



## Legislation Text

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**File #:** 22-1755, **Version:** 1

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Resolution to Appropriate \$492,218.00 from the County Mental Health Millage Fund fund Balance to Amend the FY23 Budget for pass-through Tenant Supportive Services Contracts

Attached for review and consideration, please find a resolution requesting approval to appropriate \$492,298.00 from the County Mental Health Millage Fund fund balance to Amend the FY23 Budget for pass-through Contracted Services to non-profits for Tenant Supportive Services. This appropriation and budget amendment will provide funding to 6 non-profit agencies that currently provide direct services to Ann Arbor Housing Commission residents and voucher participants (Peace Neighborhood Center, SOS, Community Action Network, Avalon Housing, Huron Valley PACE, and Ozone House). This work is necessary to increase housing stability, increase family health and increase financial independence. Funding these services is critical for the AAHC to provide housing to low-income households. Many of our families have members who are elderly, have a disability and/or have experienced homelessness.

Attached is a 2-year study showing the types of services that our non-profit partners provide to our residents and the successful outcome of those services. Services can include:

- Mental Health Support
- Medical Care
- Substance Abuse Recovery Support
- Domestic Violence
- Conflict Resolution
- Parenting and Child Welfare
- Youth and Community Center Programs
- Education and Employment Support
- Coordination of Entitlements
- Money Management and Financial Literacy
- Assistance with Basic Needs
- Legal Services
- Child Care
- Transportation
- Security
- Household Maintenance and Activities of Daily Living
- Connections to Mainstream Services and Community Resources
- Tenancy Problems and Lease Violations
- Guest Monitoring and Support
- Meet regularly with property manager to address problems and coordinate plans

The AAHC currently has contractual common performance metrics for all of its service providers that provide services to AAHC residents. The contracts for service providers who work with participants in the tenant-based voucher program have different performance metrics than for AAHC residents,

depending on the voucher program. The metrics for residents of AAHC properties are:

- Housing Retention > 85% of households stayed housed in the past year
- Income > 90% of households maintain or increase their income in the past year.
- Participation > 70% of households participate in supportive services
- Progress > 65% of households demonstrate progress in reaching client and/or household-centered goals in the past year

Historically, our non-profit partners have done their own fund raising and secured grants to pay for most of these programs for AAHC residents, and the AAHC and City of Ann Arbor have paid for a portion of the program costs. The AAHC needs a stable funding source to ensure long-term staffing and program stability for our residents. Therefore, staff are recommending that funding is both increased and committed for a longer term than 1 year. The AAHC previously budgeted about 64% of the County Mental Health Millage rebate for tenant services. The balance of the funds were budgeted to AAHC operating support, AAHC capital projects, non-profit housing provider capital projects, and a PILOT unarmed response program.

Staff are recommending that the FY23 fund balance of \$492,218.00 be allocated to increase funding for 6 non-profits that currently have contracts with the AAHC in FY23 and that the commitment extend through the remaining 3 years (for a total of 4 years) of the County Mental Health Millage rebate. The FY23 Fund balance includes \$234,000 PILOT unarmed response program. The AAHC is recommending to City Council that the funding for the PILOT unarmed response program get allocated to these direct tenant services because the City has \$3,500,000 in ARPA funding to create an unarmed response program. The AAHC is recommending that all budgeted capital projects get allocated to the City Affordable Housing Millage instead, because they are all eligible projects.

