



City of Ann Arbor

Meeting Minutes

Housing and Human Services Advisory Board

301 E. Huron St.
Ann Arbor, MI 48104
[http://a2gov.legistar.com/
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

Thursday, September 12, 2019

6:30 PM

Washtenaw County Building, 200 N. Main
St., Lower level conference room

CONVENE MEETING

G. Pratt, chair, convened meeting at 6:35 pm

INTRODUCTIONS/WELCOME

PUBLIC COMMENT

Jim Mortenson: I'm here with Religious Action for Affordable Housing (RAAH). We have our 20th anniversary meeting on September 26, 2019 at Beth Israel Congregation. RAAH formed out of volunteering with the housing and homelessness task force and we agreed to be a 3rd funding source for housing. We're raising funds and doing advocacy. Our next meeting is on Mon., Sept 16.

Here it is, September, and we're back talking about affordable housing again. Peter Allen in Concentrate article, state the Y-Lot taking over SROs with cosigner of the City. Here we are back again. We have a good partner in Avalon with supportive housing. Housing is a big thing and Human Services is not funded. We need to put it back in. Everyone, almost all nonprofits, now have development managers – even after Coordinated Funding.

Jennifer Hall: I want to say a few words on public comment around recommendations for Ann Arbor Housing Fund. All applicants are worthy, and they work together all the time. The question I would like to ask the board is to have a larger policy discussion around funding the short-term voucher program that's recommended tonight. My concern is that the fund has been used for capital expenditures, and it concerns me that Avalon has a project on the agenda that is ripe for closing, and there isn't funding for that project. I'm somewhat advocating for capital projects for Avalon – rather than short term rental assistance projects. Rental assistance is short term, the permanent structure even if it's a duplex, can

provide housing for thousands of months of housing over a long period of time. I think that is a policy discussion as you are the policy board – so wanted to share that now.

Wendy Carty-Saxon: At Avalon, we definitely have need of Affordable Housing for Hickory Way Phase II and 108/110 Glendale. For Hickory Way Phase II the construction costs came in higher than original budget projects. We have already began Hickory Way Phase I and appreciate the Affordable Housing Funds that supported Phase I. Both projects have long term affordability periods. Currently, we do 45 year with tax credits, 30 years with the County and City and have done 99 years before with the City of Ann Arbor; and would be willing to do that again. The Glendale project has a 30 year commitment with the County HOME would be willing to do more. For Glendale, the initial pro-formula didn't have a gap in financing– but FHLB changed their per unit construction policy so we now have a gap where we used to get funding.

E. Pollack: Is the Glendale project for families? Looking at the proposals what will this do to Avalon if they have to choose which project to fund.

Wendy Carty-Saxon: The Glendale is two units – so yes would be for families.

G. Pratt: If there are no more public comments, I would like to move the agenda forward to allow staff the opportunity to present the proposals as listed in the agenda.

APPROVAL OF AGENDA

Approved as presented

REVIEW OF MINUTES FROM 5-9-19

Approved

Approved by the Board and forwarded to the City Council due back on 10/21/2019

REVIEW OF MINUTES FROM 7-11-19

Approved as presented

Approved by the Board with changes and forwarded to the City Council due back on 10/21/2019

BUSINESS

A AAHC UPDATE

Jennifer Hall: (Jennifer distributed Memorandum dated September 12, 2019 – she will send the report to OCED to upload to Legistar). First, I want to give update for two public housing site under construction Swift Lane (Creekside Court and State Crossing) We are glad to have the projects moving before the snow came.

State Crossing: 28 public housing units were demolished and 32 new apartments. The unit mix is mostly one bedrooms (23 1-bdr, 10 2-bdr) and a community center are under construction. All 10 of the first floor apartments are fully ADA compliant including automated door openers and high impact drywall. Avalon will be providing on-site services. 5 units will be reserved for Chronically Homeless Frequent Users of Emergency Services and 16 units will be reserved for other special needs tenants.

Creekside Court: 4 public housing units and a market-rate duplex were demolished and 32 new apartments and a community center are under construction and the unit mix is 8 1-bdr, 12 2-bdr, 6 3-bdr, 2 4-bdr, and 4 5-bdr. Community Action Network (CAN) will provide on-site services here. 3 units will be reserved for Homeless Veterans through VASH. 5 units will be ADA compliant and 17 will be visitable units with one step entry, 1st floor bathroom, and 1st floor bedroom). Also, the Creekside Community Center city for energy efficiency, and we are adding solar panels to rooftops.

