



Legislation Text

File #: 18-0371, **Version:** 1

Resolution to Establish Priorities for Affordable Housing Portion of Community Mental Health and Public Safety Preservation Millage

City Council Resolution R-17-261 was approved in order to notify the public about how the City of Ann Arbor intended to use the millage rebate funds from the Community Mental Health and Public Safety Preservation Millage, as required by law. City Council notified the public that 40% of the annual millage would be used to *“effect the goals of the Affordable Housing Needs Assessment (a/k/a 2015 Washtenaw County Housing Affordability and Economic Equity Analysis) and to increase Workforce Housing (operating & Capital) with guidance by the Housing and Human Services Advisory Board”*, hereafter referred to as the *“affordable housing portion of the millage”*.

The Affordable Housing Needs Assessment highlighted the disparity in housing markets between properties in Ann Arbor and with Ann Arbor addresses compared to properties in Ypsilanti and Ypsilanti Township, which is causing an imbalanced housing market & socio-economic segregation.

The study recommends a multi-faceted strategy to increase market and below-market rate housing in Washtenaw County. The study recommends that Ann Arbor “focus its attention on the preservation and production of affordable non-student rental housing for low and moderate-income workers who are helping to keep so much of the Ann Arbor economy vibrant”. The recommended strategies included incentive-based zoning, brownfield financing for mixed-income housing, tax incentives, and dedicated funding for the Affordable Housing Fund, and use of Affordable Housing Fund and HUD programs to incentivize below-market rate housing.

The Housing and Human Services Advisory Board met at their regular meeting on February 8, 2017 and made a recommendation to City Council regarding the use of the affordable housing portion of the millage. In order to serve the needs of low-wage earners, the Housing and Human Service Advisory Board recommends that City Council annually allocate 75% of the affordable housing portion of the millage to the Affordable Housing Fund. The Affordable Housing Fund already has existing policy that includes income targets and project review processes. The Affordable Housing Fund is for housing serving households at 60% AMI or less and historically developers who have requested Affordable Housing Funds have leveraged an average of \$25.00 for every \$1.00 of HTF requested.

The HHSAB recognizes that the most successful housing model for housing low-income households is permanent supportive housing, which includes supportive services on-site, as needed by residents. Supportive services can include a range of services from programs for youth and financial literacy classes, to crisis management and mental health services. This model has been successful for Michigan Ability Partners, Avalon Housing, and the Ann Arbor Housing Commission in Ann Arbor.

The Ann Arbor Housing Commission is the largest provider of affordable housing in the City and they contract with Avalon, Peace Neighborhood Center (PNC), Community Action Network (CAN), Washtenaw County Community Mental Health (WCCMH), Food Gatherers and SOS Community

Services to provide a variety of services for their tenants and voucher participants.

Due to federal cuts to HUD's budget over the years, the AAHC has suffered significant budget cuts for its programs. The AAHC is expecting further cuts by the current administration, which has been a significant strain on their resources. The AAHC has been paying a portion of their non-profit partner's expenses in order to provide critical services to their tenants. The AAHC can no longer afford to provide funding support to these organizations without impacting its own operations.

The HHSAB recognizes the importance of providing supportive services to AAHC tenants and recommends that City Council dedicate 25% of the affordable housing portion of the millage to the AAHC to pass through and contract with non-profit agencies to provide supportive services to their properties and voucher program.

In summary, the HHSAB recommends that the Ann Arbor City Council allocate the Washtenaw County Community Mental Health and Public Safety Preservation Millage fund rebate for public safety dedicated to affordable housing (40%) in the following manner:

- 75% to the Affordable Housing Fund for development of affordable housing per existing Affordable Housing Fund policy; and
- 25% to the Ann Arbor Housing Commission (AAHC) to contract with local non-profits to provide supportive services for residents of AAHC properties and AAHC administered voucher programs

The allocation is recommended to be applied to Fiscal Year 2019, and be reviewed annually for the duration of the millage.

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Whereas, The City of Ann Arbor passed a resolution R-on x date redirecting the public safety portion of the Washtenaw County Community Mental Health and Public Safety Preservation Millage by directing 40% to affordable housing, 40% to climate action, and 20% to pedestrian safety; and

Whereas, supportive housing is important to ensuring the success of tenants with special needs and who have experienced chronic homelessness; and

Whereas, recent successes in adding affordable housing including Avalon Housing and Ann Arbor Housing Commission (AAHC) Rental Assistance Demonstration (RAD) conversion have all included critical supportive services; and

Whereas, the AAHC provides funding to Avalon Housing, SOS Community Services, Peace Neighborhood Center, Washtenaw County Community Mental Health, and Community Action Network to provide supportive services for residents of Ann Arbor Housing Commission properties and AAHC administered voucher programs; and

Whereas, continued success in adding affordable housing should include supportive services in addition to costs for construction;

RESOLVED, that the Housing and Human Services Advisory Board (HHSAB) recommends that the Ann Arbor City Council allocate the Washtenaw County Community Mental Health and Public Safety

Preservation Millage fund rebate for public safety dedicated to affordable housing (40%) in the following manner:

25% to the Ann Arbor Housing Commission (AAHC) to contract with local non-profits to provide supportive services for residents of AAHC properties and AAHC administered voucher programs

75% to the Affordable Housing Fund for development of affordable housing per existing Affordable Housing Fund policy; and

RESOLVED, that this allocation be applied to Fiscal Year 2019, and be reviewed annually for the duration of the millage.