Budget/Fiscal Impact:

<b>FY22 Budget Item</b>	<b>FY22 Unspent Amount In Fund Balance</b>	<b>FY23 Tenant Services</b>
Fire Suppression Baker Commons	\$ 258,218	\$ 258,218
PILOT Unarmed Response	\$ 234,000	\$ 234,000
<b>Total Fund Balance</b>	<b>\$ 492,218.00</b>	<b>\$ 492,218.00</b>

<b>FY 23 Budget Item</b>	<b>FY23 Unspent Amount</b>	<b>FY23 Tenant Services</b>
Fire Suppression Baker Commons	\$ 192,038	\$ 192,038
<b>GRAND Total FY23 &amp; Fund Balance</b>	<b>\$ 684,336.00</b>	<b>\$ 684,336.00</b>

AAHC staff proposed a simple formula for allocating funding to service providers at the previous AAHDC board meeting. The AAHC also discussed this formula change with its non-profit tenant service providers. The formula takes into consideration the program intensity and the service intensity. The AAHC will conduct annual review each year, prior to the start of the fiscal year, to readjust the funding allocations, based on the formula:

- 1) \$2,000/rent-subsidized household for on-site service providers
  - a. Locations where the service provider has an office/community center on an AAHC

- property
- 2) \$1,000/rent-subsidized household for off-site service providers
    - a. Locations where there is not an office/community center
  - 3) \$100/unsubsidized household
    - a. Currently just Lurie Terrace, which is primarily households that pay full rent (although below market rent) without a rent subsidy
  - 4) \$2,000/household who were homeless at the time of lease-up.
    - a. This is in addition to the funding provided for in numbers 1-3 above.
  - 5) \$1,000/unit per year for emergency support for tenants of all voucher programs who are in danger of losing their voucher
  - 6) \$3,000/unit per year for lease-up support and ongoing case management for youth aging out of foster care in the Family Unification Program (FUP)

The AAHC currently provides \$688,669.00 from the \$1,080,000 mental health millage budget to non-profit service providers. Based on the formula above, the AAHC will be committing approximately \$1,194,600.00 annually to supportive services for AAHC residents and voucher program participants.

The AAHC's procurement policy exempts tenant supportive services from the competitive bid process. However, AAHC staff must report all contracts over \$25,000 to its board and the board must approve all contracts that exceed \$250,000.00 prior to execution.

Prepared by: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

Whereas, It is necessary to provide sufficient funding to non-profit service providers for Ann Arbor Housing Commission tenants and voucher program participants to increase housing stability, increase family health and increase financial independence;

Whereas, The AAHC currently provides \$688,669.00 in funding to 6 non-profit service providers from the County Mental Health Millage rebate for these services:

Whereas, The total annual estimated amount to fund these services using a formula based allocation is \$1,194,600;

Whereas, Funds to increase the FY23 contracts are available in the County Mental Health Millage Fund fund balance and the FY23 budget; and

Whereas, Peace Neighborhood Center, SOS, Community Action Network, Avalon Housing, Huron Valley PACE, and Ozone House are already contracted to provide tenant support services;

RESOLVED, That City Council appropriate \$492,218 from the County Mental Health Millage Fund fund balance to the FY23 Ann Arbor Housing Commission County Mental Health Millage Fund expenditure budget;

RESOLVED, That the Ann Arbor Housing Commission Board approves the following increases to the existing FY23 services contracts retroactive to July 1, 2022 in the following amounts for the following service providers:

<b>Service Provider</b>	<b>Current Contract</b>	<b>Increase</b>	<b>Total</b>
Avalon Housing	\$358,128	\$207,872	\$566,000

Peace Neighborhood Center	\$112,968	\$170,032	\$283,000
Community Action Network	\$135,228	\$66,772	\$202,000
Huron Valley PACE	\$60,485	\$16,115	\$76,600
Ozone House	\$20,004	\$11,996	\$32,000
<u>SOS Community Services</u>	<u>\$56,856</u>	<u>\$33,144</u>	<u>\$90,000</u>
TOTALS	\$743,669	\$505,931	\$1,249,600
Other grant sources			<u>-\$55,000</u>
County Mental Health Millage Rebate TOTAL			\$1,194,600

RESOLVED, That all amounts authorized herein are without regard to fiscal year;

RESOLVED, That the Executive Director be authorized to take the necessary administrative actions to implement this resolution.