There's a very interesting policy problem at State level now. The way DTE rules were established in 1970s is that you need meter installed in every unit. We usually put in all the utilities cost combined with rent. So, when we're designing solar panels, we were told we couldn't do one panel, but needed multiple panels for each unit which makes things much harder. We had conversations with DTE about making an exception. Consumers Energy had similar problem with a project in Grand Rapids, but were able to

provide an exception to allow one meter for each building, and we're hoping DTE can do the same for us.

Broadway: We're almost done with renovations at Broadway. The last project we haven't renovated is about \$1 million to renovate everything but haven't had time to request funding for that.

Funding Update: The City of Ann Arbor put more money towards services and mental health services than ever before that was separate from Coordinated Funding. It's a two-year budget cycle. We told Howard Lazarus that we'll continue to ask for the funding. We have great non-profit partners, and we could prove the good work we're doing. We're certain that it'll do well.

City Council adopted a resolution back in April (started by Councilmember Ackerman) to use underutilized City properties for affordable housing. What started with one property has expanded too many other properties. The most money available for affordable housing has the strictest requirements. We're trying to figure out which sites we can leverage the most funding. Possibly may need to do some mixed-income project. We hope to recommend that 1-2 sites be sold, and proceeds received can help a project at another site. We're not presenting to council till November.

J. Whinston: Are those 2 sites you propose to sell not feasible?

J. Hall: It's not that it's not feasible, but we wanted to move faster on that.

G. Pratt: You said they're wrapping up now plan to introduce launch process?

J. Hall: Yes, I'm sorry, I misspoke. We are wrapping up the review and plan to launch the community engagement process before submitting recommendations to City Council.

J. Hall: Also, another update on HUD awards. We received 32 DHHS vouchers from HUD that must be referred from DHHS. It's a challenging demographic to work with. Ozone is partnering with DHHS for youth side, and AAHC is providing vouchers. We have 10 families so far and 14 youth. We originally applied for 280 non-elderly disable (NED) vouchers and we got 45). With a voucher,

you get 90-120 days depending on disability to find housing. Currently, we have 43/45 NED vouchers leased up. We also applied for 200 additional ones. To get leased up, we always pull way more from the waitlist than we actually need because lease-up can be hard. There obstacles that prevent people from leasing up like credit and the fact that private sector is less likely to lease up than non-profits.

R. Sarri: Are these projects moving faster cause of Robert Gordon?

J. Hall: I'm not sure about that.

T. Gillotti: Is there a timeline for lease-up?

J. Hall: Yes there are two important deadlines Oct 30 and Dec 31. We have 70% of vouchers leased-up.

Foster: A few months ago, there was that thing from HUD about families getting vouchers relative to citizenship. Is there any update?

J. Hall: I haven't heard and neither did Mirada. It is still under review.

A. Carlisle: It is still under review. No final rule or decision has been issued at this time.

M. Jenkins: Response were due in July. We can bring back an update at the October meeting.

J. Hall: The last section of my report is about other issues at the federal level. The way we get paid to administer voucher program is based on leased units. HUD gave us 1600 vouchers, and we utilize about 1300-1400. HUD determines every year how much they think they should pay us. Congress adopts budget, and if they think differently, HUD pays us differently. They're paying us 79% of what it takes for us to actually run our program. We're lucky to have City of Ann Arbor to help us or else we'd be in big trouble.

Board discusses more.

A. Carlisle: I have a question regarding Family Self-Sufficiency (FSS) program: is there projected timeline for receiving escrow or

finishing the program?

J. Hall: Family self-sufficiency goal is that voucher recipients no longer need public benefits or subsidies. They have to sign 5 year agreement with AAHC that includes specific goals. We have staff that work full-time with FSS participants. They can't graduate from the program until their household income is high enough to support paying 100% of the housing payment.

B ANN ARBOR HOUSING FUND RECOMMENDATIONS

M. Jenkins: OCED sent out applications on July 1st via email, City of Ann Arbor Planning Department, Continuum of Care (COC) with additional posting on the City and County Websites and social media site. The first round of applications were due by August 23rd. We received four applications. As part of the agenda packet, I provided a summary of the application and will go through each application and provide the recommendations at the end.

