbor Affordable Housing funds and other housing funds as they become available."
  - Given administrative cost of issuing RFPs, should we include a minimum fund balance that would trigger a formal RFP process (as opposed to allowing developers to submit rolling applications)?

# ANN ARBOR AFFORDABLE HOUSING FUND

## PREFACE

The Ann Arbor Affordable Housing Fund was first proposed in the City of Ann Arbor Housing Policy adopted by City Council in July, 1989. The Affordable Housing Fund guidelines were developed by the Community Development Department and approved by the Housing Policy Board in February, 1991 and by the Ann Arbor City Council in April, 1991. Since its inception, the Housing and Human Services Advisory Board (HHSAB) has recommended and City Council has approved a range of housing projects with the vast majority targeted for residents with the lowest incomes. There have been very few projects approved which are targeted toward residents whose incomes fall within the range of 50% to 80% of median income because of the intent of the HHSAB to serve those with the greatest needs.

## STATEMENT OF PURPOSE

The Ann Arbor Affordable Housing Fund is established for the promotion, retention and creation of long term affordable housing for households with incomes at or below 60% of the City's median income. Further, the Fund is established to improve housing conditions for City of Ann Arbor residents, with priority given to those whose income is at or below 30% of the median household income.

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It is the goal of the City to provide a full range of housing opportunities to all its citizens. It is the intent of the City to administer this fund in a flexible manner in order to best meet the housing needs of the City.

The Ann Arbor Affordable Housing Fund is established to provide and distribute financial support in the form of loans, grants or other forms of financial assistance to individuals, organizations or projects that create, retain, rehabilitate or preserve long term affordable housing.

## ESTABLISHMENT OF FUND

The Mayor and City Council established by resolution a special revenue account under the name "Ann Arbor Affordable Housing Fund" with revenues specifically dedicated to the Affordable Housing Fund by City Council, any donations from public and private sources, and any federal, state or other funds so designated. It is the intention of the City Council that the Affordable Housing Fund be a dedicated fund in perpetuity for the purposes set out above. Principal and interest from loan repayments, proceeds from grant repayments, forfeitures, reimbursements, and all other income from Fund activities are deposited in the fund. Funds repaid to the City from any of the above sources shall be administered subject to applicable federal, state and city requirements. All funds in the account earn interest at least at the same rate as the City's pooled investments managed by the City Treasurer. All interest earnings from the account are reinvested and dedicated to the account. All appropriated funds in the Affordable Housing Fund are available for eligible program expenditures.

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## DISTRIBUTION AND USES OF FUNDS

Funds in the Affordable Housing Fund are used to meet the housing needs of individuals and families with incomes at or below 60% of the City's median income. Projects to be funded may include pre-development feasibility analysis, technical assistance to nonprofit housing providers, administration of affordable housing programs, new construction, rehabilitation, conversion of housing for use by lower income residents, or acquisition of land or property for use as low income housing.

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It is the City's intent that the terms of its loans and grants be established so that the deepest City subsidies go to housing targeted to the lowest income households.

All distributions of principal, interest and other assets of the Affordable Housing Fund are made in furtherance of the purposes set out above, including disbursements from interest earnings necessary to support the Affordable Housing Fund's operations.

**ELIGIBILITY REQUIREMENTS**

**FOR PROJECTS UNDER \$75,000:**

Project applications are available from the Washtenaw County Office of Community & Economic Development (OCED) and may be submitted at any time during the program year. OCED will review and

approve these proposals as an administrative function and will follow the City's procurement guidelines. All administrative approvals will be reported to the HHSAB and City Council.

**FOR PROJECTS \$75,000 OR GREATER:**

OCED will make an application available to any eligible entity interested in financial support from the Ann Arbor Affordable Housing Fund. OCED may periodically issue a Request for Proposals for Ann Arbor Affordable Housing funds and other housing funds as they become available. Applications should normally follow that process, although emergent need applications may be considered at any time during the year. OCED and the Housing and Human Services Advisory Board (HHSAB) will review all applications, regardless of how they are submitted. A recommendation will be made to the Mayor and City Council, which will make the final decision to approve the proposal.

Disbursements may be made to non-profit corporations, municipal corporations, for-profit corporations, partnerships, or limited equity cooperatives. Pre-development funds are available to non-profit affordable housing developers only. All projects must be decent, safe and sanitary and meet the Housing Quality Standards or similar standards as established by the Department of Housing and Urban Development, and the local Code. Affordable Housing Fund dollars can only be used for projects within the City limits.

Financial assistance shall not be awarded by the Affordable Housing Fund to any corporation, partnership or individual in default according to Section 14.3(e) of the City Charter at the time of final consideration in payment of property taxes, or whose subject property has violations of the City Housing or Building codes or is in violation of the zoning ordinance relating to the subject project. Consideration shall be given to projects which propose correction of the above-mentioned violations. Priority is to be given to projects which address the following:

- the perpetual affordability of units;
- projects which serve predominantly individuals and families with incomes less than 30% of the Ann Arbor Area's median income.

