



Legislation Text

File #: 23-1067, **Version:** 1

Resolution to Approve the Marijuana Excise Tax Rebate Fund Grant Agreement Between the City of Ann Arbor, the Ann Arbor Housing Commission, and the Ann Arbor Housing Development Corporation

Attached for consideration is a resolution authorizing execution of the Marijuana Excise Tax Rebate Grant Agreement Between the City of Ann Arbor, the Ann Arbor Housing Commission (AAHC), and the Ann Arbor Housing Development Corporation (AAHDC), a Michigan non-profit corporation, whose sole member is the AAHC (the "Grant Agreement").

The City of Ann Arbor FY24 budget includes revenue from the State of Michigan's Marijuana Excise Tax Rebate in the amount of \$1,375,000 (the "Rebate"). The proposed Grant Agreement seeks to grant the full Rebate amount of \$1,375,000 to the AAHDC ("Grant Funds").

Pursuant to the Grant Agreement and the approved City budget for fiscal year 2024, the AAHDC will use the Grant Funds as follows:

- \$150,000 - AAHDC collaboration with the Community Leadership Council (CLC) on planning, organizational development and design related to activating and programming the non-residential community space on the first floor of the affordable housing development located at 121 Catherine Street. The CLC is centering the planning and activities on the historic Black neighborhood and business district where this development is located.
- \$325,000 - Build out of the community space and purchase of furnishings and equipment at 121 Catherine Street.
- \$250,000 - Eviction prevention, including payments for back-owed rent, court fees and associated costs for households in danger of losing their housing due to back-owed rent.
- \$250,000 - Low-income youth services. This amount will be used to pay for the services of local non-profits that provide the type of services described in the budget amendments, and related to restorative and alternative strategies for public safety and community.
- \$400,000 - Trauma-informed case management services for tenant-based voucher households with a member involved in the carceral system, to provide a range of supportive services, including but 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, from providers trained in trauma-informed care

The AAHDC may use up to \$45,000 of the \$900,000 (5%) budgeted for its administrative costs

related to providing eviction prevention, low-income youth services, and trauma-informed case management.

The AAHDC financials will continue to be included in the AAHC audit and provided for the City's audit. The AAHDC will provide a mid-year report to City Council and City Administration on or before February 5, 2024 detailing which agencies received funding, the amount of funding, the scope of services provided, and six-month expenditures for each agency. In addition, the AAHC will respond to the City with any requested detailed financial reporting related to the expenditure of the Grant at any time.

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

Reviewed by: Marti Praschan, Chief Financial Officer

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The approved City Budget for fiscal year 2024 includes \$1,375,000 in State Marijuana Excise Tax Rebate revenue allocated to the Ann Arbor Housing Commission;

Whereas, The proposed Grant Agreement grants the full \$1,375,000 to the AAHDC enabling the AAHDC to use the grant funds to directly pay invoices for goods and services for the purposes specified in the budget; and

Whereas, The expenditures pursuant to the Grant Agreement shall be in accord with the specified permissible uses articulated in Resolution R21-098 of March 15, 2021, for such purposes specifically related to restorative and alternative strategies for public safety and community support;

RESOLVED, That the City Council approve the Marijuana Excise Tax Rebate Fund Grant Agreement Between the City of Ann Arbor, the Ann Arbor Housing Commission, and the Ann Arbor Housing Development Corporation granting \$1,375,000 to the AAHDC ("Grant Agreement");

RESOLVED, That the Grant Agreement be automatically renewed for those future fiscal years in which a budget appropriation is made to the Ann Arbor Housing Commission for any portion of the annual Marijuana Excise Tax Rebate;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Grant Agreement, consistent with this resolution, subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take any necessary action to implement this resolution.