M. Jenkins: The first application is from Unified HIV, Health and Beyond (UHHB) requested \$133,339.43 to support the Wellness Housing's Affordable Housing Project (AHP). The program expand existing services provided by the organization. The application proposes supporting ten percent of their clients experiencing unstable housing conditions. UHHB proposes to provide housing rental assistance, eviction prevention, tax foreclosure/prevention services and financial and housing education services.

When reviewing application, Teresa and I saw a portion of the UHHB proposal was slated for rental housing assistance. The AAHF policy list rental assistance an eligible use. OCED recommendations are ultimately approved by this board. Based on the policy, we didn't have a reason to deny the Unified application. We request and received responses to a series of questions about leverage (or gap) funding and sustainability. The proposal, budget and supplemental emails were helpful yet it did not completely align with policy to justify funding entire proposal. UHHB was also invited to attend the HHSAB meeting on September 12th.

D. Blanchard: Do they have track record?

M. Jenkins: Ye. UHHB received HUD funds previous from OCED

(Emergency Shelter/Solution Grants- ESG). Currently, they also receive funding for outreach from Coordinated Funding (COFu). Our recommendation includes funding the rental assistance portion of the application as a Pilot program. UHHB indicates, the program will continue with from Religious Action for Affordable Housing (RAAH) for three 3 households. In 2020. Each household receive \$950 to support 12 months of assistance for a year.

T. Gillotti: OCED has services for eviction prevention, and the treasurer has help for tax foreclosure, and the Continuum of Care for some housing rental assistance. UHHB is not utilizing those networks currently. We are unsure if funding UHHB fits totally with the AAHF funding history and policy.

P. Sher: What's their proposal after this year?

M. Jenkins: It's a Pilot program based on the email discussion with RAAH provided funding for three households to received 12 months of rental assistance in year 2020.

A. Foster: So, a known organization with proven outcomes submitted a proposal. The only thing eligible to fund based on the AAHF policy is one item and then RAAH takes over after this.

M. Jenkins: These are 4 line items, yet all services requested are not listed in the AAHF policy. The programs expand existing UHHB services and are tailored to meet the needs of their clients. Unfortunately, aside from the direct rental assistance, which is an acceptable component the AAHF policy, the other services require paying administrative staff to provide standalone human services. The AAHF policy does not indicate it will support staff time.

Board discusses

J. Mortenson: They are in our funding cycle, and I will check, but I haven't had conversations with Unified of how to make this happen. They're relatively new to this world compared to other orgs. We're going to have that conversation. In the past, we helped out. Total capital campaigns have been \$75,000. This is what comes up with newer voucher programs. We have to have community conversations.

G. Pratt: There's only 3 families for RAAH funding, so what about other 2.

M. Jenkins: There are five families supported with AAHF funding this year, Next year, Unified plans to sustain the program with RAAH funding for three different families in 2020.

Foster: Does the budget describe how they get that funding?

M. Jenkins: The funding request is for \$131,339.43 of AAHF for project. To support existing program, UHHB receives HOPWA vouchers (grants), coordinated funding and nonprofit contributions.

Board discusses

A. Erickson: In the past when we've had this conversation about funding rental assistance or temporary assist. The last time this came up was AAHC with shortfall due to the federal government. I believe we recommended that City Council fund the shortfall from somewhere else in the funds. We thought AAHF really should be used for brick and mortar capital. The difference that maybe we should support housing assistance in that way is that it serves a lot of families, and this feels really small. It doesn't feel like the spirit of how funds have been used for before.

E. Pollack: I can't look at the Unified proposal in a vacuum. I have to look at it with Avalon. We're talking about \$57,000 which is real close to the \$60,000. How does this impact Avalon? This Unified budget seems a bit lightweight. I agree that providing long-term housing units is a really important goal. If you don't have a place that accepts vouchers, what good do vouchers do?

G. Pratt: Great question, can we put that in asterisk and talk about it in a bit?

Foster: My concern with UHHB is that I like the idea of using money to meet gaps for emergencies, but when I didn't see that budget, it is not clear to me that they can administer the money well. The back page numbers here don't do it for me. Is there a mechanism if we give them less money than they asked us for that they will be able to manage providing the other services on their own? So, for this cycle, I do like idea of helping idea of and individual to stay in the

home, but I don't think this is it.

M. Jenkins: When reviewing the policy and the proposals, the goal was to fund each organization. We received funding requests that exceeding the available funds and based our recommendations on supporting each organization with the available fund balance.