**APPLICATION REQUIREMENTS**

Applications must be submitted for each project and include the following, at minimum:

1. Amount of the request; type of assistance requested (i.e. grant, loan)
2. Project narrative that includes:
  - a. the project location
  - b. whether the project is a new or existing structure
  - c. the number of units (both new and replacement)
  - d. percentage of extremely low or very low income benefit (defined as number of households making less than 30% (extremely low) and 50% (very low) and 60% of the current Ann Arbor Area median income as established by HUD)
  - e. period of time which lower income benefit is guaranteed provisions to ensure that units will be occupied by low-income individuals initially and throughout the project life
  - f. willingness to accept persons holding Section 8 certificates/vouchers
  - g. the project schedule or timeline (which shows the length of time required to complete the project)
  - h. the project's current permitting status
  - i. a description of any supportive services provided by the project
  - j. how the project is consistent with the most recent housing needs assessment goals;
3. Description of organization that includes:
  - a. organizational history
  - b. other projects completed
  - c. history in managing other rental property including conditions of buildings

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- d. applicant's performance on other similar projects, or unique or special organizational characteristics which would indicate the capacity to carry out housing activities;
- 4. Description of population to be served;
- 5. Financial documentation that describes the fiscal health of the organization;
- 6. Project pro forma and budget that includes:
  - a. complete financial package
  - b. amount and type of project funding that is committed and secured
  - c. cost effectiveness of project in terms of meeting need (both total cost per unit and total [AAHF](#) funds per unit)
  - d. utilization of [AAHF](#) Funds to leverage other funding sources whenever possible, particularly other subsidized or below market sources;
- 7. And/or other information as requested by the HHSAB through application forms as updated from time to time by the Board.

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This information shall be reviewed by OCED staff and presented to the HHSAB for consideration. The HHSAB will forward projects to City Council for which it recommends final consideration. The HHSAB may waive provisions of the criteria in order to recommend a project if it is deemed to serve an overriding public [need](#).

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Reconsideration of a project will be allowed if a new application is submitted with substantially different information from the previous application.

**TERMS AND CONDITIONS**

Affordable Housing Funds can be awarded in any form determined advisable by the HHSAB, subject to applicable [local](#), state and federal laws and regulations, including but not limited to: low interest loans with terms determined by the "gap financing" needed to make the project feasible; a deferred loan which requires repayment under conditions defined for the project; or other types of financial assistance determined to be appropriate and necessary for the project. In general, the City has flexibility in how to award funds, either as a grant or as a loan.

When funds from the Affordable Housing Fund are awarded for acquisition, construction, or rehabilitation, the owner must sign an enforceable affordability agreement [and/or deed restriction](#) relating to the long term affordability of the unit, for a [minimum](#) period of [ninety-nine years](#). Annual [income and rent](#) reporting is also required.

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Repayments to the City are deposited into the Affordable Housing Fund and reused for other eligible projects.

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**ADMINISTRATION OF THE FUND**

The HHSAB, as appointed by the Mayor and City Council, administers the Affordable Housing Fund as specified herein. The HHSAB [reviews](#) applications and [makes](#) recommendations to City Council on the allocation of the Affordable Housing Fund for requests of [\\$75,000](#) or greater. The number of members, tenure of office, duties, manner of calling meetings and other tasks of the HHSAB are stated in the Bylaws approved by the HHSAB.

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The City Council makes final decisions on the allocation of Affordable Housing Funds of [\\$75,000](#) or greater. City Council shall take action on recommendations of the HHSAB. A typical review of an application will take no more than thirty (30) days as long as all of the required information is included in the application. City Council will, in most cases, take action on recommendations of the HHSAB at their next scheduled meeting. The Office of Community & Economic Development provides staff assistance to the HHSAB. This includes: maintaining the financial and other records of the Fund; [seeking third-party underwriting review](#); assisting prospective applicants in the preparation of their applications/[proposals](#); monitoring the use of the monies distributed to applicants to assure ongoing compliance with the purpose of the Fund and the conditions under which the monies were granted or loaned; reporting periodically, but not less than every twelve (12) months to the City Council regarding the operation and activity of the Fund.

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For a copy of the application form, contact:  
 The [Washtenaw County](#) Office of Community & Economic Development,  
[Housing & Infrastructure Division](#) by calling (734) 544-3039 or emailing: [cohent@washtenaw.org](mailto:cohent@washtenaw.org).

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 P.O. Box 8645¶  
 Ann Arbor, Michigan 48107¶  
 Applications are also available through the OCED¶  
 website at [www.ewashtenaw.org](http://www.ewashtenaw.org) or call

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