

## MINUTES

Housing and Human Services Advisory Board  
Tuesday March 9, 2010 6:30-8:30pm  
110 N Fourth Avenue  
Ann Arbor, MI 48104  
1<sup>st</sup> Floor Conference Room

Members Present: N. Staebler, A. Erickson, A. Ramirez, R. Konkel, R. Kerson, I. Ault, B. Eichmuller, S. Smith, S. Rapundalo

Members Absent: S. Mithani, K. Martin, D. Blanchard, S. Pontoni

Staff Present: Andrea Plevak, Mary Jo Callan, Jennifer Hall

Guests: None.

- I. Convene Meeting:  
**N. Staebler convened the meeting at 6:35pm.**

- II. Public Comment:  
N. Staebler introduced new board member Ingrid Ault, Director of Think Local First. Members introduced themselves.

Catherine McClary, Washtenaw County Treasurer, provided the Board with written information related to the Foreclosure Prevention Collaborative. There are five organizations that collaborate to provide Mortgage and Tax Foreclosure prevention. The treasurer stated that there are 12 tax foreclosures pending this year, including the Georgetown Mall. Those 12 pending foreclosures stack up with 4 total foreclosures since 1999. Delinquent taxes increased in the City of Ann Arbor 20% over last year. These are a leading indicator of future foreclosures. The program has MSHDA and HUD certified counselors and they are bringing in money to support the program. MSHDA reimbursement is bringing in about \$100,000 annually and the tax foreclosure program is bringing in about \$300,000. City of Ann Arbor residents make up 18.3% of the tax foreclosure cases last year (check). MSUE took in over 600 phone calls last year; 22% of the people were from the City of Ann Arbor. Housing Bureau for Seniors is the fiduciary for the loan funds and provide post-foreclosure services for seniors. LSSCM opened 96 cases last year to help people with mortgage and tax foreclosure. LSSCM also has a statewide grant and provided 3600 people with legal assistance through that grant. There are two waves of foreclosures—initially it was predatory lending that led to foreclosures. Now it is middle income individuals and families that have lost jobs and/or income that, combined with loss of housing values, are leading to increasing foreclosures. Property values have dropped in Ann Arbor 13% in 2009 over 2008. This is a more structural issue.

The chair asked that public comment be held until agenda item V.A. if related to that item. No other public comment was provided.

- III. Approval of Agenda:

A. Erickson moved to amend the agenda by tabling agenda item V.B.; R. Kerson seconded. **Motion approved (N. Staebler, A. Erickson, A. Ramirez , R. Konkell, R. Kerson, I. Ault; 6 Aye, 0 Nay).**

**S. Mithani motioned to approve the amended agenda; S. Pontoni seconded. Motion approved (N. Staebler, A. Erickson, A. Ramirez , R. Konkell, R. Kerson, I. Ault; 6 Aye, 0 Nay).**

IV. Approval of Minutes:

A. Erickson requested that the word “that” in section V.E. be changed to “the.”

**R. Kerson motioned to approve the minutes from 2-18-10 with the requested changes; T. Ramirez seconded. Motion approved (N. Staebler, A. Erickson, A. Ramirez , R. Konkell, R. Kerson, I. Ault; 6 Aye, 0 Nay).**

V. Discussion Issues

A. AAHTF Funding Recommendations (**ACTION**)

i. IHN & Shelter Assoc of Washtenaw County Emergency Shelter funds

1. M. Callan provided an overview of the presentation to Council regarding the emergency homelessness response in November 2009. The City Attorney would like the HHSAB to make an official recommendation of these funds prior to the execution of these contracts.
2. A. Erickson moved to recommend approval of the emergency winter shelter funding for \$139,000. B. Eichmuller seconded. **Motion approved (N. Staebler, A. Erickson, A. Ramirez , R. Konkell, R. Kerson, I. Ault, B. Eichmuller; 7 Aye, 0 Nay).**

N. Staebler stated that the following agenda items will be a part of a larger discussion regarding the demands on the balance of the Ann Arbor Housing Trust Fund. Members of the public in attendance that planned to provide public comment regarding these agenda items will be available to discuss their respective programs and answer Board members’ questions.

ii. Human Services (to offset reduction in general funds)

