



City of Ann Arbor
Meeting Minutes
Housing and Human Services
Advisory Board

301 E. Huron St.
Ann Arbor, MI 48104
<http://a2gov.legistar.com/Calendar.aspx>

Thursday, January 11, 2018

6:30 PM

Washtenaw County Building, 200 N. Main
St., Lower level conference room

CONVENE MEETING

E. Pollack, Substitute Chairperson, convened meeting at 6:35pm

PUBLIC COMMENT

APPROVAL OF AGENDA

The meeting did not meet quorum so approval of agenda could not be voted.

APPROVAL OF MINUTES

The meeting did not meet quorum so approval of agenda could not be voted.

NEW BUSINESS

A DISCUSSION OF COUNTY MILLAGE AND CITY OF ANN ARBOR PRIORITIZATION OF PUBLIC SAFETY FUNDING: POSTPONED - STAFF WILL PROVIDE UPDATE

Gillotti: We're talking with CMH to see what process will be in place for planning and reporting out to the City of Ann Arbor. We hope to have an update for the next meeting.

B DISCUSSION OF 4-PRONGED APPROACH TO SUPPORT HIGHER HOUSING VOUCHER UTILIZATION IN ANN ARBOR

T. Gillotti: The AAHC, WHA, and OCED has been partnering to go try and find strategies for increasing utilization of Housing vouchers in the City of Ann Arbor. It is getting harder to get housing in AA because rent prices are becoming higher than voucher amount.

The approach we came up with has 4 prongs:

1. Proposal to utilize CDBG funds for minimal rehab of existing properties, to trigger a Payment in Lieu of Taxes, which would be an incentive to landlords to limit rents and/or accept housing choice vouchers.

For example, a property owner of a duplex would receive a small repair, like a new furnace or water heater with CDBG funds. These funds (state or federal funds) would meet the state/city requirements of state or federal funds being used to make a project affordable. As part of using CDBG funds, they owner would have a mortgage/lien and affordability agreement indicating that the property would be affordable to households at 60% AMI and limiting rent to the Fair Market Rent as published by HUD. The owner could then receive a payment in lieu of local taxes of \$1 per unit.

Board discuss scenarios, and asks for clarification on details.

T. Gillotti: There's some work needed to confirm that it meets all state requirements, in particular related to the state enabling legislations limits on ownership.

2. Landlord Liaison - WHA will be hiring new staff to connect with landlords

A. Carlisle: We will be working specifically with landlords to encourage willingness to take more vouchers and answer a lot of questions they have about how they work, when they get paid, etc. The job posting will be up in January and hoping to have someone in February.

3. Loss Mitigation Fund Creation:

T. Gillotti: Other places have created Loss Mitigation Fund that acts as "insurance" for landlords who want to try renting to voucher households. We are looking to utilize about \$10,000 from the Ann Arbor housing Fund to seed this fund. Examples of when it could be utilized are on missed rent from turnover, repair to damaged units, etc. in other communities these funds have been utilized minimally.

A. Bannister: Does it act kind of like a security deposit?

T. Gillotti: It operates something like that, but we would develop a policy about specifically when it can be used.

A. Foster: I'm not the biggest fan because it seems to make assumptions about voucher households, that it will be needed and may enforce stereotypes that landlords already have.

Board discusses how it could be felt as discriminatory and if there are alternative methods. They also discuss if it reinforces a negative stereotype like sororities and/or fraternities. Foster says she has icky taste about this, but understands how it might help landlords make the decision to rent to voucher households.

4. Tenant Support Staff:

T. Gillotti: Jennifer Hall at the AAHC and her team found success in providing support to residents who were relocated as part of AAHC redevelopment. Those being relocated were able to meet with staff to get help looking for apartments, filling out applications, looking at distances to employment, childcare, etc. and making the best choice. We want to fund a permanent "housing navigator" that helps people voucher households find the best housing options for them. For vouchers, you only have 3 months to find a place with it, so we want to make sure people can find a place within those 3 months whether they're new or relocating.

D. Blanchard: Back to first prong, I think it's a great idea. Have we looked at other funds? Maybe like weatherization money?

T. Gillotti: CDBG is a decent amount of program income that can be used for this purpose. Weatherization funds do not require affordability periods, so wouldn't allow us to invoke the PILOT.

