

MEMORANDUM

To: Mayor and City Council

From: Jennifer Hall, Ann Arbor Housing Commission

Re: FY25 Marijuana Excise Tax Rebate funds 6-month report

Date: February 18, 2025

=====

Background

On March 15, 2021 City Council adopted a resolution (R-21-098) related to the City’s expected revenue from the State of Michigan of Marijuana Excise Tax Rebate funds. City Council acknowledged that “Federal laws related to cannabis/marijuana have disproportionately targeted people of color, disadvantaged communities of color, and people of lower socio-economic status... The City of Ann Arbor aims to direct these marijuana excise tax funds in a way that intentionally reinvests in our community, acknowledges the past harm of criminalization, and supports populations disproportionately and negatively impacted by the “War on Drugs”... Demonstrated needs exist in our community for additional funding in the areas of providing Mental Health services, augmenting Emergency Services response with a desire to place Mental Health Professionals at the forefront of appropriate emergency response, and continuing efforts to expand social justice work; to be limited in use for such purposes specifically related to restorative and alternative strategies for public safety and community support such as:

- Emergency Services response that include mental health and substance use disorder professionals;
- Programs for substance abuse intervention, treatment and recovery support services;
- Education and enrichment programs for at-risk youth;
- Innovation grants toward promoting criminal diversion and expungement, support for formerly incarcerated members of our community, and other criminal justice reform initiatives.

FY25 Budget Allocation

On May 20, 2024 City Council adopted the FY25 Budget including an allocation of \$1,000,000 from the State of Michigan’s Marijuana Excise Tax Rebate to the Ann Arbor Housing Development Corporation (AAHDC), a Michigan non-profit corporation, whose sole member is the Ann Arbor Housing Commission (AAHC). The funds were administered by the AAHDC and were granted to: community agencies for services low-income youth services and trauma-informed case management and to private landlords for eviction prevention. Attached is a final report related to the eviction prevention program as well as 6-month reports (July 2024 to December 2024) from the agencies that received funding.

Housing Eviction Prevention Program

The FY25 budget included \$250,000 for to fund eviction prevention and housing stability support to prevent families from experiencing homelessness. These funds were administered by the Ann Arbor Housing Commission for distribution to private property owners on behalf of eligible families. Funds were used to assist with past due rent, legal fees, utilities, and any other overdue payments for households in danger of losing their housing through eviction. This program was a continuation of the FY23 (\$305,000) and FY24 (\$250,000) City Council budget allocations.

In FY25, 156/182 requests were approved totaling \$248,393. The average payment was \$1,592. Attached is a demographic report related to these households. In addition, attached is a report showing that 455 households received eviction prevention funding averaging \$1,791/household for a total of \$814,812 between March 7, 2023 and September 16, 2024 over the 3 fiscal years of the program.

Rising Hope for Housing Program (Trauma Informed Case Management)

In FY25 City Council approved \$500,000 of the Marijuana Excise Tax Rebate funds to help Washtenaw County households who have tenant-based Housing Choice Vouchers (HCVs) and who are justice impacted to support these families through client-centered trauma informed services and to improve housing stability. The Rising Hope for Housing in year 2 of its existence. Funding is provided to existing non-profits that already provide trauma-informed care for households impacted by the criminal legal system. These nonprofits collaborated to create this program and worked to together to determine the roles of each organization and the budget. The service partners include A Brighter Way (\$118,000), Catholic Social Services (\$118,000), the Shelter Association of Washtenaw County (\$50,000) and SOS Community Services (\$139,000). The Ann Arbor Housing Commission (\$25,000) is serving as the grant administrator and is jointly working with the Washtenaw Housing Alliance (\$50,000) as the partnership coordinators and grant tracking and reporting.

The initial planning group included staff from the Washtenaw County Sheriff, Washtenaw County Community Mental Health and Avalon Housing who also continue to coordinate, but, are not receiving funding through this program. The program supports trauma informed case management services, prioritizing individuals and families impacted by the criminal legal system with tenant-based Housing Choice Vouchers, including returning citizens. Services include but are not limited to, mental health counseling, peer support groups, substance abuse treatment, life skills training, financial counseling, educational opportunities, transportation assistance, legal assistance, housing advocacy, health care coordination, and case management services. Attached is a 6-month report for FY25 as well as an end of year report for FY24.

Low-Income Youth Programs

City Council directed \$250,000 of the Marijuana Excise Tax Rebate funds for low-income youth services in Washtenaw County. The AAHDC administered the funds to local non-profit community organizations that provide programming and services primarily for low-income youth. The funding was allocated based on discussions with existing low-income youth organizations and larger grants were allocated to programs with a significant focus on Ann Arbor youth and primarily low-income youth. Funding was distributed to Avalon Housing (\$40,000), Big Brothers Big Sisters of Southeast Michigan (\$10,000), Community Action Network (\$40,000), Girls Group (\$10,000), Jewish Family Services (\$10,000), Washtenaw My Brother's Keeper (\$10,000), Ozone House (\$19,000), Peace Neighborhood Center (\$40,000), Student Advocacy Center (\$40,000), and Youth Arts Alliance (\$18,500). The AAHC is grant

administrator (\$12,500). Attached is a report from each agency about the services they provided for the first 6-months of the grant between July 1, 2024 and December 31, 2024.

FY26 Budget

As the City develops and adopts the FY26 budget, including the State's allocation of Marijuana Excise Tax rebate, the AAHC is requesting that the City continue supporting these programs and activities. All of these programs support City Council's intent to address historical harms caused by Federal laws related to cannabis/marijuana, which have disproportionately targeted people of color, disadvantaged communities of color, and people of lower socio-economic status.