1. M. Callan and N. Staebler provided an overview of previous discussion related to the Board’s proposed cuts to City General Fund human services funding. M. Callan also reviewed the memo drafted by staff outlining the recommendations agreed to at the February HHSAB meeting.
2. S. Rapundalo recommended that the Memo to Council outlining the recommendations to Council be altered to reflect that the two Council Members on the HHSAB are not voting members.

iii. Foreclosure Prevention/Intervention

1. Members of the public asked to continue their presentation of the public comment.
2. Paul Sher, Managing Attorney, Legal Services of South Central Michigan spoke about the role they play in the Foreclosure Prevention Collaborative. They provide legal assistance to County and City residents in facing foreclosure. Thanked the Board and the City for previous financial assistance—this funding allows LSSCM to take on foreclosure clients whose incomes fall above their traditional income maximum. He continued by asking the Board to consider the needs of all the programs in need of the funding and that their program should not be funded at the expense of another program, or vice versa. They saw twice the number of foreclosure cases in 2009 over 2008 and the need is expected to continue to rise. P. Sher provided an example of a City foreclosure case: A client was a victim of a foreclosure rescue scam—the perpetrators stole some \$40,000 equity out of his home. They were able to save the home for four years with no mortgage payments allowing the client to save money and move on.
3. Carolyn Hastings, Director, Housing Bureau for Seniors, provided an overview of the “Soft Landings” program. She read a prepared statement outlining an example of a “Soft Landings” case that was referred to them by Representative Alma Wheeler Smith’s office. The program provided a senior who was without further resources to save his home—who was also suffering from numerous health issues—address crisis needs including transportation, food, utilities and other assistance. He was able to stay in his home through the end of the redemption period and move into senior subsidized housing that is now stable, affordable and sustainable. These services are very intensive and, in this case, took 11 agencies working together to solve.
4. Nancy Thelen, Director, MSU Extension provided an overview of the MSUE commitment to housing education and specifically mortgage foreclosure prevention. The City has funded an intake specialist that serves all the partner agencies making the services more seamless for clients. MSUE is also a HUD and MSHDA certified agency—an asset that demonstrates the flexibility of MSUE to meet the changing needs of the community. The national average of foreclosure prevention is about 30%—and MSUE is right at that. However, people are thankful for the services even when homes are not saved. Counselors provide services on evenings and weekends; MSUE has secured additional funding to support the program. They are continuing to do housing counseling education sessions called “Are you under water?” and while previously they were seeing 12 to 15 people, they are now getting over 40 people at each. N. Thelen thanked the Board and the City for the support.
5. C. McClary went on to say that they recognize that there is very little money available. They also recognize that they rely heavily on the

community network of agencies and to say ‘fund us’ and ‘not them’ is unrealistic.

6. Members asked the following questions:

a. N. Staebler inquired about new federal funding for Foreclosure Prevention.

i. N. Thelen and C. McClary stated that the information they have received from MSHDA indicates that they are still in the planning process at this point. Additionally, programs for loan modifications from the federal government have been very limited and are targeted to specific types of loans.

b. C. McClary identified the part of the \$100,000 shortfall that is critical to the program:

i. \$65,000 for the foreclosure counselor that is critical to receiving state reimbursements.

ii. \$20,000 for the half-time intake specialist—this model is based on best practices and ensures a smooth intake process.

iii. They recognize \$40,000 for HBS, \$25,000 for LSSCM and \$10,000 for the materials and supplies will need to be cut. The Treasurer’s office will take on the \$10,000 for materials and supplies.

c. M. Callan suggested that the Foreclosure Prevention Collaborative members bring information back to the Board at the next meeting regarding federal funds that might be available to meet part or all of this shortfall before the Board makes a final decision on the AAHTF funds.

iv. Ann Arbor Housing Commission

1. Nick Coquillard, Interim Deputy Director, Ann Arbor Housing Commission, stated that he attended in place of the Interim Director who had a family emergency. He thanked the Board for including the AAHC in this conversation regarding the AAHTF. The City has paid for an Operational Needs Assessment the recommendations of which have been approved by the AAHC Board. He provided a written outline of the outcomes of the Needs Assessment and the needs of the AAHC and the budget shortfall they are requesting support for from the AAHTF. They are looking for other ways to fund the shortfall and would be able to report back next month on some of those pursuits. The Assessment

recommended a two-year plan that provides a process to seek non-HUD funding to support the AAHC activities.

