

MINUTES

Housing and Human Services Advisory Board
Tuesday, March 25, 2008 6:00 – 8:00 PM
110 N. 4th Avenue, 1st Floor Conference Room

Members Present: David Blanchard, Robyn Konkol, Kristine Martin, Soni Mithani, Teresa Myers, Stephen Pontoni, Anthony Ramirez, Ned Staebler, Stephen Rapundalo, Margie Teall

Members Absent: Barbara Eichmuller, Laurie Wechter

Staff Present: Candace Cadena, Jennifer Hall

Guests: Michael Appel, Avalon Housing; Mary Browning, RAAH; Chuck Kieffer, Washtenaw Housing Alliance (WHA); Christine Miller, MSHDA; Ellen Schulmeister, Shelter Association of Washtenaw County (SAWC) & WHA

I. Convene Meeting

N. Staebler called the meeting to order at 6:07 pm.

II. Public Comment

A. Ellen Schulmeister, SAWC & WHA, requested that the HHSAB wait to take action on agenda items V(A)(iii) & (iv) until the WHA has had more time to respond to the written questions they received less than 24 hours ago.

III. Approval of the Agenda

S. Pontoni moved to approve the agenda with “ACTION” removed from items V(A)(iii) & (iv); D. Blanchard seconded. Motion Approved, 8-0 (Blanchard, Konkol, Martin, Mithani, Myers, Pontoni, Ramirez, Staebler Aye, 0 Nay).

IV. Approval of the Minutes

K. Martin moved to accept the minutes from March 11, 2008; S. Mithani seconded. Motion Approved, 8-0 (Blanchard, Konkol, Martin, Mithani, Myers, Pontoni, Ramirez, Staebler Aye, 0 Nay).

V. Discussion Items

A. Replacement of Units at Former Y Site.

i. Discussion of Background Material

1. J. Hall reviewed the statistics about the former YMCA site and tenants: 20% female, 80% male; residents from 4%-48% AMI; each unit 10'x10' concrete walls with a window; shared bathroom on each floor; room on first floor with a microwave; hotel—no leases--\$385/month or \$95/week; several tenants lived there for over 15 years, but not most; 12 units were set aside for the VA;

several nonprofits (e.g., MAP & PORT) had arrangements for a number of rooms to be reserved for their clients; on-site manager collected rents and dealt with emergencies; 24-hr front desk staff monitored building. Total rent did not cover the costs—the YMCA absorbed the >\$100,000/yr loss in its budget. Some nonprofits have pointed out that \$395/month was too expensive for some of the residents.

2. J. Hall reviewed a handout describing the 9 steps in the development process. The entire process can take years to complete. Specific to this situation: any site selected and the development team must be eligible according to funding sources. This project is atypical in that the City owns the site already. Thus, we do our own site analysis and we pre-determine what money/resources the City brings to the table. That is why Council asked the HHSAB to recommend the site features and location.
 3. Financing was addressed as an important part of the development process. It financially infeasible to charge 15% AMI rents, which is even less than the \$395/mo the Y residents were paying.
 4. Regarding the William Street Station pro formas, the approved tax credit application included rents between 25% AMI and 50% AMI. City Council wanted as many units as possible to be at 30% AMI or less, therefore several scenarios were developed by the finance department. In order to set all rents at 30% AMI or less, the City had to contribute \$1.9 Million in Operating Deficit reserves to cover operating deficits for 20 years. Eliminating debt service is essential for housing with such low rents. Typical developer fee is 15-20%. Although the property was \$3.5 million, only \$500,000 was charged to the affordable housing component, based on an auditable formula.
- ii. Guest Speaker: Christine Miller, MSHDA. C. Miller explained that when an organization proposes an affordable housing project, MSHDA sets up an initial meeting to determine whether the organization has the capacity to complete the project. If not, who can the agency partner with to be successful? MSHDA provides HOME funds and project-based vouchers. MSHDA expects local Housing Commission's to be matching any vouchers given by MSHDA. MSHDA only allows a maximum of 75 PSH units, unless a waiver is granted. A minimum of 50-60 units is needed to be able to staff the building 24/7. Security, is important to build into the operating budget. Regarding Low-Income Housing Tax Credits (LIHTC's), projects may apply under the general award (20% of submitted proposals funded), or under the special set-aside for supportive housing projects (most submitted proposals funded). For Washtenaw County, projects must apply under the set-aside because Wash. Co. is not in an area approved for general LIHTC projects. At least 25% of units must be supportive housing. MSHDA does not fund SRO's without a

kitchen and bath. Supportive Housing projects should have services nearby, be located on a bus line, and should have commitments from service providers with a history of strong performance and a stated commitment to providing future service over a 15-year period. If the project will serve “Special Needs” tenants (defined by MSHDA as persons experiencing homelessness, physical/mental disability, or domestic violence), the project must serve those indicated in the application.

- iii. Target Population. J. Hall suggested that setting the target income and rents for residents at 50% AMI may be beneficial, even if the target population is 15% AMI and below. If the rent is set at 15% AMI and the person has a voucher, the maximum rent you can collect is the 15% AMI rent. By setting the income/target and rent at 50% AMI, the developer can charge the full 50% AMI rent for voucher holders who are at the 15% AMI level. The developer just needs to find funding that will allow 15% AMI and lower individuals to live there. Actual tenant characteristics will depend heavily on the marketing plan. An appropriate marketing plan would be the key to bringing in the population you want to serve, and service providers will be the primary marketers in this case. For example, the RFP might say that units may be at maximum for 50% AMI individuals, and that proposals will be evaluated on their ability to target in a feasible way the maximum amount of homeless and special needs individuals.
- iv. Project Features to Meet Target Population Need. Board agreed to postpone discussion on this item until the next meeting.
- v. Decision Making Grid. J. Hall reviewed the grid, which compared the originally-approved project on the old YMCA site to other possible sites/projects on various measures, including cost.
- vi. Future Meetings.
 - 1. Meeting with AATA Wednesday, March 26th, 2008 1:30 PM, 1st floor conference room, 110 N. Fourth Ave, County Annex Bldg
 - 2. Public hearing on the recommendations will be held May 13th, 2008. This hearing will begin with a short presentation by the HHSAB on the background of the recommendations. The regular HHSAB meeting will take place the following Tuesday, May 20th. In April, regular HHSAB meetings will be April 8th and April 22nd.

VI. Consent Agenda
None

VII. Adjournment
K. Martin moved to adjourn the meeting; S. Pontoni seconded. N. Staebler adjourned the meeting at 8:10 pm.