Foster: If you had an administrator that did this work, we wanted to expand services to give money out on a case-by-case basis and if we had a foundation, I would be comfortable with this application.

M. Jenkins: Our office plans to meet UHHB as a community partner along with. Morghan Williams, Human Services, \ who team manages the Coordinated Funding process. We plan to reach out to them to have a broader discussion. .

A. Erickson: Do we have copy of the policy?

M. Jenkins: (Pulls the policy up for the board to review as adopted in October 20, 2014.

Board discusses

M. Jenkins: The next 3 applications are for capital improvements and the construction of new affordable

Avalon Proposals 1 & 2

M. Jenkins: Avalon Housing, Inc. requested \$450,000 towards the new construction of 36 new Hickory Way Apartments Phase II located at 1130 S. Maple in Ann Arbor. The total development costs are projected at \$10M+. Of the 36 units, 18 are slated for supportive housing unit's serves households at 30% area median income and the other have at 50% AMI. HHSAB recommended and Phase 1 is under way. City council approved previously approve AAHF for Hickory Way Phase I.

Avalon Housing Inc. requests \$60,000 towards the acquisition and renovation of 108/110 Glendale, a two unit duplex on the west side of Ann Arbor. The acquisition and development costs exceed \$500k. The project will provide housing with one (1) unit reserved for households with incomes at or below 50% AMI and the other unit reserved for households at or below 30% AMI.

G. Pratt: back to Eleanor's original question.

Wendy Carty-Saxon: It would be a rough choice, hoping to close Hickory Way in a few weeks. If we got as low as half, we could still make work.

Board discusses

AAHC

M. Jenkins: The Ann Arbor Housing Commission (AAHC) requests \$149,000 in AAHF funds as leverage funds for over \$513, 727 in capital improvements, Miller Manor (727 Miller Ave-106 apartments, Maple Meadows (880 S Maple 29 apartments and Baker Commons (106 Packard-64 apartments). AAHC does not have sufficient capital reserves to cover all of these costs. AAHC has received funding from additional funding sources, and is seeking AAHF to fill the gap to complete the projects as described in their application. Jennifer sent some photos for to document some of the capital improvement needs.

J. Hall: The City has required some of the repairs due to safety concerns for maintenance staff. They told us they had things they wanted to change for staff and also a railing on the roof. The railing is the least of my concerns since it's on first floor, and we have tape around there.

A. Foster: Do we have the AHHC app in our packet?

M. Jenkins notes that it was part of the online agenda.

P. Sher: Jennifer, if we give you less, does that mean you have less to leverage from other people?

J. Hall: It means that we would have to do less projects. It doesn't show in here in the current application, but the Downtown Development Authority (DDA) has agreed to allow us to use funding we didn't need for Baker Commons at Maple due to some bids coming in lower. In our discussion with the DDA, Susan Polly agreed that the funding could also be used at Miller Manor. They

said yes. So since we have access to more DDA funds the OCED recommendation is sufficient at this time.

Foster: This sounds like this is acceptable figure.

M. Jenkins: The OCED recommendation in your packet is for the HHSAB to recommend \$593,201 in 2019 Ann Arbor Housing Fund recommendations to the following organizations:

Unified HIV, Health and Beyond (UHHB): \$57,000 to UHHB as a one-time grant to support the rental assistance component of the Wellness Housing's Affordable Housing Project (AHP). UHP does not have affordable housing units. The funding provides one year of rental assistance subsidy to five (5) eligible households.

Ann Arbor Housing Commission: \$86,201 to support renovations located at Maple Meadows (800 S. Maple), Miller Manor (727 Miller Ave) and Baker Commons (106 Packard). The subsidy supports capital improvement project for 199 units of affordable housing.

Avalon Housing, Inc.: \$450,000 total to support the new construction of 36 units at Hickory Way Apartments Phase II located at 1130 S. Maple and the duplex located 108/110 Glendale. The developer may split the award between the two projects; or apply the total towards Hickory Way Phase II.

Board discusses

Paul moves to accept the funding proposal for AAHC (\$86,201), Avalon (\$450k) for Hickory Way Phase II and reallocate the \$57k proposed for Unified to Avalon Housing 108/110 Glendale project. Eleanor seconds. Motion passed unanimously

A. Foster: Can we also tell the UHHB a detailed answer along the lines of "Please apply again with this specific information?"