2. Members asked the following questions:

a. R. Kerson asked what the requested funds would be used to support.

i. N. Coquillard provided a Budget Impact Analysis that outlined these issues.

b. S. Smith asked whether the non-profit arm will be pursuing any funding to cover the shortfall.

i. N. Coquillard will have to report back on the additional revenue options to cover the shortfall—specifically the balance of the non-profit arm of the AAHC.

c. A. Erickson asked that the request amount and timeline be clarified.

i. N. Coquillard stated that the request is \$138,000 annually.

v. WAHC/Avalon Merger

1. Carole McCabe, Executive Director—Operations, Avalon Housing, Inc. presented a written statement related to the WAHC/Avalon Parkhurst request. She gave an overview of the Avalon and WAHC merger to ensure that the Board all understood the background. A handout was provided to the Board that provided a brief history and overview of the need. There have been many barriers to the merger including the downturn in the economy and housing market and lack of support from MSHDA. This has impeded the process of development, which has resulted in a loss of developer fees that normally would have supported operations. In the absence of these funds, additional funding is needed to support the operations until plans are finalized for the former WAHC properties.

2. J. Hall provided additional information related to the HOME, CDBG, and HTF funds that have already been invested in these WAHC properties and the risks of having to pay back HUD for those investments if the properties are not kept as affordable housing during the mandatory affordability period. She also shared that it was never the intent that Avalon would have to pay any loss if the revenue wasn't covering the expenses. So, in addition to the staff time they are putting into these properties, the losses are coming from Avalon and from creative funding sources that OCD has helped them locate.

3. Members asked the following questions:

- a. B. Eichmuller asked if MSHDA has any financial obligation in these properties.
  - i. J. Hall shared that while they do have some financial investment in Parkhurst, comparatively it is nothing to the rest of their portfolio across the state. M. Callan also shared that this investment is keeping MSHDA engaged in the discussion.
- b. T. Ramirez inquired about the shape of the buildings.
  - i. C. McCabe shared that the buildings are in very bad shape. They are still strategizing about how to address the rehabilitation needs of the buildings.
- c. N. Staebler asked if the units are full, why the rents are not covering the operating costs.
  - i. C. McCabe shared that the units are largely filled with tenants who have subsidies. Additionally, the costs for upkeep are outpacing the rents coming in.
- d. R. Kerson asked what the requested funds will be used for.
  - i. C. McCabe shared the specific details of the costs including accounting costs, foundation repair needs, facilities and maintenance staff, construction, merger project management, etc. Details will be provided to the Board before the next meeting.

N. Staebler reviewed the options available to the Board regarding the timeline on decisions related to the AAHTF. He recommended waiting until the April meeting to take in additional materials from presenters.

Members asked staff to include this on the agenda for the April meeting. Members also asked staff to share the budget document for the AAHTF with any members who did not receive it last month.

B. WAHC/Avalon Parkhurst (**ACTION**)

- i. Tabled (see above).

C. CBDO RFP (Update)

- i. A. Plevak provided an overview of Community Based Development Organizations (CBDOs) and the RFP that was released for the \$120,000 of Community Development Block Grant (CDBG) funding allocated to support

CBD0 agencies. This funding was dedicated to eligible agencies located in and serving one of four target neighborhoods in the City of Ann Arbor. The neighborhoods were chosen based on poverty indicators and other demographic information. The funding was allocated to the City in part due to the loss of human services funding experienced by the City when it joined the Urban County. The CBD0s will be providing a variety of neighborhood-based services that focus on revitalization. The proposals are due in the first week of May. Contracts will begin in summer 2010.

ii. Members discussed.

D. Y-Replacement Units/100 Units

i. Staff reported no update from last month.

VI. Public Comment

None

VII. Adjournment

**B. Eichmuller moved to adjourn the meeting at 8:04pm; R. Kerson seconded. Motion approved (N. Staebler, A. Erickson, A. Ramirez, R. Konkel, R. Kerson, I. Ault, B. Eichmuller; 7 Aye, 0 Nay).**