



## Legislation Text

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### Resolution to Appropriate \$24,000.00 from the Ann Arbor Housing Trust Fund Fund Balance for Consultants and Pre-Development Grants (\$24,000.00 AAHTF) - **(8 Votes Required)**

The Office of Community Development is requesting Council approve an appropriation increase of \$24,000 in FY 2010 from the Ann Arbor Housing Trust Fund for consultants and pre-development grants with revenue from the fund balance.

Every year, Community Development (CD) issues Request for Proposals for housing, human service and neighborhood revitalization projects. The RFP's are typically issued once per year. However, Community Development works with housing developers and non-profits throughout the year to prepare for those RFP's. CD provides technical assistance to potential applicants to determine the feasibility of potential projects before the applicant responds to an RFP. This work is done in advance in order to ensure that the project is eligible, so that neither CD nor the applicant spends time on applications that are not eligible.

Sometimes CD cannot provide the technical assistance, it must be contracted out with an attorney, engineer, environmental consultant or other professional. By setting aside \$24,000.00 in the Ann Arbor Housing Trust Fund for these professional services, CD will be able to contract with these professionals in a timely manner. These services can range from \$500.00 to \$10,000.00, but are typically about \$3,000.00. This resolution is required because CD can contract for services under \$25,000.00 without a Council resolution, but only if those funds have been allocated in the budget. Non-profits do not have the cash-flow to pay for these professional services to determine a project's feasibility. In addition, these services provide the required documentation needed to respond to RFPs.

The funds will be provided as a grant, with the condition that if a project is funded through another source, such as HOME funds for an affordable housing project, the AAHTF grant will be repaid with those HOME funds. If the project is infeasible and does not happen, then the grant will not be repaid. This upfront investment to determine whether a project is feasible can save thousands of dollars and hundreds of hours of staff time, by quickly determining whether a project is feasible or not. For example, Habitat for Humanity requested funding for environmental studies at a potential site, which led to the determination that the site had drainage problems and was unsuitable. Habitat therefore decided not to construct units on the site and was able to get out of their purchase option.

In addition, CD has provided technical assistance or hired a consultant to provide technical assistance to groups of non-profits on an area identified by the community as needed. For example, CD jointly funded a consultant with United Way to provide a workshop on how to collaborate and issues to consider for mergers. This workshop was attended by over 40 people. This small investment was extremely useful for non-profits and funders to help non-profits figure out how to use their resources more efficiently.

Again, this resolution is requesting \$24,000.00 in AAHTF to be allocated in the budget so that

consultants can be hired throughout the fiscal year as the need arises. CD will evaluate each request for funds to determine if an alternative funding source is available, and whether the request can be jointly funded by another organization.

Prepared by: Jennifer Hall, Housing Program Manager and Mary Jo Callan, Community Development Director

Reviewed by: Jayne Miller, Community Services Administrator

Whereas, The Office of Community Development provides technical assistance to the Community;

Whereas, Non-profits require additional technical assistance from professionals that the Office of Community Development cannot provide such as attorneys, environmental studies, engineering studies and other professionals;

Whereas, These professional services for affordable housing projects are needed to determine whether a project is feasible before the non-profit submits an application for funds; and

Whereas, These professional services for consultants can provide benefits for many non-profit organizations such as a workshop on collaboration and mergers;

RESOLVED, That the Mayor and City Council appropriate \$24,000.00 from the Ann Arbor Housing Trust Fund fund balance for consultants and pre-development grants; and

RESOLVED, That the City Administrator, or his designee be authorized to take necessary administrative actions and to execute any documents necessary to complete this transaction and to implement this resolution.