R. Sarri: Do we know situation for other parts of county?

T. Gillotti: It's all across the board, people are just priced out.

Z. Ackerman: Do non-profit landlords not pay federal taxes? Does Avalon pay property tax?

T. Gillotti: No, Avalon receives a PILOT as a non-profit housing developer using state and federal funds. In the case of vouchers, tenants can choose to live anywhere, including with private landlord. Those landlords pay rent. Most non-profits providing affordable housing are able to use a PILOT.

Z. Ackerman: What prevents landlords from threatening to not give vouchers unless they're guaranteed the tax breaks?

T. Gillotti: That is the risk, but we're targeting existing and new landlords so it's a bit more cautious. We want to have a focus group to discuss opportunity with landlords to provide more info and learn what works best for them.

Board discusses potential incentives and the pros and cons from the landlord perspective.

A. Foster: Do we have number for affordable housing rent?

T. Gillotti: It is the fair market rent as published each year by HUD.

A. Bannister: I wonder if WHCA staff member who has knowledge of landlords could also prepare a static list for interested people.

T. Gillotti: That is a possibility.

Z. Ackerman: For the target audience, the new staff member could keep track of new properties and be proactive in finding prospective landlords.

CITY COUNCIL (MEMBER UPDATE)

A. Bannister: The Human Rights Commission meeting last evening was about the new police oversight board and people debating the pros, cons, and more of various options for how it's set up. City administration might worry if it's legal, but there is precedence where similar committees have taken place such as Austin, Tx. The decision will be coming to council around February. Things should be in place regardless of oversight board by next January. The report recommended a co-produced model, but that seems to have no teeth for civilians. Washtenaw Justice Coalition doesn't want any police on civilian oversight board. They are thinking of 6-8 people on the board that come from varied civilian backgrounds.

R. Sarri: Too many people make it hard for decisions to be made timely.

Z. Ackerman: Key difference for co-produced police commission

and oversight committee is that committee has power and can do something related to individual complaints. The co-produced police commission would address systemic issues.

A. Bannister: I'm leaning to supporting the oversight board who would be able have access to complaints and paperwork that police chiefs see.

Z. Ackerman: This body would have access to those materials that aren't accessible to the public and any report without any censoring them. Only difference would be that they wouldn't have the power of subpoena.

D. Blanchard: They should be able to recommend disciplinary actions. The chief would be able to follow through, approve or reject, and ultimately justify why their decision.

A. Foster: Under CPPC recommendations, if they recommend systemic change, what teeth would they have and how does funding work?

Z. Ackerman: That's the \$14 million question.

D. Blanchard: What are the next steps?

Dan (guest): The next steps are fielding nominations from public for the task force to come up with idea of what review board would be. Lazarus was talking about talking with other people to form ideas on task force as well with mayor and deputy.

Z. Ackerman: For budget, Howard Lazarus adopted a 2-year budgeting process. It still goes through process of amendment. The time has passed, but there are still opportunities to amend it.

G. Pratt: Safety millage stuff would all be for 2019, right?

Z. Ackerman: Yes, it allows for us to plan for it better even though you want some money now. Some other things will be that development on Glenn that's donating half million to affordable housing fund.

A. Foster: Do we have update for Y Lot?

Z. Ackerman: It's pending. The city will get back the right to first refusal. Sold it for \$5 million with stipulation that if site plan wasn't approved, the city would get the opportunity to buy it back for \$4 million or market rate, whichever is less. We can buy it back and city wins \$1 million. There are many opportunities and ideas for how to best utilize land. I'd like to use that \$5 million to buy back Y lot with some debt service and the remaining \$1 million can go to general fund reserve. One idea to use land is to put it up for bid and ask how much affordable housing they could provide. Another is to sell it for \$12 million and put \$6 million back to affordable housing. Last is to pass millage, buy bonds, make library with affordable housing, and sell the library spot.

D. Blanchard: Is Y lot purchase going to be final?

Z. Ackerman: Pretty much, but we have to dot the I's and cross the t's. We hope to have a resolution to pass this next month.

D. Blanchard: For budget, are there any unexpected surplus?

Z. Ackerman: We will be putting in more money to our general fund reserves. Can you ask me in February?

Dan (Guest): What qualifications would CPPC members need to have? How would they be selected?

Z. Ackerman: You would submit an application to the mayor's office and they would appoint group of people. Other option is mayor nomination and council approval. Latter is a bit more likely.

T. Gillotti: Another note on the affordable housing fund. I appears that we have approximately \$113,000 in our fund. I'll double check and confirm next month.

PUBLIC COMMENT

CLOSED SESSION

ADJOURNMENT

Meeting adjourned at 8:05pm

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City Clerk's Office
301 E. Huron St.
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