G. Pratt: Is there any way that we can get the application materials information of 500+ pages sooner?

M. Jenkins: Yes, we can definitely be more proactive when sending application materials.

Foster: Can we also make a rubric like how Coordinated Funding has to make this application process standardized?

T. Gillotti: We can if we need to, but I would suggest first a broader policy discussion about whether or not projects focused on preserving and adding physical units should be the focus or providing rental assistance.

R. Sarri: I agree

G. Pratt: Can we have that discussion for next agenda?

T. Gillotti: Next month we are expecting some updates on Coordinated Funding and the homelessness system, so ideally the following month

C AFFORDABLE HOUSING PROJECTS IN CITY'S DEVELOPMENT PROCESS

T. Gillotti: There is a project on South U called Vick and it's the first time the affordable housing premium of the downtown premium zoning is being invoked as it's currently written in the ordinance. It's been approved by Planning Commission and is moving forward to city council. Fourteen of the 133 units would be for affordable housing. It is Zone D-1, and I wanted to let you know that it'll be going on a council meeting in October. The projects include 14 affordable units at 60% AMI.

Some other updates:

- **Brownfield policy update:** City Council is considering a brownfield policy that we've been working on for a year. It would require affordable housing or a fee in lieu of affordable housing in cases when a development uses non-environmental brownfield tax increment financing.
- **Premiums made it through the Ann Arbor Planning Commission.** It hasn't gone on council agenda yet, but will likely be presented in October. You recall, Brett Lenart came to HHSAB to talk about the proposed changes to the downtown premium zoning. Planning commission is recommending that any density bonus be for affordable housing, split between actual units and a fee in lieu of

affordable housing. There is also triple the penalty for those who wouldn't provide affordable units which is something that was discussed here at HHSAB. Planning commission approved and it will go to city council. We'll let you know when it's on their agenda.

S. Washington St, behind the Michigan Avenue theatre is still in process. It's not clear if staff is recommending approval of the project to planning commission. We'll have to see..

D YLOT COMMUNITY ENGAGEMENT PROCESS

T. Gillotti: We have an upcoming steering committee, and afterwards we hope to have a schedule of community engagement meetings in late October and early November. We need big turnout and voices of all backgrounds. We'll share the details as soon as we have them, and ask you to share with your networks.

G. Pratt: We can get more voices if we get notice for 4 weeks in advance.

E HHSAB BOARD MEMBER ROSTER UPDATE & CONTACT INFORMATION

M. Jenkins: At your discretion, please provide a contact number for staff to reach out to you for meeting attendance.

Members pass around sheet for contact information update.

G. Pratt: Thaddeus just sent an email before this meeting that he will be stepping down. Floria will also be stepping down. I wanted to give a shoutout for them for their service.

CITY COUNCIL (COUNCIL MEMBER UPDATE)

N/A, councilmembers were unable to attend due to a conflicting council meeting.

GENERAL UPDATES

n/a

PUBLIC COMMENT

J. Mortenson: So, for the challenge of vouchers vs capital projects,

RAAH made the decision and commitment for capital projects. If we shift rubric, there needs to be flexibility and balance of preferential for capital vs. vouchers. We must also remember that we should not be having this problem. There should be more money for affordable housing fund with all these developments. We need to have that conversation, and I will talk to Unified. Just need to think through process and have conversations with groups.

A. Foster: Isn't there training that Coordinated Funding has for early applicants? Would that group be amenable for that?

E. Pollack: Even for people who went through that CoFu workshop, there were recommendations that some groups still needed additional training to prepare proposals. Those trainings are not always sufficient.

A. Erickson: I'm commenting on policy for housing fund. I looked back to see last update in 2014. At that time we added in prioritizing affordability in perpetuity and a preference for units for households at 30% AMI. We could be more specific in how we prioritize, maybe through a rubric or broader policy, but tonight our recommendations met both the goal of affordable housing in perpetuity and the 30% AMI goal, so just wanted to acknowledge that.

J. Hall: Thank you everyone for the discussion. I'm happy to be a resource. We do vouchers, capital, services, etc. and we'd be happy to pull information for you if you want when you have your conversation about rental assistance.

CLOSED SESSION

ADJOURNMENT

R. Sarri moves to adjourn meeting, A. Erickson seconds
G. Pratt, chair, adjourned meeting at 8:30 pm.

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